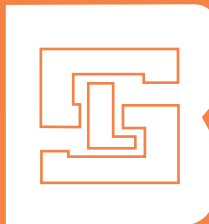


Nine Months
Accounts
Period Ended
March 31,
2024

BIBOJEE GROUP



BANNU WOOLLEN MILLS LIMITED

CONTENTS

| | |
|--|-------|
| Company's Profile | 1 |
| Directors' Report (English & اُردو) | 2-5 |
| Condensed Interim Statement of Financial Position | 6 |
| Condensed Interim Statement of Profit or Loss & Other Comprehensive Income..... | 7 |
| Condensed Interim Statement of Cash Flows | 8 |
| Condensed Interim Statement of Changes in Equity..... | 9 |
| Notes to the Condensed Interim Financial Information | 10-14 |

COMPANY'S PROFILE AS AT 31-03-2024

| | | |
|--|---|--|
| Board of Directors | Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Lt. Gen. (Retd.) Ali Kuli Khan Khattak Dr. Shahin Kuli Khan Khattak Syed Zubair Ahmed Shah Mr. Abdul Rehman Qureshi (Independent) Brig(R.) Agha Arshad Raza (Independent) | Chairman Chief Executive |
| Audit Committee | Mr. Abdul Rehman Qureshi Syed Zubair Ahmad Shah Brig(R.) Agha Arshad Raza | Chairman Member Member |
| Human Resource & Remuneration Committee | Mr. Abdul Rehman Qureshi Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Syed Zubair Ahmed Shah Brig(R.) Agha Arshad Raza | Chairman Member Member Member Member |
| Chief Operating Officer (COO) | Mr. Khalid Kuli Khan Khattak | |
| Chief Financial Officer | Mr. Kalim Aslam | |
| Company Secretary | Mr. Azmat Khan | |
| Head of Internal Audit | Mr. Salman Khan - ACA | |
| Auditors | M/S. ShineWing Hameed Chaudhri & Co Chartered Accountants | |
| Bankers | National Bank of Pakistan Bank Alfalah Ltd. | |
| Legal Adviser | M/S Hassan & Hassan, Advocates Paaf Building, 1-D, Kashmir/ Egerton Road, Lahore | |
| Tax Consultant | M. Nawaz Khan & Co 1-Ground Floor, Farrah Centre, 2 Mozang Road, Lahore | |
| Registrars & Shares Registration Office | Vision Consulting Limited. 5-C, LDA Flats, First Floor, Lawrance Road, Lahore. Tel: 042-36283096-97, Fax: 042-36312550 E-Mail: info@vcl.com.pk | |
| Registered Office | Bannu Woollen Mills Ltd D.I.Khan Road, Bannu Tel. (0928) 612274, 662273, 613250 E-Mail bannuwoollen@yahoo.com Web Site: www.bwm.com.pk | |
| Mills | D.I.Khan Road, Bannu Tel. (0928) 612274, 662273, 613250 E-Mail bannuwoollen@yahoo.com Web Site: www.bwm.com.pk | |

DIRECTORS' REPORT

On behalf of the Board of Directors of Bannu Woollen Mills Limited, we are pleased to present the un-audited condensed interim financial information of the Company for the third quarter and nine months period ended March 31, 2024.

FINANCIAL PERFORMANCE

During the third quarter, the Company's net sales were Rs. 66 million i.e. decrease of 21% as compared to the same period of last year and cost of sales decreased by 35% as compared to the same period of last year. Due to decrease in cost of sales the gross profit has increased by Rs. 11 million over the corresponding quarter of last year. Distribution, administrative, other expenses and finance cost increased by 8% over the corresponding quarter of last year mainly due to increase in markup on short term finances. The Company's net loss before tax was Rs. 43.197 million during the third quarter as compared to net loss before tax of Rs. 49.872 million over the corresponding quarter of last year. This resulted into loss per share of Rs. (3.89) as against loss per share of Rs. (3.96) of the corresponding quarter of last year.

