



BIAFO INDUSTRIES LIMITED

Manufacturer of Tovex® Explosives
& Blasting Accessories



INTERIM REPORT
FOR THE SIX MONTHS
PERIOD ENDED

31ST DECEMBER
2023

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The image shows the exterior of a building named 'BIAFO HOUSE'. The building has a modern design with a mix of materials. The ground floor features a light-colored stone wall on the left and a white wall on the right. A set of wooden stairs with a metal handrail leads to a dark entrance. Above the entrance, the name 'BIAFO HOUSE' is written in large, metallic letters on a tan-colored panel. The upper floor has large glass windows that reflect the surrounding greenery. The foreground is a paved area with yellow parking lines. There are some potted plants near the entrance and large trees with hanging branches framing the top of the building.

BIAFO HOUSE

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

M. Afzal Khan
Anwar Moin

Deputy Chairman
Chief Executive Officer

NON EXECUTIVE DIRECTORS

Ms. Ayesha Humayun Khan
Ms. Mehreen Hosain
Ms. Syeda Shahbano Abbas
M. Zafar Khan
Khwaja Ahmad Hosain
Muhammad Waheed

Director
Director
Director
Director
Director
Director

INDEPENDENT DIRECTORS

Ehsan Mani
Syed Zomma Mohiuddin
Adnan Afridi
Himayat Ullah

Chairman
Director
Director
Director

COMPANY SECRETARY

Khawaja Shaiq Tanveer

CHIEF FINANCIAL OFFICER

Syed Sajid Hussain Shah

AUDIT & RISK MANAGEMENT COMMITTEE

Adnan Afridi	Chairman
Ms. Ayesha Humayun Khan	Member
Ehsan Mani	Member
Muhammad Waheed	Member
Himayat Ullah	Member

HR & REMUNERATION COMMITTEE

Ehsan Mani	Chairman
Ms. Mehreen Hosain	Member
Ms. Syeda Shahbano Abbas	Member
Anwar Moin (CEO)	Member
Khwaja Ahmad Hosain	Member

AUDITORS

Yousuf Adil Chartered Accountants

LEGAL ADVISORS

Chima & Ibrahim, Ali Raza & Partners LLP

BANKERS

Allied Bank Limited	Bank of Khyber
National Bank of Pakistan	United Bank Limited

REGISTERED OFFICE

BIAFO INDUSTRIES LIMITED

1st Floor, Biafo House, Plot No. 23, St No. 38-40,
I&T Centre, G-10/4, Islamabad, Pakistan
Tel: +92 51 2353450-53, 2353455-57 Fax: +92 51 2353458
Website: www.biafo.com, E-mail: management@biafo.com

FACTORY

BIAFO INDUSTRIES LIMITED

Plot No: 70, Phase III, Industrial Estate, Hattar, Distt Haripur,
Khyber Pakhtunkhwa, Pakistan
Tel: +92 995 617830 Fax: +92 995 617497
Website: www.biafo.com, E-mail: plant@biafo.com

SHARES REGISTRAR

F.D. REGISTRAR SERVICES (PVT.) LTD.

17th Floor, Saima Trade Tower-A, I.I.Chundigar Road, Karachi.
Tel: +92 21 32271905-6 Fax: +92 21 32621233
E-mail: info@fdregistrar.com | fdregistrar@yahoo.com



**DIRECTORS'
REPORT**

DIRECTORS' REPORT FOR THE QUARTER/HALF YEAR ENDED 31 DECEMBER 2023

Your Directors are pleased to submit the un-audited accounts for the quarter/half year ended December 31, 2023.

In the half year, net sales volume of the Company increased by 19.04% to Rs. 1,375.88 M (Dec 22: Rs. 1,155.82 M) while net sales volume for the quarter to December, 2023 decreased by 25.32% to Rs. 395.29 (Dec 22: 529.32 M).

For the period under review, supplies to large projects and export sector increased, whereas supplies to Oil and Gas sector decreased due to lesser exploration activity as compared to the period ended December 2022.

Gross profit to sales ratio increased by 42.56% to Rs. 626.83 M as compared to previous year's comparable period (31 December 2022: Rs. 439.70 M), whereas net profit after taxation increased by 44.91% to Rs. 308.79 M. as compared to the period ended December 2022. This resulted in an EPS of Rs. 6.66 (EPS December 2022: Rs. 4.59). Profitability increased mainly due to increase in sales volume.

Expenses were within budget as approved by the Board of Directors.

