

Quarterly Report

for the Period Ended
31st March 2023

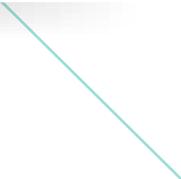
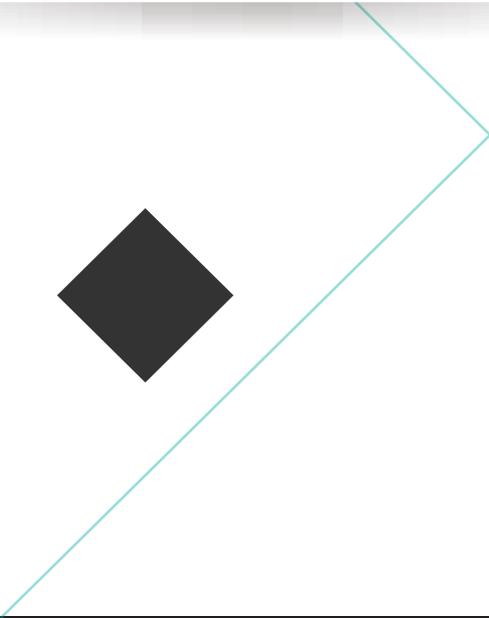
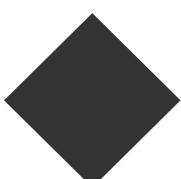


BIAFO INDUSTRIES LTD.
Manufacturer of Tovex[®] Explosives & Blasting Accessories



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CORPORATE INFORMATION

Corporate Information

Board of Directors

Executive Directors

M. Afzal Khan
Anwar Moin

Deputy Chairman
Chief Executive Officer

Non Executive Directors

Ms. Ayesha Humayun Khan
Ms. Mehreen Hosain
Ms. Syeda Shahbano Abbas
M. Zafar Khan
Khawaja 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
Khawaja Ahmad Hosain	Member

Auditors

Yousuf Adil Chartered Accountants

Legal Advisors

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

Bankers

Allied Bank of Pakistan	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

BIAFO INDUSTRIES LIMITED DIRECTORS' REPORT FOR THE QUARTER/NINE MONTHS ENDED MARCH 31, 2023

Your Directors are pleased to submit the un-audited accounts for the quarter/nine months ended March 31, 2023.

Net sales value of the company in the nine months increased by 37.24% to Rs. 1,878.96 M (Mar 22: Rs. 1,369.07 M) while net sales value in the quarter to March, 2023 increased by 40.45% to Rs. 723.14 M (Mar 22: 514.89 M).

For the period under review, there was a substantial increase in sales volume to the Oil and Gas and Mining sectors especially to the Export Processing Zones. Supplies to the construction sector and large projects witnessed a downward trend mainly due to the prevailing Economic conditions as compared to the sales in the quarter ended March 2022.

Gross profit increased to Rs. 754.85 M as compared to the previous year's comparable period (31 March 2022: Rs. 507.58 M), whereas net profit after taxation increased to Rs. 428.75 M. as compared to the period ended March 2022. This resulted in an EPS of Rs. 9.24 (EPS March 2022: Rs. 5.54). Profitability increased mainly due to substantial increase in sales volume.

Expenses remained within budget, as approved by the Board of Directors.

Your Board of Directors have declared 1st interim cash dividend of Rs. 2.30 per share (23%) for the period under review.

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

For and on behalf of the Board.



Anwar Moin
Chief Executive Officer



M. Afzal Khan
Deputy Chairman

Islamabad
26 April 2023

بیانوائے سٹریٹجی

31 مارچ 2023 کو ختم ہونے والی سہ ماہی / نو ماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 مارچ 2023 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 37.24 فیصد اضافے سے 1,878.96 ملین روپے رہی (مارچ 2022: 1,369.07 ملین روپے) جبکہ مارچ 2023 کو ختم ہونے والی سہ ماہی میں کمپنی کی خالص حجم فروخت 40.45 فیصد اضافے سے 723.14 ملین روپے رہیں (مارچ 2022: 514.89 ملین روپے)

