

*Nine Month
Accounts
March,
2010*

BIBOJEE GROUP



BANNU
WOOLLEN MILLS LIMITED

**BANNU WOOLLEN MILLS LIMITED
COMPANY'S PROFILE**

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK Chairman MRS. SHAHNAZ SAJJAD AHMAD Chief Executive LT. GEN. (RETD) ALI KULI KHAN KHATTAK MR. AHMED KULI KHAN KHATTAK MR. MUSHTAQ AHMED KHAN, FCA MRS. ZEB GOHAR AYUB DR. SHAHEEN KULI KHAN MR. MANZOOR AHMED SHEIKH (NIT) MR. SHER ALI KHAN, (SLIC)
AUDIT COMMITTEE	LT. GEN. (RETD) ALI KULI KHAN KHATTAK Chairman MR. AHMAD KULI KHAN KHATTAK Member MR. MUSHTAQ AHMAD KHAN, FCA Member
COMPANY SECRETARY	MR. AMIN-UR-RASHEED B.COM (HONS) FICS General Manager Corporate Affairs
CHIEF FINANCIAL OFFICER	MR. A. R. TAHIR Sr. General Manager (F&C)
INTERNAL AUDITOR	MR. KALIM ASLAM
AUDITORS	M/S. HAMEED CHAUDHRI & CO Chartered Accountants
BANKERS	NATIONAL BANK OF PAKISTAN BANK ALFALAH LTD
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LIMITED. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI
REGISTERED OFFICE	BANNU WOOLLEN MILLS LTD HABIBABAD, KOHAT Tel. (0922) 510063 - 510064 - 510494 Fax. (0922) 510474
MILLS	D.I.KHAN ROAD, BANNU Tel. (0928) 613151, 613250 Fax (0928) 611450 E-Mail bwmltd@brain.net.pk bannuwoollen@yahoo.com Web Site " www.bibojee.com "

BANNU WOOLLEN MILLS LIMITED
DIRECTOR'S REPORT TO THE MEMBERS
FOR THE NINE MONTHS ENDED 31 MARCH, 2010

The Company's Board of Directors is pleased to present the un-audited financial statements and the Directors report for the nine months period ended 31 March, 2010.

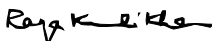
The Company's performance in the prevailing circumstances is considered satisfactory during the period ended 31 March, 2010 as compared to corresponding period. Financial results are summarized as under:-

	Nine months ended	
	31-Mar-10	31-Mar-09
	Rupees in thousand	
Net Sales	365,145	353,326
Cost of Sales	262,961	254,872
Gross profit	102,184	98,454
Operating profit less Finance cost	45,530	55,759
Investment in Associated Companies:		
Net share of profit (loss) and impairment on investment	(29,624)	(5,657)
Profit before taxation	15,906	50,102
Profit (loss) after taxation	(1,831)	31,105
Earnings (loss) per share	Rs. (0.24)	4.09

- Gross profit percentage for the nine months period ended 31-03-2010 has marginally improved from 27.86% to 27.98% over the corresponding period.
- Cost of sales has increased by Rs. 8.090 million (3.17 %) due to comprises Rs.5.789(m) increase in salary, wages & benefits & due to higher provision of gratuity and increase of Rs.22.204 (m) in prices of imported wool & yarn, Rs. 2,002(m) in depreciation while decrease of Rs. 2.358(m) in dyes / chemicals, power & fuel & repair / maintenance and Rs. 19.547(m) inventory adjustment.
- Administrative Expenses increase of Rs. 11.632 (m) comprises increase of Rs. 10.840 (m) in salary, wages & benefits (including Rs.6.566(m) provision for gratuity, Rs. 1.120 (m) in branch office salary, Rs. 0.712 (m) travelling exp. & Rs.0.360 being share of rent, rate & taxes, with decline in other expense heads.
- Increase of Rs.3.296 (m) in finance cost is due to higher utilisation of funds because of investment of Rs.67.719 (m) in plant & machinery.
- Recovery of book debts is considered satisfactory, civil suit has been decreed in Company's favour and now its execution is in progress.
- Earnings (loss) per share has decreased from Rs. 4.09 to Rs. (0.24) for the current period ended on 31-03-2010 mainly due to impairment on investment in Associated Companies provision of dues payable to Late Chief Executive.
- Future outlook:-**
Closures due to law and order situation in the country in general, in NWFP and our area in particular, frequent imposition of curfews, unscheduled power outage, depreciation of Pak rupee vs US dollar and unprecedented increase in imported wool prices, are likely to effect the results of the next period, if the prevailing situation does not improve to betterment.

