

# Nine Month Accounts March, 2015

BIBOJEE GROUP



**BANNU**  
WOOLLEN MILLS LIMITED

## CONTENTS

	<i>Pages</i>
COMPANY'S PROFILE .....	1
DIRECTORS' REPORT .....	2
BALANCE SHEET.....	3
PROFIT & LOSS ACCOUNT.....	4
CASH FLOW STATEMENT.....	5
STATEMENT OF CHANGES IN EQUITY .....	6
SELECTED NOTES TO THE ACCOUNTS .....	7-11

---

---

# BANNU WOOLLEN MILLS LIMITED

## COMPANY'S PROFILE

Board Of Directors	Mr. Raza Kuli Khan Khattak Lt. Gen. (Retd) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA Mrs. Zeb Gohar Ayub Dr. Shaheen Kuli Khan Syed Zubair Ahmed Shah (NIT) Mr. Ahmad Zeb Khan	Chairman Chief Executive
Audit Committee	Mr. Ahmad Zeb Khan Lt. Gen. (Retd) Ali Kuli Khan Khattak Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA	Chairman Member Member Member
Human Resource & Remuneration Committee	Lt. Gen. (Retd) Ali Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Mr. Ahmad Kuli Khan Khattak Mr. Mushtaq Ahmad Khan, FCA	Chairman Member / CEO Member Member
Company Secretary	Mr. Amin-Ur-Rasheed B.Com (Hons) FICS Sr. General Manager Corporate Affairs	
Chief Financial Officer	Mr. A.R. Tahir Chief Operating Officer (COO)	
Head Of Internal Audit	Mr. Salman Khan	
Auditors	M/S. 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	
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 TO THE SHAREHOLDERS

It is my pleasure to present the un-audited condensed interim financial information of the Company for the nine months ended March 31, 2015.

### FINANCIAL PERFORMANCE

We are pleased to report that your Company has earned net profit of Rs. 55.077 million after adjustment of share of loss of Associated Companies of Rs. 5.957 million (March 31, 2014: profit of Rs. 54.213 million) and incorporation of taxation. The actual profit before these adjustments for the period amounts to Rs. 88.975 million as compared to profit of Rs. 94.188 million of the corresponding period.

The net sales declined by 6.58% during the period under review and the gross profit has been increased to 32.18% from 30.05% by effective use of Company's resources.

### FINANCIAL RESULTS

These are summarised below:

	Nine Months Ended	
	Mar. 31, 2015	Mar. 31, 2014
	(Rupees in thousand)	
Sales - net	<u>652,750</u>	<u>698,698</u>
Gross profit	<u>210,034</u>	<u>209,974</u>
Profit before taxation	<u>83,018</u>	<u>148,401</u>
Profit after taxation	<u>55,077</u>	<u>120,780</u>
Earning per share	<u>Rupees 5.79</u>	<u>12.71</u>

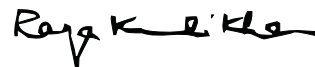
### FUTURE OUTLOOK

Considering the market trend and decline in sales of blazer cloth, the management has converted two of its carding machines from coarse to finer counts and we are in the process for import of ring spinning frame for fine counts to cater for the demand of our fine fabrics.

### THANKS AND APPRECIATION

I would like to thank our valued customers for the confidence they continue to place in us, the management team for their sincere efforts, the Board of Directors for its guidance and all stakeholders, banks, Suppliers, Associates and shareholders for helping to build Bannu Woollen Mills Ltd. into a unique Company.

