

Quarterly
Accounts
September, 30
2026

BIBOJEE GROUP



BANNU

WOOLLEN MILLS LIMITED

COMPANY'S PROFILE

Board of Directors	Mr. Ahmad Kuli Khan Khattak Mrs. Shahnaz Sajjad Ahmad Lt Gen. (Retd.) Ali Kuli Khan Khattak Dr. Shahin Kuli Khan Khattak Syed Zubair Ahmed Shah Mr. Abdul Rehman Qureshi Brig(R.) Agha Arshad Raza (Independent) Muhammad Ismail Khurram (Independent) Mr. Saleem Iftekhhar (Independent)	Chairman Chief Executive
Audit Committee	Muhammad Ismail Khurram Mr. Abdul Rehman Qureshi Syed Zubair Ahmad Shah Brig(R.) Agha Arshad Raza	Chairman Member Member Member
Human Resource & Remuneration Committee	Brig(R.) Agha Arshad Raza Lt. Gen. (Retd.) Ali Kuli Khan Khattak Muhammad Ismail Khurram Mr. Saleem Iftekhhar	Chairman Member Member Member
Chief Operating Officer (COO)	Mr. Khalid Kuli Khan Khattak	
Assistant Chief Operating Officer (ACOO) / Company Secretary	Mr. Azmat Khan	
Chief Financial Officer	Mr. Kalim Aslam	
Head of Internal Audit	Mr. Sajid Nawaz	
Auditors	M/S. ShineWing Hameed Chaudhri & Co Chartered Accountants	
Bankers	National Bank of Pakistan United Bank Limited Bank Alfalah Ltd.	
Legal Adviser	M/S Hassan & Hassan, Advocates Paaf Building, 1-D, Kashmir/ Egerton Road, Lahore	
Tax Consultant	M. Nawaz Khan & Co 1-Ground Floor, Farrah Centre, 2 Mozang Road, Lahore	
Registrars & Shares Registration Office	CDC Share Registrar (Services) Limited CDC House, 99-B, Block B, S.M.C.H.S. Main Shahra-e-Faisal, Karachi-74400 Tel: UAN# 021-0800 23275, Fax: 021-34326053 E-Mail: info@cdcsrsl.com	
Registered Office	Bannu Woollen Mills Ltd D.I.Khan Road, Bannu Tel. (0928) 612274, 662273, 613250 E-Mail bannuwoollen@yahoo.com Web Site: www.bwm.com.pk	
Mills	D.I.Khan Road, Bannu Tel. (0928) 612274, 662273, 613250	

BANNU WOOLLEN MILLS LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors of Bannu Woollen Mills Limited, we are pleased to present the unaudited condensed interim financial statements for the three months period ended September 30, 2026.

THE FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2026 ARE AS FOLLOWS: -

	Quarter Ended Sep. 30,	
	2026	2025
	(Rupees in thousand)	
Sales net	103,684	235,460
Gross (loss) / profit	(9,770)	103,623
(Loss) / profit from Operations	(63,915)	51,698
(Loss) / profit before taxation	(83,576)	37,175
(Loss) / profit after taxation	(71,766)	23,668
	----- Rupees -----	
(Loss) / earnings per share	<u>(7.55)</u>	<u>2.49</u>

OPERATING PERFORMANCE REVIEW

During the quarter under review, the Company's operations were affected by seasonal factors outside its control. Sales for the period stood at Rs. 103,684 thousand, compared with Rs. 235,460 thousand in the corresponding quarter of the previous year. The decline in sales was mainly due to delayed lifting of the Company's products by dealers, caused by the late onset of the winter season. Since the Company's woollen products are highly seasonal, dealers deferred their purchases. The Company built up stock in anticipation of the season, and stock-in-trade rose to Rs. 1,056,112 thousand from Rs. 912,298 thousand at 30 June 2026. This stock is expected to be lifted as winter sets in.

