

**Quarterly
Accounts
September, 30
2021**

BIBOJEE GROUP



BANNU

WOOLLEN MILLS LIMITED

COMPANY'S PROFILE

Board Of Directors	Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Raza Kuli Khan Khattak Lt. Gen. (Retd.) Ali Kuli Khan Khattak Syed Zubair Ahmed Shah -NIT Mr. Abdul Rehman Qureshi (Independent) Brig.(R) Agha Arshad Raza (Independent)	Chairman Chief Executive
Audit Committee	Mr. Abdul Rehman Qureshi Syed Zubair Ahmed Shah Brig.(R) Agha Arshad Raza	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Abdul Rehman Qureshi Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Syed Zubair Ahmed Shah -NIT Brig.(R) Agha Arshad Raza	Chairman Member Member Member Member
Chief Operating Officer (COO)	Mr. Khalid Kuli Khan Khattak	
Chief Financial Officer	Mr. Azher Iqbal - ACA	
Company Secretary	Ms. Jahanara Sajjad Ahmad- FCA	
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. 3-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) 615131, 611350 Fax. (0928) 611450 E-Mail bannuwoollen@yahoo.com Web Site: www.bwm.com.pk	
Mills	D.I.Khan Road, Bannu Tel. (0928) 613151, 611350 Fax (0928) 611450 E-Mail bannuwoollen@yahoo.com Web Site: www.bwm.com.pk	

BANNU WOOLLEN MILLS LIMITED

Directors' Report

On behalf of the Board of Directors of Bannu Woollen Mills Limited, we are pleased to present the unaudited condensed interim financial statements for the three months period ended September 30, 2021.

THE FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021 ARE AS FOLLOWS:-

	Quarter Ended Sep. 30,	
	2021	2020
	(Rupees in thousand)	
Sales - net	292,302	266,431
Gross profit	78,299	75,386
Profit from Operations	46,185	37,234
Profit before Taxation	37,106	26,583
Profit after Taxation	28,428	22,532
	----- Rupees -----	
Earnings per share	<u>2.99</u>	<u>2.37</u>

OPERATING PERFORMANCE REVIEW

Revitalization of global economic activity has increased commodity prices in an unprecedented way, causing inflation globally. The revitalization of economic activity in the country has boosted imports and resulted in increased raw material prices which has adversely affected company's gross profit margin. However, the Company was able to achieve improved results for the first quarter as compared to the corresponding period. We are pleased to inform you that Company has achieved profitability of Rs. 28.428 million after taxation as compared to profit of Rs 22.532 million last year. The positive performance primarily represents volume growth and a better sales mix. Resultantly, the Company has achieved earnings per share (EPS) of Rs. 2.99 per share against earnings per share of Rs. 2.37 for the corresponding period of last year.

The Company achieved greasy production of 356,161 meters of fabric as compared to 188,300 meters in the corresponding period of last year. The sales revenue increased by Rs. 25.871 million (9.71%) over the corresponding period. The latest monetary policy of State Bank has led to a hike of 25 bps in the policy rate which will prospectively increase the finance cost. The Company's finance cost amounting Rs 9.079 million in first quarter as against 10.651 million in the corresponding period. The management is hopeful that the demand during the second quarter will remain in line with the expectations and will yield to better financial performance.

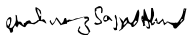
Future outlook

The Company will remain exposed to the risk of adverse fluctuation in the Pak Rupee vs. US\$ parity as major part of the raw-materials is imported. Despite the various challenges, the management is committed towards increasing its market share. The Company is focused on growth opportunities and is determined to significantly improve its operating results by adding value to the stakeholders' wealth by introducing new products.

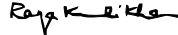
Acknowledgement

The Company acknowledges the continued support received from its customers and their confidence in the Company. We are also thankful to all stakeholders, bankers, dealers, vendors, employees and associates for their valuable support.

