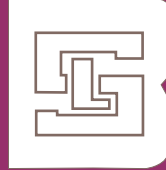


Nine Month Accounts March, 2016

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	8-11

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 Dr. Shaheen Kuli Khan Mr. Gohar Ayub Khan Syed Zubair Ahmed Shah (NIT) Mr. Ahmad Zeb Khan (Independent)	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. Waqar Ahmad	
Chief Financial Officer	Mr. A.R. Tahir Chief Operating Officer (COO)	
Head Of Internal Audit	Mr. Salman Khan	
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	
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 bwm ltd2K@gmail.Com Web Site " www.bwm.com.pk "	

Director's Report To The Shareholders

The Company's Board of Directors is pleased to present the un-audited financial statements and the Directors' report for the 3rd quarter ended March 31, 2016.

Financial Performance

We are pleased to report that your Company has earned net profit of Rs. 76.000 million after incorporation of share of profit of Associated Companies and taxation. The net sales increased by 9.90% during the period under review and the gross profit has been slightly increased from 32.18% to 32.23%.

Financials Results

Financial results are summarized as under:-

	Nine months period ended March 31,	
	2016	2015
	(Rupees in thousand)	
Sales - net	717,364	652,750
Gross profit	231,215	210,034
Profit from Operations	114,429	100,600
Profit before taxation	108,883	83,018
Profit after taxation	76,000	55,077
	----- Rupees -----	
Basic & diluted earnings per share	7.99	5.79

During the period, the Company has earned profit before tax of Rs. 108.883 million (March 31, 2015: Rs. 83.018 million), which included share of profit of Associated Companies amounting Rs. 0.189 million (March 31, 2015: loss of Rs. 5.957 million).

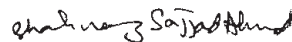
Future outlook

The Company is focused on growth opportunities and is determined to significantly improve its operating results. Keeping in view of the market opportunities, the management of the Company is focused to replace the old machinery with new to enhance production capacity and quality. The Company has almost met the sales targets of the current period and the marketing function as established by Board is also striving for development of new products and markets which will impact the sales revenue of the Company in coming winter season.

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,



SHAHNAZ SAJJAD AHMED
Chief Executive Officer

Date : 28 April, 2016

ڈائریکٹرز رپورٹ برائے حص داران

کمپنی کا بورڈ آف ڈائریکٹرز تیسری سہ ماہی 31 مارچ 2016 غیر آڈٹ شدہ مالیاتی رپورٹ اور ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

مالیاتی صورتحال

ہم رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں کہ آپ کی کمپنی نے خالص منافع 76,000 ملین روپے کمایا ہے جو کہ منسلک کمپنیوں کے حصص اور ٹیکس کی ادائیگی کے بعد کا ہے۔ آپ کی کمپنی نے تیسری سہ ماہی تک 108,694 ملین روپے کمائے ہیں جبکہ پچھلی تیسری سہ ماہی تک 83,018 ملین روپے کمائے تھے۔ اس مدت کے دوران خالص فروخت میں 9.90 فیصد اضافہ ہوا ہے جبکہ مجموعی منافع قدرے اضافے کے ساتھ 32.18 فیصد سے 32.23 فیصد ہو گیا ہے۔

مالیاتی نتائج: جو کہ مندرجہ ذیل ہیں:-

نومادہ کا اختتام

31 مارچ 2016	31 مارچ 2015	
-- روپے ہزاروں میں --		
717,364	652,750	خالص فروخت
231,215	210,034	مجموعی منافع
114,429	100,600	منافع باکار
108,883	83,018	ٹیکس سے پہلے منافع
76,000	55,077	ٹیکس کے بعد منافع
-- روپے --		
7.99	5.79	آمدن فی حصص

اس مدت کے دوران کمپنی نے قبل از ٹیکس 108,883 ملین روپے منافع کمایا ہے (31 مارچ 2015 میں 83,018 ملین روپے) اس میں منسلک کمپنیوں کے حصص کا منافع بھی شامل ہے جو کہ 0.189 ملین روپے ہے (31 مارچ 2015 میں نقصان 5.957 ملین روپے ہے)۔

مستقبل کے نقطہ نظر سے:

