



# BHANERO TEXTILE MILLS LIMITED

WE WARMLY WELCOME ALL THE PARTICIPANTS OF THE  
CORPORATE BRIEFING SESSION FOR THE YEAR 2023



## Disclaimer

Bhanero Textile Mills Ltd has developed the presentation for the corporate briefing session, which is only intended for the participants discussion. Investors or prospective investors are not permitted to construe any statement, information, or representation made during the conversation as advice or a suggestion to hold, buy, or sell stocks without giving it due deliberation.

We further suggest that prior to acting upon any information supplied or comments made during the discussion, it is advisable that one should seek appropriateness and accuracy of the information.



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# Prologue

The **Bhanero Textile Mills Ltd (“BTM”)** established in 1980, under the umbrella of Umer Group Companies (“UGC”). The group comprised of diversified venture like retailing & manufacturing of footwear, real estate, dairy farm and sugar industry however, textile remains at their forefront since inception.

The entities namely Faisal Spinning Mills Ltd (“FSM”) and Blessed Textiles Ltd (“BTL”) operates in the similar textile sphere of the group comprising of seven spinning units, three weaving units, one finishing and stitching unit .

Collectively, these textile entities posted after tax profit of PKR 3,617.084 million (FY 2022:PKR 10,063.078) against sales revenue of PKR 80,374.502 million (FY 2022: PKR 71,357.648) for the year ending June 2023.



# Manufacturing Footprints

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## Textiles

### **Bhanero Textile Mills Ltd**

Spinning Unit I - Sindh  
Spinning Unit II - Punjab  
Weaving Unit III - Punjab  
Spinning Unit IV - Punjab

### **Faisal Spinning Mills Ltd**

Spinning Unit I - Sindh  
Weaving Unit II - Punjab  
Finishing Unit III - Punjab  
Stitching Unit IV - Punjab

### **Blessed Textiles Limited**

Spinning Unit I - Punjab  
Weaving Unit II - Punjab  
Spinning Unit III - Punjab  
Spinning Unit IV - Punjab

## Leather and Allied Products

### **Firhaj Footwear (Pvt) Limited**

Footwear Retailing - Across Country  
Leather Garment Unit I - Punjab  
Footwear Manufacturing Unit II - Punjab

## Dairy

### **Umer Farms (Pvt) Limited**

Milk Production - Punjab

## Real Estate

**City Towers - Punjab**

# Corporate Information

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## Incorporation

The company **Bhanero Textile Mills Limited** established in March 1980.

## Symbol

BHAT

## Legal Status

Public Limited Company.

## Capital

Authorized Capital - 60,000,000

Issued Paid-up Capital - 30,409,640

*(Ordinary Shares of Rs. 10 each)*

## Associated Undertakings

Faisal Spinning Mills Ltd

Blessed Textiles Ltd



## Registered and Liaison Office

Registered office of the company is located at Umer House, 23/1, Sector 23, K.I.A , Karachi.

Liaison office of the company is located at City Towers, Main Boulevard, Gulberg-II, Lahore.

## Manufacturing Units

- i) Spinning Unit I with an installed capacity of 27,840 spindles, located at Kotri, Sindh.
- ii) Spinning Unit II with an installed capacity of 52,272 spindles, located at Sheikhupura, Punjab.
- iii) Weaving Unit III with an installed capacity of 162 air-jet looms, located at Sheikhupura, Punjab.
- iv) Spinning Unit IV with an installed capacity of 19,584 spindles.(Commercial Production in July 2023)

## Credit Rating

The entity's rating at A+/A-1 (Single A Plus / A One) has been reaffirmed by Messer's VIS Credit Rating Company Limited on September 26, 2023 for the current year. The entity's outlook has been assigned as 'Stable' on given ratings.



## Successful Conclusion of Scheme of Arrangement - (“Scheme”)

The successful execution of scheme on May 31, 2023 ensures the uninterrupted supply of energy requirements in a cost-effective manner to the company with an ultimate aim of maximizing shareholder returns. The company is no longer dependent on purchase of electricity for its textile unit located at Kotri from another entity “Bhanero Energy Ltd”. Consequent to completion of Scheme the company's energy requirements will be met in-house through Bhanero Energy Ltd - Kotri Unit I.

Following the SHC order JCM 10 of 2022, effective May 31 ,2023 the company has acquired the assets amounting to PKR 109,008,101/- against the issue of 40,964 shares at the break-up value of PKR 2,661.08 of the company. The shares were issued after completion of regulatory compliance in July 2023.