Because sales volume was lower, fixed manufacturing overheads were spread over a much smaller turnover. As a result, the Company recorded a gross loss of Rs. 9,770 thousand, against a gross profit of Rs. 103,623 thousand in the corresponding quarter of the previous year. Distribution costs and administrative expenses were Rs. 15,497 thousand and Rs. 38,563 thousand respectively, broadly in line with the previous year. Consequently, the Company reported a loss from operations of Rs. 63,915 thousand, against a profit of Rs. 51,698 thousand in the corresponding period. Finance costs rose to Rs. 19,661 thousand from Rs. 14,523 thousand, mainly because of higher short-term borrowings used to finance the seasonal build-up of inventory.

Accordingly, the Company recorded a loss before income tax of Rs. 84,875 thousand, compared with a profit before tax of Rs. 30,855 thousand last year. After accounting for a deferred tax credit of Rs. 13,109 thousand, the loss after tax was Rs. 71,766 thousand, against a profit after tax of Rs. 23,668 thousand in the corresponding period. Loss per share was Rs. 7.55, compared with earnings per share of Rs. 2.49 last year.

The management considers this shortfall to be a timing difference rather than a structural one. With the winter season now setting in, dealer lifting is expected to pick up in the coming quarter, which should allow the Company to recover a substantial part of this quarter's shortfall.

The Company achieved greasy production of 293,306 meters of fabric as compared to 326,547 meters in the corresponding period of last year.

Future outlook

Pakistan's economic outlook for the current financial year remains challenging. The macroeconomic stabilisation of the previous year has given way to renewed inflationary pressure, driven largely by higher international oil prices amid instability in the Middle East. Inflation has risen well above the State Bank of Pakistan's target range. The policy rate has been held at an elevated level, which keeps borrowing costs high for industry. Energy and fuel costs, raw material prices and the overall cost of doing business remain high, putting pressure on manufacturers' margins across the textile sector.

The Company's woollen products are seasonal, and the late arrival of winter this year delayed dealers' lifting of stock during the first quarter. In anticipation of the season, the Company built up adequate inventory. With winter now setting in, the management expects dealer offtake to pick up in the second quarter, and sales to recover a substantial part of the shortfall recorded in the first quarter.

In light of these circumstances, the management remains focused on liquidating seasonal inventory in a timely manner, sustaining operational efficiency, and controlling costs. It will also manage working capital and short-term borrowings prudently, to contain finance costs and maintain adequate liquidity for uninterrupted production and order fulfilment.

The management recognises that the economic environment will continue to pose challenges, including persistent inflation, high interest rates, volatile energy prices and rising business costs. To navigate these conditions, our strategic focus will remain on increasing sales, strengthening dealer engagement, maintaining financial discipline and reducing reliance on borrowed funds. The Board is confident that, as the peak winter season progresses, these measures will enable the Company to recover from the first quarter's loss and achieve improved profitability in the remaining quarters of the year, reinforcing our commitment to delivering long-term value to shareholders.

Acknowledgement

The Board of Directors wishes to express its sincere appreciation to the Company's executives, officers, staff and workers for their continued dedication, professionalism and hard work, particularly during a challenging quarter. Their commitment remains instrumental in sustaining the Company's operations and positioning it for the season ahead. The Board also extends its heartfelt gratitude to the banks, dealers, customers, investors and suppliers for their continued trust, cooperation and support, which remain vital to the Company's ongoing success and growth.

On behalf of the Board of Directors,



LT. GEN. ALI KULI KHAN KHATTAK (RETD.)
DIRECTOR



(SHAHNAZ SAJJAD AHMAD)
CHIEF EXECUTIVE OFFICER

October 25, 2026

بنوں وولن ملز لمیٹڈ

ڈائریکٹرز کی جائزہ رپورٹ

بنوں وولن ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز پہلی سرمایہ 30 ستمبر، 2026 کے غیر آڈٹ شدہ کنڈیڈ عبوری مالیاتی تفصیلات پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

کمپنی کی پہلی سرمایہ، 30 ستمبر 2026 کے مالی نتائج مندرجہ ذیل ہیں:-

پہلی سرمایہ کا اختتام		
30 ستمبر 2025	30 ستمبر 2026	
-- روپے ہزاروں میں --		
235,460	103,684	خالص فروخت
103,623	(9,770)	مجموعی منافع
51,698	(63,915)	منافع کارکردگی
37,175	(83,576)	ٹیکس سے پہلے منافع/(نقصان)
23,668	(71,766)	ٹیکس کے بعد منافع/(نقصان)
-- روپے --		
2.49	(7.55)	(نقصان)/(منافع فی حصص)

