

Quarterly Report

for the Period Ended
31st March 2021


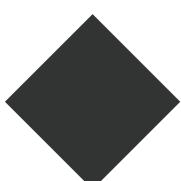


BIAFO INDUSTRIES LTD.
Manufacturer of Tovex[®] Explosives & Blasting Accessories



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CORPORATE INFORMATION

Corporate Information

Board of Directors

Executive Directors

M. Afzal Khan
Anwar Moin
Maj. Gen. (Ret'd.) S. Z. M. Askree
Ms. Shirin Safdar

Deputy Chairman
Chief Executive Officer
Executive Director
Executive Director

Non Executive Directors

Dr. M. Humayun Khan
M. Zafar Khan
Khawaja Ahmad Hosain
Muhammad Waheed
Adnan Aurangzeb
Ms. Ayesha Humayun Khan

Chairman
Director
Director
Director
Director
Director

Independent Directors

Ms. Mehreen Hosain
Ehsan Mani
Ms. Syeda Shahbano Abbas
Muhammad Yaqoob

Director
Director
Director
Director

Company Secretary

Khawaja Shaiq Tanveer

Chief Financial Officer

Syed Sajid Hussain Shah

Audit & Risk Management Committee

Ehsan Mani	Chairman
Dr. M. Humayun Khan	Member
Adnan Aurangzeb	Member
Muhammad Yaqoob	Member
Khawaja Ahmad Hosain	Member
Muhammad Waheed	Member

HR & Remuneration Committee

Ehsan Mani	Chairman
Anwar Moin	Member
Dr. M. Humayun Khan	Member
Ms. Mehreen Hosain	Member
Ms. Syeda Shahbano Abbas	Member
Ms. Ayesha Humayun Khan	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

Bankers

Allied Bank of Pakistan
National Bank of Pakistan
Bank of Khyber

Bank Alfalah Limited
United Bank Limited
Faysal 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. Chundrigar Road, Karachi.
Tel: +92 21 32271905-6 Fax: +92 21 32621233
E-mail: info@fdregistrar.com | fdregistrar@yahoo.com



DIRECTORS' REPORT

BIAFO INDUSTRIES LTD. DIRECTORS' REPORT FOR THE QUARTER/NINE MONTHS ENDED 31 MARCH 2021

Your Directors are pleased to submit the un-audited accounts for the quarter/nine months ended March 31, 2021.

Net sales value of the Company in the nine months under review remained marginally less by 4.03% to Rs. 1,228.96 M (Mar 2020: Rs. 1280.60 M) whilst this was more than offset by increase in net sales in the quarter to March, 2021 by 27.39% to Rs. 494.91 as compared to previous years's comparable quarter (Mar 2020: 388.51 M).

For the period under review, supplies to the Oil and Gas Sector decreased because of continued less exploration seismic activity and a general slow down of activities in the large projects due to the COVID 19 pandemic. However, sales to Cement and Export Sector have shown substantial growth as compared to the nine months ended March, 2020.

Gross profit to sales ratio has increased by 5.16% to Rs. 490.93 M as compared to previous year's comparable period (Mar 2020: Rs. 466.85 M). Whereas net profit after taxation to sales ratio has increased by 4.42% to Rs. 247.71 M. as compared to the nine months ended March 2020, resulting in an EPS of Rs. 6.46 (EPS March 2020: Rs. 6.19 Restated).

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

Your Board of Directors have declared an interim cash dividend of Rs. 2.00 per share(20%) 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



Dr. M. Humayun Khan
Chairman

Islamabad
26 April 2021

بیان فوائد سٹریٹجی

31 مارچ 2021 کو ختم ہونے والی سہ ماہی / نو ماہی مدت کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 مارچ 2021 کو اختتام پذیر ہونے والی سہ ماہی / نو ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت زیر جائزہ نو ماہی مدت میں 4:03 فیصد معمولی کمی سے 1,228.96 ملین روپے رہی (مارچ 2020، 1,280.60 ملین روپے) تاہم کمپنی کی 31 مارچ 2021 کو ختم ہونے والی سہ ماہی سیکلز، گزشتہ سہ ماہی کے مقابلے میں 27.39 فیصد اضافہ کے ساتھ 494.91 ملین روپے رہی۔ (مارچ 2020، 388.51 ملین روپے)


