



BHANERO TEXTILE MILLS LIMITED

WE EXTEND A WARM WELCOME TO ALL PARTICIPANTS OF THE 2024
CORPORATE BRIEFING SESSION

Disclaimer

The corporate briefing session's presentation, created by Bhanero Textile Mills Ltd, is solely meant for the participants' discussion. Any comment, information or representation made during the conversation may not be interpreted by investors or potential investors as advice or a recommendation to hold, purchase, or sell stocks without giving it cautious thought.

We also recommend that one should confirm the appropriateness and authenticity of any material provided or remarks made during the discussion before acting upon them.



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Preamble

Established in 1980, the Bhanero Textile Mills Ltd. ("BTM") is a part of the Umer Group Companies ("UGC"). Although the group has a diversified portfolio of businesses, including the retail and manufacturing of footwear, real estate, dairy farming, and the sugar sector, textiles has always been at the forefront.

In the fiscal year ending June 30, 2024, the BTM posted a loss of PKR (188.273) & PKR (131.761) million before and after tax respectively. The revenue increased by 78.25 percent in the fiscal year ending June 30, 2024, primarily driven by the full operationalization of a new spinning unit, which contributed approximately 30 percent to the company's total revenue.

The group in the textile sphere operates with seven spinning units, three weaving units, one finishing and stitching unit under the entities:

Bhanero Textile Mills Ltd ("BTM")

Faisal Spinning Mills Ltd ("FSM")

Blessed Textiles Ltd ("BTL")

Collectively, these textile entities posted after tax loss of PKR (3,221.764) million (FY 2023:PKR 3,991.417) against sales revenue of PKR 109,908.618 million (FY 2023: PKR 80,374.502) for the year ending June 2024 .

The group posted a loss of (2.93) percent (Year 2023: PAT 4.93 percent) on sales during the fiscal year 2023-24 albeit, there has been an increased in the sales revenue by almost 27 percent, compared to the corresponding year. The reason being that, group encountered with various challenges during the fiscal year 2023-24, which led to this subpar performance like:

- Volatility of yarn and cotton pricing in the international markets and shortage of locally produced raw cotton.
- The record-high rate of 38 percent inflation during last year prompted the State Bank of Pakistan to implement aggressive monetary policies by raising policy rates to 22 percent that led to rise in our debt servicing costs during corresponding years.
- The government's removal of energy subsidies to meet IMF loan requirements led to surge in energy prices.

Combined with fluctuations in cotton and yarn prices, exorbitant increase in energy prices and interest rates, implementation of stringent government fiscal policies, including the removal of tax exemptions for local inputs in exports, introduction of new sales tax and income tax regulations, delayed tax refunds have significantly impacted our margins during the fiscal year 2023-24, compared to corresponding year.

The management comprehends and recognized the prevailing challenges and trying their level best to improve the financial position in the year ahead. In this regard consideration is given by the management towards proactive measures to decrease stock levels, taking renewable energy initiatives to bring down energy cost and pursuing aggressive marketing strategies to fetch better pricing.

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.

Credit Rating

The entity's rating reaffirmed at A+/A-1 (Single A Plus / A One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on September 26, 2023.

Governing Board

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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. Khurrum 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

Bhanero Textile Mills Limited

Categories Of Shareholders

As At June 30, 2024

Sr	Categories Of Shareholders	Numbers Of Shareholders	Shares Held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children.	30	1,337,870	43.99
2	Associated Companies, Undertaking and Related Parties	23	1,054,970	34.69
4	Insurance Company	1	70,500	2.32
5	Share holders holding 10%	1	500,600	16.46
6	General Public			
	Local	377	76,767	2.52
	Foreign	-	-	-
7	Other Companies	3	7	0.00
8	Joint Stock Companies	1	250	0.01
		436	3,040,964	100.00

Free Float of Shares
As on June 30, 2024

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Total outstanding shares		3,040,964
<u>Less :</u>		
Shares held by Directors,Sponsors, Senior Management and their Associates	2,392,840	
Government holding as Promoter /Acquirer /Controller		
Shares held by Associated Undertakings	500,600	
Shares held with General Public	11,800	2,905,240
Free Float		135,724
Total number of shares available in CDC		683,764
Total number of shares available in Physical Form		2,357,200
Total		3,040,964

Economic Outlook of the Country

Although Pakistan has recently made strides in the direction of macroeconomic stabilization, nonetheless risks remain high for the sustainable growth since it requires substantial reforms. Consequent, to successfully reaching of IMF staff level agreement , it's expected that Pakistan's GDP growth may reach 3.2 percent (FY 2024: 2.40 percent) in the ongoing fiscal year FY 2024-25.

