

Quarterly
Accounts
September, 30
2024

BIBOJEE GROUP



BANNU

WOOLLEN MILLS LIMITED

COMPANY'S PROFILE

| | | |
|--|--|--|
| 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 | CDC Share Registrar (Services) Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi-74400 Tel: UAN# 021-0800 23275, Fax: 021-34326053 E-Mail: info@cdcsrsl.com | |
| 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 | |

BANNU WOOLLEN MILLS LIMITED

DIRECTORS' REVIEW

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, 2024.

THE FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2024 ARE AS FOLLOWS: -

| | Quarter Ended Sep. 30, | |
|---------------------------------|------------------------|---------------|
| | 2024 | 2023 |
| | (Rupees in thousand) | |
| Sales – net | 321,293 | 193,806 |
| Gross profit | 100,197 | 51,112 |
| Profit from Operations | 57,044 | 6,312 |
| Profit / (loss) before taxation | 30,909 | (22,639) |
| Profit / (loss) after taxation | 21,104 | (20,229) |
| | ----- Rupees ----- | |
| Earnings / (loss) per share | <u>2.22</u> | <u>(2.13)</u> |

OPERATING PERFORMANCE REVIEW

During the quarter under review our company has achieved substantial growth and improved financial performance over the corresponding period. Our sales have increased significantly from Rs. 193,806 thousand in 2023 to Rs. 321,293 thousand (65.78%) in 2024, reflecting a robust increase in revenue. This growth is further emphasized by the rise in our gross profit, which has doubled from Rs. 51,112 thousand to Rs. 100,197 thousand, indicating enhanced efficiency in managing our costs of goods sold. Additionally, our profit from operations has seen a remarkable increase from Rs. 6,312 thousand to Rs. 57,044 thousand, showcasing our improved operational efficiency and reduced operating expenses. Notably, we have turned around from a loss before taxation in 2023 to a profit of Rs. 30,909 thousand in 2024, marking a significant financial turnaround. Our earnings per share (EPS) have also shifted from a loss in 2023 to a positive figure in 2024, signifying improved profitability for our shareholders. These achievements reflect our strategic initiatives and commitment to driving growth and profitability.

The Company achieved greasy production of 177,551 meters of fabric as compared to 244,500 meters in the corresponding period of last year. The Company's finance cost amounting Rs. 26,135 thousand in first quarter as against Rs. 28,951 thousand in the corresponding period. The management remains optimistic that demand will improve in the second quarter, potentially leading to a stronger financial performance.

Future outlook

Pakistan's economy is currently facing significant challenges and remains heavily dependent on IMF support. The upcoming year is expected to be difficult as the country navigates macroeconomic instability while adhering to strict monetary and fiscal policies. The economic

outlook will largely depend on political stability and the continued implementation of reforms under the IMF program.

Despite these challenges, the business environment has shown significant improvement compared to the previous year. Eased import restrictions, currency stabilization, and reduced inflation have created a more conducive operating environment, enabling the company to expand its operations. However, we are still facing the challenge of preserving our profit margins in the context of substantial cost escalations. These cost escalations are primarily driven by rising raw material costs, increased power and fuel expenses, and elevated levels of inflation. We remain committed to navigating these challenges and leveraging the improved business environment to sustain and grow our operations.

The management recognizes that the economic landscape in Pakistan will continue to present challenges in the foreseeable future, with persistent inflationary pressures, fluctuating exchange rates, and elevated business expenses. Despite these challenges, our primary emphasis will be on driving a rise in sales revenue for the financial year ending June 30, 2025. This strategic focus is expected to contribute significantly to further improvements in the company's profitability. Additionally, we are committed to overcoming our liquidity challenges by ensuring adequate working capital for our operations. We remain optimistic about navigating the current economic conditions and achieving sustainable growth for our company.