زیر جائزہ مدت میں تیل و گیس میں ایکوپلوریشن سسیک سرگرمیوں میں مسلسل کمی اور بڑے منصوبوں میں کوڈ 19 کی عالمی وبا، کے باعث فروخت میں کمی آئی۔ تاہم، سینٹ اور برآمدات کے شعبوں میں مارچ 2020 کو ختم ہونے والی نو ماہی مدت کے مقابلے میں کافی اضافہ دیکھنے میں آیا۔


زیر جائزہ مدت میں کمپنی کا مجموعی منافع 5.16 فیصد اضافہ سے 490.93 ملین روپے رہا جبکہ گزشتہ سال اسی عرصہ میں (مارچ 2020، 466.85 ملین روپے) رہا۔ جبکہ ٹیکس کوٹو کی بعد کمپنی کا خالص حجم منافع گزشتہ سال مارچ 2020 کو اختتام پذیر نو ماہی مدت کے مقابلے میں 4.42 فیصد اضافہ کے بعد 247.71 ملین روپے رہا۔ فی شیئر منافع 6.46 روپے رہا۔ (فی شیئر منافع مارچ 2020، 6.19 روپے نظر ثانی شدہ) اخراجات بورڈ آف ڈائریکٹرز کی طرف سے منظور کردہ بجٹ کے اندر تھے۔

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت میں فی شیئر 2.00 روپے (20%) عبوری نقد منافع منقسمہ کا اعلان کیا ہے۔

آپ کا بورڈ اس موقع پر اپنے جملہ ملازمین کا 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


ڈاکٹر اکرام حمید خان
چیئر مین


انور معین
چیف ایگزیکٹو آفیسر

اسلام آباد
26 اپریل 2021

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2021

		Unaudited	Audited
		31 Mar 2021	30 June 2020
	Note	Rupees	Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	1,077,733,875	1,057,817,867
Investment property		28,946,245	29,499,358
Long - term deposits		<u>1,777,650</u>	<u>1,777,650</u>
		<u>1,108,457,770</u>	<u>1,089,094,875</u>
CURRENT ASSETS			
Inventories		267,846,856	383,602,284
Trade debts		490,901,098	373,238,956
Short term advances		32,296,619	11,372,700
Trade deposits, short term prepayments and other receivables		16,410,649	26,603,135
Short - term investments	5	260,557,809	267,619,583
Advance tax - net		49,108,629	57,704,434
Cash and bank balances		110,811,835	43,269,280
		<u>1,227,933,495</u>	<u>1,163,410,372</u>
CURRENT LIABILITIES			
Trade and other payables	6	158,400,324	189,505,531
Current portion of long term loan		21,523,575	10,861,805
Current portion of lease liabilities		3,649,203	1,984,151
Short-term borrowings	7	365,261,456	458,812,389
Unclaimed dividend		24,087,343	23,029,521
Unpaid dividend		13,213,708	13,061,372
		<u>586,135,609</u>	<u>697,254,769</u>
		<u>641,797,886</u>	<u>466,155,603</u>
NET CURRENT ASSETS			
NON - CURRENT LIABILITIES			
Long term loan		15,920,091	31,840,182
Employee benefit		6,148,449	5,182,759
Lease liabilities		6,684,424	6,060,656
Deferred tax liability - net	8	30,870,039	34,397,655
		<u>59,623,003</u>	<u>77,481,252</u>
		<u>1,690,632,653</u>	<u>1,477,769,226</u>
NET ASSETS			
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		383,328,000	348,480,000
Revenue reserve - unappropriated profit		603,324,536	421,955,643
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		703,980,117	707,333,583
		<u>1,690,632,653</u>	<u>1,477,769,226</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	Note	Three Months Ended		Nine Months Ended	
		31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
		Rupees	Rupees	Rupees	Rupees
Revenue - net	10	494,911,322	388,505,766	1,228,956,025	1,280,597,987
Cost of sales		(288,434,914)	(262,644,313)	(738,023,157)	(813,746,322)
Gross profit		206,476,408	125,861,453	490,932,868	466,851,665
Other income		2,633,597	342,785	6,186,905	4,710,794
Distribution expenses		(18,619,335)	(22,467,946)	(42,276,484)	(50,120,563)
Administrative expenses		(33,576,342)	(34,241,213)	(96,896,550)	(97,494,883)
Allowance for expected credit losses		-	(1,230,330)	2,357,666	(8,061,003)
Operating profit		156,914,328	68,264,749	360,304,405	315,886,010
Finance costs		(17,538,988)	(18,585,556)	(48,150,270)	(58,640,679)
Finance income		3,106,428	24,699,770	10,190,737	41,615,152
Net finance cost		(14,432,560)	6,114,214	(37,959,533)	(17,025,527)
Workers' profit participation fund		(7,124,089)	(3,718,948)	(16,117,244)	(14,943,024)
Workers' welfare fund		(2,793,760)	(1,487,580)	(6,320,488)	(5,977,210)
Profit before tax		132,563,919	69,172,435	299,907,140	277,940,249
Income tax expense		(18,268,959)	(14,246,567)	(52,195,713)	(40,713,337)
Profit for the period		114,294,960	54,925,868	247,711,427	237,226,912
			Restated		Restated
Earnings per share					
Basic and diluted	14	2.98	1.43	6.46	6.19