## Governing Board

The governing board comprised of ten(10) members and all the appointments of independent, executive, non-executive and female directors are in line under the under Code of Corporate Governance Regulations, 2019. All the members of the governing board are accredited under Directors Training Program. The reconstitution of board has been made in the elections held on January 31, 2023.

Sr	Names of Directors	Designation
1	Mr. Mohammad Salim	Executive Director
2	Mr. Mohammad Shaheen	Director / Chairman
3	Mr. Hamza Shakeel	Director
4	Mr. Khurram Salim	Executive Director / CEO
5	Mr. Bilal Sharif	Director
6	Mr. Mohammad Amin	Director
7	Mr. Tauqeer Ahmed Sheikh	Independent Director
8	Mrs. Saba Yousaf	Female Director
9	Mr. Asif Elahi	Independent Director
10	Mr. Mustafa Tanvir	Independent Director



**CATEGORIES OF SHAREHOLDERS  
AS AT JUNE 30, 2023**

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<b>SR #</b>	<b>CATEGORIES OF SHAREHOLDERS</b>	<b>NUMBERS OF SHAREHOLDERS</b>	<b>SHARES HELD</b>	<b>PERCENTAGE %</b>
1	Director's, CEO, Their Spouse and Minor Children	19	1,420,779	47.36
2	Associated Companies, Undertaking and Related Parties	13	1,431,721	47.72
3	Joint Stock Companies	4	1,000	0.03
4	Insurance Company	1	70,500	2.35
5	General Public / Individuals	376	75,994	2.53
6	Other Companies	2	6	0.00
		<b>373</b>	<b>3,000,000</b>	<b>100.00</b>



## Free Float of Shares

As on June 30, 2023

Total outstanding shares		3,000,000
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Less :

Shares held by Directors, Sponsors, Senior Management and their Associates	2,351,900	
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Government holding as Promoter /Acquirer /Controller

Shares held by Associated Undertakings	500,600	
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Shares held with General Public	11,900	2,864,400
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Free Float		135,600
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Total number of shares available in CDC		642,700
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Total number of shares available in Physical Form		2,357,300
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Total		3,000,000
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# Economic Outlook of the Country

It appears that we're heading in a correct direction since last month as currency is largely steady, and the stock market is experiencing a bull run. A slight reforms by the government such as the formalization of exchange businesses, rationalization of gas pricing, suppression of smuggling and the push for privatization

However, the analysis indicates that the actual economic activity is in disarray due to spreading demand repression and the recession in sectors such automobile, real estate areas and large scale manufacturing. On macro economic side, the reduction in the current account deficit by curbing import demand causing a extensive unemployment which is undoubtedly detrimental to the economy.

In this scenario , the textile in the country has no intention to make any new investments due to high borrowing cost and discontinuation of concessionary energy tariffs for the textile sector. Besides, there hasn't been much of an increase in textile exports and prospective orders due to weakening demand by major textile importing countries.

The weakening demand has indeed been rated the major concern in the global textile value chain whereas inflation remains the second major concern worldwide.

The ongoing factors such as Russia-Ukrainian conflict, middle-east conflict , political unrest in the country affecting the overall downturn in the economy. On the other hand Pakistan's textile industry is experiencing a tough competition by the regional rivals in post pandemic era.