آپریٹنگ کارکردگی کا جائزہ:

زیر جائزہ سرمایہ کے دوران، کمپنی کے آپریٹسز اس کے کنٹرول سے باہر موسمی عوامل سے متاثر ہوئے۔ رواں سال سیکڑ 103,684 ہزار روپے رہی، جبکہ پچھلے سال کی اسی سرمایہ میں 235,460 ہزار روپے تھے۔ سیکڑ میں کمی بنیادی طور پر ڈیلرز کی طرف سے کمپنی کی مصنوعات کو تاخیر سے اٹھانے کی وجہ سے ہوئی، موسم سرما کے دیر سے شروع ہونے کی وجہ سے چونکہ کمپنی کی اوئی مصنوعات انتہائی موسمی ہیں، اس لئے ڈیلرز نے اپنی خریداری کو موخر کر دیا۔ کمپنی نے سیزن کی توقع کے مطابق اسٹاک تیار کیا، 30 جون، 2026 کو اسٹاک ان ٹریڈ 912,298 ہزار روپے سے بڑھ کر 1,056,112 ہزار روپے ہو گئی۔ موسم سرما کے شروع ہوتے ہی ڈیلرز کی طرف سے اسٹاک کو اٹھانے کی امید ہے۔

چونکہ سیکڑ کا حجم تھا، اس لیے فکسڈ مینو فیکچرنگ اور ہڈ ز بہت چھوٹے کاروبار پر پھیلے ہوئے تھے۔ نتیجے کے طور پر، کمپنی نے پچھلے سال کی اسی سرمایہ میں 103,623 ہزار روپے کے مجموعی منافع کے مقابلے میں 9,770 ہزار روپے کا مجموعی نقصان ریکارڈ کیا۔ سیکڑ کے اخراجات اور ایڈمن اخراجات بالترتیب 15,497 ہزار روپے اور 38,563 ہزار روپے تھے، جو کہ پچھلے سال کے مطابق تھے۔ نتیجتاً، کمپنی کو 63,915 ہزار روپے کا نقصان اٹھانا پڑا، جو کہ گزشتہ سال اسی مدت میں 51,698 ہزار روپے منافع کے ساتھ ریکارڈ کیا گیا۔ مالیاتی اخراجات 14,523 ہزار روپے سے بڑھ کر 19,661 ہزار روپے ہو گئے، جس کی بنیادی وجہ انوینٹری کی موسمی تعمیر کے لیے زیادہ قلیل مدتی قرضے لینے کی وجہ سے ہے۔

اس طرح، کمپنی نے اگم ٹیکس سے پہلے 84,875 ہزار روپے کا نقصان ریکارڈ کیا، جبکہ پچھلے سال اسی سرمایہ میں ٹیکس سے پہلے کا منافع 30,855 ہزار روپے تھا۔ 13,109 ہزار روپے کے موثر ٹیکس کریڈٹ کے حساب سے، رواں سال ٹیکس کے بعد کا نقصان 71,766 ہزار روپے ریکارڈ ہوا، جو کہ پچھلے سال اسی مدت میں

ٹیکس کے بعد کا منافع 23,668 ہزار روپے تھا۔ فی حصص آمدنی کا نقصان 7.55 روپے ریکارڈ ہوا جبکہ گزشتہ سال فی حصص آمدنی 2.49 روپے تھی۔

انتظامیہ اس کی کوشاں تھی کہ بجائے وقت کا فرق سمجھتی ہے۔ موسم سرما کے موسم اب ترتیب دینے کے ساتھ، ڈیپارٹمنٹ آف آن لائن سہ ماہی میں اٹھالے گی، جس سے کمپنی کو اس سہ ماہی کی کمی کا ایک اہم حصہ بحال کرنے کی اجازت دینا چاہئے۔

کمپنی نے گزشتہ سال کی اسی مدت میں 326,547 میٹر گریز فی فیکٹ کے مقابلے میں 293,306 میٹر گریز فی فیکٹ کی پیداوار حاصل کی۔