For & on behalf of the Board of Directors,



RAZA KULI KHAN KHATTAK  
Chairman

Date : 30th April, 2015

# BANNU WOOLLEN MILLS LIMITED

## CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2015

		Mar. 31, 2015	June 30, 2014
		Un-audited	Audited
		Rupees in thousand	
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	6	837,287	862,146
Investments in Associated Companies	7	352,507	362,455
Loan to an executive		120	300
Security deposits		3,434	3,414
		<b>1,193,348</b>	<b>1,228,315</b>
<b>Current Assets</b>			
Stores and spares		41,304	38,637
Stock-in-trade		440,975	416,380
Trade debts		174,892	204,214
Current portion of loan to an executive		240	240
Advances to employees - unsecured, considered good		2,977	2,301
Advance payments		2,449	1,700
Trade deposits and prepayments		1,243	216
Sales tax refundable		6,239	7,262
Income tax refundable, advance tax and tax deducted at source		14,594	17,644
Cash and bank balances		15,451	1,283
		<b>700,364</b>	<b>689,877</b>
<b>TOTAL ASSETS</b>		<b>1,893,712</b>	<b>1,918,192</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Authorised capital		200,000	200,000
Issued, subscribed and paid-up capital		95,063	95,063
Reserves		805,500	705,500
Unappropriated profit		62,252	101,360
<b>Shareholders' Equity</b>		<b>962,815</b>	<b>901,923</b>
<b>Surplus on Revaluation of Property, Plant and Equipment</b>		<b>558,086</b>	<b>563,214</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Demand finances		5,000	12,500
Staff retirement benefits - gratuity		155,048	139,163
Deferred taxation		77,117	83,387
		<b>237,165</b>	<b>235,050</b>
<b>Current Liabilities</b>			
Trade and other payables		90,997	89,648
Accrued mark-up		156	1,009
Short term finances		0	94,779
Current portion of demand finances		10,000	10,000
Taxation	8	34,493	22,569
		<b>135,646</b>	<b>218,005</b>
<b>Total Liabilities</b>		<b>372,811</b>	<b>453,055</b>
<b>Contingencies and Commitments</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,893,712</b>	<b>1,918,192</b>

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

*Shahnaz Sajjad Ahmad*  
**Shahnaz Sajjad Ahmad**  
**Chief Executive**

*Mushtaq Ahmad Khan*  
**Mushtaq Ahmad Khan, FCA**  
**Director**

## BANNU WOOLLEN MILLS LIMITED

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2015

	Quarter ended		Nine months ended	
	March 31, 2015	2014	March 31, 2015	2014
Note	----- Rupees in thousand -----			
Sales - net	77,029	126,594	652,750	698,698
Cost of Sales	56,966	99,482	442,716	488,724
Gross Profit	20,063	27,112	210,034	209,974
Distribution Cost	3,577	6,472	27,237	29,735
Administrative Expenses	21,332	20,137	74,426	68,266
Other Operating Expenses	(284)	195	9,611	9,995
Other Operating Income	(647)	(669)	(1,840)	(1,641)
	23,978	26,135	109,434	106,355
(Loss) / profit from Operations	(3,915)	977	100,600	103,619
Finance Cost	682	557	11,625	9,431
	(4,597)	420	88,975	94,188
Share of (loss) / profit of Associated Companies	0	0	(5,957)	54,213
(Loss) / profit before Taxation	(4,597)	420	83,018	148,401
Taxation				
- current	(1,464)	1,381	33,764	34,869
- prior year	0	0	447	(1,548)
- deferred	(2,710)	(4,094)	(6,270)	(5,700)
	(4,174)	(2,713)	27,941	27,621
(Loss) / profit after Taxation	(423)	3,133	55,077	120,780
Other Comprehensive Income	0	0	0	0
Total Comprehensive (loss) / income for the Period	(423)	3,133	55,077	120,780
	----- Rupees -----			
(Loss) / earnings per Share	(0.04)	0.33	5.79	12.71