Your Board of Directors has not proposed any dividend for the period under review.

Your Board takes this opportunity to express its appreciation to all its employees for their hard work and continuing efforts in meeting business challenges, growth of the Company, and the cooperation of all its stakeholders.

For and on behalf of the Board.



Anwar Moin
Chief Executive Officer



M. Afzal Khan
Deputy Chairman

Islamabad

23 February 2024

بیان فنانڈسٹریٹجی لمیٹڈ

31 دسمبر 2023 کو ختم ہونے والی سہ ماہی ایشماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 دسمبر 2023 کو اختتام پذیر ہونے والی سہ ماہی ایشماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

زیر جائزہ ششماہی میں کمپنی کی اصل فروخت کی قدر 19.04 فیصد اضافے سے 1,375.88 ملین روپے رہی (دسمبر 2022: 1,155.82 ملین روپے) جبکہ دسمبر 2023 کو ختم ہونے والی سہ ماہی میں کمپنی کی اصل فروخت کی قدر 25.32 فیصد کمی سے 395.29 ملین روپے رہی (دسمبر 2022: 529.32 ملین روپے)

زیر جائزہ مدت میں بڑے منصوبوں اور برآمدات کے شعبے کو فروخت میں اضافہ ہوا جبکہ دسمبر 2022 کو ختم ہونے والی ششماہی کے مقابلے میں تیل و گیس کی ایکپلوریشن سرگرمیوں میں کمی کے باعث فروخت میں کمی واقع آئی۔

زیر جائزہ مدت میں مجموعی منافع گزشتہ سال اسی دورانیے کے مقابلے میں 42.56 فیصد اضافے سے 626.83 ملین روپے رہا (دسمبر 2022: 439.70 ملین روپے)۔ جبکہ ٹیکس ادا کی گئی کے بعد فروخت کی شرح گزشتہ سال دسمبر 2022 کو ختم ہونے والی ششماہی کے مقابلے میں 44.91 فیصد اضافے سے 308.79 ملین روپے رہی جسکے نتیجے میں فی شیئر آمدن 6.66 روپے رہی، (دسمبر 2022: فی شیئر آمدن 4.59 روپے) فروخت کے حجم میں اضافے کی وجہ سے منافع میں اضافہ ہوا۔

اخراجات بورڈ آف ڈائریکٹرز کی طرف سے منظور کردہ بجٹ کے اندر تھے۔

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لیے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔

آپ کا بورڈ اس موقع پر اپنے ہملہ ملازمین کا، کمپنی کی ترقی اور کاروباری چیلنجز کو پورا کرنے کے لئے ان کی سخت محنت اور مسلسل کاوشوں کی نسبت اور اپنے تمام اسٹیک ہولڈرز کے تعاون کی بابت ان کے لئے خصوصی ستائش کا اظہار کرتا ہے۔

بورڈ کی جانب سے

ایم۔ افضل خان
ڈپٹی چیئرمین

انور معین

چیف ایگزیکٹو آفیسر

اسلام آباد

23 فروری 2024

TO THE MEMBERS OF BIAFO INDUSTRIES LIMITED

Report on review of interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Biafo Industries Limited ("the Company") as at December 31, 2023, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the 'condensed interim financial statements'). The Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2023.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Shahzad Ali.