مستقبل کا نقطہ نظر:

موجودہ مالی سال کے لئے پاکستان کا معاشی نقطہ نظر مشکل ہے۔ پچھلے سال کے میکر و کنک اسٹیبلائزیشن نے مہنگائی کے نئے دباؤ کو راستہ دیا ہے، جو مشرق وسطیٰ میں عدم استحکام کے درمیان تیل کی بلند بین الاقوامی قیمتوں کی وجہ سے ہے۔ مہنگائی، اسٹیٹ بینک آف پاکستان کے ہدف کی حد سے کافی بڑھ گئی ہے۔ پالیسی کی شرح کو بلند سطح پر رکھا گیا ہے، جو صنعت کے لئے قرض لینے کی لاگت کو زیادہ رکھتا ہے۔ توانائی، ایندھن کی قیمتیں، خام مال کی قیمتیں اور کاروبار کرنے کی مجموعی لاگت زیادہ رہتی ہے، جس سے ٹیکسٹائل کے شعبے میں مینوفیکچررز مارجن پر دباؤ پڑتا ہے۔

کمپنی کی اونی مصنوعات موسمی ہیں اور اس سال موسم سرما کی دیر سے آمد نے ڈیلروں کو پہلی سہ ماہی کے دوران اسٹاک اٹھانے میں تاخیر کی، سیزن کی توقع کے مطابق، کمپنی نے مناسب انونیٹری تیاری۔ اب موسم سرما شروع ہونے کے ساتھ، انتظامیہ کو توقع ہے کہ ڈیلری آف ٹیک دوسری سہ ماہی میں شروع ہو جائے گی اور سیکلر پہلی سہ ماہی میں ریکارڈ کی گئی کمی کا کافی حصہ بحال کر لے گی۔

ان حالات کی روشنی میں، انتظامیہ موسمی انونیٹری کو بروقت ختم کرنے، آپریشنل کارکردگی کو برقرار رکھنے، اور اخراجات کو کنٹرول کرنے پر مرکوز ہے۔ یہ مالیاتی اخراجات پر مشتمل ہونے اور بلا قطل پیداوار اور آرڈر کی تکمیل کے لیے مناسب لیکویڈیٹی برقرار رکھنے کے لیے کام کرنے والے سرمائے اور قلیل مدتی قرضوں کا بھی احتیاط سے انتظام کرے گی۔

انتظامیہ تسلیم کرتی ہے کہ اقتصادی ماحول مسلسل افراط زر، بلند شرح سود، توانائی کی غیر مستحکم قیمتوں اور بڑھتے ہوئے کاروباری اخراجات سمیت چیلنجز کا باعث بنے گا۔ ان حالات کو نیوگیٹ کرنے کے لیے، ہماری اسٹریٹجک توجہ فروخت میں اضافہ، ڈیلری مصرفیت کو مضبوط بنانے، مالی نظم و ضبط کو برقرار رکھنے اور ادھار لیے گئے فنڈز پر انحصار کم کرنے پر ہے۔ بورڈ کو یقین ہے کہ جیسے جیسے موسم سرما عروج پر ہوتا ہے، یہ اقدامات کمپنی کو پہلی سہ ماہی کے نقصان سے بازیافت کرنے اور سال کے بقیہ سہ ماہیوں میں بہتر منافع حاصل کرنے کے قابل بنائیں گے، حصص یافتگان کو طویل مدتی قیمت فراہم کرنے کے ہمارے عزم کو تقویت دیں گے۔

اعتراف:

بورڈ آف ڈائریکٹرز، کمپنی کے ایگزیکٹوز، افسران، عملے اور کارکنوں کو ان کی مسلسل لگن، پیشہ ورانہ مہارت اور سخت محنت کے لئے مخلصانہ تعریف کا اظہار کرنا چاہتا ہے، خاص طور پر ایک مشکل سہ ماہی کے دوران جو، ان کی وابستگی، کمپنی کے کاموں کو برقرار رکھنے اور اسے اگلے سیزن کے لئے پوزیشن دینے میں اہم کردار ادا کرتی ہے۔