The financial results for the nine months period under review are summarised below:

FINANCIAL RESULTS

| | Quarter ended | | Nine months period ended | |
|---------------------------------|--------------------------------|-----------------|--------------------------|----------------|
| | Mar.31, 2024 | Mar.31, 2023 | Mar. 31, 2024 | Mar. 31, 2023 |
| | ----- Rupees in thousand ----- | | | |
| Sales - net | <u>66,076</u> | 84,071 | <u>836,070</u> | 946,309 |
| Gross profit | <u>11,785</u> | <u>739</u> | <u>203,208</u> | <u>227,360</u> |
| (Loss)/ profit from operations | <u>(25,117)</u> | <u>(37,546)</u> | <u>79,025</u> | <u>106,656</u> |
| (Loss) / profit before taxation | <u>(43,197)</u> | <u>(49,872)</u> | <u>333,421</u> | <u>54,288</u> |
| (Loss) / profit after taxation | <u>(36,937)</u> | <u>(37,676)</u> | <u>309,408</u> | <u>14,225</u> |
| (Loss) / earnings per share | <u>(3.89)</u> | <u>(3.96)</u> | <u>32.55</u> | <u>1.50</u> |

During the period under review, the Company's net turnover decreased by Rs. 110.239 million and experienced 12% decline as compared to the corresponding period of last year. The decreased net turnover of the Company is due to a combination of factors. Rising inflation has squeezed customer spending power, leading to lower demand for our products. Additionally, key dealers have reduced their order volume in response to these market conditions.

During the period under review the Company has earned a net profit after taxation of Rs. 309.408 million after incorporation of share of loss and impairment loss reversal of Associated Company as compared to profit after taxation of Rs. 54.288 million of the corresponding period. The profit before these adjustments for the period amounts to Rs. 10.098 million as compared to profit of Rs. 60.130 million of the corresponding period. The gross profit as a percentage of sales slightly increased to 24.31% from 24.03% as compare to corresponding period of the last year due to decrease in cost of sales.

The massive increase in EPS is mainly due to impairment loss reversal from Associated Company.

Rising interest rates have also put a damper on the company's performance. The Company's finance cost amounting Rs. 68.927 million as against Rs. 46.526 million in the corresponding period of last year.

The Company achieved greasy production of 818,709 meters of fabric as compared to 1,094,857 meters of corresponding period of last year. The production decline can be attributed to temporary shutdowns during the current financial year. These shutdowns occurred from July 2nd to July 15th, 2023 (2 weeks) and from March 13th, 2024 to April 14th, 2024 (5 weeks), impacting specifically the period ended on March 31st, 2024 (which includes 2 weeks of shutdown), consequent upon reduction in anticipated orders from the mills dealers for the financial year 2024-2025.

FUTURE OUTLOOK

Pakistan's economy is being squeezed by declining reserves, a weak currency, import curbs, inflation, floods, policy shifts, and slowing global and domestic demand, leading to rising production costs, lower business profits, and forecasts of slower industrial growth.

The new government is expected to prioritize securing a program with the International Monetary Fund (IMF). This, along with how inflation is controlled, will be on inflation trajectory, which can determine the timing and pace of expected economic revival.

Despite acknowledging the challenges we face, including external factors beyond our control, we remain committed to taking action by focusing on reducing operational costs and boosting sales volume to ensure the company's continued success.

ACKNOWLEDGEMENT

We want to express our sincere gratitude to our valued customers for their continued loyalty and trust, your ongoing support is what drives us forward. We also extend our thanks to all our stakeholders, including our bankers who support our financial needs, dealers and vendors who keep our operations running smoothly, and our dedicated employees and associates who are the backbone of our company.

On behalf of the Board of Directors,



SHAHNAZ SAJJAD AHMAD
CHIEF EXECUTIVE OFFICER



LT. GEN. ALI KULI KHAN KHATTAK (RETD.)
DIRECTOR

April 18, 2024

ڈائریکٹرز رپورٹ

بنوں وولن ملز لمیٹڈ، بنوں کے بورڈ آف ڈائریکٹرز کی جانب سے ہمیں 31 مارچ، 2024 کو ختم ہونے والی تیسری سہ ماہی اور نو ماہ کی مدت کے لئے کمپنی کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

مالی کارکردگی:

تیسری سہ ماہی کے دوران، کمپنی کی مجموعی فروخت 66 ملین روپے تھی جس میں گزشتہ سال کی اسی مدت کے مقابلے میں 21% کمی ہوئی جبکہ گزشتہ سال اسی مدت کے دوران فروخت کی لاگت میں 35% کمی ہوئی۔ فروخت کی لاگت میں اضافے کی وجہ سے منافع میں 11 ملین روپے کی کمی ہوئی۔ تقسیم، انتظامی، دیگر اخراجات اور مالیاتی لاگت میں گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 8% اضافہ ہوا ہے جس کی بنیادی وجہ کرایہ، نرخوں اور ٹیکس میں اضافہ اور قلیل مدتی مالیاتی قرضوں پر مارک اپ ہے۔ جس کے نتیجے میں، تیسری سہ ماہی کے دوران کمپنی کا ٹیکس سے پہلے مجموعی نقصان 43.197 ملین روپے ہوا جو کہ گزشتہ سال کی اسی سہ ماہی میں 49.872 ملین روپے کا تھا۔ نتیجتاً آمدنی فی حصص کا نقصان (3.89) روپے رہا جو کہ اسی سہ ماہی میں گزشتہ سال 3.96 روپے تھا۔ زیر جائزہ نو ماہ کی مدت کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:-

مالی نتائج:

| سہ ماہی کا اختتام | | نو ماہ کے اختتامی نتائج | | |
|-----------------------|--------------|-------------------------|--------------|----------------------|
| 31 مارچ 2024 | 31 مارچ 2023 | 31 مارچ 2024 | 31 مارچ 2023 | |
| -- روپے ہزاروں میں -- | | | | |
| 66,076 | 84,071 | 836,070 | 946,309 | مجموعی فروخت |
| 11,785 | 739 | 203,208 | 227,360 | مجموعی منافع |
| (25,117) | (37,546) | 79,025 | 106,656 | کارکردگی کا منافع |
| (43,197) | (49,872) | 333,421 | 54,288 | ٹیکس سے پہلے (منافع) |
| (36,937) | (37,676) | 309,408 | 14,225 | ٹیکس کے بعد (منافع) |
| -- روپے -- | | | | |
| (3.89) | (3.96) | 32.55 | 1.50 | آمدنی فی حصص |

زیر جائزہ مدت کے دوران، کمپنی کے کاروبار میں 110.239 ملین روپے کی کمی ہوئی اور گزشتہ سال اسی مدت کے مقابلے میں 12 فی صد کمی کا سامنا کرنا پڑا۔ کمپنی کے کاروبار میں ان عوامل کے متراج کی وجہ سے ہے۔ بڑھتی ہوئی مہنگائی نے صارفین کی خرچ کرنے کی طاقت کو ختم کر دیا ہے، جس کی وجہ سے ہماری مصنوعات کی مانگ کم ہو گئی ہے۔ مزید برآں، کلیدی ڈیلرز نے مارکیٹ کے ان حالات کے جواب میں اپنے آرڈروالیم کو کم کر دیا ہے۔

زیر جائزہ مدت کے دوران، کمپنی نے ٹیکس کے بعد کا خالص منافع 309.408 ملین روپے کمایا ہے، رواں مدت میں ٹیکسیشن کے بعد ایبوسٹی ایجنڈ کمپنیوں کے نقصان اور حصص کا نقصان شامل کرنے کے بعد کا منافع 54.288 ملین روپے ہے۔ رواں مدت میں ایڈجسٹمنٹ سے پہلے کا منافع 10.098 ملین روپے تھا جو کہ گزشتہ سال اسی مدت کے دوران منافع 60.130 روپے تھا۔ فروخت کی لاگت میں کمی کی وجہ سے گزشتہ سال کی اسی مدت کے مقابلے میں فروخت کے تناسب کے طور پر مجموعی منافع 24.03 فیصد سے تھوڑا سا بڑھ کر 24.31 فیصد ہو گیا۔

EPS میں اضافہ بنیادی طور پر متعلقہ کمپنیوں کی جانب سے ہونے والے نقصانات کی وجہ سے ہوا ہے۔ بڑھتی ہوئی شرح سود نے بھی کمپنی کی کارکردگی کو متاثر کیا ہے، کمپنی کی مالیاتی لاگت 68.927 ملین روپے ہوئی جو گزشتہ سال اسی مدت کے مقابلے 46.526 ملین روپے تھی۔ کمپنی نے رواں سال 817,709 میٹر کپڑے کی پیداوار حاصل کی جبکہ پچھلے سال کے اسی سہ ماہی میں 1,094,857 میٹر کپڑا تیار کیا۔ پیداوار میں کمی 2 جولائی 2023 سے لیکر 15 جولائی 2023 تک اور 13 مارچ 2024 سے لیکر 14 اپریل 2024 تک بجلی کی بندش کی وجہ سے ہوئی ہے اور ساتھ ہی ساتھ ملز ڈیلر کی جانب سے نئے سال 2024-25 کیلئے آڈر میں بھی کمی ہوئی ہے۔