On behalf of the Board of Directors



Shahnaz Sajjad Ahmad
Chief Executive Officer



Raza Kuli Khan Khattak
Director

بنوں وولن ملازمین ڈیٹا

ڈیٹا کیلکولیشن کا جائزہ

کئی، بنوں وولن ملازمین کے بورڈ آف ڈائریکٹرز کی سہ ماہی 30 ستمبر 2021 غیر آڈٹ شدہ مالیاتی رپورٹ اور ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہے۔ کئی کی پہلی سہ ماہی، 30 ستمبر 2021 کے مالی نتائج مندرجہ ذیل ہیں۔

پہلی سہ ماہی کا اختتام		
30 ستمبر 2021	30 ستمبر 2020	
-- روپے ہزاروں میں --		
292,302	266,431	خالص فروخت
78,299	75,386	مجموعی منافع
46,185	37,234	(تقصان)
37,106	26,583	نگین سے پہلے (تقصان)
28,428	22,532	نگین کے بعد (تقصان)
-- روپے --		
2.99	2.37	تقصان فی حصص

کارکردگی کا جائزہ:

عالمی سطح پر افراط زر اور معاشی سرگرمیوں کی بحالی کی وجہ سے ایشیا کی قیمتوں میں اضافہ ہوا۔ ملک میں معاشی سرگرمیوں کی بحالی نے درآمدات میں اضافہ کیا ہے اور خام مال کی قیمتوں میں اضافہ ہوا ہے جس سے کئی کے مجموعی منافع کے مارجن پر منفی اثر پڑا ہے۔ تاہم، کئی گزشتہ سال کی نسبت اس سال کی کئی سہ ماہی میں بہتر نتائج حاصل کرنے میں کامیاب رہی ہے۔ ہم آپ کو بتانے والے خوشی محسوس کرتے ہیں کہ کئی نے اس سال نگین کی ادائیگی کے بعد 28,428 ملین روپے منافع حاصل کیا ہے جبکہ گزشتہ سال 22,532 ملین روپے منافع تھا۔ حقیقت کا کردہ گی بنیادی طور پر حجم میں اضافہ اور مخلوط فروخت کی نرا مددگی کرتی ہے۔ اس کے نتیجے میں کئی نے فی حصص آمدنی 2.99 روپے حاصل کی ہے جو کہ گزشتہ سال 2.37 روپے تھی۔

کئی نے رواں سال 356,161 میٹرک ٹن سے کم پیداوار کی جبکہ پچھلے سال کے اسی عرصہ میں 188,300 میٹرک ٹن پیدا کیا۔ اسی مدت کے دوران فروخت آمدنی میں 25,871 ملین روپے (9.71%) کا اضافہ بھی ہوا۔ نیٹ بکنگ کی تاز ترین مائٹری پالیسی کی شرح میں 25bps کا اضافہ ہوا ہے جس سے نکلڈ ٹولڈ ٹرانس اکٹ میں اضافہ ہوا ہے۔ رواں سال کی کئی سہ ماہی میں کئی کی مالی لاگت 9,079 ملین روپے ہے جو کہ گزشتہ سال اسی مدت میں 10,651 ملین روپے تھی۔ انتظامیہ پر امید ہے کہ دوسری سہ ماہی کے دوران طلبہ کو تھکات کے مطابق رہے گی اور بہتر مالی کارکردگی کا باعث بنے گی۔

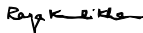
مستقبل کے نقطہ نظر سے:

مستقبل قریب میں انتظامیہ کئی کی صورت حال بہتر ہونے کے ساتھ ہی پیداوار کی بحالی کے سلسلے کو بڑھانے کے لئے دو شعبوں کو دوبارہ شروع کرنے کے لئے کوشاں ہے۔ تاہم، کئی پاکستانی روپیہ بمقابلہ امریکی ڈالر کے زرخیز ہمارے چڑھاؤ کے خطوط اور مالی لاگت کے بڑھنے کی زد میں آ جائیگی مختلف حالات کے باوجود کئی اپنے صارفین کو معیاری مصنوعات کی فراہمی کے لئے پرعزم ہے اور سال کی باقی مدت تک بہتر فروخت کے ذریعے اپنے اسٹیک ہولڈرز کے لئے بہترین نتائج کی توقع رکھتی ہے۔

