

Nine Month Accounts March, 2019

BIBOJEE GROUP



BANNU
WOOLLEN MILLS LIMITED

CONTENTS

	<i>Pages</i>
COMPANY'S PROFILE	1
DIRECTORS' REPORT (English & اُردو)	2-3
BALANCE SHEET	4
PROFIT & LOSS ACCOUNT	5
CASH FLOW STATEMENT	6
STATEMENT OF CHANGES IN EQUITY	7
SELECTED NOTES TO THE ACCOUNTS	8-12

COMPANY'S PROFILE

Board Of Directors	Lt. Gen. (Retd.) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA Mr. Gohar Ayub Khan Syed Zubair Ahmed Shah (NIT) Mr. Abdul Rehman Qureshi (Independent) Brig(R) Agha Arshad Raza Mr. Muhammad Kuli Khan Khattak	Chief Executive Chairman
Audit Committee	Mr. Abdul Rehman Qureshi Mr. Ahmad Kuli Khan Khattak Brig(R) Agha Arshad Raza	Chairman Member Member
Human Resource & Remuneration Committee	Mr. Abdul Rehman Qureshi Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak	Chairman Member Member
Chief Financial Officer	Mr. A.R. Tahir Chief Operating Officer (COO)	
Company Secretary	Mr. Azher Iqbal - ACA	
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	Management & Registration Services (Pvt) Limited. Business Executive Centre, F/17/3, Block 8, Clifton, Karachi Phone 021-35369174, 35375127-29 Fax. 021-35820325 E-Mail Registrationservices@live.co.uk	
Mills & 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	

DIRECTORS' REVIEW

It is our pleasure to present on behalf of the Directors, the un-audited condensed interim financial information of the Company for the nine months period ended March 31, 2019.

FINANCIAL PERFORMANCE

We report that your Company has incurred net loss of Rs. 8.719million (March 31, 2018: Profit of Rs. 39.797 million) after incorporation of share of profit / (loss) of Associated Companies and taxation. The net sales decreased by Rs. 305.859 million during the period under review with respect to corresponding period of last year.

FINANCIAL RESULTS

These are summarized below:

		Nine Months Period Ended March 31,	
		2019	2018
		(Rupees in thousand)	
Sales – net		368,580	674,439
Gross profit		121,971	219,857
(Loss) / profit before taxation		(6,602)	51,498
(Loss) / profit after taxation		(8,719)	39,797
(Loss) / earnings per share	Rupees	(0.92)	4.19

During the period, the Company has incurred loss before tax of Rs. 6.602 million (March 31, 2018: Profit of Rs. 51.498 million), which included share of profit of Associated Companies amounting Rs. 1.778 million (March 31, 2018: loss of Rs. 13.243 million).

During the period under review, the sales revenue was much lower than the expectation of the management. The major reason behind lower sales was increased sales tax on sales of finished fabric resulting into higher sale prices which were passed-on to the final consumers. The start of late winter season again this year also contributed to pile-up of unsold stock of finished goods. The availability of cheap imported cloths in local market has also contributed in declining market share of the Company. Keeping in view the trend of current period, it is expected that the annual sales of the current financial year will remain sluggish and below expectation / budgeted sales revenue.

FUTURE OUTLOOK

As a result of exchange rate depreciation, demand side pressures and higher fuel prices, average headline inflation has increased to 6.8 percent in the period between July 2018 and March 2019. Growth is projected to decelerate in FY19 and FY20, as the government tightens fiscal and monetary policies. All these factors will affect the exchange rate parity and purchasing power of consumers which will resultantly slow-down the demand for local fabric cloth in future.

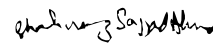
We are still in close liaison with our dealers to identify the most attractive, profitable market niches and products to utilize the full capacity of our mills and improve the sales revenue in coming winter.

THANKS AND APPRECIATION

The management takes this opportunity to thank customers, shareholders, suppliers, bankers and other stakeholders. We also appreciate and acknowledge the continued support, commitment, loyalty and hard work of our employees.