بورڈ نے بینکوں، ڈیلروں، گاہکوں، سرمایہ کاروں اور سپلائرز کو ان کے مسلسل اعتماد، تعاون اور حمایت کے لئے دلی شکریہ ادا کیا ہے، جو کمپنی کی جاری کامیابی اور ترقی کے لئے اہم ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے



(المنفعت جنرل ریٹائرڈ علی قلی خان خٹک)

ڈائریکٹر



(شہناز سجاد داح)

چیف ایگزیکٹو آفیسر

25 اکتوبر 2026

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Financial Position

As At September 30, 2026

	Note	Un-audited Sept. 30, 2026 (Rupees in thousand)	Audited Jun. 30, 2026
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,847,850	1,850,834
Intangible assets			0
Investments in Associated Company	6	971,642	971,642
Security deposits		4,849	4,349
		<u>2,824,341</u>	<u>2,826,825</u>
Current assets			
Stores and spares		183,572	168,312
Stock-in-trade		1,056,112	912,298
Trade debts		91,729	163,705
Advances to employees - unsecured, considered good		22,112	25,780
Advance payments		19,134	21,558
Prepayments and other receivables		14,231	960
Sales tax refundable		32,398	23,198
Income tax refundable, advance tax and tax deducted at source		21,668	19,032
Cash and bank balances		3,931	2,012
		<u>1,444,887</u>	<u>1,336,855</u>
TOTAL ASSETS		<u>4,269,228</u>	<u>4,163,680</u>
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
Capital reserves			
- share premium		19,445	19,445
- revaluation surplus on property, plant and equipment	7	3,052,237	3,054,245
Revenue reserves			
- general		154,055	154,055
- accumulated loss		(159,077)	(89,321)
Shareholders' equity		<u>3,161,723</u>	<u>3,233,487</u>
Liabilities			
Non-current liabilities			
Lease liabilities		13,332	15,563
Staff retirement benefits - gratuity		191,692	180,872
Deferred taxation		73,473	86,582
		<u>278,497</u>	<u>283,017</u>
Current liabilities			
Trade and other payables		195,297	206,365
Contract liabilities		9,141	2,452
Unpaid dividends		3,452	3,452
Unclaimed dividends		4,720	4,720
Accrued mark-up		18,912	11,489
Short term finances		569,272	391,783
Current portion of lease liabilities		9,999	9,999
Provision for tax levies & income taxes	8	18,215	16,916
		<u>829,008</u>	<u>647,176</u>
		<u>1,107,505</u>	<u>930,193</u>
Contingencies and commitments	9		
TOTAL EQUITY AND LIABILITIES		<u>4,269,228</u>	<u>4,163,680</u>

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



Shahnaz Sajjad Ahmad
Chief Executive



Syed Zubair Ahmad Shah
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

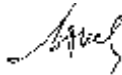
Condensed Interim Statement of Profit or Loss & Other Comprehensive Income
(Unaudited)
For The First Quarter Ended September 30, 2026

	Quarter Ended September 30, 2026 2025	
	(Rupees in thousand)	
Sales - net	103,684	235,460
Cost of sales	113,454	131,837
Gross (loss) / profit	(9,770)	103,623
Distribution cost	15,497	12,065
Administrative expenses	38,563	37,345
Other expenses	428	2,798
Other operating income	(343)	(283)
	54,145	51,925
(Loss) / profit from Operations	(63,915)	51,698
Finance cost	19,661	14,523
(Loss) / profit before revenue taxes and income taxes	(83,576)	37,175
Minimum taxes - levy	1,299	6,320
(Loss) / profit before income tax	(84,875)	30,855
Income tax - deferred tax	(13,109)	7,187
(Loss) / profit for the period	(71,766)	23,668
Other comprehensive income	0	0
Total comprehensive (loss) / income	(71,766)	23,668
	----- Rupees -----	
(Loss) / earnings per share	(7.55)	2.49

- The annexed notes form an integral part of this condensed interim financial information.
- Appropriations have been reflected in the statement of changes in equity.