# Key Performance Indicators

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Sales Growth  
YoY  
7.49%

Gross Profit  
16.12%

Profit Before  
Tax  
9.61%

Profit After  
Tax  
7.57%

Breakup Value  
per Share  
3,578.50

Market Value  
per Share  
948.33

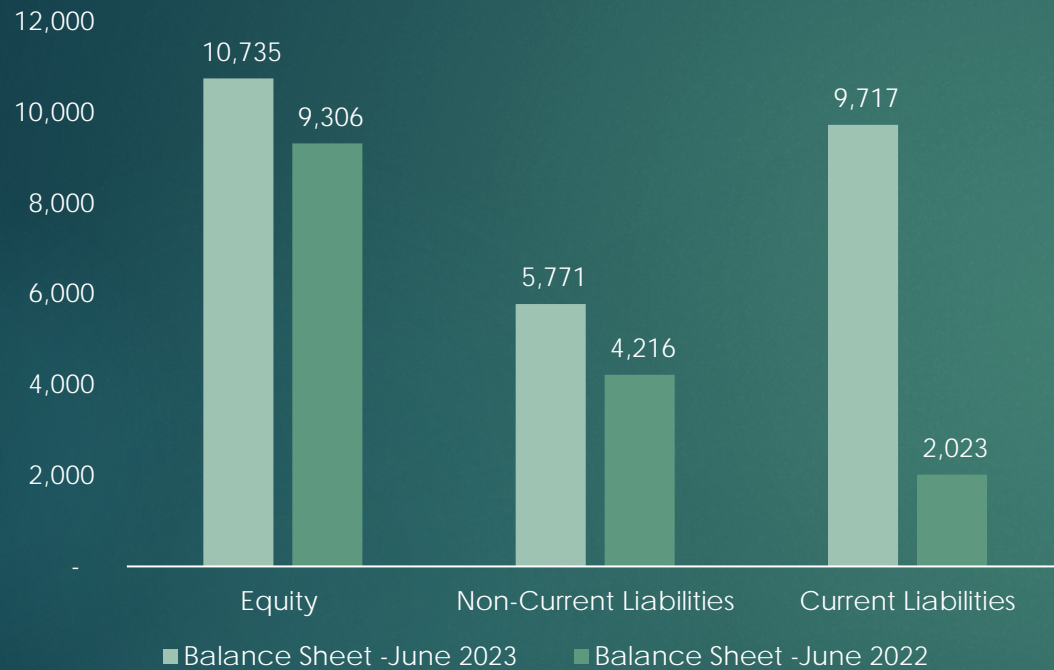
Dividend per  
Share  
35.00

Earnings per  
Share  
468.11

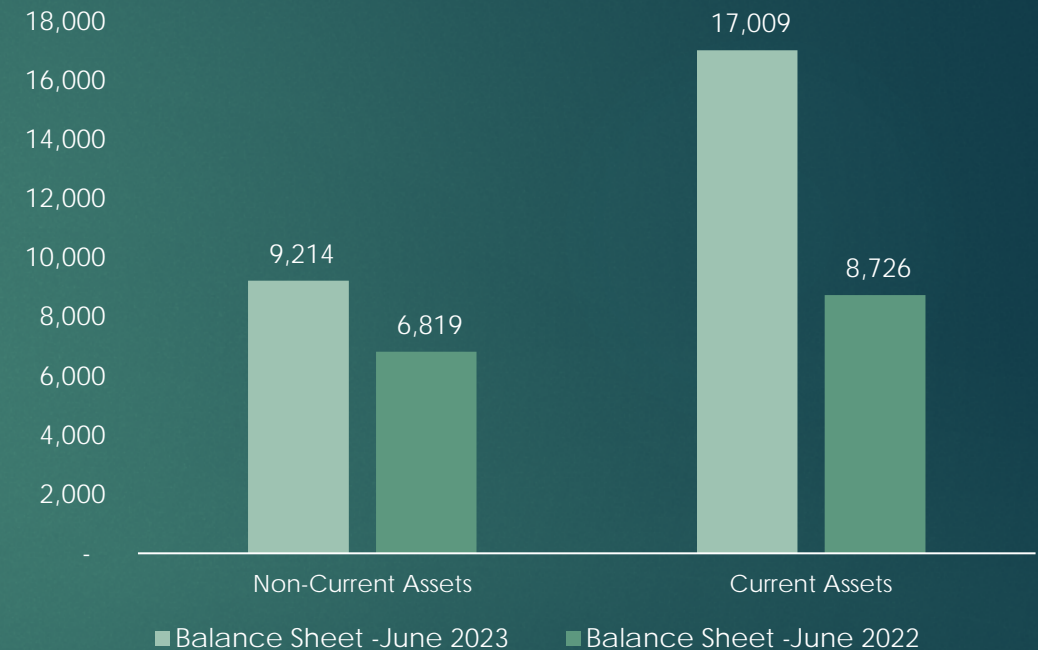


# Balance Sheet June 30, 2023

### Equity & Liabilities - (PKR in Millions)



### Assets - (PKR in Millions)





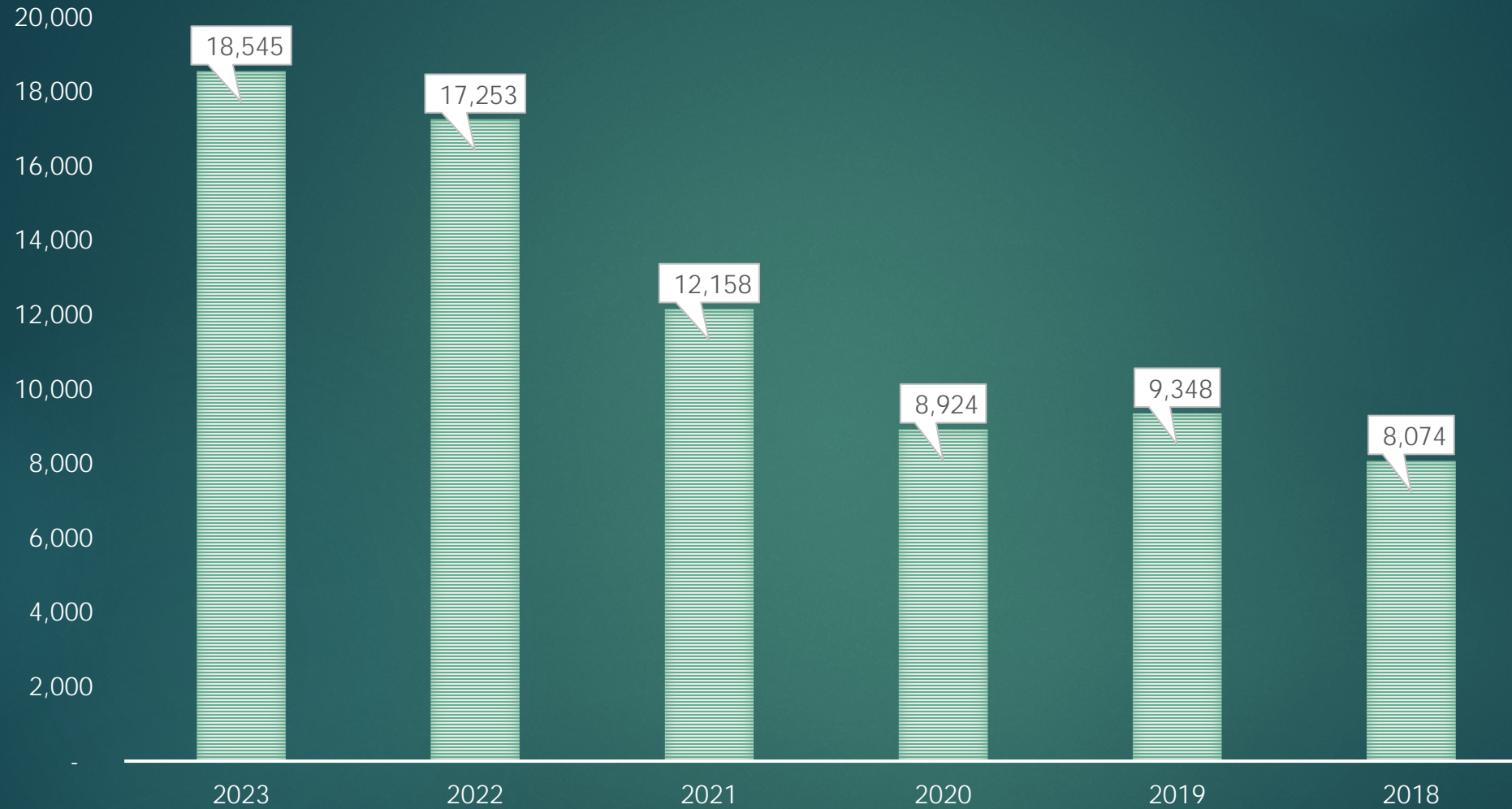
# Bhanero Textile Mills Limited

Statement of Profit or Loss  
For The Year Ended June 30, 2023

	June 30, 2023 Rupees	June 30, 2022 Rupees
Sales	18,545,108,053	17,252,509,050
Cost of sales	15,554,879,715	13,178,129,028
Gross profit	<u>2,990,228,338</u>	<u>4,074,380,022</u>
Other income	317,226,772	242,797,272
	<u>3,307,455,110</u>	<u>4,317,177,294</u>
Distribution cost	391,950,785	461,356,046
Administrative expenses	256,536,892	216,261,742
Other operating expenses	132,217,604	318,462,301
Finance cost	745,266,273	137,883,096
	<u>1,525,971,554</u>	<u>1,133,963,185</u>
Profit before tax	<u>1,781,483,556</u>	<u>3,183,214,109</u>
Taxation	377,142,856	425,059,591
Profit after taxation for the year	<u><u>1,404,340,700</u></u>	<u><u>2,758,154,518</u></u>
Earnings per share - basic	<u><u>468.11</u></u>	<u><u>919.38</u></u>
Earnings per share - diluted	<u><u>461.81</u></u>	<u><u>907.00</u></u>