مارکیٹ کے مواقع کو دیکھتے ہوئے کمپنی مینجمنٹ کی تمام تر توجہ پرانی مشینری کو نئی مشینری سے بدلنے پر مرکوز ہے تاکہ پیداوار اور معیار میں بہتری لائی جاسکے کمپنی نے اس عرصہ کے دوران فروخت کے اہداف تقریباً پورے کر لئے ہیں۔ بورڈ کا بنایا گیا شعبہ مارکیٹنگ کمپنی کی نئی مصنوعات اور مارکیٹ کی بہتری کے لئے جدوجہد کر رہا ہے جو کہ اگلے سہ ماہیوں کے موسم میں کمپنی کے منافع اور فروخت پر اثر انداز ہوگا۔

اظہار تشکر

کمپنی انتظامیہ اپنے تمام گاہکوں، حصص داران، سپلائرز، بکروڈیگریٹس، سٹاک ہولڈرز اور عوام کا شکریہ ادا کرتی ہے۔ اپنے تمام ملازمین کی انتھک محنت، کمپنی سے وابستگی اور وفاداری کا بھی اعتراف کرتی ہے۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے

محمد سعید احمد

شہناز سجاد احمد

چیف ایگزیکٹو آفیسر

تاریخ: 28 اپریل 2016

BANNU WOOLLEN MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2016

		Un-audited Mar. 31, 2016	Audited Jun. 30, 2015
	Note	(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	5	841,362	862,240
Intangible assets		159	0
Investments in Associated Companies	6	364,733	364,226
Loan to an executive		0	60
Security deposits		3,544	3,434
		1,209,798	1,229,960
Current assets			
Stores and spares		66,928	57,387
Stock-in-trade		424,110	472,266
Trade debts		135,401	219,551
Current portion of loan to an executive		180	240
Advances to employees - unsecured, considered good		2,138	1,508
Advance payments		2,059	67
Trade deposits and prepayments		1,254	69
Sales tax refundable		6,788	5,197
Income tax refundable, advance tax and tax deducted at source		18,878	19,655
Cash and bank balances		107,628	3,506
		765,364	779,446
TOTAL ASSETS		1,975,162	2,009,406
EQUITY AND LIABILITIES			
Equity			
Authorised capital			
20,000,000 ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital		95,063	95,063
Reserves		852,500	805,500
Unappropriated profit		83,737	75,940
Shareholders' equity		1,031,300	976,503
Surplus on revaluation of property, plant and equipment		552,316	556,975
Liabilities			
Non-current liabilities			
Demand finances		0	2,500
Staff retirement benefits - gratuity		176,252	160,505
Deferred taxation		75,045	74,004
		251,297	237,009
Current liabilities			
Trade and other payables		102,687	139,459
Accrued mark-up		37	364
Short term finances		0	49,778
Current portion of demand finances		5,000	10,000
Taxation	7	32,525	39,318
		140,249	238,919
		391,546	475,928
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		1,975,162	2,009,406

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

Shahnaz Sajjad Ahmad
Shahnaz Sajjad Ahmad
Chief Executive

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

BANNU WOOLLEN MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Quarter ended		Nine months ended	
	March 31,		March 31,	
Note	2016	2015	2016	2015
	----- Rupees in thousand -----			
Sales - net	86,628	77,029	717,364	652,750
Cost of Sales	55,302	56,966	486,149	442,716
Gross Profit	31,326	20,063	231,215	210,034
Distribution Cost	5,936	3,577	32,243	27,237
Administrative Expenses	24,487	21,332	77,402	74,426
Other Operating Expenses	471	(284)	10,447	9,611
Other Operating Income	(2,011)	(647)	(3,306)	(1,840)
	28,883	23,978	116,786	109,434
Profit / (loss) from Operations	2,443	(3,915)	114,429	100,600
Finance Cost	344	682	5,735	11,625
	2,099	(4,597)	108,694	88,975
Share of profit / (loss) of Associated Companies	0	0	189	(5,957)
Profit / (loss) before Taxation	2,099	(4,597)	108,883	83,018
Taxation				
- current	755	(1,464)	31,796	33,764
- prior year	0	0	46	447
- deferred	842	(2,710)	1,041	(6,270)
	1,597	(4,174)	32,883	27,941
Profit / (loss) after Taxation	502	(423)	76,000	55,077
Other Comprehensive Income	0	0	0	0
Total Comprehensive income / (loss) for the Period	502	(423)	76,000	55,077
	----- Rupees -----			
Earnings / (loss) per Share	0.05	(0.04)	7.99	5.79