Shahnaz Sajjad Ahmad
Chief Executive



Syed Zubair Ahmad Shah
Director



Kalim Aslam
Chief Financial Officer

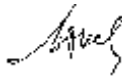
BANNU WOOLLEN MILLS LIMITED
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the 1st Quarter Ended September 30, 2026

	Share capital	Reserves			Total	
		Capital		Revenue		
		Share premium	Revaluation surplus on property, plant and equipment	General		Unappropriated profit / (accumulated loss)
----- Rupees in '000 -----						
Balance as at July 01, 2025	95,063	19,445	2,736,295	154,055	29,618	3,034,476
Total comprehensive income for the quarter ended September 30, 2025	-	-	-	-	23,668	23,668
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) on account of:						
- incremental depreciation for the period	-	-	(1,496)	-	1,496	0
Balance as at September 30, 2025	95,063	19,445	2,734,799	154,055	54,782	3,058,144
Balance as at June 30, 2026	95,063	19,445	3,054,245	154,055	(89,321)	3,233,487
Total comprehensive loss for the quarter ended September 30, 2026	-	-	-	-	(71,764)	(71,764)
Transfer from revaluation surplus on property, plant and equipment (net of deferred taxation) on account of:						
- incremental depreciation for the period	-	-	(2,008)	-	2,008	0
Balance as at September 30, 2026	95,063	19,445	3,052,237	154,055	(159,077)	3,161,723

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



Shahnaz Sajjad Ahmad
Chief Executive



Syed Zubair Ahmad Shah
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

Condensed Interim Statement of Cash flows (Un-Audited)

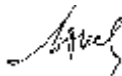
For The First Quarter Ended September 30, 2026

	1st Quarter ended	
	Sept. 30, 2026	Sept. 30, 2025
	(Rupees in thousand)	
Cash flows from operating activities		
(Loss) / profit for the period - before taxation	(83,576)	37,175
Adjustments for non-cash charges and other items:		
Depreciation on property, plant and equipment	6,887	5,429
Depreciation on right of use assets	2,658	1,664
Amortisation	0	15
Staff retirement benefits - gratuity (net)	10,820	9,456
Mark-up on bank deposits	(124)	(119)
Finance cost	19,661	14,523
(Loss) / profit before working capital changes	(43,674)	68,143
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets		
Stores and spares	(15,260)	(2,567)
Stock-in-trade	(143,814)	(68,928)
Trade debts	71,976	(198,923)
Advances to employees	3,668	5,629
Advance payments	2,424	(36,817)
Prepayments and other receivables	(13,271)	(15,685)
Sales tax refundable	(9,200)	29,843
Increase in trade and other payables and contract liabilities	(4,379)	203,287
	(107,856)	(84,161)
Cash used in operations	(151,530)	(16,018)
Taxes paid / adjusted	(2,636)	(1,927)
Net cash used in operating activities	(154,166)	(17,945)
Cash flows from investing activities		
Fixed capital expenditure	(6,561)	(36,123)
Security deposits	(500)	-
Mark-up received on bank deposits	124	119
Net cash used in investing activities	(6,937)	(36,004)
Cash flows from financing activities		
Lease rentals paid	(2,962)	(2,698)
Short term finances - net	177,489	78,415
Dividend paid	0	(4)
Finance cost paid	(11,505)	(11,518)
Net cash generated from financing activities	163,022	64,195
Net increase in cash and cash equivalents	1,919	10,246
Cash and cash equivalents - at the beginning of the period	2,012	3,242
Cash and cash equivalents - at the end of the period	3,931	13,488

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



Shahnaz Sajjad Ahmad
Chief Executive



Syed Zubair Ahmad Shah
Director



Kalim Aslam
Chief Financial Officer

BANNU WOOLLEN MILLS LIMITED

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

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2026

1. Legal status and operations

Bannu Woollen Mills Limited (the Company) was incorporated in Pakistan as a Public Company in the year 1960 under the Companies Act, 1913 (now the Companies Act, 2017) and its shares are quoted on Pakistan Stock Exchange Ltd. The Company is principally engaged in manufacture and sale of woollen yarn, cloth and blankets.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

Bannu			Purpose
D.I Khan Road			Registered office / Mills
Rawalpindi	Faisalabad	Peshawar	
Raja Bazar	Sardar Cloth Market	MK tower	Retail outlets

2. Basis of Preparation

These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2026.