Your Directors wish to record their appreciation for the efforts made by the workers, staff and executives towards achieving above performance in extremely difficult & highly volatile conditions, absorbing effects of load shedding and recessionary trend of ongoing crises of the national economy.

For & on behalf of the board of directors

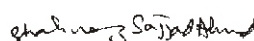

RAZA KULI KHAN KHATTAK
 Chairman

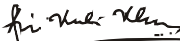
Dated: 21 April, 2010

BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2010

	Un-audited	Audited	Un-audited	Audited
	31 March, 2010	30 June, 2009	31 March, 2010	30 June, 2009
	Note (Rupees in thousand)		Note (Rupees in thousand)	
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Authorised capital 10,000,000 ordinary shares of Rs.10 each	100,000	100,000		
Issued, subscribed and paid-up capital	76,050	76,050		
Reserves	137,400	137,400		
Unappropriated profit	119,629	99,060		
	333,079	312,510		
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	239,409	241,027		
NON-CURRENT LIABILITIES				
Liabilities against assets subject to finance lease	647	1,789		
Staff retirement benefits - gratuity	26,038	19,790		
Deferred taxation	67,073	61,335		
	93,758	82,914		
CURRENT LIABILITIES				
Current portion of liabilities against assets subject to finance lease	1,472	1,555		
Short term finances	469	109,414		
Trade and other payables	58,513	46,260		
Taxation	11,563	8,235		
	72,017	165,464		
CONTINGENCIES AND COMMITMENTS	4			
	738,263	801,915	738,263	801,915
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	5	465,438	474,055	
Investments in Associated Companies	6	17,355	3,380	
Deposit for shares		0	22,818	
Security deposits		276	276	
		483,069	500,529	
CURRENT ASSETS				
Stores and spares		24,439	20,304	
Stock-in-trade		166,576	202,272	
Trade debts		38,205	50,106	
Advances to employees - unsecured, considered good		971	197	
Advance payments		66	490	
Trade deposits and prepayments		1,270	453	
Sales tax refundable		5,497	4,012	
Due from Associated Companies		1,567	6,145	
Income tax refundable, advance tax and tax deducted at source		15,256	16,642	
Cash and bank balances		1,347	765	
		255,194	301,386	

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


Shahnaz Sajjad Ahmad
 Chief Executive

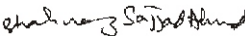

Lt. Gen (Retd)
Ali Kuli Khan Khattak
 Director


BANNU WOOLLEN MILLS LIMITED

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2010**

	For the 3rd Quarter		Cumulative	
	Jan. - March,		July - March,	
	2010	2009	2010	2009
	----- (Rupees in thousand) -----			
SALES - Net	51,800	39,961	365,145	353,326
COST OF SALES	41,915	38,482	262,961	254,872
GROSS PROFIT	9,885	1,479	102,184	98,454
DISTRIBUTION COST	2,073	1,760	14,777	14,372
ADMINISTRATIVE EXPENSES	14,229	6,360	31,009	19,646
OTHER OPERATING EXPENSES	(659)	(578)	4,252	5,874
	15,643	7,542	50,038	39,892
	(5,758)	(6,063)	52,146	58,562
OTHER OPERATING INCOME	271	1,286	1,979	2,495
OPERATING PROFIT	(5,487)	(4,777)	54,125	61,057
FINANCE COST	555	1,131	8,595	5,298
	(6,042)	(5,908)	45,530	55,759
SHARE OF PROFIT / (LOSS) OF ASSOCIATED COMPANIES - Net	0	0	3,921	(5,657)
IMPAIRMENT LOSS ON INVESTMENTS IN ASSOCIATED COMPANIES	0	0	(33,545)	0
	0	0	(29,624)	(5,657)
(LOSS) / PROFIT BEFORE TAXATION	(6,042)	(5,908)	15,906	50,102
TAXATION				
- current	(2,078)	(1,789)	11,563	20,167
- prior years'	0	0	436	79
- deferred	(225)	(281)	5,738	(1,249)
	(2,303)	(2,070)	17,737	18,997
(LOSS) / PROFIT AFTER TAXATION	(3,739)	(3,838)	(1,831)	31,105
	----- Rupees -----			
(LOSS) / EARNINGS PER SHARE	(0.49)	(0.50)	(0.24)	4.09