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



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	Three Months Ended		Nine Months Ended	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Rupees	Rupees	Rupees	Rupees
Profit for the period	114,294,960	54,925,868	247,711,427	237,226,912
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	114,294,960	54,925,868	247,711,427	237,226,912

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



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	Capital reserve		Revenue Reserve	
Share capital	Revaluation surplus on property, plant and equipment - net of tax		Unappropriated profits	Total equity
Rupees	Rupees	Rupees	Rupees	Rupees
Balance at 01 July 2019	264,000,000	711,255,302	429,984,402	1,405,239,704
Total comprehensive income for the period				
Profit for the period	-	-	237,226,912	237,226,912
Total comprehensive income for the period transferred to equity	-	-	237,226,912	237,226,912
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(3,604,239)	-	(3,604,239)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	3,604,239	3,604,239
	264,000,000	707,651,063	670,815,553	1,642,466,616
Transactions with owners of the company				
Distributions				
Final dividend of 2019 @ Rs. 3.00 per share	-	-	(79,200,000)	(79,200,000)
First interim dividend of 2020 @ Rs. 1.5 per share	-	-	(47,520,000)	(47,520,000)
2nd interim dividend of 2020 @ Rs. 1.5 per share	-	-	(47,520,000)	(47,520,000)
Issue of bonus shares for 2019 @ 20%	52,800,000	-	(52,800,000)	-
Total transactions with owners of the company	52,800,000	-	(227,040,000)	(174,240,000)
Balance at 31 March 2020	316,800,000	707,651,063	443,775,553	1,468,226,616
Balance at 01 July 2020	348,480,000	707,333,583	421,955,643	1,477,769,226
Total comprehensive income for the period				
Profit for the period	-	-	247,711,427	247,711,427
Total comprehensive income for the year transferred to equity	-	-	247,711,427	247,711,427
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(3,353,466)	-	(3,353,466)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	3,353,466	3,353,466
	348,480,000	703,980,117	673,020,536	1,725,480,653
Transactions with owners of the company				
Distributions				
Final dividend of 2020 @ Rs. 1.00 per share	-	-	(34,848,000)	(34,848,000)
Issue of bonus shares for 2020 @ 10%	34,848,000	-	(34,848,000)	-
Total transactions with owners of the company	34,848,000	-	(69,696,000)	(34,848,000)
Balance at 31 March 2021	383,328,000	703,980,117	603,324,536	1,690,632,653