3. Accounting Policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2026, except for certain amendments which did not have any effect on these condensed interim financial statements.

The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plan has not been incorporated in the condensed interim financial information.

4. Accounting Estimates, Judgments and Financial Risk Management

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

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2026.

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, 2026.

5. PROPERTY, PLANT AND EQUIPMENT

		Un-audited Quarter ended Sept. 30, 2026 (Rupees in thousand)	Audited Year ended June 30, 2026
Operating fixed assets	5.1	1,823,018	1,823,344
Right of use assets		21,388	24,046
Capital work-in-progress		3,444	3,444
		<u>1,847,850</u>	<u>1,850,834</u>
5.1 Operating fixed assets			
Opening book value		1,823,344	1,540,931
Additions during the period / year		6,561	78,572
Revaluation of fixed assets		-	233,087
Depreciation charge for the period / year		(6,887)	(29,246)
Closing book value		<u>1,823,018</u>	<u>1,823,344</u>
6. INVESTMENT IN ASSOCIATED COMPANY - Quoted			
6.1 JDM was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Pakistan Stock Exchange Ltd. It is principally engaged in manufacture and sale of yarn.			
6.2 Market value of the Company's investment in JDM as at September 30, 2026 was Rs. 221.430 million (June 30, 2026: Rs.224.234 million).			
7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - Net			
Surplus on revaluation of the Company's property, plant and equipment	7.1	1,478,463	1,480,471
Share of surplus on revaluation of property, plant and equipment of Associated Company		<u>1,573,774</u>	<u>1,573,774</u>
		<u>3,052,237</u>	<u>3,054,245</u>
7.1 The period-end balance has been arrived at as follows:			
Opening balance		1,546,079	1,323,406
Add: surplus arisen on revaluation carried-out during the period / year		-	233,087
Less: transferred to unappropriated profit			
- on account of incremental depreciation for the period / year		(2,828)	(10,414)
		<u>1,543,251</u>	<u>1,546,079</u>
Less: deferred tax on:			
- opening balance of surplus		65,608	48,883
-surplus arisen on revaluation carried-out		-	19,745
- incremental depreciation for the year		(820)	(3,020)
		<u>64,788</u>	<u>65,608</u>
Closing balance		<u>1,478,463</u>	<u>1,480,471</u>

8. PROVISION FOR TAX LEVIES & INCOME TAXES

8.1 The provision for taxation for the quarter ended September 30, 2025 represents alternate corporate tax due under section 113C of the Income Tax Ordinance, 2001.

8.2 There has been no significant change in the status of tax litigations as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2026.

9. CONTINGENCIES AND COMMITMENTS

9.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended June 30, 2026.

9.2 Commitments for irrevocable letters of credit outstanding as at September 30, 2026 aggregated Rs. 15.993 million (June 30, 2026: Rs. 66.854 million).

10. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties are as follows:

Nature of relationship	Nature of transaction	Un-audited Quarter ended Sept. 30,	
		2026	2025
(Rupees in thousand)			
(i) Associated Companies	Rent of marketing office	2,136	1,842
	Expenses shared	3,974	827
	Vehicle Purchased	5,883	-
	Insurance	1,732	-
(ii) Key management personnel	Managerial remuneration and benefits	37,602	30,044

11. FINANCIAL RISK MANAGEMENT

The condensed interim financial statements do not include all the financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2026. The Company's activities expose it to a variety of financial risks, which are (i) credit risk (ii) liquidity risk and (iii) market risk (including foreign currency risk and interest rate risk). There has been no change in Company's sensitivity to these risks since June 30, 2026 except for general exposure to fluctuations in foreign currency. There have been no changes in the risk management policies during the period.

12. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2026 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the three months period ended September 30, 2025.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, no material re-arrangements and re-classifications have been made in these interim financial statements.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue in the Board of Directors' meeting held on October 25, 2026.

Shahnaz Sajjad Ahmad
Chief Executive

Syed Zubair Ahmad Shah
Director

Kalim Aslam
Chief Financial Officer