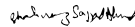
اطمینان بخش:

کئی اپنے صارفین کی مسلسل حمایت اور ان کے اعتماد کو تسلیم کرتی ہے۔ ہم اپنے تمام اکاؤنٹ ہولڈرز، صارفین، سپلائرز، بنگرز، ملازمین اور معزز صارفین کی مسلسل حمایت کا اعتراف کرتے ہیں۔

کئی کے بورڈ آف ڈائریکٹرز کی جانب سے



ڈائریکٹرز
(رضاعی خاں خٹک)



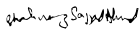
چیف ایگزیکٹو آفیسر
(شاہنواز بادامہ)

20 اکتوبر، 2021

BANNU WOOLLEN MILLS LIMITED
Condensed Interim Statement of Financial Position
As At September 30, 2021

	Un-audited Sept. 30, 2021	Audited Jun. 30, 2021
ASSETS	Note	(Rupees in thousand)
Non-current assets		
Property, plant and equipment	5	1,257,536
Intangible assets		1,346
Investments in Associated Companies	6	1,151,362
Security deposits		3,794
		<u>2,414,038</u>
Current assets		
Stores and spares		83,995
Stock-in-trade		609,717
Trade debts		403,562
Current portion of advances		45
Advances to employees - unsecured, considered good		18,691
Advance payments		9,523
Other receivables		28,511
Sales tax refundable		0
Income tax refundable, advance tax and tax deducted at source		15,250
Cash and bank balances		5,734
		<u>1,175,028</u>
		<u>1,063,102</u>
TOTAL ASSETS		<u><u>3,589,066</u></u>
		<u><u>3,475,700</u></u>
EQUITY AND LIABILITIES		
Equity		
Authorised capital		
20,000,000 ordinary shares of Rs.10 each		200,000
Issued, subscribed and paid-up capital		95,063
Capital reserves		
- share premium		19,445
- revaluation surplus on property, plant and equipment	7	1,770,513
Revenue reserves		
- general		654,055
- unappropriated profit		316,203
Shareholders' equity		<u>2,855,279</u>
		<u>2,826,851</u>
Liabilities		
Non-current liabilities		
Lease liabilities		730
Staff retirement benefits - gratuity		82,175
Deferred taxation		55,827
		<u>138,732</u>
		<u>129,830</u>
Current liabilities		
Trade and other payables		149,486
Unpaid dividends		2,952
Unclaimed dividends		5,312
Accrued mark-up		8,913
Short term finances		410,296
Current portion of lease liabilities		3,186
Taxation	8	14,910
		<u>595,055</u>
		<u>519,019</u>
		<u>733,787</u>
		<u>648,849</u>
Contingencies and commitments	9	
TOTAL EQUITY AND LIABILITIES		<u><u>3,589,066</u></u>
		<u><u>3,475,700</u></u>

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


Shahnaz Sajjad Ahmad
Chief Executive


Raza Kuli Khan Khattak
Director


Azhar Iqbal
Chief Financial Officer

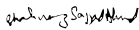
BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Profit or Loss & Other Comprehensive Income
(Unaudited)
For The First Quarter Ended September 30, 2021

	Quarter Ended September 30,	
	2021	2020
	(Rupees in thousand)	
Sales - net	292,302	266,431
Cost of sales	214,003	191,045
Gross profit	78,299	75,386
Distribution cost	5,130	13,842
Administrative expenses	25,939	21,603
Other expenses	2,930	2,969
Other operating income	(1,885)	(262)
	32,114	38,152
Profit from Operations	46,185	37,234
Finance cost	9,079	10,651
Profit before Taxation	37,106	26,583
Taxation - net	8,678	4,051
Profit after Taxation	28,428	22,532
Other comprehensive income	0	0
Total comprehensive income	28,428	22,532
	----- Rupees -----	
Earnings per share	2.99	2.37

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

- Appropriations have been reflected in the statement of changes in equity.