مستقبل کے نقطہ نظر سے:

ذخائر میں کمی، کمزور کرنسی، درآمدی پابندیاں، مہنگائی، سیلاب، پالیسی میں تبدیلی، عالمی اور گھریلو طلب میں کمی، جس کی وجہ سے پیداواری لاگت میں اضافہ، کاروباری منافع میں کمی اور صنعتی ترقی کی پیش گوئیاں پاکستان کی معیشت کو نچوڑنے کا باعث بن رہی ہیں۔ توقع یہ ہے کہ نئی حکومت بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ پروگرام کو محفوظ بنانے کو ترجیح دے گی، یہ افراط زر کو کنٹرول کرنے کے طریقے کے ساتھ، افراط زر کی رفتار پر ہوگا، جو متوقع اقتصادی بحالی کے وقت اور رفتار کا تعین کر سکتا ہے۔ ہمیں درپیش چیلنجز کو تسلیم کرنے کے باوجود، بشمول ہمارے کنٹرول سے باہر بیرونی عوامل، ہم کمپنی کی مسلسل کامیابی کو یقینی بنانے کے لئے آپریشنل اخراجات کو کم کرنے اور فروخت کے حجم کو بڑھانے پر توجہ مرکوز کرتے ہوئے کاروائی کرنے کے لئے پر عزم ہیں۔

اظہار تشکر:

ہم اپنے قابل قدر کسٹمرز کی مسلسل وفاداری اور اعتماد کے لئے ان کا تہ دل سے شکر ادا کرنا چاہتے ہیں، آپ کی مسلسل حمایت ہی ہمیں آگے بڑھاتی ہے، ہم اپنے تمام سٹیک ہولڈرز کا بھی شکر ادا کرتے ہیں۔ بشمول ہمارے بینکرز جو ہماری مالی ضروریات کو بھی سپورٹ کرتے ہیں۔ ڈیلرز اور بندرز جو ہمارے کام کو آسانی سے چلاتے رہتے ہیں اور ہمارے سرشار ملازمین اور ساتھی جو ہماری کمپنی کی ریڑھ کی ہڈی ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

Ali Akbar Khan
لیفٹننٹ جنرل (ر) علی قلی خان خٹک
ڈائریکٹر

Shahid Hussain
شہناز سجاد احمد
چیف ایگزیکٹو آفیسر

18 اپریل 2024

BANNU WOOLLEN MILLS LIMITED

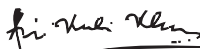
Condensed Interim Statement of Financial Position as at March 31, 2024

