



BIAFO INDUSTRIES LIMITED

***ACCOUNTS FOR THE QUARTER ENDED 31st
MARCH 2006***

BIAFO INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE QUARTER ENDED MARCH 31, 2006

Your Directors are pleased to submit the unaudited accounts for the quarter ended March 31, 2006.

The overall net sales of your company for the quarter were Rs. 82.56 million as against the sale of Rs. 45.331 million of comparable quarter for the last year. This is highest ever sales in a quarter in the history of the company. The main reason for this exceptional increase is a substantial increase in demand from the Cement Sector and increase in our agency sales.

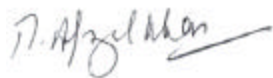
All the expenses for the period were within the budgetary controls except for financial cost, which increased due to the upward revision of markup rates by the banks.

The Profit for the quarter is Rs. 17.984 million as against Rs. 6.392 million for the last year's March quarter. This has resulted in bringing down the accumulated losses to Rs. 19.329 million as at 31st March 2006.

This profit is after providing for increased depreciation on Plant & Machinery in the light of revised IAS 16 of Property Plant & Equipment as explained in the selected notes to the accounts.

It is expected that the last quarter of the financial year will also be reasonably good but not exceptional as March 2006 quarter if the demand of the cement and other sectors is sustained. As reported in the last quarter one Hydel project has started and they have taken initial supplies.

Your Board takes this opportunity to again express its appreciation to all its employees for their hard work and continuing efforts in working under great pressure.



M. AFZAL KHAN
Chairman

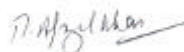
Islamabad
April 27, 2006

BIAFO INDUSTRIES LIMITED
BALANCE SHEET
AS AT 31st MARCH 2006

	31 Mar 2006 Un-audited Rupees	30 June 2005 Audited Rupees
FIXED ASSETS - tangible		
Property, plant and equipment	290,071,453	301,639,723
LONG TERM DEPOSITS	544,749	544,749
CURRENT ASSETS		
Stores, spares and loose tools	5,692,485	5,423,111
Stock in trade	26,596,976	21,877,076
Trade debts	51,350,970	36,103,117
Advances	3,869,837	2,961,146
Trade deposits and short term prepayments	978,891	910,706
Income tax	6,633,141	4,583,532
Other receivables	179,335	127,500
Cash and bank balances	3,523,824	5,185,854
	98,825,459	77,172,042
CURRENT LIABILITIES		
Trade and other payables	20,234,008	17,702,102
Accrued markup	1,815,462	1,384,331
Short term borrowings	27,680,242	9,270,952
Current portion of:		
Long term loans	14,915,866	10,359,038
Liabilities against assets subject to finance lease	869,638	637,396
	65,515,216	39,353,819
NET CURRENT ASSETS	33,310,243	37,818,223
LONG TERM LOANS	27,642,322	81,584,558
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	2,192,422	2,117,851
PROVISION FOR STAFF RETIREMENT BENEFITS	327,850	1,192,375
DEFERRED TAXATION	29,689,998	31,286,987
CONTINGENCIES AND COMMITMENTS	-	-
	264,073,853	223,820,923
REPRESENTED BY:		
SHARE CAPITAL AND RESERVES		
Share capital	200,000,000	200,000,000
Accumulated loss	(19,328,831)	(62,547,599)
	180,671,169	137,452,401
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT -net of tax	83,402,684	86,368,522
	264,073,853	223,820,923

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on April 27, 2006.

April 27, 2006
Islamabad



Director



Chief Executive

BIAFO INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31st MARCH 2006

	Quarter Ended		Nine Months Ended	
	31 Mar 2006 Rupees	31 Mar 2005 Rupees	31 Mar 2006 Rupees	31 Mar 2005 Rupees
GROSS SALES	109,097,372	52,808,219	272,556,025	187,993,237
Less: Sales tax	9,242,502	3,863,197	21,023,599	15,167,447
Discount and commission	17,299,138	6,555,073	42,120,842	27,896,213
NET SALES	82,555,731	42,389,949	209,411,584	144,929,577
Less: Cost of sales	57,564,793	30,056,245	146,762,213	100,474,184
GROSS PROFIT	24,990,938	12,333,704	62,649,371	44,455,393
Other operating income	177,047.54	44	242,666	169
	25,167,986	12,333,749	62,892,037	44,455,562
Selling and Distribution cost	1,738,574	1,105,826	5,138,281	3,936,486
Administrative expenses	2,381,854	2,234,356	7,839,579	7,056,525
PROFIT FROM OPERATIONS	21,047,558	8,993,567	49,914,178	33,462,551
Finance cost	2,475,496	2,201,575	7,740,950	7,443,368
PROFIT FOR THE PERIOD	18,572,061	6,791,992	42,173,228	26,019,183
Worker's Profit Participation Fund	928,603	339,600	2,108,661	1,300,959
PROFIT BEFORE TAXATION	17,643,458	6,452,392	40,064,566	24,718,224
Taxation				
Current	(526,391)	(298,321)	(1,408,625)	(949,734)
Deferred	866,779	238,686	1,596,990	716,057
	340,388	(59,635)	188,365	(233,677)
PROFIT AFTER TAXATION	17,983,846	6,392,757	40,252,931	24,484,547
EARNINGS PER SHARE - BASIC	0.90	0.32	2.01	1.22