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

*Shahnaz Sajjad Ahmad*  
**Shahnaz Sajjad Ahmad**  
Chief Executive

*Mushtaq Ahmad Khan*  
**Mushtaq Ahmad Khan, FCA**  
Director

# BANNU WOOLLEN MILLS LIMITED

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2015

	Nine months ended	
	March 31,	
	2015	2014
	Rupees in thousand	
<b>Cash flow from operating activities</b>		
Profit for the period - before taxation and share of profit of Associated Companies	88,975	94,188
Adjustments for non-cash charges and other items:		
Depreciation	28,645	25,184
Staff retirement benefits - gratuity (net)	15,885	14,041
Mark-up on bank deposits	(1,218)	(892)
Finance cost	11,625	9,431
<b>Profit before working capital changes</b>	<b>143,912</b>	<b>141,952</b>
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets		
Stores and spares	(2,667)	(6,147)
Stock-in-trade	(24,595)	30,838
Trade debts	29,322	33,671
Advances to employees	(496)	(510)
Advance payments	(749)	(309)
Trade deposits and prepayments	(1,027)	(1,722)
Other receivable	0	403
Sales tax refundable	1,023	759
Increase in trade and other payables	1,349	47,929
	<b>2,160</b>	<b>104,912</b>
<b>Cash generated from operations</b>	<b>146,072</b>	<b>246,864</b>
Taxes paid	(19,237)	(11,105)
<b>Net cash generated from operating activities</b>	<b>126,835</b>	<b>235,759</b>
<b>Cash flow from investing activities</b>		
Fixed capital expenditure	(3,786)	(74,382)
Security deposits	(20)	(500)
Dividend	4,678	0
Mark-up received on bank deposits, dealers' and Associated Companies' balances	1,218	892
<b>Net cash used in investing activities</b>	<b>2,090</b>	<b>(73,990)</b>
<b>Cash flow from financing activities</b>		
Demand finances	(7,500)	0
Short term finances - net	(94,779)	(121,798)
Dividend paid	0	(14)
Finance cost paid	(12,478)	(10,684)
<b>Net cash used in financing activities</b>	<b>(114,757)</b>	<b>(132,496)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,168</b>	<b>29,273</b>
<b>Cash and cash equivalents - at beginning of the period</b>	<b>1,283</b>	<b>1,349</b>
<b>Cash and cash equivalents - at end of the period</b>	<b>15,451</b>	<b>30,622</b>

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

*Shahnaz Sajjad Ahmad*  
**Shahnaz Sajjad Ahmad**  
Chief Executive

*Mushtaq Ahmad Khan*  
**Mushtaq Ahmad Khan, FCA**  
Director

# BANNU WOOLLEN MILLS LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2015

	Share capital	Reserves			Unappropriated profit	Total
		Capital Share premium	Revenue General	Sub-total		
----- (Rupees in thousand) -----						
Balance as at June 30, 2013 (audited)	76,050	19,445	542,555	562,000	118,547	756,597
Transfer	0	0	143,500	143,500	(143,500)	0
Transactions with owners:						
Nominal value of bonus shares issued	19,013	0	0	0	(19,013)	0
Total comprehensive income for the nine months ended March 31, 2014	0	0	0	0	120,780	120,780
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months - net of deferred taxation	0	0	0	0	5,592	5,592
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	(5,255)	(5,255)
Balance as at March 31, 2014 (un-audited and re-stated)	95,063	19,445	686,055	705,500	77,151	877,714
Total comprehensive income for the quarter ended June 30, 2014:						
- profit for the quarter	0	0	0	0	10,860	10,860
- other comprehensive loss	0	0	0	0	(5,120)	(5,120)
	0	0	0	0	5,740	5,740
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the quarter - net of deferred taxation	0	0	0	0	1,891	1,891
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	16,578	16,578
Balance as at June 30, 2014 (audited)	95,063	19,445	686,055	705,500	101,360	901,923
Transfer	0	0	100,000	100,000	(100,000)	0
Total comprehensive income for the nine months ended March 31, 2015	0	0	0	0	55,077	55,077
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the nine months - net of deferred taxation	0	0	0	0	5,128	5,128
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	687	687
Balance as at March 31, 2015	95,063	19,445	786,055	805,500	62,252	962,815

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

*Shahnaz Sajjad Ahmad*  
**Shahnaz Sajjad Ahmad**  
Chief Executive

*Mushtaq Ahmad Khan*  
**Mushtaq Ahmad Khan, FCA**  
Director



---

---

# BANNU WOOLLEN MILLS LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2015

### 1. Corporate information

Bannu Woollen Mills Limited (the Company) was incorporated in Pakistan as a Public Company in the year 1960 and its shares are quoted on Karachi and Islamabad Stock Exchanges. It is principally engaged in manufacture and sale of woollen yarn, cloth and blankets. The Company's registered office and its Mills are located at D.I.Khan Road, Bannu.

### 2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information does not include all the information required for annual financial statements and, therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2014.

### 3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2014.

### 4. Changes in Accounting Standards and Interpretations

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

The amendments to following standards have been adopted by the Company for the first time for financial year beginning on July 01, 2014:

- (a) IAS 32 (Amendment) 'Financial Instruments: Presentation', is applicable on accounting periods beginning on or after January 01, 2014. This amendment updates the application guidance in IAS 32 'Financial Instruments: Presentation', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The Company has applied this amendment from July 01, 2014 and does not expect to have a material impact on its financial statements.
- (b) IAS 36 (Amendment) 'Impairment of Assets', is applicable on accounting periods beginning on or after January 01, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal. The Company has applied this amendment from July 01, 2014 and this will only affect the disclosures in the Company's financial statements in the event of impairment.