| | | Un-audited March 31, 2024 | Audited Jun. 30, 2023 |
|--|------|---------------------------------|-----------------------------|
| | Note | (Rupees in thousand) | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 1,570,946 | 1,574,146 |
| Intangible assets | | 246 | 675 |
| Investments in Associated Companies | 7 | 1,154,958 | 831,635 |
| Security deposits | | 3,794 | 3,794 |
| | | 2,729,944 | 2,410,250 |
| Current assets | | | |
| Stores and spares | | 136,068 | 111,787 |
| Stock-in-trade | | 669,723 | 647,293 |
| Trade debts | 8 | 223,739 | 291,499 |
| Advances to employees - unsecured, considered good | | 22,056 | 37,857 |
| Advance payments | | 32,729 | 70,940 |
| Prepayments and other receivables | | 19,567 | 913 |
| Sales tax refundable | | 12,332 | 0 |
| Income tax refundable, advance tax and tax deducted at source | | 13,540 | 16,178 |
| Cash and bank balances | | 14,902 | 55,186 |
| | | 1,144,656 | 1,231,653 |
| Total assets | | 3,874,600 | 3,641,903 |
| Equity and liabilities | | | |
| Share capital and reserves | | | |
| Authorised capital | | | |
| 20,000,000 ordinary shares of Rs.10 each | | 200,000 | 200,000 |
| Issued, subscribed and paid-up capital | | 95,063 | 95,063 |
| Capital reserves | | | |
| - share premium | | 19,445 | 19,445 |
| - revaluation surplus on property, plant and equipment | 9 | 2,761,730 | 2,766,738 |
| Revenue reserves | | | |
| - general reserves | | 154,055 | 154,055 |
| - unappropriated profit / (accumulated loss) | | 122,746 | (191,670) |
| | | 3,153,039 | 2,843,631 |
| Shareholders' equity | | | |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 5,621 | 12,718 |
| Staff retirement benefits - gratuity | | 150,811 | 131,259 |
| Deferred taxation | | 82,600 | 70,519 |
| | | 239,032 | 214,496 |
| Current liabilities | | | |
| Trade and other payables | 10 | 111,424 | 114,231 |
| Contract Liabilities | | 3,198 | 1,204 |
| Unpaid dividends | | 3,452 | 3,452 |
| Unclaimed dividends | | 4,746 | 4,746 |
| Accrued mark-up | | 17,105 | 22,298 |
| Short term finances | | 322,709 | 416,745 |
| Current portion of lease liabilities | | 8,705 | 7,365 |
| Taxation | 11 | 11,190 | 13,735 |
| | | 482,529 | 583,776 |
| Total liabilities | | 721,561 | 798,272 |
| Contingencies and commitments | 12 | | |
| TOTAL EQUITY AND LIABILITIES | | 3,874,600 | 3,641,903 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Profit or Loss & Other Comprehensive Income (Un-audited)

For the Quarter and Nine Months Period Ended March 31, 2024

| Note | Quarter ended | | Nine months period ended | |
|--|--------------------------------|------------------|--------------------------|------------------|
| | Mar. 31, 2024 | Mar. 31, 2023 | Mar. 31, 2024 | Mar. 31, 2023 |
| | ----- Rupees in thousand ----- | | | |
| Sales - net | 66,076 | 84,071 | 836,070 | 946,309 |
| Cost of sales | (54,291) | (83,332) | (632,862) | (718,949) |
| Gross profit | 11,785 | 739 | 203,208 | 227,360 |
| Distribution cost | (8,643) | (13,230) | (26,329) | (26,275) |
| Administrative expenses | (33,711) | (31,257) | (111,504) | (91,611) |
| Other income | 1,522 | 1,525 | 14,568 | 2,623 |
| Other expenses | 3,930 | 4,677 | (918) | (5,441) |
| (Loss) / profit from operations | (25,117) | (37,546) | 79,025 | 106,656 |
| Finance cost | (18,080) | (12,326) | (68,927) | (46,526) |
| | (43,197) | (49,872) | 10,098 | 60,130 |
| Share of profit / (loss) and impairment of an Associated Company - net | 7 | 0 | 0 | 323,323 |
| | 0 | 0 | 323,323 | (5,842) |
| (Loss) / profit before taxation | (43,197) | (49,872) | 333,421 | 54,288 |
| Taxation | 13 | 6,260 | 12,196 | (24,013) |
| | 6,260 | 12,196 | (24,013) | (40,063) |
| (Loss) / profit after taxation | (36,937) | (37,676) | 309,408 | 14,225 |
| Other comprehensive income | 0 | 0 | 0 | 0 |
| Total comprehensive (loss) / income for the period | (36,937) | (37,676) | 309,408 | 14,225 |
| | ----- Rupees ----- | | | |
| (Loss) / earnings per share | (3.89) | (3.96) | 32.55 | 1.50 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Cash Flows (Un-audited) For the Quarter and Nine Months Period Ended March 31, 2024