The economic indicators show that Pakistan's economy is doing well in the first two months of FY 2025, the current account deficit contracted, the inflation dropped to single digit, large exporting sectors have witnessed growth reflecting an optimistic outlook for exports. The LSM output increased by 2.4 percent in July 2024 rebounding from a contraction of 5.4 in July 2023.

Amid diminishing inflationary pressures, the Monetary Policy Committee cut the policy rate by 250 basis points to 15.00 percent that will also assist in restoring confidence of business community.

Remittances from overseas Pakistanis remain a significant source of foreign exchange, supporting the economy, which stood at \$3.052 billion in October 2024 as per SBP. This is a substantial 24 percent increase on a YoY basis with \$2.463 billion in the same month of the previous year.

To sustain economic growth and address the challenges:

- Pakistan needs to make its the economy more diverse by encouraging expansion in services and IT sector.
- Establish regulations that are favorable to investors and upgrade infrastructure to foster an atmosphere that attracts foreign investment.
- Implementing discal discipline through sound fiscal policies, including reducing government spending and increasing tax revenue.
- Broadening the tax base by bringing more people and entities into the tax net rather, increasing taxes on existing taxpayers.
- Maintaining price stability and ensuring sustainable economic growth through effective monetary policy.
- Supporting export-oriented industries like textile sector through measures like export subsidies, tax breaks, competitive energy prices and improving export infrastructure.
- Implementing policies to mitigate the effects of climate change by promoting renewable energy and climate-smart agriculture.
- Adopting sustainable practices to protect the environment and conserve natural resources.