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

Shahnaz Sajjad Ahmad
Shahnaz Sajjad Ahmad
Chief Executive

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

BANNU WOOLLEN MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Nine Months Period Ended March 31,	
	2016	2015
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	108,694	88,975
Adjustments for non-cash charges and other items:		
Depreciation	27,994	28,645
Amortisation of intangible assets	29	0
Staff retirement benefits - gratuity (net)	15,747	15,885
Mark-up on bank deposits and dealers' balances	(777)	(1,218)
Finance cost	5,735	11,625
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	157,422	143,912
(Increase) / decrease in current assets		
Stores and spares	(9,541)	(2,667)
Stock-in-trade	48,156	(24,595)
Trade debts	84,150	29,322
Advances to employees	(510)	(496)
Advance payments	(1,992)	(749)
Trade deposits and prepayments	(1,185)	(1,027)
Sales tax refundable	(1,591)	1,023
(Decrease) / increase in trade and other payables	(37,772)	1,349
	79,715	2,160
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before taxation	237,137	146,072
Taxes paid	(37,858)	(19,237)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	199,279	126,835
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(7,116)	(3,786)
Intangible assets acquired	(188)	0
Security deposits	(110)	(20)
Dividend	2,339	4,678
Mark-up received on bank deposits / Associated Companies' balances	777	1,218
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(4,298)	2,090
CASH FLOW FROM FINANCING ACTIVITIES		
Demand finances	(7,500)	(7,500)
Short term finances - net	(49,778)	(94,779)
Dividend paid	(27,519)	0
Finance cost paid	(6,062)	(12,478)
NET CASH INFLOW FROM FINANCING ACTIVITIES	(90,859)	(114,757)
NET INCREASE IN CASH AND CASH EQUIVALENTS	104,122	14,168
CASH AND CASH EQUIVALENTS - At the beginning of the period	3,506	1,283
CASH AND CASH EQUIVALENTS - At the end of the period	107,628	15,451

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

Shahnaz Sajjad Ahmad
Shahnaz Sajjad Ahmad
Chief Executive

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

BANNU WOOLLEN MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

	Share capital	Reserves			Unappropriated profit	Total
		Capital reserve	General reserve	Sub-total		
----- Rupees in thousand -----						
Balance as at July 01, 2015	95,063	19,445	786,055	805,500	75,940	976,503
Transfer to general reserve			47,000	47,000	(47,000)	0
Transaction with owners:						
Cash dividend at the rate of Rs. 3 per ordinary share for the year ended June 30, 2015	0	0	0	0	(28,519)	(28,519)
Total comprehensive income for the nine months period ended March 31, 2016					76,000	76,000
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the period - net of deferred taxation					4,659	4,659
Effect of items directly credited in equity by the Associated Companies					2,657	2,657
Balance as at March 31, 2016	95,063	19,445	833,055	852,500	83,737	1,031,300
Balance as at July 01, 2014	95,063	19,445	686,055	705,500	101,360	901,923
Transfer to general reserve			100,000	100,000	(100,000)	0
Total comprehensive income for the nine months period ended March 31, 2015					55,077	55,077
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the period - net of deferred taxation					5,128	5,128
Effect of items directly credited in equity by the Associated Companies					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 these financial statements.

Shahnaz Sajjad Ahmad
Shahnaz Sajjad Ahmad
Chief Executive

7

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

BANNU WOOLLEN MILLS LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (Un-audited) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2016

1. Legal status and nature of business

Bannu Woollen Mills Ltd. (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 (now Pakistan Stock Exchange Ltd.). 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 has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at year ended June 30, 2015.

3. Significant accounting policies

The accounting policies and methods of computation 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, 2015.

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 recognised 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 the financial statements as at and for the year ended June 30, 2015.

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, 2015.