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


Shahnaz Sajjad Ahmad
Chief Executive

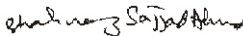

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Director


BANNU WOOLLEN MILLS LIMITED

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2010**

	For the 3rd Quarter		Cumulative	
	Jan. - March,		July - March,	
	2010	2009	2010	2009
	----- (Rupees in thousand) -----			
(LOSS) / PROFIT AFTER TAXATION	(3,739)	(3,838)	(1,831)	31,105
OTHER COMPREHENSIVE INCOME:				
Incremental depreciation in respect of surplus on revaluation of property, plant and equipment	1,080	568	1,619	1,704
- realised on disposal of property, plant & equipm				
- net of deferred taxation		18	0	18
Effect of items directly credited in other comprehensive income by the Associated Companies	0		20,781	915
Other comprehensive income for the period	1,080	586	22,400	2,637
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	(2,659)	(3,252)	20,569	33,742

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

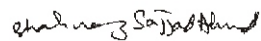

Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen (Retd)
Ali Kuli Khan Khattak
Director

BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH, 2010 (UN-AUDITED)

	Nine months ended	
	31 March, 2010	31 March, 2009
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation and share of profit / (loss) and impairment loss on investments in Associated Companies	45,530	55,758
Adjustments for non-cash charges and other items:		
Depreciation	11,503	9,998
Unclaimed balances written-back		(2)
Gain on disposal of operating fixed assets	(268)	(527)
Staff retirement benefits - gratuity (net)	6,248	436
Mark-up on bank deposits and Associated Companies' balances	(1,395)	(751)
Finance cost	8,595	5,299
Workers' welfare fund	594	1,176
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before working capital changes	70,807	71,387
(Increase) / decrease in current assets		
Stores and spares	(4,134)	(3,019)
Stock-in-trade	35,696	2,404
Trade debts	11,901	(24,702)
Advances to employees	(774)	69
Advance payments	425	(64)
Trade deposits and prepayments	(817)	2,746
Sales tax refundable	(1,485)	45
Due from Associated Companies	4,945	3,133
Other receivables	0	98
Increase in trade and other payables	12,135	3,525
	57,892	(15,765)
CASH INFLOW FROM OPERATING ACTIVITIES - Before taxation	128,699	55,622
Taxes paid	(7,761)	(14,369)
Security deposits	0	(10)
NET CASH INFLOW FROM OPERATING ACTIVITIES	120,938	41,243
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(3,057)	(30,441)
Sale proceeds of operating fixed assets	438	812
Mark-up received on bank deposits / Associated Companies' balances	1,028	544
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,591)	(29,085)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease finances - net	(1,225)	81
Short term finances - net	(108,945)	(6,218)
Finance cost paid	(8,595)	(5,299)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	(118,765)	(11,436)
NET INCREASE IN CASH AND CASH EQUIVALENTS	582	722
CASH AND CASH EQUIVALENTS - At the beginning of the period	765	557
CASH AND CASH EQUIVALENTS - At the end of the period	1,347	1,279

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

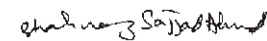

Shahnaz Sajjad Ahmad
Chief Executive



Lt. Gen (Retd)
Ali Kuli Khan Khattak
Director

BANNU WOOLLEN MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH, 2010 (UN-AUDITED)

	Share capital	Reserves			Unappropriated profit	Total
		Capital reserve	General reserve	Sub-total		
----- (Rupees in thousand) -----						
Balance as at 30 June, 2008	76,050	19,445	117,955	137,400	100,268	313,718
Total comprehensive income for the Nine months ended 31 March, 2009	0	0	0	0	33,742	33,742
Balance as at 31 March, 2009	76,050	19,445	117,955	137,400	134,010	347,460
Total comprehensive loss for the 4th quarter ended 30 June, 2009	0	0	0	0	(34,950)	(34,950)
Balance as at 30 June, 2009	76,050	19,445	117,955	137,400	99,060	312,510
Total comprehensive income for the Nine months ended 31 March, 2010	0	0	0	0	20,569	20,569
Balance as at 31 March, 2010	76,050	19,445	117,955	137,400	119,629	333,079

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


Shahnaz Sajjad Ahmad
Chief Executive


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Director

BANNU WOOLLEN MILLS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 31 MARCH, 2010 (UN-AUDITED)

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 is located at Habibabad, Kohat and its Mills are located at D.I.Khan Road, Bannu.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited; it has been prepared and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 (Interim Financial Reporting). The figures for the nine months ended 31 March, 2010 have, however, been subjected to limited scope review by the external Auditors as required by the Code of Corporate Governance. 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 published financial statements of the Company for the year ended 30 June, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation of balances adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the annual published financial statements of the Company for the year ended 30 June, 2009 except for the changes mentioned below:

- 3.1 IAS 1 (Revised) - (Presentation of Financial Statements).** The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement. Companies can choose whether to present one performance statement (the statement of comprehensive income) or two statements (profit and loss account and statement of comprehensive income).