Key Performance Indicators

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Sales Growth
YoY
78.25%

Gross Profit
9.18%

Loss Before
Tax
(0.57)%

Loss After
Tax
(0.40)%

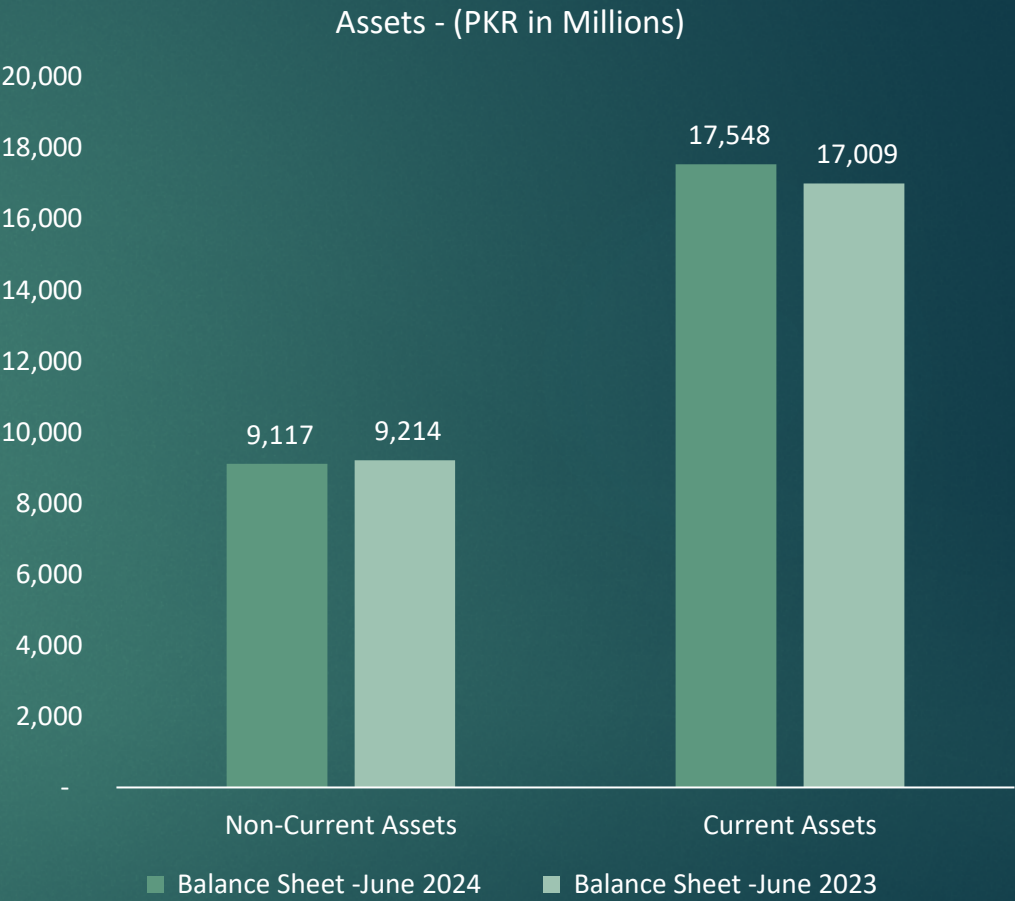
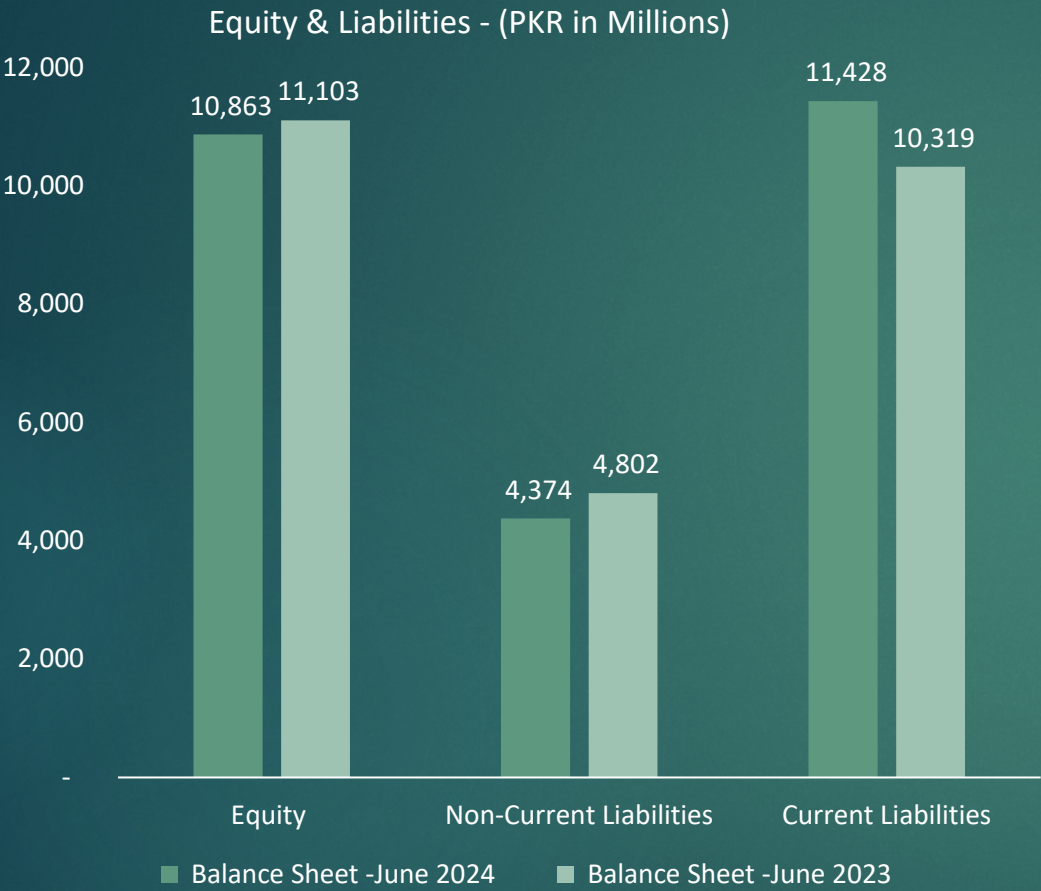
Breakup Value
per Share
3,572.2

Market Value
per Share
1,050

Dividend per
Share
Nil

Loss per Share
(43.36)