زیر جائزہ مدت میں تیل و گیس اور مائننگ کے سیکٹرز خاص طور پر ایکسپورٹ پروسیسنگ زونز میں فروخت کے حجم میں نمایاں اضافہ ہوا۔ تعمیراتی شعبے اور دیگر بڑے منصوبہ جات کو سپلائرز میں ملک کی موجودہ معاشی صورتحال کی وجہ سے مارچ 22 کو ختم ہونے والی سہ ماہی کے مقابلے میں کمی واقع ہوئی۔

زیر جائزہ مدت میں کمپنی کا خام منافع 754.85 ملین روپے رہا۔ جبکہ گزشتہ سال اسی عرصہ میں (31 مارچ 2022: 507.58 ملین روپے) رہا۔ جبکہ ٹیکس کوٹنی کے بعد خالص حجم منافع گزشتہ سال مارچ 2022 کے اختتام پذیر نو ماہی مدت کے مقابلے میں 428.75 ملین روپے ہو گیا، جسکے نتیجے میں فی شیئر آمدن 9.24 روپے رہی (مارچ 2022: فی شیئر آمدن 5.54 روپے)۔ منافع میں اضافہ بنیادی طور پر فروخت کے حجم میں خاطر خواہ اضافے کی وجہ سے ہوا۔

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

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کیلئے پہلے عبوری انعقد منافع منقسمہ فی شیئر 2.30 روپے (23 فیصد) کا اعلان کیا ہے۔

آپ کا بورڈ اس موقع پر اپنے جملہ ملازمین کا کاروباری چیلنج 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

محمد امجد علی خان
ایم فضل خان
ڈپٹی چیئرمین

انور معین
چیف ایگزیکٹو آفیسر

اسلام آباد
2023 اپریل 26

BIAFO INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Unaudited 31 Mar 2023 Rupees	Audited 30 June 2022 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	1,972,011,426	1,990,489,199
Investment property		67,036,777	67,562,580
Long-term deposits		1,782,900	1,777,650
		2,040,831,103	2,059,829,429
CURRENT ASSETS			
Inventories		639,532,280	542,924,259
Trade debts		575,320,602	459,361,686
Short-term advances		43,228,555	109,639,300
Trade deposits, short-term prepayments and other receivables		47,069,737	52,519,965
Short-term investments	5	256,750,896	316,860,605
Advance tax - net		-	40,510,943
Cash and bank balances		95,459,742	71,855,534
		1,657,361,812	1,593,672,292
CURRENT LIABILITIES			
Trade and other payables	6	399,020,786	349,656,098
Current portion of long-term loan		63,773,503	75,299,188
Current portion of lease liabilities		5,090,024	6,305,878
Short-term borrowings	7	243,842,580	549,095,329
Provision for taxation		60,673,359	-
Unclaimed dividend		31,698,128	27,399,799
Unpaid dividend		17,306,468	15,442,085
		821,404,848	1,023,198,377
NET CURRENT ASSETS		835,956,964	570,473,915
NON - CURRENT LIABILITIES			
Long-term loan		137,928,474	183,904,620
Employee benefit		10,421,254	12,220,200
Lease liabilities		2,958,016	6,506,651
Deferred tax liability - net	8	67,106,845	91,364,325
		218,414,589	293,995,796
NET ASSETS		2,658,373,478	2,336,307,548
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		463,826,880	463,826,880
Revenue reserve - unappropriated profit		874,345,351	544,672,628
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		1,320,201,247	1,327,808,040
		2,658,373,478	2,336,307,548
CONTINGENCIES AND COMMITMENTS			
	9		

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

Note	Three Months Ended		Nine Months Ended		
	31 Mar 2023 Rupees	31 Mar 2022 Rupees	31 Mar 2023 Rupees	31 Mar 2022 Rupees	
Revenue - net	10	723,141,150	514,889,614	1,878,963,998	1,369,073,726
Cost of sales		(407,988,311)	(316,515,215)	(1,124,113,242)	(861,492,924)
Gross profit		315,152,839	198,374,399	754,850,756	507,580,802
Other income		1,275,000	1,801,371	7,339,405	5,637,122
Distribution expenses		(13,891,969)	(13,516,722)	(49,720,082)	(42,228,308)
Administrative expenses		(40,196,064)	(36,380,400)	(123,786,880)	(110,224,964)
Net impairment losses on financial assets		-	-	(15,049,062)	(3,124,266)
Operating profit		262,339,806	150,278,648	573,634,137	357,640,386
Finance costs		(13,127,861)	(17,932,557)	(58,533,388)	(50,536,872)
Finance income		61,275,564	13,185,343	98,928,222	42,882,240
Net finance cost		48,147,703	(4,747,214)	40,394,834	(7,654,632)
Workers' profit participation fund		(15,524,376)	(7,276,572)	(30,701,449)	(17,499,288)
Workers' welfare fund		(6,087,991)	(2,853,558)	(12,039,784)	(6,862,466)
Profit before tax		288,875,142	135,401,304	571,287,738	325,624,000
Income tax expense		(73,218,170)	(30,182,641)	(142,541,625)	(68,607,682)
Profit for the period		215,656,972	105,218,663	428,746,113	257,016,318
Earnings per share					
Basic and diluted		4.65	2.27	9.24	5.54