For & on behalf of the Board of Directors,


Ahmad Kuli Khan Khattak
 Chairman


Shahnaz Sajjad Ahmad
 Chief Executive / Director

Rawalpindi
 25 April, 2019

ڈائریکٹرز کا جائزہ

ہم کمپنی کی تیسری ششماہی 31 مارچ 2019 کی غیر آڈٹ شدہ مالیاتی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔
مالیاتی کارکردگی:

ہم رپورٹ پیش کرتے ہیں کہ کمپنی کو رواں ششماہی میں 8.719 ملین روپے (مارچ 31، 2018: منافع 39.797 روپے) خالص نقصان ہوا ہے جو کہ شراکتی کمپنیوں کے منافع اور ٹیکس کی ادائیگی کے بعد کا ہے۔ پچھلے مالی سال کا جائزہ کی نسبت اس مدت کے دوران خالص فروخت میں 305.859 ملین روپے کمی ہوئی ہے۔
مالیاتی نتائج: جو کہ مندرجہ ذیل ہیں:-

تیسری ششماہی کا اختتام

31، مارچ

2019 2018

(روپے ہزاروں میں)

368,580	674,439	خالص فروخت
121,971	219,857	مجموعی منافع
(6,602)	51,498	ٹیکس سے پہلے نقصان / منافع
(8,719)	39,797	نقصان / منافع بعد از ٹیکس
(0.92)	4.19	نقصان فی حصص (روپے)

اس مدت کے دوران کمپنی کو ٹیکس کی ادائیگی سے پہلے مبلغ 6.602 ملین روپے نقصان ہوا ہے (مارچ 31، 2018: منافع مبلغ 51.498 ملین روپے) جس میں 1.778 ملین روپے (31 مارچ، 2018: نقصان 13.243 ملین روپے) متعلقہ کمپنیوں کے منافع کا حصہ شامل ہے۔

رواں سال کے جائزہ کے دوران فروخت انتظامیہ کی توقع سے بہت کم تھی۔ کم فروخت کے پیچھے اہم وجہ تیار شدہ کپڑے کی فروخت پر سبزی ٹیکس میں اضافہ تھا جس کی وجہ سے قیمتوں میں اضافہ ہوا اور جو حتمی صارف نے ادا کرنا تھا۔ اس سال بھی موسم سرما کا دیر سے آغاز بھی تیار شدہ مال کی فروخت میں کمی کا باعث بنا۔ مقامی مارکیٹ میں سے درآمد شدہ کپڑے کی دستیابی کی وجہ سے بھی کمپنی کے تیار شدہ سٹاک کی فروخت پر گہرا اثر پڑا۔ موجودہ حالات کو مد نظر رکھتے ہوئے، موجودہ مالی سال کی فروخت متوقع/budgeted فروخت سے کم اور ست روی کا شکار رہے گی۔

مستقبل کے نقطہ نظر سے:

کرنی تبادلے کی شرح میں اضافہ، طلب کی طرف بہاؤ اور تیل کی قیمتوں میں مسلسل اضافہ کے نتیجے میں، جولائی 2018 اور مارچ 2019 کے درمیان مہنگائی کی شرح میں 6.8 فیصد اضافہ ہوا ہے۔ متوقع ہے کہ مالی سال 2019 اور 2020 میں حکومت کی سخت مالیاتی پالیسی کی وجہ سے ترقی کی شرح میں کمی آئے گی۔ یہ تمام عوامل تبادلے کی شرح اور صارف کی طاقت خرید پر اثر انداز ہوں گے جس سے مستقبل میں مقامی کپڑے کی طلب میں کمی آئے گی۔

ہم اب بھی اپنے ڈیلرز کے ساتھ رابطے میں ہیں جو کہ آنے والے موسم سرما میں فروخت کو بہتر بنانے کے لئے سب سے زیادہ پُرکشش، منافع بخش، مناسب مارکیٹ اور مصنوعات کی شناخت کی مکمل صلاحیت رکھتے ہیں۔

اظہار تشکر:

کمپنی انتظامیہ اپنے تمام گاہکوں، حصص داران، سپلائرز، بینکرز اور سٹیک ہولڈرز کی مسلسل حمایت اور عزم کا شکر یہ ادا کرتی ہے اور اپنے تمام ملازمین کی انتھک محنت کمپنی سے وابستگی اور وفاداری کا بھی اعتراف کرتی ہے۔

تاریخ: 25 اپریل، 2019

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

شہناز سجاد احمد
چیف ایگزیکٹو ڈائریکٹر

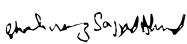
احمد قلی خان خٹک
چیئر مین


BANNU WOOLLEN MILLS LIMITED


Condensed Interim Statement of Financial Position as at March 31, 2019

		Mar. 31, 2019 Un-audited Rupees in '000	June 30, 2018 Audited
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	1,072,697	1,089,739
Intangible assets		303	384
Investments in Associated Companies	7	1,137,316	1,134,680
Advances		719	0
Security deposits		3,794	2,994
		<u>2,214,829</u>	<u>2,227,797</u>
Current assets			
Stores and spares		72,345	77,377
Stock-in-trade		732,097	619,289
Trade debts		305,476	364,030
Current portion of advances		395	1,792
Advances to employees - unsecured, considered good		2,691	18,092
Advance payments		2,325	965
Trade deposits and prepayments		2,503	423
Sales tax refundable		4,829	0
Income tax refundable, advance tax and tax deducted at source		6,222	20,875
Cash and bank balances		7,962	1,726
		<u>1,136,845</u>	<u>1,104,569</u>
Total assets		<u>3,351,674</u>	<u>3,332,366</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		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	8	1,596,949	1,606,310
Revenue reserves			
- general reserve		937,055	904,055
- unappropriated profit		1,588	56,854
Shareholders' equity		<u>2,650,100</u>	<u>2,681,727</u>
LIABILITIES			
Non-current liabilities			
Staff retirement benefits - gratuity		72,748	70,973
Deferred taxation		65,545	68,048
		<u>138,293</u>	<u>139,021</u>
Current liabilities			
Trade and other payables	9	129,639	212,205
Unpaid dividends		3,955	3,419
Unclaimed dividends		6,170	3,202
Accrued mark-up		11,927	4,879
Short term finances		406,250	250,144
Taxation		5,340	37,769
		<u>563,281</u>	<u>511,618</u>
Total liabilities		<u>701,574</u>	<u>650,639</u>
Contingencies and commitments	10		
Total equity and liabilities		<u>3,351,674</u>	<u>3,332,366</u>

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


Shahnaz Sajjad Ahmad
 Chief Executive


Ahmad Kuli Khan Khattak
 Director


A. R. Tahir
 Chief Financial Officer

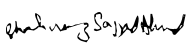
BANNU WOOLLEN MILLS LIMITED


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


For the Quarter and Nine Months Period Ended March 31, 2019

		<u>Quarter ended</u>		<u>Nine months period ended</u>	
	Note	<u>Mar. 31,</u> <u>2019</u>	<u>Mar. 31,</u> <u>2018</u>	<u>Mar. 31,</u> <u>2019</u>	<u>Mar. 31,</u> <u>2018</u>
		----- Rupees in '000 -----			
Sales - net		27,576	24,795	368,580	674,439
Cost of sales		(18,971)	(15,953)	(246,609)	(454,582)
Gross profit		8,605	8,842	121,971	219,857
Distribution cost		(6,092)	(11,911)	(26,478)	(61,658)
Administrative expenses		(19,909)	(20,120)	(74,338)	(76,719)
Other income		205	272	702	1,973
Other expenses		1,825	3,542	(2,022)	(5,413)
(Loss) / profit from operations		(15,366)	(19,375)	19,835	78,040
Finance cost		(11,767)	(4,408)	(28,215)	(13,299)
		(27,133)	(23,783)	(8,380)	64,741
Share of profit / (loss) of Associated Companies - net	7	0	0	1,778	(13,243)
(Loss) / profit before taxation		(27,133)	(23,783)	(6,602)	51,498
Taxation	11	2,886	13,666	(2,117)	(11,701)
(Loss) / profit after taxation		(24,247)	(10,117)	(8,719)	39,797
Other comprehensive income		0	0	0	0
Total comprehensive (loss) / income for the period		(24,247)	(10,117)	(8,719)	39,797
		----- Rupees -----			
(Loss) / earnings per share - basic and diluted		(2.55)	(1.06)	(0.92)	4.19