Balance Sheet June 30, 2024



Bhanero Textile Mills Limited

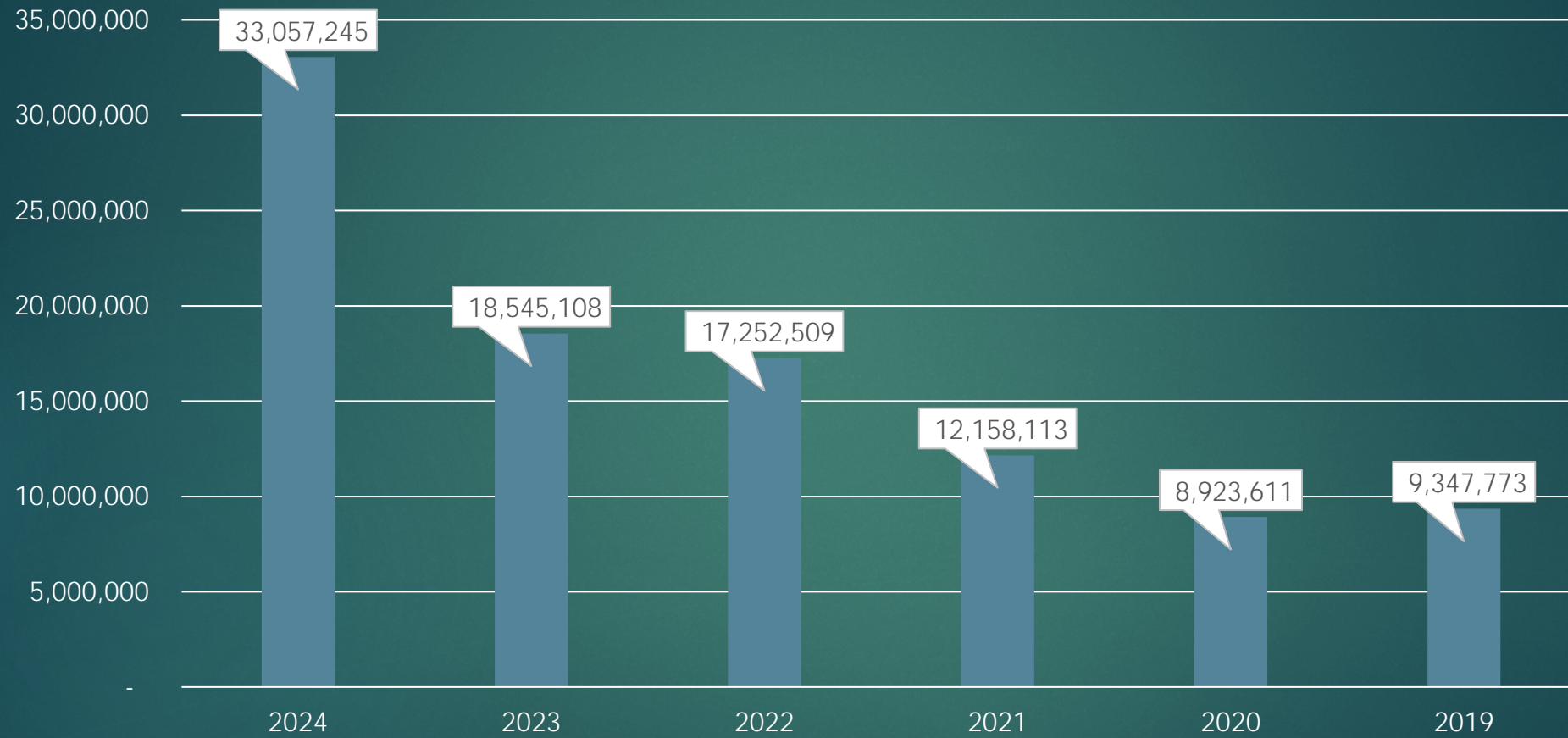
Statement of Profit or Loss

For The Year Ended June 30, 2024

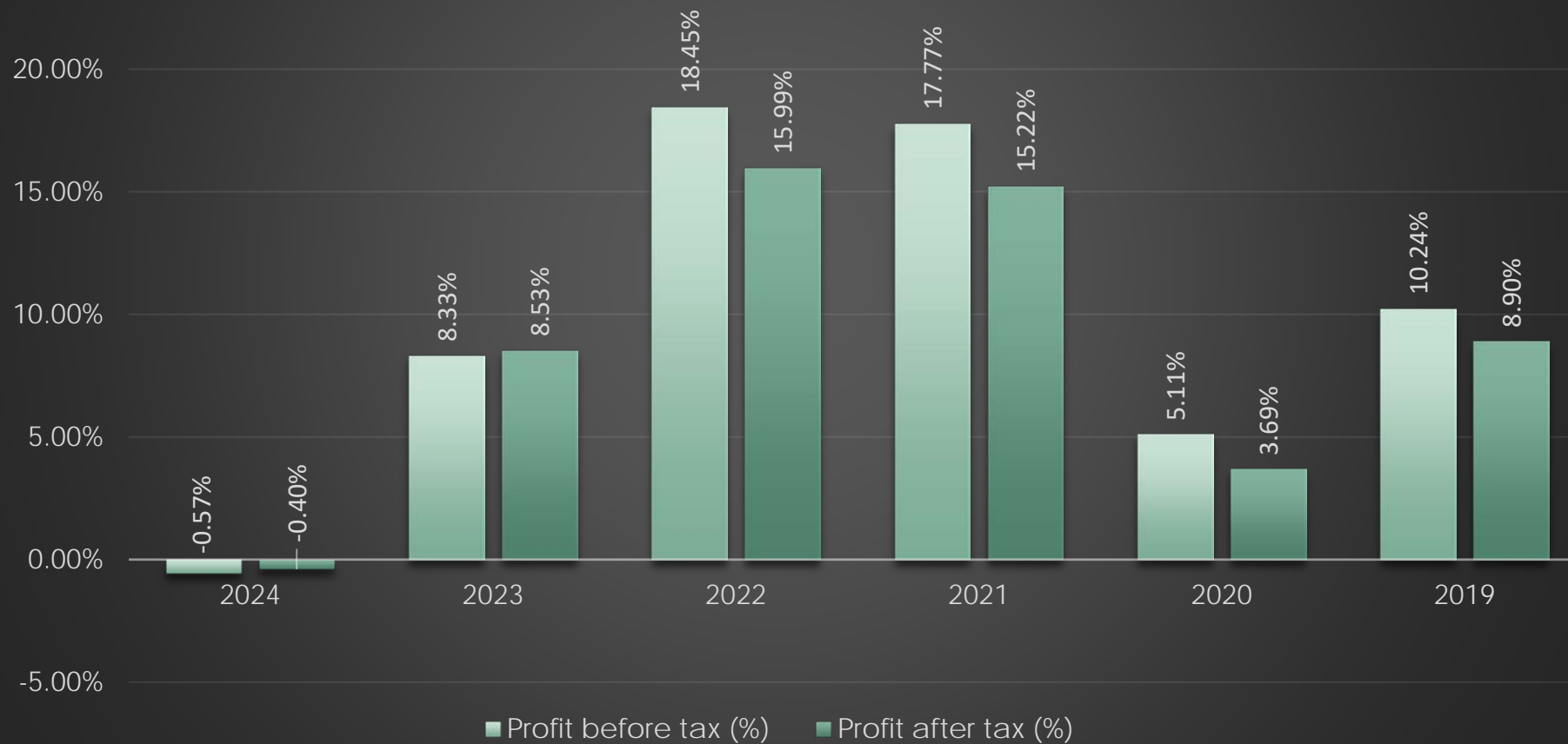
17

	June 30, 2024	June 30, 2023
	Rupees	Restated Rupees
Sales	33,057,244,654	18,545,108,053
Cost of sales	(30,023,432,811)	(15,554,879,715)
Gross profit	3,033,811,843	2,990,228,338
Other income	128,313,555	317,226,772
	3,162,125,398	3,307,455,110
Distribution cost	(757,124,365)	(391,950,785)
Administrative expenses	(335,713,971)	(256,536,892)
Other operating expenses	(33,376,153)	(132,217,604)
Finance cost	(1,866,239,907)	(745,266,273)
	(2,992,454,396)	(1,525,971,554)
Profit before Levies and taxation	169,671,002	1,781,483,556
Levies	(357,944,172)	(236,978,739)
(Loss) / Profit before taxation	(188,273,170)	1,544,504,817
Taxation	56,512,019	36,975,097
(Loss) / Profit after taxation for the year	(131,761,151)	1,581,479,914
(Loss) / Earnings per share - basic	(43.36)	527.16
(Loss) / Earnings per share - diluted	(43.36)	520.06