Chartered Accountants

Place: Islamabad

Date: February 23, 2024

UDIN: RR202310134GSd7JUeZc

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Unaudited 31 Dec 2023 Rupees	Audited 30 June 2023 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	2,207,645,836	2,239,860,635
Intangibles		3,517,835	1,696,906
Investment property		66,519,737	66,861,509
Long-term deposits		1,782,900	1,782,900
		2,279,466,308	2,310,201,950
CURRENT ASSETS			
Inventories		729,902,848	701,685,072
Trade debts		543,845,190	683,746,715
Short-term advances		44,168,514	24,620,394
Trade deposits, short- term prepayments and other receivables		72,552,344	48,899,350
Short-term investments	5	253,282,802	247,960,072
Cash and bank balances		85,214,113	65,061,864
		1,728,965,811	1,771,973,467
CURRENT LIABILITIES			
Trade, other payables and accrued liabilities	6	206,857,515	320,429,319
Current portion of long-term loan		63,608,865	63,608,865
Current portion of lease liabilities		3,180,082	4,446,011
Short-term borrowings	7	371,046,266	375,736,513
Provision for taxation		20,816,165	65,534,521
Unclaimed dividend		38,814,488	33,867,196
Unpaid dividend		23,856,341	17,288,408
		728,179,722	880,910,833
NET CURRENT ASSETS		1,000,786,089	891,062,634
NON - CURRENT LIABILITIES			
Long-term loan		91,592,119	122,603,091
Employee benefit		8,818,183	16,776,731
Lease liabilities		971,959	2,226,397
Deferred tax liability - net	8	77,574,127	128,006,728
		178,956,388	269,612,947
NET ASSETS		3,101,296,009	2,931,651,637
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		463,826,880	463,826,880
Revenue reserve - unappropriated profit		1,127,897,613	945,568,206
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		1,509,571,516	1,522,256,551
		3,101,296,009	2,931,651,637
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The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	Note	Three Months Ended		Six Months Ended	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
		Rupees	Rupees	Rupees	Rupees
Revenue - net	10	395,287,527	529,317,842	1,375,875,146	1,155,822,848
Cost of sales		(229,310,852)	(281,334,917)	(749,047,509)	(716,124,931)
Gross profit		165,976,675	247,982,925	626,827,637	439,697,917
Other income		6,172,969	4,789,405	7,447,969	6,064,405
Distribution expenses		(20,834,414)	(16,684,658)	(36,646,618)	(35,828,113)
Administrative expenses		(52,527,691)	(43,456,483)	(109,192,425)	(83,590,816)
Net impairment losses on financial assets		(90,224,638)	(15,049,062)	(90,224,638)	(15,049,062)
Operating profit		8,562,901	177,582,127	398,211,925	311,294,331
Finance costs		(37,489,775)	(22,098,419)	(62,171,626)	(45,405,527)
Finance income		1,447,473	3,244,606	14,462,167	37,652,658
Net finance cost		(36,042,302)	(18,853,813)	(47,709,459)	(7,752,869)
Workers' profit participation fund		1,373,970	(7,936,416)	(17,525,123)	(15,177,073)
Workers' welfare fund		538,812	(3,341,536)	(6,872,597)	(5,951,793)
Profit before tax		(25,566,619)	147,450,362	326,104,746	282,412,596
Income tax expense		67,062,344	(44,720,665)	(17,312,310)	(69,323,455)
Profit for the year		41,495,725	102,729,697	308,792,436	213,089,141
Earnings per share					
Basic and diluted		0.89	2.21	6.66	4.59

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	Three Months Ended		Six Months Ended	
	31 Dec 2023 Rupees	31 Dec 2022 Rupees	31 Dec 2023 Rupees	31 Dec 2022 Rupees
Profit for the period	41,495,725	102,729,697	308,792,436	213,089,141
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	41,495,725	102,729,697	308,792,436	213,089,141

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	Capital Reserve	Revenue Reserve		
Share capital	Revaluation surplus on property, plant and equipment - net of tax	Unappropriated profits	Total equity	
----- (Rupees) -----				
Balance at 01 July 2022 (Audited)	463,826,880	1,327,808,040	544,672,628	2,336,307,548
Profit for the period	-	-	213,089,141	213,089,141
Total comprehensive income for the period transferred to equity	-	-	213,089,141	213,089,141
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(4,684,601)	4,684,601	-
	463,826,880	1,323,123,439	762,446,370	2,549,396,689
Transactions with owners of the Company				
Distributions				
Final cash dividend of 2022 @ Rs. 2.30 per share	-	-	(106,680,183)	(106,680,183)
Total transactions with owners of the Company	-	-	(106,680,183)	(106,680,183)
Balance at 31 December 2022	463,826,880	1,323,123,439	655,766,187	2,442,716,506
Balance at 01 July 2023 (Audited)	463,826,880	1,522,256,551	945,568,206	2,931,651,637
Profit for the period	-	-	308,792,436	308,792,436
Total comprehensive income for the period transferred to equity	-	-	308,792,436	308,792,436
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(12,685,035)	12,685,035	-
	463,826,880	1,509,571,516	1,267,045,677	3,240,444,073
Transactions with owners of the Company				
Distributions				
Final cash dividend of 2023 @ Rs. 3.00 per share	-	-	(139,148,064)	(139,148,064)
Total transactions with owners of the Company	-	-	(139,148,064)	(139,148,064)
Balance at 31 December 2023	463,826,880	1,509,571,516	1,127,897,613	3,101,296,009