Acknowledgement

We want to formally express our gratitude for the dedication and hard work demonstrated by our executives, officers, staff members, and workers in contributing to the Company's exceptional results. Additionally, the Board extends its appreciation to all banks, customers, and suppliers for their unwavering support and commitment to the Company.

On behalf of the Board of Directors,



(ABDUL REHMAN QURESHI)
DIRECTOR



(SHAHNAZ SAJJAD AHMAD)
CHIEF EXECUTIVE OFFICER

October 30, 2024

بنوں وولن ملز لمیٹڈ

ڈائریکٹر کا جائزہ

بنوں وولن ملز لمیٹڈ، بنوں کے بورڈ آف ڈائریکٹرز پہلی سہ ماہی 30 ستمبر 2024 کے غیر آڈٹ شدہ مالیاتی رپورٹ اور ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

کمپنی کی پہلی سہ ماہی، 30 ستمبر 2024 کے مالی نتائج مندرجہ ذیل ہیں:-

پہلی سہ ماہی کا اختتام

| 30 ستمبر 2024 | 30 ستمبر 2023 | |
|-----------------------|---------------|------------------------------|
| -- روپے ہزاروں میں -- | | |
| 321,293 | 193,806 | خالص فروخت |
| 100,197 | 51,112 | مجموعی منافع |
| 57,044 | 6,312 | منافع کارکردگی |
| 30,909 | (22,639) | ٹیکس سے پہلے منافع / (نقصان) |
| 21,104 | (20,229) | ٹیکس کے بعد منافع / (نقصان) |
| -- روپے -- | | |
| 2.22 | (2.13) | (نقصان) / منافع فی حصص |

کارکردگی کا جائزہ:

زیر جائزہ مدت کے دوران ہماری کمپنی نے اسی مدت کے دوران خاطر خواہ ترقی اور بہتر مالی کارکردگی حاصل کی ہے۔ ہماری سٹیز نمایاں طور پر 2024 میں 321,293 ہزار روپے (65.78 فیصد) تک بڑھ گئی ہے جبکہ 2023 میں 193,806 ہزار روپے تھے جو کہ آمدنی میں زبردست اضافہ کی عکاسی کرتی ہے۔ کمپنی کا گراس پرافٹ جو کہ ستمبر 2023 میں 51,112 ہزار روپے تھا سے بڑھ کر ستمبر 2024 میں 100,197 روپے ہو گیا ہے۔ مزید برآں آپریشنز سے ہمارے منافع میں 6,312 ہزار روپے سے 57,044 ہزار روپے کا غیر معمولی اضافہ دیکھا گیا ہے، جو کہ ہماری آپریشنل کارکردگی اور آپریٹنگ اخراجات میں کمی کو ظاہر کرتا ہے۔ قابل ذکر بات یہ ہے کہ ہم نے 2023 میں ٹیکس لگانے سے پہلے کے نقصان کو 2024 میں 30,909 ہزار روپے سے منافع میں بدل دیا ہے جو ایک اہم مالیاتی تبدیلی کی نشاندہی کرتا ہے۔ ہماری فی حصص آمدنی بھی 2023 میں نقصان سے 2024 میں مثبت اعداد و شمار میں تبدیل ہو گئی ہے جو ہمارے شیئرز ہولڈرز کے لئے بہتر منافع کی نشاندہی کرتی ہے۔ یہ کامیابیاں ہمارے سٹریٹجک اقدامات، ترقی اور منافع کو بڑھانے کے عزم کی عکاسی کرتی ہے۔

کمپنی نے 177,551 میٹر فیٹرک گریڈ پیپروار کی مدین حاصل کیا جو گزشتہ سال اسی مدت میں 244,500 میٹر تھی۔ پہلی سہ ماہی میں کمپنی کی مالیاتی لاگت 26.135 بلین روپے رہی جو کہ گزشتہ سال اسی مدت میں 28.951 بلین روپے تھی۔ انتظامیہ پر امید ہے کہ دوسری سہ ماہی میں طلب میں بہتری آئے گی، جو کہ ممکنہ طور پر مضبوط مالیاتی کارکردگی کا باعث بنے گی۔