#### 4.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 01, 2014 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

## BANNU WOOLLEN MILLS LIMITED

### 4.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

The following are the new standards and amendments to existing approved accounting standards that will be effective for the periods beginning January 01, 2015 that may have an impact on the financial statements of the Company.

- (a) IFRS 12, 'Disclosure of Interests in Other Entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.
- (b) IFRS 13, 'Fair Value Measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

### 5. Accounting estimates and judgments

The preparation of condensed interim financial information requires management to make judgments, 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. In preparing this condensed interim financial information, the significant judgments 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, 2014.

### 6. Property, plant and equipment

		Un-audited Mar. 31, 2015	Audited June 30, 2014
	Note	Rupees in thousand	
Operating fixed assets	6.1	836,434	860,163
Capital work-in-progress	6.2	853	1,983
		837,287	862,146

#### 6.1 Operating fixed assets

Book value as at June 30, 2014	860,163
Additions during the period:	
- plant & machinery	248
- electric fittings	108
- office equipments	360
- computers & security equipments	52
- vehicles	4,148
	4,916
Depreciation charge for the period	(28,645)
Book value as at March 31, 2015	836,434

#### 6.2 Capital work-in-progress

Plant & machinery	575
Office equipments	278
	853

## BANNU WOOLLEN MILLS LIMITED

7. Investments in Associated Companies - Quoted	Un-audited Mar. 31, 2015	Audited June 30, 2014
	Rupees in thousand	
<b>Babri Cotton Mills Ltd. (BCM)</b>		
144,421 (June 30, 2014: 144,421) ordinary shares of Rs.10 each - <b>cost</b>	7.1	1,632
Equity held 3.95% (June 30, 2014: 3.95%)		1,632
Post acquisition profit brought forward including effect of items directly credited in equity by BCM		25,268
(Loss) / profit for the period / year - net of taxation		(2,492)
Share of other comprehensive loss - net of taxation		0
		(185)
		24,408
<b>Janana De Malucho Textile Mills Ltd. (JDM)</b>		
1,559,230 (June 30, 2014: 1,559,230) ordinary shares of Rs.10 each - <b>cost</b>	7.1	27,762
Equity held 32.59% (June 30, 2014: 32.59%)		27,762
Post acquisition profit brought forward including effect of items directly credited in equity by JDM		308,480
Dividend		(4,678)
(Loss) / profit for the period / year - net of taxation		(3,465)
Share of other comprehensive loss - net of taxation		0
		(5,257)
		328,099
		335,761
		352,507
		362,455
7.1 Market values of the Company's investments in BCM and JDM as at March 31, 2015 were Rs.5.777 million (June 30, 2014: Rs.10.544 million) and Rs.196.463 million (June 30, 2014: Rs.129.416 million) respectively.		
<b>8. Taxation</b>		
Opening balance		22,569
Opening balance		35,327
Add: provision made during the period / year:		
-current [ net of tax credit under section 65B of the Ordinance amounting Rs.72 thousand (June 30, 2014 Rs.7,122 thousand) ]		33,764
-prior year		447
		34,211
		20,292
Less: adjustments / payments made during the period / year against completed assessments		22,287
		33,050
Closing balance		34,493
		22,569
8.1 Income tax assessments of the Company have been completed upto the tax year 2014 i.e. accounting year ended June 30, 2014.		