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



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	31 Mar 2021	31 Mar 2020
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	299,907,140	277,940,249
Adjustments for:		
Depreciation on property, plant and equipment	20,030,592	19,602,621
Depreciation on investment property	553,113	567,294
Finance costs	23,967,466	58,640,679
Allowance for expected credit losses	(2,357,666)	8,061,003
Provision for Workers' profit participation fund	16,117,244	14,943,024
Provision for Workers' welfare fund	4,377,020	5,977,210
Provision for gratuity	7,639,340	7,075,659
Provision for compensated leave absences	965,690	-
Dividend income	(8,586,024)	(24,190,232)
Rental income	-	(400,000)
Unrealized gain on remeasurement of investment	(157,440)	(12,916,044)
Gain on sale of property, plant and equipment	(3,743,437)	-
Interest income	(1,441,104)	(2,504,076)
Unrealized exchange loss	(125,564)	(2,004,800)
	57,239,230	72,852,338
	357,146,370	350,792,587
Changes in:		
Inventories	115,755,428	65,519,909
Trade debts	(115,304,476)	(116,159,857)
Advances, deposits, short term prepayments and other receivables	(11,448,525)	(2,602,898)
Trade and other payables	(28,166,275)	(951,309)
	(39,163,848)	(54,194,155)
Cash generated from operating activities	317,982,522	296,598,432
Finance costs paid	(29,609,976)	(53,287,761)
Gratuity paid	(10,232,619)	(9,253,665)
Payments to Workers' welfare fund	-	(24,280,810)
Payments to Workers' profit participation fund	(16,365,530)	(5,485,630)
Income taxes paid	(51,601,910)	(77,999,944)
	(107,810,035)	(170,307,810)
Net cash from operating activities	210,172,487	126,290,623
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(37,769,849)	(21,503,815)
Proceeds from sale of property, plant and equipment	8,660,778	-
Disposal of investments	7,219,214	158,781,719
Rent received	1,575,000	600,000
Dividend received	8,586,024	24,190,232
Interest received	1,441,104	1,517,495
Net cash used in investing activities	(10,287,729)	163,585,631
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(33,637,842)	(172,866,999)
Payment of lease liabilities	(5,153,429)	-
Net cash used in financing activities	(38,791,271)	(172,866,999)
Net increase / (decrease) in cash and cash equivalents	161,093,488	117,009,255
Cash and cash equivalents at beginning of the period	(415,543,109)	(554,544,547)
Cash and cash equivalents at end of the period	(254,449,621)	(437,535,292)

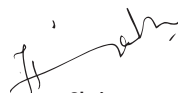
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Chief Financial Officer



Chief Executive Officer



Chairman

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2021

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 interim financial statements have been prepared in accordance with the 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.

The disclosures in these 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 2020. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2020, 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 nine months period ended 31 March 2020.

These 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 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2020.

3.1 Standards, interpretations and amendments to approved accounting and reporting standards that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

- Amendments to IFRS 16: COVID-19 related rent concessions (effective 01 January 2021)
- Amendments to IAS 37: Onerous Contracts - Cost of fulfilling a contract (effective 01 January 2021)
- Amendments to IAS 16: Property, plant and equipment - Proceeds before intended use (effective 01 January 2021)
- Amendments to IFRS 03: Reference to the Conceptual Framework (effective 01 January 2021)
- Amendments to IAS - 01: Classification of liabilities as current or non-current (effective 01 January 2021)
- Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associates or joint venture (effective 01 January 2021)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform (effective 01 January 2021)

The above amendments are not likely to have an impact on the Company's interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

During nine months period ended 31 March 2021, the Company acquired property, plant and equipment aggregating to Rs. 44,863,941 (31 March 2020: Rs. 21,503,815). Assets with a carrying amount of Rs. 8,940,855 were disposed off (31 March 2020: Rs. Nil). Depreciation charge for the period amounts to Rs. 20,583,705 (31 March 2020: Rs. 19,602,621).