مستقبل کے نقطہ نظر سے:

پاکستان کی معیشت کو اس وقت اہم چیلنجز کا سامنا ہے اور اس کا بہت زیادہ انحصار آئی ایم ایف کی مدد پر ہے۔ آنے والا سال مشکل ہو سکتا ہے کیونکہ ملک سخت مالی اور مالیاتی پالیسیوں پر عمل کرتے ہوئے میکرو اکنامک عدم استحکام کی طرف گامزن ہے۔ معاشی نقطہ نظر کا زیادہ تر انحصار سیاسی استحکام اور آئی ایم ایف پروگرام کے تحت اصلاحات کے مسلسل نفاذ پر ہوگا۔

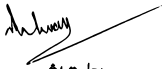
ان حالات کے باوجود کاروباری ماحول میں گزشتہ سال کے مقابلے میں نمایاں بہتری آئی ہے۔ درآمدی پابندیوں میں نرمی، کرنسی کے استحکام اور افراط زر میں کمی نے آپریٹنگ ماحول کو مزید سازگار بنا دیا ہے جس سے کمپنی اپنے کام کو وسعت دے سکتی ہے۔ تاہم ہمیں اب بھی لاگت کے خاطر خواہ اضافے کے تناظر میں اپنے منافع کے مارجن کو محفوظ رکھنے کے چیلنجز کا سامنا ہے۔ یہ لاگت میں اضافہ بنیادی طور پر خام مال کے بڑھتے ہوئے اخراجات، بجلی اور ایندھن کے بڑھتے ہوئے اخراجات اور افراط زر کی بلندی کی وجہ سے ہوتا ہے۔ ہم ان چیلنجز کو نیوگیٹ کرنے، اپنے کاموں کو برقرار رکھنے اور بڑھانے کے لئے بہتر کاروباری ماحول سے فائدہ اٹھانے کے لئے پرعزم ہیں۔

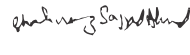
انتظامیہ اس بات کو تسلیم کرتی ہے کہ پاکستان میں معاشی منظر نامہ، مستقبل قریب میں مسلسل افراط زر کے دباؤ، شرح مبادلہ کے اتار چڑھاؤ اور بڑھتے ہوئے کاروباری اخراجات کے ساتھ چیلنجز پیش کرتا رہے گا۔ ان چیلنجز کے باوجود ہمارا بنیادی زور 30 جون، 2025 کو ختم ہونے والے مالی سال کے لئے سیکڑ یونیٹوں میں اضافے پر ہوگا۔ توقع کی جاتی ہے کہ اس سٹریٹجک توجہ سے کمپنی کے منافع میں مزید بہتری لانے میں ہم کردار ادا کیا جائے گا۔ مزید برآں ہم اپنے اپریشنز کے لئے مناسب ورکنگ کپیکٹیٹی کو یقینی بنا کر اپنے لیکویڈیٹی چیلنجز پر قابو پانے کے لئے پرعزم ہیں۔ ہم موجودہ معاشی حالات کو نیوگیٹ کرنے اور اپنی کمپنی کے لئے پائیدار ترقی کے حصول کے بارے میں پرامید ہیں۔

اعتراف:

ہم باضابطہ طور پر اس لگن اور محنت کا اظہار کرنا چاہتے ہیں جس کا مظاہرہ ہمارے ایگزیکٹو، افسران، عملے کے اراکین اور کارکنان نے کمپنی کے غیر معمولی نتائج میں حصہ ڈالنے میں کیا۔ مزید برآں، بورڈ تمام بنکوں، صارفین اور سپلائرز کی کمپنی کے لئے ان کے غیر متنزل حمایت اور اہمگی کی تعریف کرتا ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے


(عبدالواحد قریشی)
ڈائریکٹر


(شہباز حسام)
چیف ایگزیکٹو آفیسر

30 اکتوبر، 2024

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Financial Position

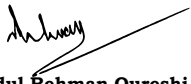
As At September 30, 2024

| | Note | Un-audited Sept. 30, 2024 | Audited Jun. 30, 2024 |
|--|------|---------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 1,561,591 | 1,569,223 |
| Intangible assets | | 199 | 104 |
| Investments in Associated Company | 6 | 1,149,945 | 1,149,945 |
| Security deposits | | 3,794 | 3,794 |
| | | <u>2,715,529</u> | <u>2,723,066</u> |
| Current assets | | | |
| Stores and spares | | 159,938 | 150,813 |
| Stock-in-trade | | 761,735 | 815,116 |
| Trade debts | | 315,854 | 126,126 |
| Advances to employees - unsecured, considered good | | 20,554 | 22,125 |
| Advance payments | | 26,682 | 16,208 |
| Prepayments and other receivables | | 55,254 | 2,011 |
| Sales tax refundable | | 0 | 16,110 |
| Income tax refundable, advance tax and tax deducted at source | | 17,768 | 15,381 |
| Cash and bank balances | | 3,324 | 4,306 |
| | | <u>1,361,109</u> | <u>1,168,196</u> |
| TOTAL ASSETS | | <u>4,076,638</u> | <u>3,891,262</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Authorised capital | | | |
| 20,000,000 ordinary shares of Rs.10 each | | <u>200,000</u> | <u>200,000</u> |
| 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 | 7 | 2,741,929 | 2,743,515 |
| Revenue reserves | | | |
| - general | | 154,055 | 154,055 |
| - unappropriated profit | | 143,655 | 120,965 |
| Shareholders' equity | | <u>3,154,147</u> | <u>3,133,043</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 2,411 | 4,096 |
| Staff retirement benefits - gratuity | | 156,081 | 146,585 |
| Deferred taxation | | 54,911 | 52,570 |
| | | <u>213,403</u> | <u>203,251</u> |
| Current liabilities | | | |
| Trade and other payables | | 186,954 | 99,997 |
| Contract liabilities | | 10,651 | 6,882 |
| Unpaid dividends | | 3,452 | 3,452 |
| Unclaimed dividends | | 4,746 | 4,746 |
| Accrued mark-up | | 25,294 | 22,588 |
| Short term finances | | 449,963 | 396,799 |
| Current portion of lease liabilities | | 8,681 | 8,622 |
| Provision for tax levies & income taxes | 8 | 19,347 | 11,882 |
| | | <u>709,088</u> | <u>554,968</u> |
| | | <u>922,491</u> | <u>758,219</u> |
| Contingencies and commitments | 9 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>4,076,638</u> | <u>3,891,262</u> |

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



Shahnaz Sajjad Ahmad
Chief Executive



Abdul Rehman Qureshi
Director



Kalim Aslam
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, 2024

| | Quarter Ended September 30, | |
|---|--------------------------------|----------|
| | 2024 | 2023 |
| | (Rupees in thousand) | |
| Sales - net | 321,293 | 193,806 |
| Cost of sales | 221,096 | 142,694 |
| Gross profit | 100,197 | 51,112 |
| Distribution cost | 8,110 | 8,264 |
| Administrative expenses | 37,232 | 38,040 |
| Other expenses | 0 | 0 |
| Other operating income | (2,189) | (1,504) |
| | 43,153 | 44,800 |
| Profit from Operations | 57,044 | 6,312 |
| Finance cost | 26,135 | 28,951 |
| Profit / (loss) before revenue taxes and income taxes | 30,909 | (22,639) |
| Minimum taxes - levy | 7,464 | 2,442 |
| Profit / (loss) before income tax | 23,445 | (25,081) |
| Income tax - deferred tax | 2,341 | (4,852) |
| Profit / (loss) for the period | 21,104 | (20,229) |
| Other comprehensive income | 0 | 0 |
| Total comprehensive income / (loss) | 21,104 | (20,229) |
| | ----- Rupees ----- | |
| Earnings / (loss) per share | 2.22 | (2.13) |