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

	Three Months Ended		Nine Months Ended	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	Rupees	Rupees	Rupees	Rupees
Profit for the period	215,656,972	105,218,663	428,746,113	257,016,318
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	215,656,972	105,218,663	428,746,113	257,016,318

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

	Share capital	Capital reserve Revaluation surplus on property, plant and equipment - net of tax	Revenue Reserve Unappropriated profits	Total equity
(Rupees)				
Balance at 01 July 2021 (Audited)	383,328,000	702,862,295	458,055,695	1,544,245,990
Total comprehensive income for the period				
Profit for the period	-	-	257,016,318	257,016,318
Total comprehensive income for the period transferred to equity	-	-	257,016,318	257,016,318
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(3,025,236)	3,025,236	-
	383,328,000	699,837,059	718,097,249	1,801,262,308
Transactions with owners of the Company				
Distributions				
Issue of bonus shares for 2021 @ 10%	38,332,800	-	(38,332,800)	-
1st Interim dividend of 2022 @ Rs. 2.00 per share	-	-	(84,332,160)	(84,332,160)
Issue of bonus shares for 2022 @ 10%	42,166,080	-	(42,166,080)	-
Total transactions with owners of the Company	80,498,880	-	(164,831,040)	(84,332,160)
Balance at 31 March 2022	463,826,880	699,837,059	553,266,209	1,716,930,148
Balance at 01 July 2022 (Audited)	463,826,880	1,327,808,040	544,672,628	2,336,307,548
Total comprehensive income for the period				
Profit for the period	-	-	428,746,113	428,746,113
Total comprehensive income for the period transferred to equity	-	-	428,746,113	428,746,113
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(7,606,793)	7,606,793	-
	463,826,880	1,320,201,247	981,025,534	2,765,053,661
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 March 2023	463,826,880	1,320,201,247	874,345,351	2,658,373,478

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

	Note	31 Mar 2023 Rupees	31 Mar 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		571,287,738	325,624,000
Adjustments for:			
Depreciation on property, plant and equipment	4	46,358,546	22,908,623
Depreciation on investment property		525,803	539,285
Finance costs		50,956,961	45,814,118
Provision for Workers' profit participation fund		30,701,449	17,499,288
Provision for Workers' welfare fund net of reversal		12,039,784	6,603,681
Provision for gratuity		10,124,059	5,653,356
Net impairment losses on financial assets		15,049,062	3,124,266
Dividend income		(16,252,546)	(11,943,637)
Rental Income		(3,825,000)	(3,825,000)
Unrealized gain on remeasurement of investment		(1,164,916)	(407,979)
Unrealized exchange (gain)/ loss - net		(25,681,083)	(29,243,314)
Gain on sale of property, plant and equipment		-	(1,553,337)
Interest income		(6,111,028)	(1,287,310)
		112,721,091	53,882,040
		684,008,829	379,506,040
Changes in working capital:			
Inventories		(96,608,021)	(759,936)
Trade debts		(131,007,978)	(344,384,102)
Advances, deposits, short term prepayments and other		74,302,642	25,268,234
Trade and other payables		32,711,941	113,163,789
		(120,601,416)	(206,712,015)
		563,407,413	172,794,025
Cash generated from operating activities			
Finance costs paid		(50,274,398)	(40,902,579)
Contributions to Gratuity fund		(11,418,611)	(4,329,223)
Employee Benefits paid		(504,400)	(29,308)
Payments to Workers' profit participation fund		(22,418,670)	(17,545,685)
Income taxes paid		(69,284,619)	(38,185,777)
		(153,900,698)	(100,992,572)
		409,506,715	71,801,453
Net cash from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(23,297,335)	(224,235,909)
Proceeds from sale of property, plant and equipment		-	3,444,917
Disposal of Investments		86,955,708	-
Rent received		3,825,000	3,825,000
Dividend received		16,252,546	10,152,090
Interest received		7,962,438	534,359
		91,698,357	(206,279,543)
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(104,815,800)	(81,627,422)
Proceeds from long term loan		-	139,333,054
Repayment of long term loan		(56,589,540)	(15,920,094)
Payment of lease liabilities		(10,942,775)	(7,295,052)
		(172,348,115)	34,490,486
Net cash used in financing activities			
Net increase / (decrease) in cash and cash equivalents		328,856,957	(99,987,604)
Cash and cash equivalents at beginning of the period		(477,239,795)	(457,523,160)
Cash and cash equivalents at end of the period	11	(148,382,838)	(557,510,764)