5. SHORT - TERM INVESTMENTS

	Unaudited	Audited
	31 Mar 2021	30 June 2020
	Rupees	Rupees
Equity securities - at FVTPL	176,111,604	174,871,560
Debt securities - at amortized cost	84,446,205	92,748,023
	<u>260,557,809</u>	<u>267,619,583</u>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

	Unaudited 31 Mar 2021	Audited 30 June 2020
Note	Rupees	Rupees
6 TRADE AND OTHER PAYABLES		
Trade creditors	81,936,479	91,645,975
Contract liability - unsecured	1,152,632	1,207,189
Accrued liabilities	16,484,435	35,836,033
Sales tax payable - net	8,813,125	-
Insurance payable	705,458	648,039
Workers' profit participation fund payable	16,117,244	16,365,530
Workers' welfare fund payable	6,320,488	6,417,855
Payable to staff gratuity fund	3,040,297	5,633,576
Payable to employees' provident fund	1,464,514	1,376,084
Withholding tax payable	95,200	66,312
Other payables	22,270,452	30,308,938
	158,400,324	189,505,531
7 SHORT - TERM BORROWINGS		
Allied Bank Limited (ABL)	270,347,236	309,341,695
Faysal Bank Limited (FBL)	-	51,023,219
United Bank Limited (UBL)	94,914,220	98,447,475
7.1	365,261,456	458,812,389

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited interim financial statements for the year ended 30 June 2020.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

	Unaudited 31 Mar 2021 Rupees	Audited 30 June 2020 Rupees
8 DEFERRED TAX LIABILITY- net		
The net balance of deferred tax is in respect of the following major temporary differences:		
Accelerated depreciation of property, plant and equipment	30,490,459	28,460,410
Leases	(2,068,556)	942,102
Surplus on revaluation of property, plant and equipment	12,551,019	13,483,132
Employee benefits	(2,317,084)	(2,352,553)
Trade debts	(6,715,575)	(7,228,368)
Stores, spares and loose tools	(1,070,224)	(1,070,224)
Short term investments	-	2,163,156
	30,870,039	34,397,655

9 CONTINGENCIES AND COMMITMENTS

There is no change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2020.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 284,352,088 at 31 March 2021 (30 June 2020: Rs. 5,137,204).

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 at 31 March 2021 amounted to Rs. 17,071,182 (30 June 2020: Rs. 17,071,182).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

	Three Months Ended		Nine Months Ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
	Rupees	Rupees	Rupees	Rupees
10 REVENUE- net				
Gross local sales	360,620,320	342,329,271	944,643,420	1,152,061,636
Sales tax	(52,844,199)	(50,022,353)	(138,445,235)	(168,429,424)
Net local sales	307,776,121	292,306,918	806,198,185	983,632,212
Net export sales	187,135,201	96,198,848	422,757,840	296,965,775
	494,911,322	388,505,766	1,228,956,025	1,280,597,987

10.1 Revenue from sales of goods is recognised at point in time.

Nine Months Ended	
Unaudited	Unaudited
31 Mar 2021	31 Mar 2020
Rupees	Rupees

11 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	110,811,835	42,552,578
Short term borrowings	(365,261,456)	(480,087,870)
	(254,449,621)	(437,535,292)

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:

Nine Months Ended	
Unaudited	Unaudited
31 Mar 2021	31 Mar 2020
Rupees	Rupees

Directors and key management personnel

Dividend to non executive directors	14,745,354	102,700,245
Issue of bonus shares to non executive directors	14,745,310	31,121,286
Share capital held as of the reporting date by non executive directors	162,168,850	186,727,718
Dividend to executive directors	2,369,841	1,721,161
Issue of bonus shares to executive directors	2,369,820	521,564
Share capital held as of the reporting date by executive directors	26,068,230	3,129,384
Remuneration including perquisites to Chief Executive Officer	13,233,750	11,345,833
Remuneration including perquisites to Directors	16,143,750	16,971,290
Remuneration including perquisites to key management personnel	26,523,000	27,093,750

Other related parties

Payment to employees' provident fund	6,777,366	5,631,770
Donations	1,260,000	-
Payable to employees' provident fund - unsecured	1,464,514	1,350,342
Payable to staff retirement gratuity fund - unsecured	3,040,297	7,635,217