- 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



Abdul Rehman Qureshi
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the 1st Quarter Ended September 30, 2024


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

| | Rupees in '000 | | | | | |
|--|----------------|---------------|------------------|----------------|------------------|------------------|
| Balance as at July 01, 2023 | 95,063 | 19,445 | 2,766,738 | 154,055 | (191,670) | 2,843,631 |
| Total comprehensive income for the quarter ended September 30, 2023 | 0 | 0 | 0 | 0 | (20,229) | (20,229) |
| Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) on account of: | | | | | | |
| - incremental depreciation for the period | 0 | 0 | (1,669) | 0 | 1,669 | 0 |
| Balance as at September 30, 2023 | 95,063 | 19,445 | 2,765,069 | 154,055 | (210,230) | 2,823,402 |
| Balance as at June 30, 2024 | 95,063 | 19,445 | 2,743,515 | 154,055 | 120,965 | 3,133,043 |
| Total comprehensive loss for the quarter ended September 30, 2024 | 0 | 0 | 0 | 0 | 21,104 | 21,104 |
| Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) on account of: | | | | | | |
| - incremental depreciation for the period | 0 | 0 | (1,586) | 0 | 1,586 | 0 |
| Balance as at September 30, 2024 | 95,063 | 19,445 | 2,741,929 | 154,055 | 143,655 | 3,154,147 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Abdul Rehman Qureshi
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Cash flows (Un-Audited)

For The First Quarter Ended September 30, 2024

| | 1st Quarter ended | |
|---|----------------------|-------------------|
| | Sept. 30, 2024 | Sept. 30, 2023 |
| | (Rupees in thousand) | |
| Cash flows from operating activities | | |
| Profit / (loss) for the period - before taxation | 30,909 | (22,639) |
| Adjustments for non-cash charges and other items: | | |
| Depreciation on property, plant and equipment | 5,654 | 5,969 |
| Depreciation on right of use assets | 1,951 | 2,124 |
| Amortisation | 539 | 143 |
| Staff retirement benefits - gratuity (net) | 9,496 | 9,901 |
| Mark-up on bank deposits | (573) | (1,431) |
| Profit on sale of fixed assets | (1,535) | 0 |
| Finance cost | 26,135 | 28,951 |
| Profit before working capital changes | 72,576 | 23,018 |
| Effect on cash flows due to working capital changes | | |
| Decrease / (increase) in current assets | | |
| Stores and spares | (9,125) | 5,784 |
| Stock-in-trade | 53,381 | (37,853) |
| Trade debts | (189,728) | (55,647) |
| Advances to employees | 1,571 | 7,336 |
| Advance payments | (10,474) | 631 |
| Prepayments and other receivables | (53,243) | (49,758) |
| Sales tax refundable | 16,110 | 0 |
| Increase in trade and other payables and contract liabilities | 90,727 | 50,250 |
| | (100,781) | (79,257) |
| Cash used in operations | (28,205) | (56,239) |
| Taxes paid / adjusted | (1,310) | (1,436) |
| Net cash used in operating activities | (29,515) | (57,675) |
| Cash flows from investing activities | | |
| Fixed capital expenditure | (149) | (148) |
| Mark-up received on bank deposits | 573 | 1,431 |
| Net cash generated from investing activities | 424 | 1,283 |
| Cash flows from financing activities | | |
| Lease rentals paid | (2,459) | (2,241) |
| Short term finances - net | 53,164 | 32,705 |
| Dividend paid | 0 | 0 |
| Finance cost paid | (22,596) | (22,343) |
| Net cash generated from financing activities | 28,109 | 8,121 |
| Net decrease in cash and cash equivalents | (982) | (48,271) |
| Cash and cash equivalents - at the beginning of the period | 4,306 | 55,186 |
| Cash and cash equivalents - at the end of the period | 3,324 | 6,915 |

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



Shahnaz Sajjad Ahmad
Chief Executive



Abdul Rehman Qureshi
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited)

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2024

1. Legal status and operations

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 approved 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.