| | Nine months period ended | |
|--|--------------------------|------------------|
| | Mar. 31, 2024 | Mar. 31, 2023 |
| | Rupees in thousand | |
| Cash flows from operating activities | | |
| Profit for the period - before taxation and share of profit / (loss) on investments in an Associated Company | 10,098 | 60,130 |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on property, plant and equipment | 18,043 | 15,616 |
| Depreciation on right of use of assets | 7,069 | 3,058 |
| Amortisation | 428 | 391 |
| Provision for impairment of trade debts | 130 | 155 |
| Staff retirement benefits - gratuity (net) | 19,552 | 15,464 |
| Mark-up on bank deposits and dealers' balances | (13,715) | (1,046) |
| Finance cost | 68,927 | 46,526 |
| Workers' welfare fund | 243 | 1,348 |
| Profit before working capital changes | 110,775 | 141,642 |
| Effect on cash flows due to working capital changes | | |
| (Increase) / decrease in current assets | | |
| Stores and spares | (24,281) | 13,283 |
| Stock-in-trade | (22,430) | 89,570 |
| Trade debts | 67,630 | (100,351) |
| Advances | 15,801 | 5,854 |
| Advance payments | 38,211 | (1,676) |
| Prepayments and other receivables | (18,654) | (3,487) |
| Sales tax refundable | (12,332) | 22,691 |
| (Decrease) / increase in trade and other payables and contract liabilities | (1,056) | 2,186 |
| | 42,889 | 28,070 |
| Cash generated from operations | 153,664 | 169,712 |
| Taxes paid | (11,840) | (11,113) |
| Net cash generated from operating activities | 141,824 | 158,599 |
| Cash flows from investing activities | | |
| Fixed capital expenditure | (21,981) | (20,872) |
| Mark-up on bank deposits and dealers' balances | 13,715 | 1,046 |
| Net cash used in investing activities | (8,266) | (19,826) |
| Cash flows from financing activities | | |
| Lease rentals paid | (8,705) | (3,469) |
| Short term finances - net | (94,036) | (77,717) |
| Dividend paid | 0 | (34) |
| Finance cost paid | (71,101) | (45,490) |
| Net cash used in from financing activities | (173,842) | (126,710) |
| Net (decrease) / increase in cash and cash equivalents | (40,284) | 12,063 |
| Cash and cash equivalents - at beginning of the period | 55,186 | 31,011 |
| Cash and cash equivalents - at end of the period | 14,902 | 43,074 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Changes in Equity (Un-audited) For the Quarter and Nine Months Period Ended March 31, 2024

| Share capital | Capital Reserves | | Revenue Reserves | | Total |
|---------------|------------------|--|------------------|-----------------------|-------|
| | Share premium | Revaluation surplus on property, plant and equipment | General | Unappropriated profit | |

----- Rupees in '000 -----

| | | | | | | |
|---|---------------|---------------|------------------|----------------|----------------|------------------|
| Balance as at June 30, 2023 (audited) | 95,063 | 19,445 | 2,766,738 | 154,055 | (191,670) | 2,843,631 |
| Total comprehensive income for the period ended March 31, 2024 | 0 | 0 | 0 | 0 | 309,408 | 309,408 |
| Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation (net of deferred taxation) | 0 | 0 | (5,008) | 0 | 5,008 | 0 |
| Balance as at March 31, 2024 (unaudited) | 95,063 | 19,445 | 2,761,730 | 154,055 | 122,746 | 3,153,039 |
| Balance as at 30 June 2022 - (audited) | 95,063 | 19,445 | 2,472,015 | 154,055 | 152,629 | 2,893,207 |
| Total comprehensive income for the period ended March 31, 2023 | 0 | 0 | 294,873 | 0 | 14,225 | 309,098 |
| Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation (net of deferred taxation) | 0 | 0 | (4,246) | 0 | 4,246 | 0 |
| Balance as at March 31, 2023 (unaudited) | 95,063 | 19,445 | 2,762,642 | 154,055 | 171,100 | 3,202,305 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Director



Kalim Aslam
Chief Financial Officer

Notes to the Condensed Interim Financial Information (Un-audited) For the Quarter and Nine Months Period Ended March 31, 2024

1. Legal status and operations

Bannu Woollen Mills Ltd. (the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of woollen yarn, cloth and blankets. The Company's registered office and mills are located at D.I. Khan Road, Bannu whereas the retail outlet is located at Raja Bazar, Rawalpindi.

2. Basis of preparation

2.1. Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

2.2. These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual audited financial statements of the Company as at and for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.3. These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017. The figures for the nine months period ended March 31, 2024, however, are unaudited.

2.4. Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for the Company's liability under defined benefit plan (gratuity), which is determined on the present value of defined benefit obligations determined by an independent actuary and property, plant and equipment at revalued amounts assessed by an independent valuer

2.5. Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is also the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

3. Significant accounting policies

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company as at and for the year ended June 30, 2023.