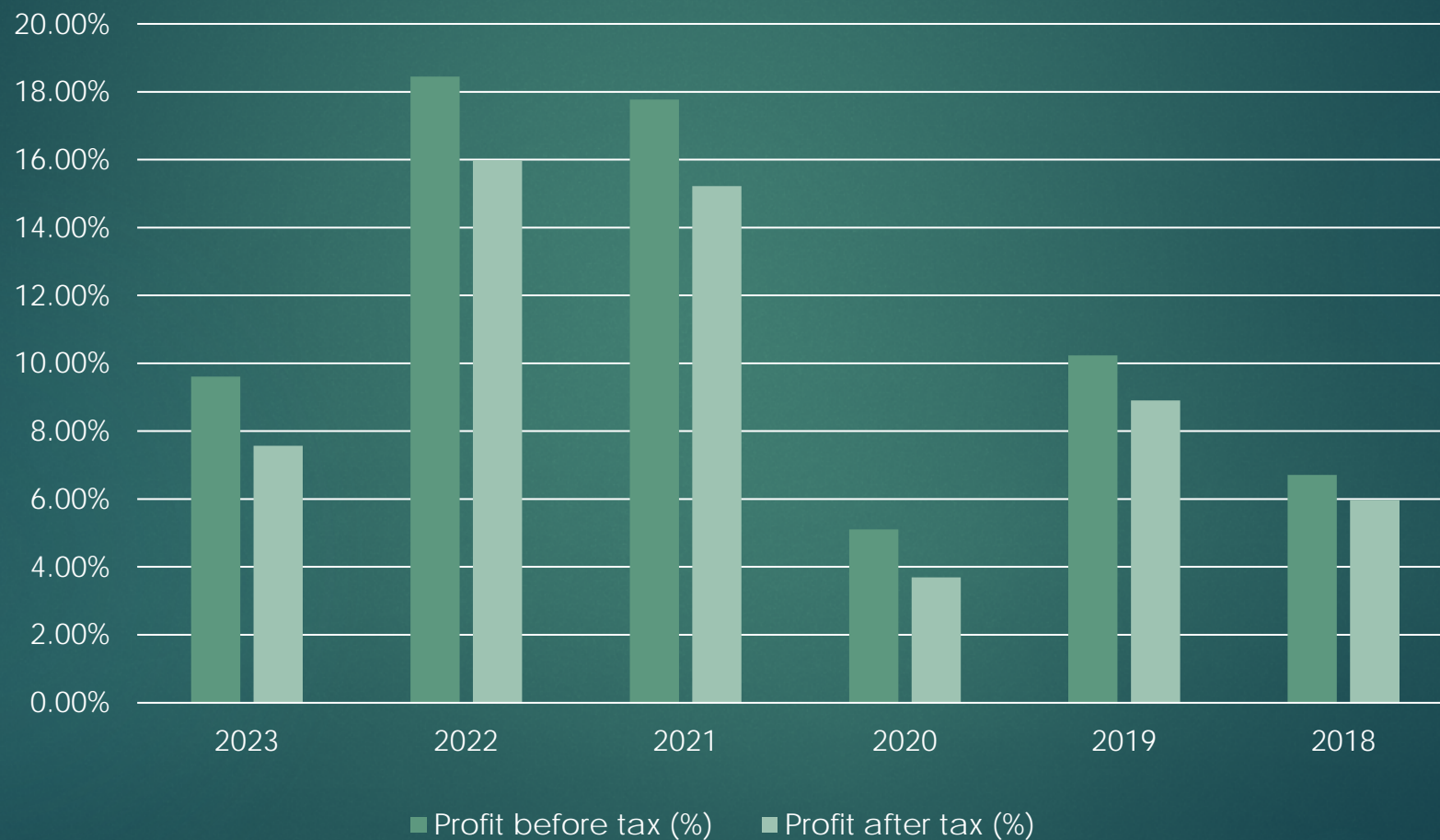


# Sales Revenue - PKR in Millions