Shahnaz Sajjad Ahmad
Chief Executive


Raza Kuli Khan Khattak
Director


Azhar Iqbal
Chief Financial Officer

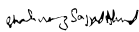
BANNU WOOLLEN MILLS LIMITED
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the 1st Quarter Ended September 30, 2021

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

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

Balance as at June 30, 2020	95,063	19,445	1,783,140	654,055	208,890	2,760,593
Effect of retrospective restatement of deferred taxation on impairment loss on investments	0	0	0	0	(5,065)	(5,065)
Balance as at July 01, 2020 - restated	95,063	19,445	1,783,140	654,055	203,825	2,755,528
Total comprehensive income for the quarter ended September 30, 2020	0	0	0	0	22,532	22,532
Surplus on revaluation of property, plant and equipment realised during the period on account of incremental depreciation (net of deferred taxation)	0	0	(1,280)	0	1,280	0
Balance as at September 30, 2020	95,063	19,445	1,781,860	654,055	227,637	2,778,060
Balance as at June 30, 2021	95,063	19,445	1,771,898	654,055	286,390	2,826,851
Total comprehensive income for the quarter ended September 30, 2021	0	0	0	0	28,428	28,428
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) on account of:						
- incremental depreciation for the period	0	0	(1,216)	0	1,216	0
- revalued assets sold during the period	0	0	(169)	0	169	0
Balance as at September 30, 2021	95,063	19,445	1,770,513	654,055	316,203	2,855,279

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


Shahnaz Sajjad Ahmad
 Chief Executive

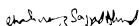

Raza Kuli Khan Khattak
 Director


Azhar Iqbal
 Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED
Condensed Interim Statement of Cash flows (Un-Audited)
For The First Quarter Ended September 30, 2021

	1st Quarter ended	
	Sept. 30,	Sept. 30,
	2021	2020
	(Rupees in thousand)	
Cash flows from operating activities		
Profit for the period - before taxation	37,106	26,583
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	4,543	4,658
Depreciation on right of use assets	1,246	21
Amortisation	130	127
Staff retirement benefits - gratuity (net)	4,593	2,391
Mark-up on bank deposits and dealers' balances	(110)	(49)
Finance cost	9,079	10,651
Gain on disposal of plant & machinery	(1,814)	(55)
Profit before working capital changes	54,773	44,327
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets		
Stores and spares	2,207	2,272
Stock-in-trade	89,724	71,944
Trade debts	(193,630)	(212,350)
Advances to employees	(6,285)	(2,127)
Advance payments	5,361	(1,798)
Trade deposits and prepayments	(27,670)	(59)
Sales tax refundable	10,464	9,463
Increase in trade and other payables	40,369	80,846
	(79,460)	(51,809)
Cash used in operations	(24,687)	(7,482)
Taxes paid	(2,296)	(1,353)
Net cash used in operating activities	(26,983)	(8,835)
Cash flows from investing activities		
Fixed capital expenditure	(8,219)	(212)
Sale proceeds of plant & machinery	2,620	85
Intangible assets acquired	(57)	0
Mark-up received on bank deposits	110	49
Net cash used in investing activities	(5,546)	(78)
Cash flows from financing activities		
Lease rentals paid	(1,153)	(607)
Short term finances - net	32,610	26,272
Dividend paid	(1,275)	(114)
Finance cost paid	(7,852)	(13,520)
Net cash generated from financing activities	22,330	12,031
Net (decrease) / increase in cash and cash equivalents	(10,199)	3,118
Cash and cash equivalents - at the beginning of the period	15,933	1,894
Cash and cash equivalents - at the end of the period	5,734	5,012

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


Shahnaz Sajjad Ahmad
 Chief Executive


Raza Kuli Khan Khattak
 Director


Azhar Iqbal
 Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2021

1. Legal status and nature of business

Bannu Woollen Mills Limited (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.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

Bannu	Purpose
D.I Khan Road	Registered office / Mills
Rawalpindi	
Raja Bazar	Retail outlet

2. Basis of Preparation

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; and
- 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.