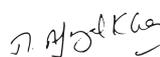
The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	31 Dec 2023 Rupees	31 Dec 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	326,104,746	282,412,596
Adjustments for:		
Depreciation on property, plant and equipment	46,351,712	30,823,975
Amortization on intangibles	592	-
Depreciation on investment property	341,772	350,535
Finance costs	49,093,236	42,513,376
Provision for Workers' profit participation fund	17,525,123	15,177,073
Provision for Workers' welfare fund	6,872,597	5,951,793
Reversal for Workers' welfare fund	(4,897,969)	-
Provision for gratuity	7,916,706	6,834,706
Net impairment losses on financial assets	90,224,638	15,049,062
Dividend income	(9,242,647)	(12,940,304)
Rental income	(2,550,000)	(2,550,000)
Unrealized gain on remeasurement of investment	2,622,252	(666,002)
Unrealized exchange (gain)/ loss - net	7,088,964	(8,304,850)
Interest income	(7,841,772)	(3,665,802)
	203,505,204	88,573,562
	529,609,950	370,986,158
Changes in working capital:		
Inventories	(28,217,776)	96,233,043
Trade debts	49,676,888	(102,622,106)
Advances, deposits, short term prepayments and other receivables	(43,201,114)	109,990,723
Trade and other payables	(75,137,702)	(25,520,950)
	(96,879,704)	78,080,710
Cash generated from operating activities	432,730,246	449,066,868
Finance costs paid	(46,586,273)	(42,059,031)
Contributions to Gratuity fund	(15,814,354)	(11,418,611)
Employee Benefits paid	(60,900)	(37,733)
Payments to Workers' welfare fund	(12,801,136)	-
Payments to Workers' profit participation fund	(45,132,717)	(22,418,670)
Income taxes paid	(112,463,267)	(36,790,565)
	(232,858,647)	(112,724,610)
Net cash from operating activities	199,871,599	336,342,258
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(15,961,399)	(5,066,982)
Disposal of Investments	(7,944,982)	108,454,095
Rent received	2,550,000	2,550,000
Dividend received	9,242,647	12,940,304
Interest received	12,056,002	6,356,927
Net cash generated from / (used in) investing activities	(57,732)	125,234,344
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(139,492,907)	(104,808,390)
Repayment of long term loan	(32,958,096)	(41,264,156)
Payment of lease liabilities	(2,520,368)	(8,979,790)
Net cash (used in) / generated from financing activities	(174,971,371)	(155,052,336)
Net increase / (decrease) in cash and cash equivalents	24,842,496	306,524,266
Cash and cash equivalents at beginning of the period	(310,674,649)	(477,239,795)
Cash and cash equivalents at end of the period	(285,832,153)	(170,715,529)

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The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

1 THE COMPANY AND ITS OPERATIONS

Biafo Industries Limited ("the Company") was incorporated in Pakistan on 07 September 1988 as a public limited company under the Companies Ordinance, 1984 (now the Companies Act, 2017). Previously, the shares of the Company were quoted on Karachi and Islamabad Stock Exchanges of Pakistan. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange, effective 11 January 2016, the shares of the Company are now quoted on Pakistan Stock Exchange. The Company started its commercial production on 01 July 1994 and is principally engaged in the manufacturing of commercial explosives and blasting accessories including detonators and other materials. The Company's license for manufacturing and sale of explosives is required to be renewed annually. The Company's production facility is situated at Hattar Industrial Estate, Khyber Pakhtunkhwa, with its registered office located at 1st Floor, Biafo House, Plot No. 23, Street No. 38-40, I & T Centre, G-10/4, Islamabad, Pakistan.

2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2023. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2023, whereas comparative condensed interim statement of profit or loss, comparative condensed interim statement of comprehensive income, comparative condensed interim statement of cash flows and comparative condensed interim statement of changes in equity are extracted from unaudited interim financial statements for six months period ended 31 December 2022.

These condensed interim financial statements are unaudited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.

3 MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from 01 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2023.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after 01 July 2023 which do not have any impact on the Company's financial reporting except the disclosure of material accounting policy information rather than significant accounting policies and therefore, have not been detailed in this condensed interim financial information.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 30 June 2023. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended 30 June 2023. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of 31 December 2023.