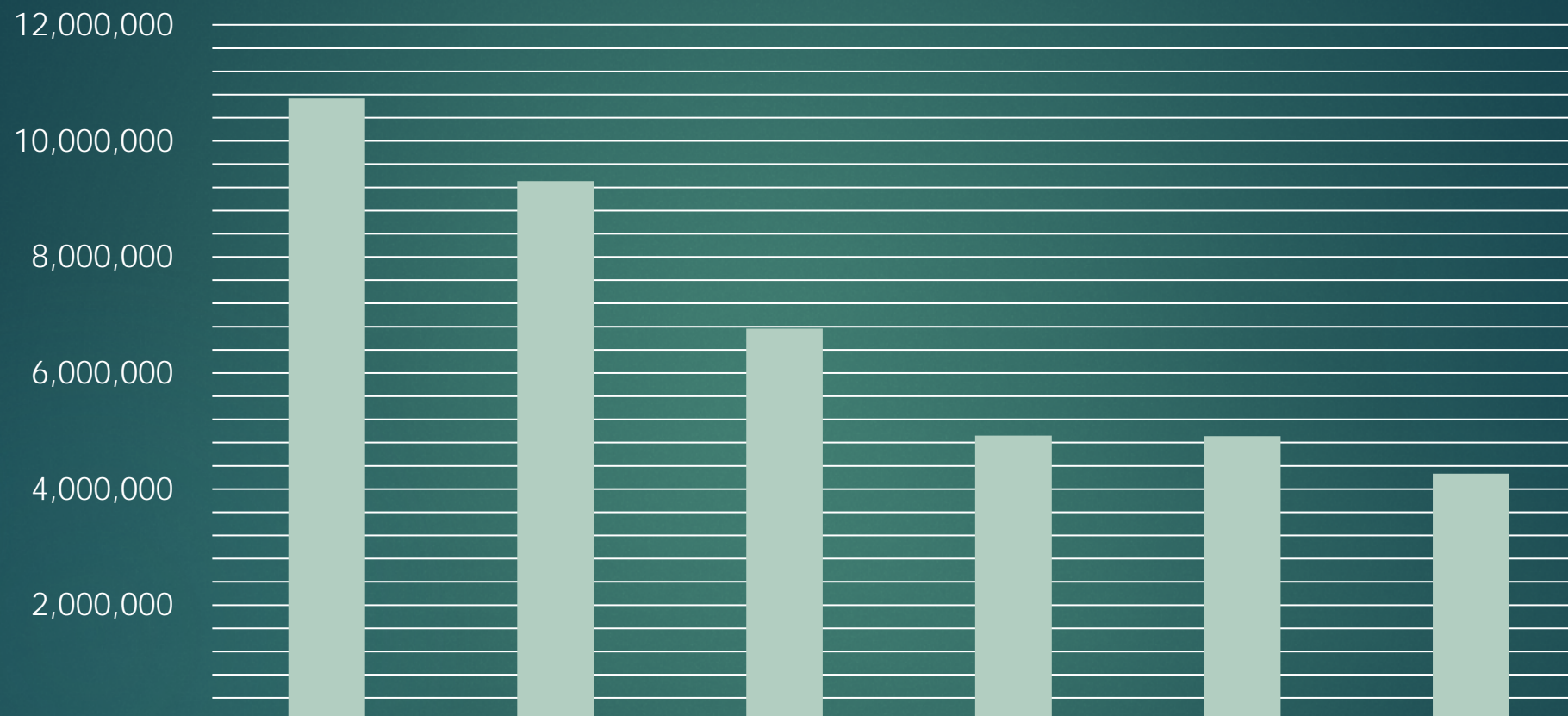




# PBT & PAT - %