---

---

## BANNU WOOLLEN MILLS LIMITED

---

- 8.2** Due to location of the mills in the most affected area, the income of the Company was exempt from tax under clause 126F of the second schedule to the Income Tax Ordinance, 2001 (the Ordinance) starting from the tax year 2010. As per management's contention, exemption available under clause 126F was a specific exemption granted by the Federal Board of Revenue to the specific areas of Khyber Pakhtunkhwa. The Company had filed a writ petition before the Islamabad High Court, Islamabad praying exemption from levy of minimum tax under section 113 of the Ordinance. The Peshawar High Court, Peshawar, in an identical writ petition concerning exemption of minimum tax filed by a Group Company, had granted exemption from levy of minimum tax. The management is confident that Islamabad High Court will also grant exemption from levy of minimum tax; accordingly, no provision for minimum tax for the financial year ended June 30, 2012 was made in the books of account as well as provisions for minimum tax made during the financial years ended June 30, 2010 and June 30, 2011 aggregating Rs.7.777 million were written-back in the books of account. An adverse judgment by the Islamabad High Court will create tax liability under section 113 of the Ordinance aggregating Rs.14.417 million.
- 8.3** Except for the following, there has been no significant change in the status of tax cases as detailed in the notes 23.3 to 23.5 to the preceding financial statements of the Company for the year ended June 30, 2014:
- (a) The Commission Inland Revenue - Appeals (CIRA) for the tax year 2008 has decided the appeal in the Company's favour and deleted the demand of Rs.4.368 million. The Income Tax Department (the Department) has filed further appeal with Appellate Tribunal Inland Revenue - Lahore, which is pending adjudication.
- (b) The Department for the tax year 2009 has charged tax under section 122(5A) of the Ordinance amounting Rs.3.553 million against which the Company has filed an appeal with CIRA, which is pending adjudication.
- 9. Contingencies and commitments**
- 9.1** Commitments for irrevocable letters of credit outstanding as at March 31, 2015 aggregated Rs.63,325 thousand (June 30, 2014: Rs.29,766 thousand).
- 9.2** Refer contents of taxation notes 8.2 and 8.3.
- 9.3** Treet Corporation had filed a petition in the Peshawar High Court (PHC) against the Company and its Board of Directors challenging the election of directors of the Company in the extraordinary general meeting held on March 31, 2014. The Company's management, based on its legal Advisors' advice, was of the view that nominees of Treet Corporation were not eligible to contest the election in terms of section 187 (h) of the Companies Ordinance, 1984, i.e. the nominees were not members of the Company on the date of election. The suit was dismissed as withdrawn by the PHC on February 09, 2015.
- 9.4** The Company has filed a writ petition before the PHC against the Government of Khyber Pakhtunkhwa and Others in respect of minimum wages Notification dated September 09, 2014 whereby minimum wages of workers were enhanced upto Rs.15,000 per month. The PHC has admitted the writ petition and granted an interim order against the enhancement of minimum wages. An adverse judgment by the PHC will create additional wage liabilities aggregating Rs.18.708 million approximately. Exercising abundant precaution, the Company, however, has made provisions aggregating Rs.18.708 million in its books of account under the head of Trade and Other Payables.

## BANNU WOOLLEN MILLS LIMITED

### 10. Transactions with Related Parties

10.1 Aggregate transactions made during the period with the Associated Companies were as follows:

	Nine months ended March 31,	
	2015	2014
	(Rupees in thousand)	
- mark-up expensed	0	214
- insurance premium paid	0	238
- dividend	4,678	0
- rent paid	0	1,002

10.2 No other transactions, other than remuneration and benefits paid to key management personnel aggregating Rs.49,954 thousand (March 31, 2014: Rs.42,116 thousand) under the terms of their employment, were executed with other related parties during the period.

### 11. Financial risk management

11.1 The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. This condensed interim financial information does not include all the financial risk management information and disclosures required in the annual financial statements and should, therefore, be read in conjunction with the Company's financial statements for the year ended June 30, 2014. There have been no significant changes in the risk management policies since the year-end.

### 11.2 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. Furthermore, there were no reclassifications of financial assets.

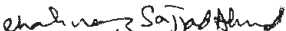
### 12. Date of authorisation for issue


This condensed interim financial information was authorised for issue on 30th April, 2015 by the Board of Directors of the Company.

### 13. Corresponding figures

13.1 In order to comply with the requirements of IAS 34 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of the preceding financial year, whereas, the condensed interim profit and loss account and condensed interim cash flow statement have been compared with the balances of comparable period of the 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 this condensed interim financial information.

  
**Shahnaz Sajjad Ahmad**  
Chief Executive

  
**Mushtaq Ahmad Khan, FCA**  
Director

**PRINTED MATTER**  
(Under Postal Certificate)

If undelivered please return to  
Share Department  
**BANNU WOOLLEN MILLS LIMITED**  
D.I. Khan Road, Bannu