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


Shahnaz Sajjad Ahmad
Chief Executive

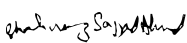

Ahmad Kuli Khan Khattak
Director



A. R. Tahir
Chief Financial Officer


Condensed Interim Statement of Cash Flows (Un-audited)
For the Nine Months Period Ended March 31, 2019

	Nine months period ended	
	Mar. 31, 2019	Mar. 31, 2018
	- - - Rupees in '000 - - -	
Cash flow from operating activities		
(Loss) / profit for the period - before taxation and net share of profit / (loss) on investments in Associated Companies	(8,380)	64,741
Adjustments for non-cash charges and other items:		
Depreciation	22,691	29,300
Amortisation of intangible assets	81	25
Staff retirement benefits - gratuity (net)	1,775	10,322
Mark-up on bank deposits	(423)	(494)
Finance cost	28,215	13,299
Payable balances written-back	0	(705)
Gain on sale of vehicle	0	(187)
Profit before working capital changes	43,959	116,301
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stores and spares	5,032	4,425
Stock-in-trade	(112,808)	(18,109)
Trade debts	58,554	(111,317)
Advances	16,079	10,599
Advance payments	(1,360)	9,903
Trade deposits and prepayments	(2,080)	(4,820)
Sales tax refundable	(4,829)	930
(Decrease) / increase in trade and other payables	(82,566)	8,748
	(123,978)	(99,641)
Cash (used in) / generated from operations	(80,019)	16,660
Taxes paid	(22,396)	(15,111)
Net cash (used in) / generated from operating activities	(102,415)	1,549
Cash flow from investing activities		
Fixed capital expenditure	(5,649)	(9,067)
Sale proceeds of vehicle	0	210
Intangible assets acquired	0	(323)
Security deposits	(800)	350
Mark-up received on bank deposits	423	494
Net cash used in investing activities	(6,026)	(8,336)
Cash flow from financing activities		
Short term finances - net	156,106	60,868
Dividend paid	(20,262)	(44,235)
Finance cost paid	(21,167)	(9,966)
Net cash generated from financing activities	114,677	6,667
Net increase / (decrease) in cash and cash equivalents	6,236	(120)
Cash and cash equivalents - at beginning of the period	1,726	12,709
Cash and cash equivalents - at end of the period	7,962	12,589

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


Shahnaz Sajjad Ahmad
 Chief Executive


Ahmad Kuli Khan Khattak
 Director

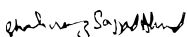

A. R. Tahir
 Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED


Condensed Interim Statement of Changes in Equity (Un-audited) For the Nine Months Period Ended March 31, 2019

	Capital Reserves		Revenue Reserves		Total	
	Share capital	Share premium	Revaluation surplus on property, plant and equipment	General		Unappropriated profit
----- Rupees in '000 -----						
Balance as at June 30, 2018 (audited)	95,063	19,445	1,606,310	904,055	56,854	2,681,727
Transfer	0	0	0	33,000	(33,000)	0
Transaction with owners:						
Cash dividend at the rate of Rs.2.50 per ordinary share for the year ended June 30, 2018	0	0	0	0	(23,766)	(23,766)
Total comprehensive loss for the period ended March 31, 2019	0	0	0	0	(8,719)	(8,719)
Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation (net of deferred taxation)	0	0	(5,302)	0	5,302	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0	0	(4,059)	0	0	(4,059)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	4,917	4,917
Balance as at March 31, 2019 (un-audited)	95,063	19,445	1,596,949	937,055	1,588	2,650,100
Balance as at June 30, 2017 - audited	95,063	19,445	1,620,656	865,055	86,624	2,686,843
Transfer	0	0	0	39,000	(39,000)	0
Transaction with owners:						
Cash dividend at the rate of Rs.5 per ordinary share for the year ended June 30, 2017	0	0	0	0	(47,531)	(47,531)
Total comprehensive income for period ended March 31, 2018	0	0	0	0	39,797	39,797
Revaluation surplus on property, plant and equipment realised during the period on account of incremental depreciation (net of deferred taxation)	0	0	(5,809)	0	5,809	0
Share of revaluation surplus on property, plant and equipment of Associated Companies	0	0	(4,595)	0	0	(4,595)
Effect of items directly credited in equity by Associated Companies	0	0	0	0	(1,791)	(1,791)
Balance as at March 31, 2018 (un-audited) - restated	95,063	19,445	1,610,252	904,055	43,908	2,672,723