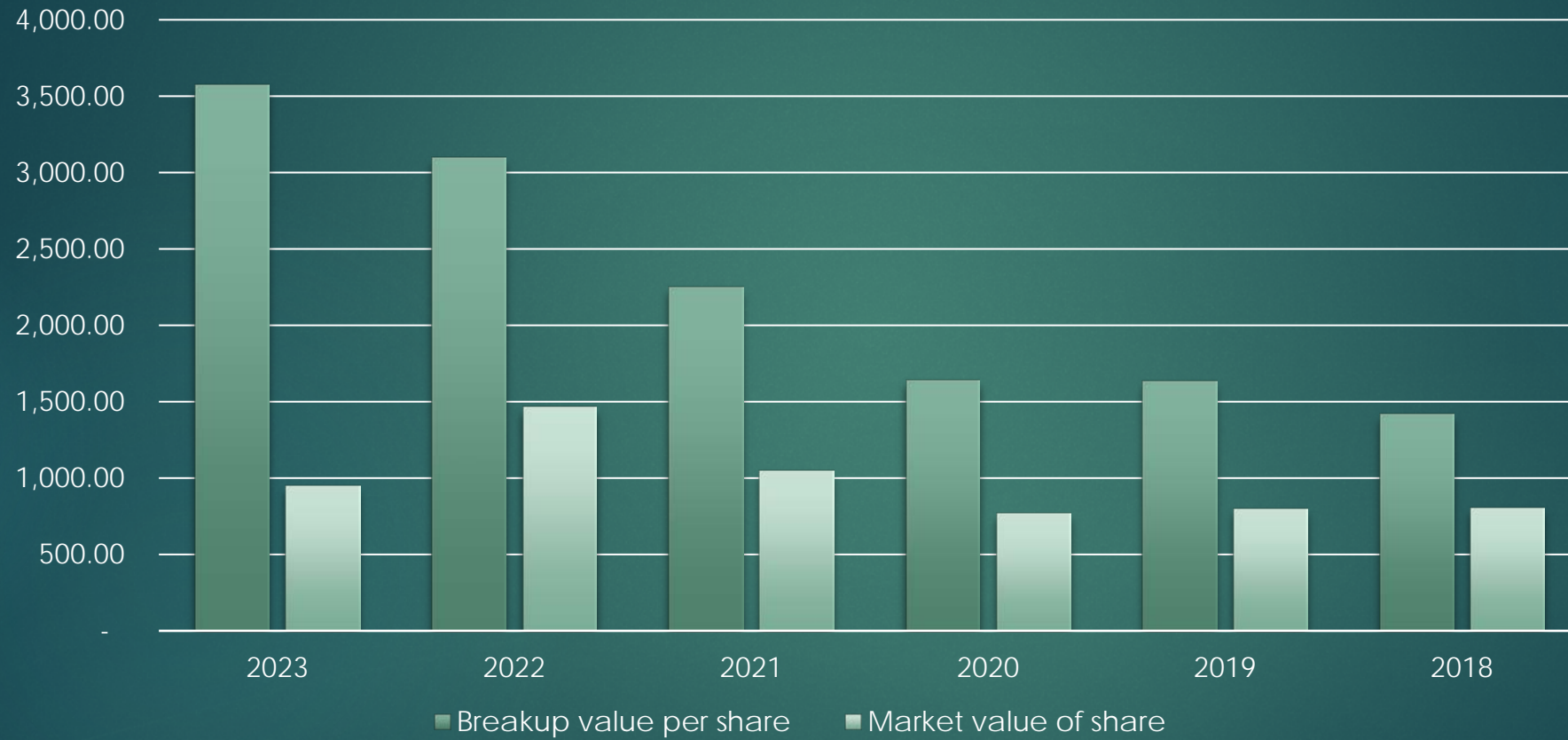
## Shareholder Equity - PKR "000"