This condensed interim financial information is being submitted to the shareholders as required by section 237 of the Companies Act, 2017.

3. Accounting Policies

The accounting policies and the methods of computation adopted in 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 for the year ended June 30, 2021, except for certain amendments which did not have any effect on these condensed interim financial statements.

The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plan has not been incorporated in the condensed interim financial information.

4. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to financial statements as at and for the year ended June 30, 2021.

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 June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited Quarter ended Sept. 30, 2021	Audited Year ended June 30, 2021
	Note	(Rupees in thousand)
Operating fixed assets	5.1	1,249,503
Capital work-in-progress		5,923
Right of use of assets		2,110
		<u>1,257,536</u>
		<u>1,256,023</u>
5.1 Operating fixed assets		
Opening book value		1,252,394
Additions during the period / year		2,458
Book value of assets disposed		(806)
Depreciation charge for the period / year		(4,543)
Closing book value		<u>1,249,503</u>
		<u>1,271,536</u>
		<u>213</u>
		<u>(30)</u>
		<u>(19,325)</u>
		<u>1,252,394</u>
6. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted		
Market values of the Company's investments in BCM and JDM as at September 30, 2021 were Rs. 6.672 million (June 30, 2021: Rs. 7.972 million) and Rs. 143.434 million (June 30, 2021: Rs. 146.568 million) respectively.		
7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net		
Surplus on revaluation of the Company's property, plant and equipment	7.1	1,003,187
Share of surplus on revaluation of property, plant and equipment of Associated Companies		767,326
		<u>1,770,513</u>
		<u>1,771,898</u>
7.1 The period-end balance has been arrived at as follows:		
Opening balance		1,044,285
Less: transferred to unappropriated profit		
- on account of incremental depreciation for the period / year		(1,712)
- upon sale of revalued assets		(238)
		<u>1,042,335</u>
Less: deferred tax on:		
- opening balance of surplus		39,713
- incremental depreciation for the year		(496)
- sale of revalued assets		(69)
		<u>39,148</u>
		<u>39,713</u>
Closing balance		<u>1,003,187</u>
		<u>1,004,572</u>
8. TAXATION - Net		
8.1 The provision for taxation for the quarter ended September 30, 2021 represents minimum tax due under section 113 of the Income Tax Ordinance, 2001.		
8.2 There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2021.		

9. CONTINGENCIES AND COMMITMENTS

9.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2021.

9.2 Commitments for irrevocable letters of credit outstanding as at September 30, 2021 aggregated Rs. 49.380 million (June 30, 2021: Rs. 58.301 million).

10. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties are as follows:

Nature of relationship	Nature of transaction	Un-audited	
		Quarter ended Sept. 30, 2021	2020
(Rupees in thousand)			
(i) Associated Companies	Rent of marketing office	817	613
	Rent of internal audit office	125	38
	Expenses shared	668	476
(ii) Key management personnel	Managerial remuneration and benefits	18,343	14,863

11. IMPACT OF COVID-19 (CORONA VIRUS)

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.

12. FINANCIAL RISK MANAGEMENT

This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2021. The Company's activities expose it to a variety of financial risks, which are (i) credit risk (ii) liquidity risk and (iii) market risk (including foreign currency risk and interest rate risk). There has been no change in Company's sensitivity to these risks since June 30, 2021 except for general exposure to fluctuations in foreign currency. There have been no changes in the risk management policies during the period.

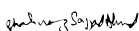
13. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2021 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the three months period ended September 30, 2020.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no material re-arrangements and re-classifications have been made in these interim financial statements.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on October 20, 2021.


Shahnaz Sajjad Ahmad
Chief Executive


Raza Kuli Khan Khattak
Director


Azhar Iqbal
Chief Financial Officer