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited Mar. 31, 2016	Audited June 30, 2015
	Note	(Rupees in thousand)	
Operating fixed assets - tangible	5.1	839,598	828,410
Capital work-in-progress		1,764	33,830
		<u>841,362</u>	<u>862,240</u>

BANNU WOOLLEN MILLS LIMITED

	Un-audited Mar. 31, 2016	Audited June 30, 2015
	(Rupees in thousand)	
5.1 Operating fixed assets		
Opening book value	828,410	860,163
Additions during the period / year:		
- buildings on freehold land	0	1,524
- plant and machinery	37,806	1,086
- furniture & fixtures	435	0
- electric fittings	312	109
- office equipment	194	360
- computers, TV & security equipment	435	52
- vehicles	0	4,103
	39,182	7,234
Book value of disposals made during the period / year	0	(642)
Depreciation charge for the period / year	(27,994)	(38,345)
Closing book value	839,598	828,410
6. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted		
Babri Cotton Mills Ltd. (BCM)		
144,421 ordinary shares of Rs.10 each - cost	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	22,611	25,542
Loss for the period / year - net of taxation	(289)	(3,384)
Share of other comprehensive (loss) / income - net of taxation	0	174
	23,954	23,964
Janana De Malucho Textile Mills Ltd. (JDM)		
1,559,230 ordinary shares of Rs.10 each - cost	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	314,878	311,636
Dividend received	(2,339)	(4,678)
Profit for the period / year - net of taxation	478	5,302
Share of other comprehensive income - net of taxation	0	240
	340,779	340,262
	364,733	364,226

- 6.1 (a)** Market values of the Company's investments in BCM and JDM as at March 31, 2016 were Rs. 5.488 million (June 30, 2015: Rs. 5.777 million) and Rs.90.435 million (June 30, 2015: Rs. 143.808 million) respectively.
- (b)** The management intends to carry-out impairment testing of its investments in BCM and JDM as at June 30, 2016.

BANNU WOOLLEN MILLS LIMITED

7. Taxation

- 7.1 Income tax assessments of the Company have been completed upto the tax year 2015 i.e. accounting year ended June 30, 2015.
- 7.2 The Company's writ petition before the Islamabad High Court, Islamabad praying exemption from levy of minimum tax under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) is still pending adjudication. An adverse judgment by the Court will create tax liability under section 113 of the Ordinance aggregating Rs.14.417 million.
- 7.3 The Department for the tax year 2013 has charged tax under section 221 of the Ordinance (Rectification of mistakes) amounting Rs.28.673 million against which the Company filed an appeal before the Commissioner Inland Revenue - Appeals, who decided the appeal against the Company. The Company as well as the Income Tax Department have filed further appeals before the Appellate Tribunal Inland Revenue, which are pending adjudication.
- 7.4 No significant change occurred during the period in the status of other taxation matters as detailed in note 22 to the financial statements of the Company for the year ended June 30, 2015.

8. CONTINGENCIES AND COMMITMENTS

- 8.1 Commitments against irrevocable letters of credit outstanding as at March 31, 2016 aggregated Rs.29.604 million (June 30, 2015: Rs.6.424 million).
- 8.2 Refer contents of taxation notes 7.2 and 7.3.
- 8.3 The Company has filed a writ petition before the Peshawar High Court (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.

9. TRANSACTIONS WITH RELATED PARTIES

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

	Nine months period ended March 31,	
	2016	2015
	(Rupees in thousand)	
- dividend received	2,339	4,678
- dividend paid	9,715	0
- rent paid	300	0
- purchase of raw material	2,143	0

No other transactions, other than remuneration and benefits paid to key management personnel aggregating Rs. 57,701 thousand (March 31, 2015: Rs.49,954 thousand) under the terms of their employment, were executed with other related parties during the period.

10. DATE OF AUTHORISATION FOR ISSUE

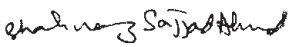
This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on April 28, 2016.

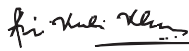
BANNU WOOLLEN MILLS LIMITED

11. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2015 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement 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 nine months period ended March 31, 2015.

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


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

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Share Department
BANNU WOOLLEN MILLS LIMITED
D.I. Khan Road, BANNU