4. Changes In Accounting Standards, Interpretations And Amendments To Published Approved Accounting Standards

4.1. Standards, interpretations and amendments to published approved accounting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting periods which began on July 01, 2023. However, these do not have any significant impact on the Company's financial reporting.

4.2. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5. Accounting estimates and judgements

5.1. The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5.2. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended June 30, 2023.

6. Property, plant and equipment

| | Un-audited March 31, 2024 | Audited June 30, 2023 |
|--------------------------|--|--------------------------------------|
| Note | (Rupees in thousand) | |
| Operating fixed assets | 6.1 1,549,154 | 1,558,872 |
| Capital work-in-progress | 13,656 | 0 |
| Right of use of assets | 6.2 8,136 | 15,274 |
| | 1,570,946 | 1,574,146 |

6.1 Operating fixed assets

| | |
|--|------------------|
| Book value of operating fixed assets as at June 30, 2023 | 1,558,872 |
| Additions during the period : | |
| - plant and machinery | 7,006 |
| - electric fittings | 282 |
| - vehicles | 1,037 |
| | 8,325 |
| Depreciation charge for the period | (18,043) |
| Book value as at March 31, 2024 | 1,549,154 |

6.2 Right of use assets

| | |
|---|--------------|
| Book value of right of use assets as at June 30, 2023 | 15,274 |
| Additions during the period | 0 |
| Impact of modification | (69) |
| Depreciation charge for the period | (7,069) |
| Book value of right of use assets as at March 31, 2024 | 8,136 |

BANNU WOOLLEN MILLS LIMITED

| | | Un-audited Mar. 31, 2024 | |
|------------|---|---|--------------------------------------|
| | | (Rupees in thousand) | |
| 7. | Investments in Associated Company - Quoted Janana De Malucho Textile Mills Ltd. (JDM) | | |
| | Carrying value of 1,659,643 shares of Rs.10 each before recognition of impairment loss as at June 30, 2023 | 1,959,462 | |
| | Shareholding held: 25.24% | | |
| | Loss for the period - net of taxation | (13,820) | |
| | Less: impairment loss: | 1,945,642 | |
| | - balance as at June 30, 2023 | (1,127,827) | |
| | - loss reversed during the period | 337,143 | |
| | | (790,684) | |
| | Carrying value as at March 31, 2024 | <u>1,154,958</u> | |
| 7.1 | Market value of the Company's investments in JDM as at March 31, 2024 was Rs.101.653 million (June 30, 2023: Rs.66.801 million). | | |
| 7.2 | The reversal of impairment loss on investments in the Associate as of December 31, 2023 has resulted from the adoption of a revised valuation methodology permitted under IAS 36 (Impairment of Assets) . The Company has been using the Discounted Cash Flow (DCF) method to calculate Value in Use (VIU) under IAS 36. However, economic challenges, such as inflation, currency devaluation and increased assets revaluation, have necessitated a reassessment of the impairment assessment approach. Therefore, keeping in view the requirements of IAS 36, a revised model, known as the Market Value of Net Assets Approach has been adopted as at December 31, 2023 to calculate the VIU. This model provides a more accurate reflection of the investments value, especially for capital-intensive entities. This change in the VIU calculation method has led to reversal of the impairment loss for the period ended December 31, 2023. This change in estimate has been applied prospectively. | | |
| 8. | Trade debts - unsecured | Un-audited Mar. 31, 2024 | Audited June 30, 2023 |
| | | (Rupees in thousand) | |
| | Considered good | 225,407 | 290,167 |
| | Considered doubtful | 20,030 | 22,900 |
| | | <u>245,437</u> | <u>313,067</u> |
| | Less: allowance for expected credit loss | 8.1 (21,698) | (21,568) |
| | | <u>223,739</u> | <u>291,499</u> |
| 8.1 | Provision for impairment | | |
| | Balance at beginning of the period / year | 21,568 | 21,296 |
| | Charge for the period / year | 130 | 272 |
| | Balance at end of the period / year | <u>21,698</u> | <u>21,568</u> |
| 9. | Surplus on revaluation of property, plant and equipment - net | | |
| | Surplus on revaluation of the Company's property, plant and equipment | 1,283,414 | 1,288,422 |
| | Share of surplus on revaluation of property, plant and equipment of an Associated Company | 1,478,316 | 1,478,316 |
| | | <u>2,761,730</u> | <u>2,766,738</u> |