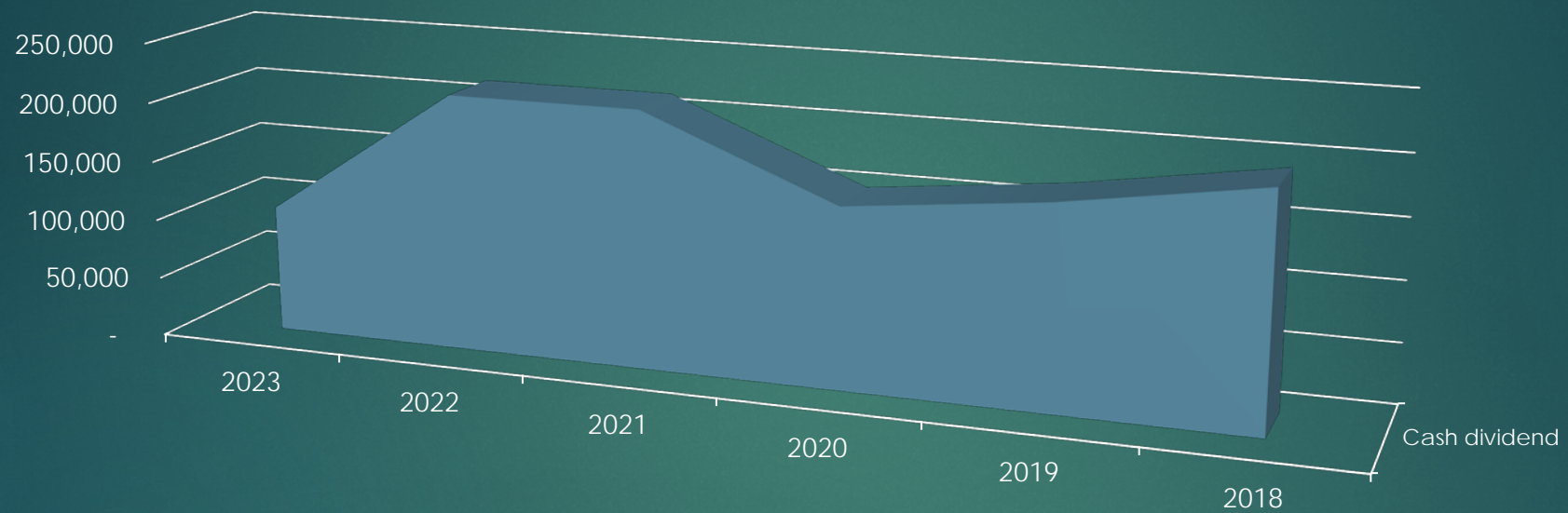
	2023	2022	2021	2020	2019	2018
■ Shareholder equity	10,735,486	9,305,894	6,763,064	4,919,120	4,913,117	4,262,737



## Breakup and Market Value Per Share



### Cash Dividend - (PKR in "000")



	2023	2022	2021	2020	2019	2018
■ Cash dividend	106,434	214,500	214,500	150,000	167,400	192,900



## Bhanero Textile Mills Limited

Historical Data for the Year Ended June 30, 2023

### Year-Wise Operating Data

2023	2022	2021	2020	2019	2018
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#### Spinning Unit

Spindle installed	99,696	80,112	80,112	80,112	80,112	80,112
Spindles worked	99,696	80,112	80,112	80,112	80,112	80,112
Installed capacity after conversion into 20/s count - Kg	22,185,705	14,810,385	14,810,385	14,810,385	14,810,385	14,810,385
Actual production - Kg	13,426,536	13,001,202	12,223,351	10,727,209	12,363,406	11,392,698

#### Weaving Unit

Air jet looms installed	162	162	162	162	162	160
Air jet looms worked	162	162	162	162	162	160
Installed capacity after conversion into 50 picks - Meter	34,016,175	34,016,175	26,566,890	26,566,890	26,566,890	21,534,566
Actual production - Meter	22,335,314	24,019,600	21,117,435	17,372,400	15,864,187	15,952,617



Ratios	2023	2022	2021	2020	2019	2018
<b>Performance</b>						
Sales growth percentage - Year to Year basis	7.49%	41.90%	36.25%	-4.54%	15.78%	18.09%
Gross profit (%)	16.12%	23.62%	22.47%	9.23%	13.84%	10.76%
Profit before tax (%)	9.61%	18.45%	17.77%	5.11%	10.24%	6.72%
Profit after tax (%)	7.57%	15.99%	15.22%	3.69%	8.90%	5.97%
<b>Breakup value per share - Rupees per share</b>	3,578.50	3,101.96	2,254.35	1,639.71	1,637.71	1,420.91
<b>Market value of share - at the year end - Rupees per share</b>	948.33	1,465.00	1,050.00	770.01	800.00	807.49
<b>Earnings per share - Rupees per share</b>	468.11	919.38	616.90	109.80	277.47	160.68
<b>Price earning ratio</b>	2.03	1.59	1.70	7.01	2.88	5.03
<b>Leverage</b>						
Gearing ratio	1.17	0.48	0.19	0.55	0.46	0.28
Debt to equity (%)	35.02%	30.27%	15.93%	22.17%	22.83%	20.77%
<b>Interest covering ratio</b>	3.39	24.09	27.03	3.51	6.75	6.77
<b>Liquidity ratio</b>						
Current ratio	1.75	4.31	5.89	25.40	2.73	3.48



## Question & Answers Session

The honorable guest and participants are requested to proceed for question and answer session with regard to the financial statements for the year ended June 30, 2023.

Thanking You