4 PROPERTY, PLANT AND EQUIPMENT

During six months period ended 31 December 2023, the Company acquired property, plant and equipment aggregating to Rs. 14,136,917 (31 December 2022: Rs. 9,650,420). Further details are as follows:

	Six Months Ended	
	Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees
Additions		
Leasehold land	-	4,583,438
Building on Leasehold land	3,499,847	-
Furniture and fixtures	1,999,914	265,025
IT & Appliances	5,619,680	1,712,707
Plant, machinery & Equipments	1,125,000	493,146
Capital work in progress	1,892,476	2,596,104
	14,136,917	9,650,420
Transfer from work in progress to :		
Building on leasehold land	-	3,796,925
Transfer from Right of Use Asset to :		
Vehicles	15,301,673	-
Depreciation Charge		
Building on leasehold land	2,902,596	2,628,827
Furniture and fixtures	396,642	387,541
Vehicles	1,124,897	614,443
Right of use asset	797,679	1,521,753
Plant, machinery & Equipments	34,455,800	24,541,662
IT & Appliances	6,674,098	1,129,749
	46,351,712	30,823,975

4.1 During the period the company has changed the class of certain assets and combined them based on their major category. There is no financial impact of this classification change in this condensed financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	Note	Unaudited 31 Dec 2023 Rupees	Audited 30 June 2023 Rupees
5	SHORT - TERM INVESTMENTS		
	Equity securities - at FVTPL	97,318,471	89,224,473
	Debt securities - at amortized cost	155,964,331	158,735,599
		253,282,802	247,960,072
6	TRADE AND OTHER PAYABLES		
	Trade creditors	112,419,506	157,655,022
	Contract liability - unsecured	2,105,492	1,486,508
	Accrued liabilities	15,368,232	42,684,504
	Insurance payable	590,761	811,553
	Workers' profit participation fund payable	17,525,123	45,132,717
	Workers' welfare fund payable	6,872,597	17,699,105
	Payable to employees' provident fund	2,134,768	1,846,948
	Withholding Taxes Payable	2,352,608	-
	Other payables	47,488,428	53,112,962
		206,857,515	320,429,319
7	SHORT - TERM BORROWINGS		
	Allied Bank Limited (ABL)	351,341,178	371,313,268
	United Bank Limited (UBL)	19,705,088	4,423,245
	7.1	371,046,266	375,736,513

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited financial statements for the year ended 30 June 2023.

	Unaudited 31 Dec 2023 Rupees	Audited 30 June 2023 Rupees
8	DEFERRED TAX LIABILITY- net	
	Taxable temporary difference	
	Property, plant and equipment	59,201,414
	Right of use assets	5,333,106
	Surplus on revaluation of property, plant and equipment	95,530,524
		160,065,044
	Deductible temporary difference	
	Employee benefits	(4,793,735)
	Trade debts	(25,764,341)
	Stores, spares and loose tools	(1,500,240)
		(32,058,316)
		128,006,728

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

9 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2023.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 18,268,811 at 31 December 2023 (30 June 2023: Rs. 43,975,904).

Letter of guarantee issued by Allied Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding amounted to Rs. 9,761,197 at 31 December 2023 (30 June 2023: Rs. 9,761,197).

Letter of guarantee issued by United Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding amounted to Rs. 31,107,000 at 31 December 2023 (30 June 2023: Rs. 31,107,000).

	Three Months Ended		Six Months Ended	
	Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees	Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees
10 REVENUE- net				
Gross local sales	364,753,037	492,464,929	812,083,968	806,381,013
Sales tax	(55,706,510)	(71,679,761)	(123,943,418)	(117,354,526)
Net local sales	309,046,527	420,785,168	688,140,550	689,026,487
Net export sales	86,241,000	108,532,674	687,734,596	466,796,361
	<u>395,287,527</u>	<u>529,317,842</u>	<u>1,375,875,146</u>	<u>1,155,822,848</u>
			Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees

11 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement cash and cash equivalents comprise of:

Cash and bank balances	85,214,113	130,123,840
Short term borrowings - running finance (Note 7.1)	(371,046,266)	(273,839,369)
	<u>(285,832,153)</u>	<u>(170,715,529)</u>

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise of directors, key management personnel, major shareholders, entities over which the directors are able to exercise influence and employees' fund. Transactions with related parties during the period and balances at the reporting date are as follows:

	Six Months Ended	
	Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees
Directors and key management personnel		
Remuneration including perquisites to Chief Executive Officer	9,856,000	10,400,000
Remuneration including perquisites to Directors	4,680,000	10,031,894
Remuneration including perquisites to key management personnel	14,690,000	15,879,500
Other related parties		
Payment to employees' provident fund	11,935,066	10,663,768
Payable to employees' provident fund - unsecured	2,134,768	2,105,687
Payable to staff retirement gratuity fund - unsecured	7,916,706	6,834,706