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


Shahnaz Sajjad Ahmad
Chief Executive


Ahmad Kuli Khan Khattak
Director


A. R. Tahir
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Un-audited)
For the Nine Months Period Ended March 31, 2019

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

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.

3. Significant Accounting Policies

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018, except for the adoption of IFRS 15 "Revenue from contracts with customers". The revised accounting policy adopted by the management is as follows:

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 has been notified by SECP to be effective for annual periods beginning on or after July 01, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18, "Revenue" and IAS 11, "Construction contracts" and related interpretations.

The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of unappropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of unappropriated profit in the period of initial application is nil.

- 4.** These condensed interim financial statements are being submitted to the shareholders as required by section 237 of the Companies Act, 2017. 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 financial statements for the year ended June 30, 2018.

5. Accounting Estimates, Judgments and Financial Risk Management

The preparation of condensed interim financial statements 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 recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2018.

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, 2018.

6. Property, Plant and Equipment

	Un-audited Mar. 31, 2019 (Rupees in thousand)
Book value of operating fixed assets as at June 30, 2018	1,089,739
Additions during the period:	
- plant & machinery	5,435
- office equipment	27
- computers & accessories	187
	5,649
Depreciation charge for the period	(22,691)
Book value of operating fixed assets as at March 31, 2019	1,072,697

		Un-audited Mar. 31, 2019 (Rupees in thousand)	Audited June 30, 2018
7. Investments in Associated Companies - Quoted	Note		
Babri Cotton Mills Ltd. (BCM)			
144,421 ordinary shares of Rs.10 each - cost	7.2	1,632	1,632
Equity held: 3.95%			
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by BCM		16,613	22,181
Loss for the period / year - net of taxation		(485)	(5,494)
Share of other comprehensive loss - net of taxation		0	(450)
Share of revaluation surplus on property, plant and equipment		35,885	36,208
		53,645	54,077
Janana De Malucho Textile Mills Ltd. (JDM)			
1,559,230 ordinary shares of Rs.10 each - cost	7.2	27,762	27,762
Equity held 32.59%			
Post acquisition profit and other comprehensive income brought forward including effect of items directly credited in equity by JDM		300,360	322,591
Profit / (loss) for the period / year - net of taxation		2,263	(21,536)
Share of other comprehensive loss - net of taxation		0	(5,236)
Share of revaluation surplus on property, plant and equipment		753,286	757,022
		1,083,671	1,080,603
		1,137,316	1,134,680

- 7.1 Although the Company has less than 20% voting rights in BCM as at March 31, 2019 and June 30, 2018, it is presumed that the Company has significant influence over BCM due to majority representation on the board of directors of BCM.
- 7.2 Market values of the Company's investments in BCM and JDM as at March 31, 2019 were Rs.7.734 million (June 30, 2018: Rs.7.365 million) and Rs.96.672 million (June 30, 2018: Rs.99.993 million) respectively.
- 7.3 The management intends to carry-out impairment testing of its investments in BCM and JDM as at June 30, 2019.
- 7.4 The management, as at June 30, 2018, had carried-out impairment testing of its investments in the Associated Companies as required under IAS 36, "Impairment of Assets". The recoverable amount of investments in BCM and JDM amounted Rs.57.986 million and Rs.1,117 million respectively. The recoverable amounts of investments were determined using the 'value-in-use' computations. In assessing the value in use, estimated future cash flows were discounted to their present value using pre-tax discount rates that reflected current market assessments of the time value of money. The pre-tax discount rates applied to cash flow projections by BCM and JDM were 6.13% and 7.95% respectively. As a result of the aforementioned impairment testing, the management had concluded that the carrying values of investments in Associated Companies did not exceed the recoverable amounts.