BANNU WOOLLEN MILLS LIMITED

| | Note | Un-audited Mar. 31, 2024 (Rupees in thousand) | Audited June 30, 2023 |
|---|------|--|-----------------------------|
| 10. Trade and other payables | | | |
| Creditors | | 1,473 | 4,502 |
| Security deposits - interest free, repayable on demand | | 11,200 | 8,700 |
| Accrued expenses | | 85,165 | 85,610 |
| Due to Waqf-e-Kuli Khan | | 3,753 | 4,104 |
| Tax deducted at source | | 1,251 | 90 |
| Staff retirement benefits (gratuity) due but unpaid | | 1,272 | 1,272 |
| Workers' (profit) participation fund | | 2,580 | 2,036 |
| Workers' welfare fund | | 4,295 | 5,070 |
| Sales tax payable | | 0 | 2,442 |
| Others | | 435 | 405 |
| | | 111,424 | 114,231 |
| 11. Taxation - net | | | |
| Balance as a June 30, 2023 | | 13,735 | |
| Add: provision made during the period | | | |
| - current | | 10,461 | |
| - prior year | | 1,471 | |
| Less: payments / adjustments made during the period against completed assessment | | 14,477 | |
| Balance as at March 31, 2024 | | 11,190 | |

11.1 Income tax assessments of the Company have been completed up to the tax year 2023 i.e. accounting year ended June 30, 2023.

11.2 There has been no significant change in status of taxation matters during the current period as detailed in notes 21.2 to 21.8 to the audited financial statements of the Company for the year ended June 30, 2023 except for the following:

Tax charged under sections 161/205 of the Income Tax Ordinance, 2001 for the tax year 2017 at Rs.119.504 million against which an appeal was filed with the Commissioner Inland Revenue (Appeals), who decided the appeal and remanded back the case to the Assessing Officer for reconsideration of the facts of the case.

11.3 Income tax expense is recognised in each interim period based on best estimate. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate changes.

12. Contingencies and commitments

12.1 There has been no significant change in the status of contingencies during the current period as reported in the audited financial statements of the Company for the year ended June 30, 2023.

12.2 No commitments were outstanding as at March 31, 2024 and June 30, 2023.

| | | Nine months period ended | |
|---------------------|------|--------------------------------|--------------------------------|
| | Note | Un-audited Mar. 31, 2024 | un-audited Mar. 31, 2023 |
| 13. Taxation | | | |
| - current | | 10,461 | 19,159 |
| - prior year | | 1,472 | 4,246 |
| - deferred | | 12,080 | 16,658 |
| | | 24,013 | 40,063 |

14. Transactions with related parties

14.1 Significant transactions with related parties during the period were as follows:

| | Nine months period ended | |
|---|--------------------------|-------------------|
| | March 31, 2024 | March 31, 2023 |
| | (Rupees in thousand) | |
| i) Associated Companies | | |
| Expenses shared | 4,603 | 3,124 |
| Rent of marketing office | 4,669 | 10,216 |
| Rent of internal audit office | 0 | 288 |
| Purchase of raw materials | 0 | 4,128 |
| Purchase of vehicles | 0 | 16,820 |
| ii) Key management personnel | | |
| Salary and other employment benefits | 76,290 | 61,785 |
| 14.2 Period-end balance was as follows: | | |
| Payable to Gammon Pakistan Ltd. (grouped under trade and other payables) | 0 | 0 |
| Prepaid rent to a related party (grouped under prepayments and other receivables) | 2,164 | 1,822 |

15. Financial risk management

15.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

15.2 Fair value estimation

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Further, there were no reclassifications of financial assets.

16. Corresponding figures

The comparative condensed interim statement of financial position presented in these condensed interim financial statements has been extracted from the audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the un-audited condensed interim financial statements for the period ended March 31, 2024.

17. Date of authorisation for issue

These condensed interim financial statements were approved and authorised for issue by the Board of Directors of the Company on April 18, 2024.



Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen. (Retd.) Ali Kuli Khan Khattak
Director



Kalim Aslam
Chief Financial Officer

If undelivered please return to
Share Department
BANNU WOOLLEN MILLS LIMITED
D.I. Khan Road, BANNU
Phone # 0928-612274