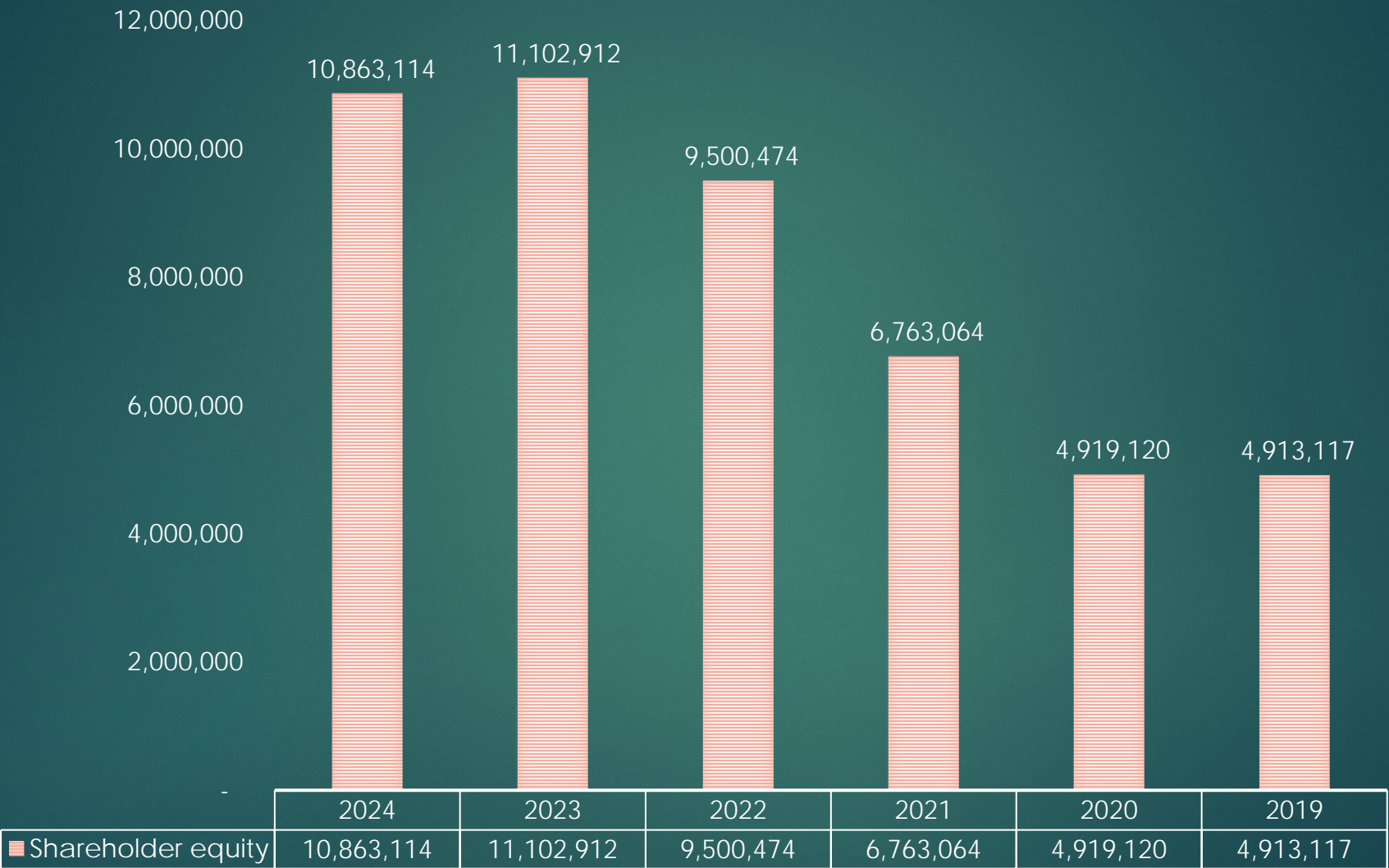
Sales Revenue - PKR in "000"