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2021

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 INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	Carrying amount		Fair value				
	Amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Level 1	Level 2	Level 3	Total
31 Mar 2021	Rupees		Rupees				
Financial assets measured at fair value							
Short - term investments	-	176,111,604	-	176,111,604	-	-	176,111,604
Trade deposits	-	7,567,106	-	7,567,106	-	7,567,106	7,567,106
Long - term deposits	-	1,777,650	-	1,777,650	-	1,777,650	1,777,650
	-	185,456,360	-	185,456,360	-	9,344,756	185,456,360
Financial assets not measured at fair value							
Trade debts	490,901,098	-	-	-	-	-	-
Advances to employees	836,035	-	-	490,901,098	-	-	-
Other receivables	1,707,118	-	-	836,035	-	-	-
Short - term investments	84,446,205	-	-	1,707,118	-	-	-
Bank balances	110,759,900	-	-	84,446,205	-	-	-
Total financial assets	688,650,356	185,456,360	-	874,106,716	176,111,604	-	185,456,360
Financial liabilities not measured at fair value							
Short-term borrowings	-	-	365,261,456	-	-	-	-
Unclaimed dividend	-	-	24,087,343	-	-	-	-
Unpaid dividend	-	-	13,213,708	-	-	-	-
Long term loans	-	-	37,443,666	-	-	-	-
Lease liabilities	-	-	10,333,627	-	-	-	-
Trade and other payables	-	-	121,396,824	-	-	-	-
Total financial liabilities	-	-	571,736,624	-	-	-	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021

	Carrying amount		Fair value				
	Amortized cost	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
	Rupees		Rupees				
30 June 2020							
Financial assets measured at fair value							
Short - term investments	-	174,871,560	-	174,871,560	-	-	174,871,560
Trade deposits	-	2,293,386	-	2,293,386	-	2,293,386	2,293,386
Long - term deposits	-	1,777,650	-	1,777,650	-	1,777,650	1,777,650
	-	178,942,596	-	178,942,596	-	4,071,036	178,942,596
Financial assets not measured at fair value							
Trade debts	373,238,956	-	-	373,238,956	-	-	-
Advances to employees	786,385	-	-	786,385	-	-	-
Other receivables	1,916,539	-	-	1,916,539	-	-	-
Short - term investments	92,748,023	-	-	92,748,023	-	-	-
Bank balances	43,187,350	-	-	43,187,350	-	-	-
Total financial assets	511,877,253	178,942,596	-	690,819,849	174,871,560	4,071,036	178,942,596
Financial liabilities not measured at fair value							
Short-term borrowings	-	-	458,812,389	-	-	-	-
Unclaimed dividend	-	-	23,029,521	-	-	-	-
Unpaid dividend	-	-	13,061,372	-	-	-	-
Long term loans	-	-	42,701,987	-	-	-	-
Lease liabilities	-	-	8,044,807	-	-	-	-
Trade and other payables	-	-	165,448,645	-	-	-	-
Total financial liabilities	-	-	711,098,721	-	-	-	-

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2021**

		Three Months Ended		Nine Months Ended	
		Unaudited 31 Mar 2021	Unaudited 31 Mar 2020 Restated	Unaudited 31 Mar 2021	Unaudited 31 Mar 2020 Restated
14	EARNINGS PER SHARE				
	<i>- Basic and diluted</i>				
	Profit for the period	Rupees			
		114,294,960	54,925,868	247,711,427	237,226,912
	Weighted average number of ordinary shares	Numbers			
		38,332,800	38,332,800	38,332,800	38,332,800
	Earnings per share	Rupees			
		2.98	1.43	6.46	6.19

14.1 During the period, the Company issued 01 bonus share for every 10 shares held by shareholders i.e. 10%, accordingly, the corresponding figure of weighted average number of shares outstanding and earnings per share have been restated to include the effect of bonus shares issued by the Company.

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 26th April 2021 proposed an interim cash dividend of Rs. 2.00 per share.

15.2 These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 26th April 2021.

16 GENERAL

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



Chief Financial Officer



Chief Executive Officer



Chairman

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