The Company has preferred to present two statements; a profit and loss account and a statement of comprehensive income. The interim financial information has been prepared under the revised disclosure requirements.

- 3.2** In addition to above, following amendments to standards are mandatory for the first time for financial year beginning on 01 July, 2009 and are also relevant to the Company. The adoption of these amendments does not have significant impact on the condensed interim financial information of the Company.

- IAS 23 (Amendment) - Borrowing Costs
- IAS 28 (Amendment) - Investment in Associates
- IAS 36 (Amendment) - Impairment of Assets
- IAS 39 (Amendment) - Financial Instruments: Recognition and Measurement

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after 01 July, 2009 but are considered not to be relevant or to have any significant effect on the Company's operations and are therefore not detailed in the condensed interim financial information.

4. CONTINGENCIES AND COMMITMENTS

- 4.1** 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 30 June, 2009.
- 4.2** Commitments for irrevocable letters of credit outstanding as at 31 March, 2010 aggregated Rs. 47.685 million (30 June, 2009: Rs.19.579 million).

5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited Nine months ended 31 March, 2010	Audited Year ended 30 June, 2009
Operating fixed assets - tangible	465,101	440,875
Capital work-in-progress - at cost	337	33,180
	465,438	474,055

5.1 Operating fixed assets

Opening book value 440,875 416,909

Additions during the period / year:

Owned:

- buildings on freehold land	1,173	300
- plant and machinery	34,700	31,450
- electric fittings	0	3,269
- office equipment	0	33
- computers	27	29
Leased - vehicles	0	2,614
	35,900	37,695

Book value of vehicles transferred:

- in to owned assets	1,261	1,958
- from leased assets	(1,261)	(1,958)
	0	0

Book value of assets disposed-off during the period / year (171) (284)

Depreciation charge for the period / year (11,503) (13,445)

Closing book value **465,101** **440,875**

5.2 Capital work-in-progress

Plant and machinery - cost	337	32,356
Advance payments - buildings on freehold land	0	824
	337	33,180

6. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted

Babri Cotton Mills Ltd. (BCM)

125,584 (30 June, 2009:125,584) ordinary shares of Rs.10 each - cost

Equity held 4.34% (30 June, 2009:4.34%)

Post acquisition profit brought forward including effect of items directly credited in other comprehensive income by the Associated Company

Profit for the period / (loss for the year) - net of taxation

1,632	1,632
197	2,809
19	(2,683)
1,848	1,758

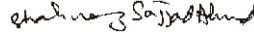
	Un-audited Nine months ended 31 March, 2010 (Rupees in thousand)	Audited Year ended 30 June, 2009
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8. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on 21st April, 2010.

9. GENERAL

- Figures in the condensed interim financial information have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison.


Shahnaz Sajjad Ahmad
Chief Executive


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Director

Janana De Malucho Textile Mills Ltd. (JDM)

418,330 (30 June, 2009:418,330) ordinary shares of Rs.10 each - cost
Equity held 36.21% (30 June, 2009: 13.22%)

1,140,900 ordinary shares subscribed during the period

Post acquisition profit brought forward including effect of items directly credited in other comprehensive income by the Associated Company

Profit for the period / (loss for the year) - net of taxation

6.2

4,944	4,944
22,818	0
32,929	23,887
3,902	(11,668)
64,593	17,163
66,441	18,921
49,086	15,541
17,355	3,380

Less: impairment loss

6.1 Fair value of investments in BCM as at 31 March, 2010 was Rs. 2.117 million (30 June, 2009: Rs.0.703 million).

6.2 Fair value of investments in JDM as at 31 March, 2010 was Rs. 35.129 million (30 June, 2009: Rs.2.677 million).

7. TRANSACTIONS WITH RELATED PARTIES

	Un-audited Nine months ended 31 March, 2010	2009
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(Rupees in thousand)

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

- purchase of goods and services	2,929	4,452
- sale of goods	170	170
- mark-up earned	451	207
- mark-up charged	84	62
- management charges:		
- paid	403	571
- received	1,377	2,094
- insurance claim received	0	136

7.2 No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.

7.3 Sales, purchases and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associated Companies, which are on actual basis.

7.4 Trade and other payables include due to Associated Companies aggregating Rs.1,668 thousand (30 June, 2009: Rs.583 thousand).

PRINTED MATTER

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KAR NO. 790 OF 1959-1960

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Share Department

BANNU WOOLLEN MILLS LIMITED

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