PBT & PAT - %

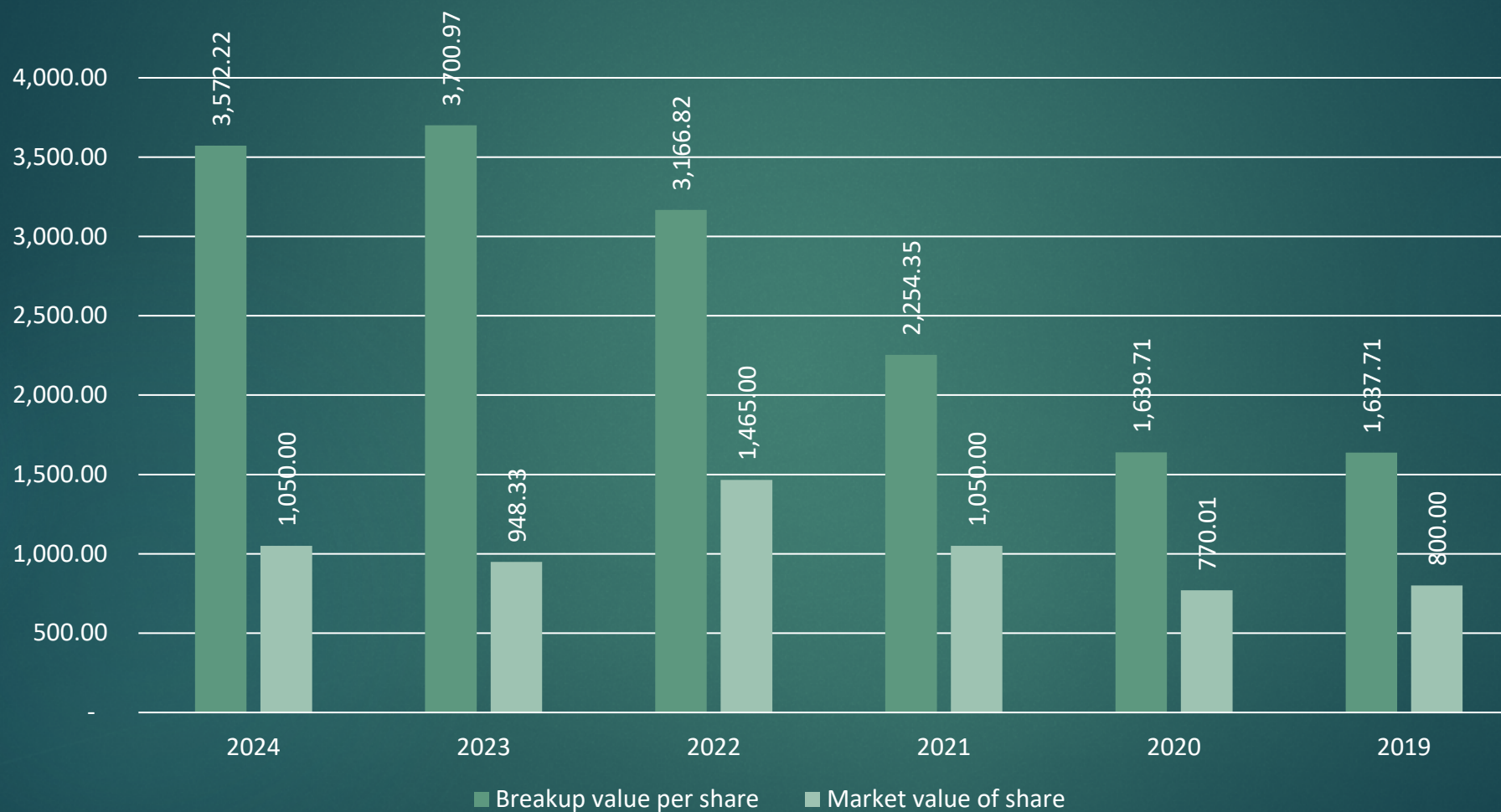


Shareholders Equity “000”