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

	Carrying amount		Fair value				
	Financial Asset	Financial liabilities	Level 1	Level 2	Level 3	Total	
Financial assets and liabilities							
	Amortized cost	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
31 December 2023 (Unaudited)							
Financial assets measured at fair value							
Short - term investments	-	97,318,471	97,318,471	97,318,471	-	-	97,318,471
	-	97,318,471	97,318,471	97,318,471	-	-	97,318,471
Financial assets not measured at fair value							
Trade debts	543,845,190	-	543,845,190	-	-	-	-
Advances to employees	1,880,118	-	1,880,118	-	-	-	-
Other receivables	1,157,920	-	1,157,920	-	-	-	-
Short - term investments	155,964,331	-	155,964,331	-	-	-	-
Bank balances	85,214,113	-	85,214,113	-	-	-	-
Trade deposits	15,683,930	-	15,683,930	-	-	-	-
Long - term deposits	1,782,900	-	1,782,900	-	-	-	-
Total financial assets	805,526,502	97,318,471	902,846,973	97,318,471	-	-	97,318,471
Financial liabilities not measured at fair value							
Short-term borrowings	-	371,046,266	371,046,266	-	-	-	-
Unclaimed dividend	-	38,814,488	38,814,488	-	-	-	-
Unpaid dividend	-	23,856,341	23,856,341	-	-	-	-
Long term loans	-	155,200,984	155,200,984	-	-	-	-
Lease liabilities	-	4,152,041	4,152,041	-	-	-	-
Trade and other payables	-	183,783,633	183,783,633	-	-	-	-
Total financial liabilities	-	776,853,753	776,853,753	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

Financial assets and liabilities	Carrying amount		Fair value							
	Financial Asset	Financial liabilities	Amortized cost	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Level 3	Total
30 June 2023 (Audited)										
Financial assets measured at fair value										
Short - term investments	-	89,224,473	-	89,224,473	89,224,473	89,224,473	-	-	-	89,224,473
	-	89,224,473	-	89,224,473	89,224,473	89,224,473	-	-	-	89,224,473
Financial assets not measured at fair value										
Trade debts	683,746,715	-	-	683,746,715	-	-	-	-	-	-
Advances to employees	2,106,666	-	-	2,106,666	-	-	-	-	-	-
Other receivables	976,120	-	-	976,120	-	-	-	-	-	-
Short - term investments	158,735,599	-	-	158,735,599	-	-	-	-	-	-
Bank balances	64,848,219	-	-	64,848,219	-	-	-	-	-	-
Trade deposits	10,327,099	-	-	10,327,099	-	-	-	-	-	-
Long - term deposits	1,782,900	-	-	1,782,900	-	-	-	-	-	-
Total financial assets	922,525,318	89,224,473	-	1,011,749,791	89,224,473	89,224,473	-	-	-	89,224,473
Financial liabilities not measured at fair value										
Short-term borrowings	-	375,736,513	375,736,513	-	-	-	-	-	-	-
Unclaimed dividend	-	33,867,196	33,867,196	-	-	-	-	-	-	-
Unpaid dividend	-	17,288,408	17,288,408	-	-	-	-	-	-	-
Long term loans	-	188,519,284	188,519,284	-	-	-	-	-	-	-
Lease liabilities	-	8,753,344	8,753,344	-	-	-	-	-	-	-
Trade and other payables	-	254,264,041	254,264,041	-	-	-	-	-	-	-
Total financial liabilities	-	876,428,786	876,428,786	-	-	-	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2023

		Six Months Ended	
		Unaudited 31 Dec 2023 Rupees	Unaudited 31 Dec 2022 Rupees
14	EARNINGS PER SHARE		
	<i>- Basic and diluted</i>		
	Profit for the period	Rupees	
		308,792,436	213,089,141
	Weighted average number of ordinary shares	Numbers	
		46,382,688	46,382,688
	Earnings per share	Rupees	
		6.66	4.59

15 NON ADJUSTING EVENTS AFTER REPORTING DATE AND DATE OF AUTHORIZATION FOR ISSUE

- 15.1** The Board of Directors of the Company in their meeting held on 23 February 2024 has not proposed any dividend for the period under review.
- 15.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 23 February 2024.

16 GENERAL

- 16.1** Figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Chief Financial Officer



Chief Executive Officer



Director

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