		Un-audited Mar. 31, 2019 (Rupees in thousand)	Audited June 30, 2018
8. Revaluation surplus on property, plant and equipment - net	Note		
Revaluation surplus on the Company's property, plant & equipment		807,778	813,080
Share of revaluation surplus on property, plant and equipment of Associated Companies	7	789,171	793,230
		<u>1,596,949</u>	<u>1,606,310</u>
9. Trade and other payables			
Due to a related party - Gammon Pakistan Ltd.		1,843	0
Creditors		11,106	21,218
Bills payable		0	4,955
Contract liabilities		4,857	3,305
Security deposits - interest free, repayable on demand		7,700	5,700
Accrued expenses		63,021	66,453
Workers' (profit) participation fund		0	5,955
Due to Waqf-e-Kuli Khan		5,524	5,524
Tax deducted at source		516	4,287
Workers' welfare fund		4,549	7,142
Staff provident fund payable		0	12,587
Sales tax payable		0	4,792
Staff retirement benefits (gratuity) due but unpaid		29,934	69,892
Others		589	395
		<u>129,639</u>	<u>212,205</u>
10. Contingencies and Commitments			
10.1 There is no significant change in the status of contingencies during the current period as disclosed in the audited financial statements of the Company for the year ended June 30, 2018.			
10.2 Commitments against irrevocable letters of credit for purchase of raw materials		<u>0</u>	<u>7,022</u>

11. Taxation

	----- Un-audited -----			
	Quarter ended		Nine months period ended	
	Mar. 31,	Mar. 31,	Mar. 31,	Mar. 31,
	2019	2018	2019	2018
	----- Rupees in thousand -----			
- current	(2,777)	(9,821)	4,611	19,090
- prior year	0	0	9	(1,050)
- deferred	(109)	(3,845)	(2,503)	(6,339)
	<u>(2,886)</u>	<u>(13,666)</u>	<u>2,117</u>	<u>11,701</u>

11.1 Income tax assessments of the Company have been completed up to the tax year 2018 i.e. accounting year ended June 30, 2018.

11.2 Provision for the current period represents tax payable under section 113 (Minimum tax on the income of certain persons) of the Ordinance.

12. Transactions with Related Parties

12.1 Significant transactions with related parties during the period are as follows:

	Nine months period ended	
	March 31,	
	2019	2018
	(Rupees in thousand)	
i) Associated Companies		
Dividend paid	8,096	16,192
Expenses shared	1,599	1,421
Rent of marketing office	3,780	16,972
Rent of internal audit office	113	113
Purchase of raw-material	603	0
ii) Associated Undertaking		
Donation	0	982
iii) Key management personnel		
Salary and other employment benefits	61,926	66,191

12.2 Period-end balances are as follows:

Payable to an Associated Company (grouped under trade and other payables)	<u>1,843</u>	<u>13</u>
Receivable from Gammon Pakistan Ltd. grouped under trade deposits and prepayments	<u>0</u>	<u>4,062</u>

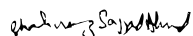
13. Corresponding Figures

13.1 In order to comply with the requirements of IAS 34 "Interim financial reporting", the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim statement of profit or loss & other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flow have been compared with the balances of comparable period of immediately preceding financial year.

13.2 Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison; however, no significant re-classifications / re-statements have been made to these condensed interim financial statements.

14. 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 25, 2019.



Shahnaz Sajjad Ahmad
Chief Executive



Ahmad Kuli Khan Khattak
Director



A. R. Tahir
Chief Financial Officer

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