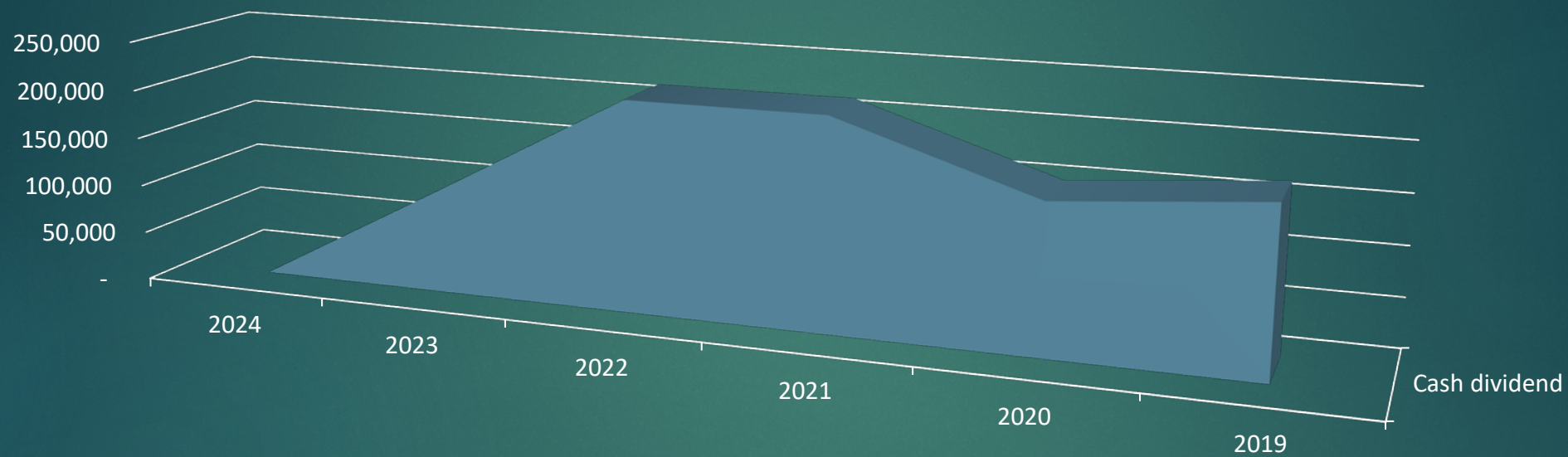


Breakup and Market Value Per Share

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Cash Dividend - (PKR in "000")



	2024	2023	2022	2021	2020	2019
■ Cash dividend	-	106,434	214,500	214,500	150,000	167,400

Bhanero Textile Mills Limited

Historical Data for the Year Ended June 30, 2024

Year-Wise Operating Data

2024	2023	2022	2021	2020	2019
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Spinning Unit

Spindle installed

99,696	99,696	80,112	80,112	80,112	80,112
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Spindles worked

99,696	99,696	80,112	80,112	80,112	80,112
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Installed capacity after conversion into 20/s count - Kg

22,185,705	22,185,705	14,810,385	14,810,385	14,810,385	14,810,385
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Actual production - Kg

26,188,158	13,426,536	13,001,202	12,223,351	10,727,209	12,363,406
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Weaving Unit

Air jet looms installed

162	162	162	162	162	162
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Air jet looms worked

162	162	162	162	162	162
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Installed capacity after conversion into 50 picks - Meter

34,016,175	34,016,175	34,016,175	26,566,890	26,566,890	26,566,890
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Actual production - Meter

22,709,366	22,335,314	24,019,600	21,117,435	17,372,400	15,864,187
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Ratios	2024	2023	2022	2021	2020	2019
Performance						
Sales growth percentage - Year to Year basis	78.25%	7.49%	41.90%	36.25%	-4.54%	36.72%
Gross profit (%)	9.18%	16.12%	23.62%	22.47%	9.23%	13.84%
Profit before tax (%)	-0.57%	8.33%	18.45%	17.77%	5.11%	10.24%
Profit after tax (%)	-0.40%	8.53%	15.99%	15.22%	3.69%	8.90%
Breakup value per share - Rupees per share	3,572.22	3,700.97	3,166.82	2,254.35	1,639.71	1,637.71
Market value of share - at the year end - Rupees per share	1,050.00	948.33	1,465.00	1,050.00	770.01	800.00
Earnings per share - Rupees per share	(43.36)	468.11	919.38	616.90	109.80	277.47
Price earning ratio	(24.22)	2.03	1.59	1.70	7.01	2.88
Leverage						
Gearing ratio	1.17	1.21	0.48	0.19	0.55	0.46
Debt to equity (%)	30.38%	32.44%	29.65%	15.93%	22.17%	22.83%
Interest covering ratio	0.90	3.07	24.09	27.03	3.51	6.75
Liquidity ratio						
Current ratio	1.54	1.65	3.78	5.89	25.40	2.73

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, 2024.

Thanking You