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

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, 2024, 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 this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgments in the process of applying the Company's policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may vary from these estimates.

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2024.

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, 2024.

5. PROPERTY, PLANT AND EQUIPMENT

| | | Un-audited Quarter ended Sept. 30, 2024 | Audited Year ended June 30, 2024 |
|--|------|--|---|
| | Note | (Rupees in thousand) | |
| Operating fixed assets | 5.1 | 1,540,450 | 1,546,281 |
| Right of use assets | | 5,517 | 7,468 |
| Capital work-in-progress | | 15,624 | 15,474 |
| | | <u>1,561,591</u> | <u>1,569,223</u> |
| 5.1 Operating fixed assets | | | |
| Opening book value | | 1,546,281 | 1,558,872 |
| Additions during the period / year | | 0 | 11,587 |
| Book value of assets disposed | | (177) | 0 |
| Depreciation charge for the period / year | | (5,654) | (24,178) |
| Closing book value | | <u>1,540,450</u> | <u>1,546,281</u> |
| 6. INVESTMENT IN ASSOCIATED COMPANY - Quoted | | | |
| 6.1 JDM was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. It is principally engaged in manufacture and sale of yarn. | | | |
| 6.2 Market value of the Company's investment in JDM as at September 30, 2024 was Rs. 100.890 million (June 30, 2024: Rs.94.500 million). | | | |
| 7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net | | | |
| Surplus on revaluation of the Company's property, plant and equipment | 7.1 | 1,280,158 | 1,281,744 |
| Share of surplus on revaluation of property, plant and equipment of Associated Company | | 1,461,771 | 1,461,771 |
| | | <u>2,741,929</u> | <u>2,743,515</u> |
| 7.1 The period-end balance has been arrived at as follows: | | | |
| Opening balance | | 1,333,576 | 1,342,982 |
| Less: transferred to unappropriated profit | | | |
| - on account of incremental depreciation for the period / year | | (2,234) | (9,406) |
| | | <u>1,331,342</u> | <u>1,333,576</u> |
| Less: deferred tax on: | | | |
| - opening balance of surplus | | 51,832 | 54,560 |
| - incremental depreciation for the year | | (648) | (2,728) |
| | | <u>51,184</u> | <u>51,832</u> |
| Closing balance | | <u>1,280,158</u> | <u>1,281,744</u> |

8. PROVISION FOR TAX LEVIES & INCOME TAXES

- 8.1 The provision for taxation for the quarter ended September 30, 2024 represents normal tax due under section 18 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, 2024.

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, 2024.

9.2 Commitments for irrevocable letters of credit outstanding as at September 30, 2024 aggregated Rs. Nil (June 30, 2024: Rs. 50.483 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, | |
|-------------------------------|--------------------------------------|---------------------------------------|--------|
| | | 2024 | 2023 |
| (Rupees in thousand) | | | |
| (i) Associated Companies | Rent of marketing office | 1,675 | 1,523 |
| | Expenses shared | 985 | 1,072 |
| (ii) Key management personnel | Managerial remuneration and benefits | 20,010 | 22,347 |

11. FINANCIAL RISK MANAGEMENT

The condensed interim financial statements do not include all the financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2024. 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, 2024 except for general exposure to fluctuations in foreign currency. There have been no changes in the risk management policies during the period.

12. 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, 2024 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

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.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on October 30, 2024.



Shahnaz Sajjad Ahmad
Chief Executive



Abdul Rehman Qureshi
Director



Kalim Aslam
Chief Financial Officer