April 27, 2006
Islamabad

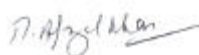

Director


Chief Executive

BIAFO INDUSTRIES LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31st MARCH 2006

	Nine Months Ended	
	31 Mar 2006	31 Mar 2005
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	40,064,566	24,718,224
Adjustments for:		
Depreciation	14,328,448	7,613,802
Finance cost	7,740,950	7,443,368
Provision for workers profit participation fund	2,108,661	1,300,959
Bad Debts written off	-	132,368
Provision for doubtful debts and advances	-	24,815
Provision for staff retirement benefits	33,850	431,007
Gain on disposal of fixed assets	(242,524)	-
	<u>23,969,385</u>	<u>16,946,318</u>
Operating profit before working capital changes	64,033,951	41,664,543
Working capital changes		
Decrease/(increase) in store, spares and loose tools	(269,374)	(178,501)
Increase in stock in trade	(4,719,900)	(8,627,285)
Increase in trade debts	(15,247,853)	1,844,271
Increase in advances	(908,691)	(844,341)
Increase in trade deposits and short term prepayments	(68,185)	(190,657)
Increase/(decrease) in other payables	2,090,426	(7,499,968)
	<u>(19,123,577)</u>	<u>(15,496,481)</u>
Cash generated from operations	44,910,374	26,168,061
Finance cost paid	(7,309,819)	(6,068,878)
Retirement benefits paid	(898,375)	(196,875)
Taxes paid	(5,012,252)	(336,086)
	<u>(13,220,446)</u>	<u>(6,601,839)</u>
Net cash from operating activities	31,689,927	19,566,222
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,426,704)	(566,855)
Proceeds from disposal/sale of property, plant and equipment	660,350	-
Capital Work in Process	-	(450,000)
Net cash used in investing activities	(1,766,354)	(1,016,855)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(609,484)	(592,944)
Payment of loans term loan during the period - net	(49,385,408)	(13,019,171)
Dividend paid	-	(8,000,000)
Net cash used in financing activities	(49,994,892)	(21,612,115)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(20,071,319)	(3,062,748)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(4,085,098)	(19,870,940)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>(24,156,417)</u>	<u>(22,933,688)</u>

April 27, 2006
Islamabad



Director



Chief Executive

BIAFO INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31st MARCH 2006

	Issued, subscribed and paid up capital	Accumulated loss	Total
	Rupees	Rupees	Rupees
Balance as at 01 July 2004	200,000,000	(88,689,418)	111,310,582
Net profit for the period	-	24,484,547	24,484,547
Incremental depreciation on surplus on revaluation of property, plant and equipment during the year - net of deferred tax	-	1,329,820	1,329,820
Final dividend for the period ended 30 June 2004	-	(8,000,000)	(8,000,000)
Balance as at 31st March 2005	<u>200,000,000</u>	<u>(70,875,051)</u>	<u>129,124,949</u>
Balance as at 01 July 2005	200,000,000	(62,547,599)	137,452,401
Net profit for the period	-	40,252,931	40,252,931
Incremental depreciation on surplus on revaluation of property, plant and equipment during the period - net of deferred tax	-	2,965,837	2,965,837
Balance as at 31st March 2006	<u>200,000,000</u>	<u>(19,328,831)</u>	<u>180,671,169</u>

SELECTED NOTES TO THE CONDENSED ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2006

These accounts are un-audited and are being submitted as required under the Company's Ordinance 1984 and applicable International Accounting Standards.

The accounting policies adopted for the preparation of Quarterly accounts are the same as those applied for the proceeding audited accounts for the year ended June 30, 2005 except for the depreciation charged on plant & machinery. In the light of IAS 16 revised applicable for annual periods beginning on or 1 January 2005, the rate of depreciation has been increased from @ 5% to 7.5%. The impact of increase in the rate of depreciation for the period of nine months is Rs.4,347,168.

Figures for the comparative period have been rearranged where necessary for the purpose of comparison.

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 27.April.2006.

April 27, 2006
 Islamabad


 Director


 Chief Executive