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 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 2022. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2022, 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 three months period ended 31 March 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 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2022. 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 June 30, 2022. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of March 31, 2023.

BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

4 PROPERTY, PLANT AND EQUIPMENT

During nine months period ended 31 March 2023, the Company acquired property, plant and equipment aggregating to Rs. 27,880,773 (31 March 2022: Rs. 233,033,612). Further details are as follows:

	Nine Months Ended	
	Unaudited	Unaudited
	31 Mar 2023	31 Mar 2022
	Rupees	Rupees
Additions		
Leasehold land	4,583,438	-
Plant and machinery	6,747,000	5,928,101
Tools & equipment	431,146	-
Office Equipment	2,170,509	97,383
Furniture and fixtures	265,025	776,295
Electrical appliances	879,133	1,090,224
Capital work in progress	12,804,522	216,343,905
Right of use asset	-	8,797,704
	27,880,773	233,033,612
Transfer from work in progress to :		
Building on leasehold land	3,796,925	57,162,497
Plant	-	274,000,417
	3,796,925	331,162,914
Depreciation Charge		
Building on leasehold land	3,943,890	2,943,978
Plant and machinery	36,637,559	14,580,611
Fork lifter	73,288	81,431
Tools and equipment	197,998	191,517
Tube well	54,158	60,175
Office equipment	914,857	1,095,010
Furniture and fixtures	583,500	580,547
Electrical appliances	822,290	440,371
Vehicles	848,377	1,139,537
Right of use asset	2,282,629	1,795,446
	46,358,546	22,908,623

BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

	Unaudited 31 Mar 2023 Rupees	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2023 Rupees	Unaudited 31 Mar 2022 Rupees
	At cost		At carrying value	
Disposals/written off				
Electrical Appliances	138,985	-	-	-
Vehicles	-	3,351,958	-	1,891,580
	138,985	3,351,958	-	1,891,580
			Unaudited	Audited
			31 Mar 2023	30 June 2022
			Rupees	Rupees
5 SHORT - TERM INVESTMENTS				
Equity securities - at FVTPL			85,706,161	194,576,089
Debt securities - at amortized cost			171,044,735	122,284,516
			256,750,896	316,860,605
6 TRADE AND OTHER PAYABLES				
Trade creditors			165,619,365	149,907,644
Contract liability - unsecured			104,199,230	104,590,587
Accrued liabilities			17,789,951	23,526,542
Insurance payable			192,651	972,652
Workers' profit participation fund payable			30,701,449	18,904,265
Workers' welfare fund payable			12,039,784	7,184,221
Payable to employees' provident fund			1,904,947	1,951,500
Withholding Taxes Payable			2,356,100	2,005,650
Other payables			64,217,309	40,613,037
			399,020,786	349,656,098
7 SHORT - TERM BORROWINGS				
Allied Bank Limited (ABL)			239,477,072	424,436,153
United Bank Limited (UBL)			4,365,508	124,659,176
		7.1	243,842,580	549,095,329

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 2022.

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	Unaudited 31 Mar 2023 Rupees	Audited 30 June 2022 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	48,906,664	68,276,107
Right of use assets	6,545,438	7,281,592
Surplus on revaluation of property, plant and equipment	27,875,373	30,135,538
Lease liability	(1,871,169)	(2,606,379)
Employee benefits	(2,422,942)	(3,294,920)
Trade debts	(10,932,887)	(7,433,981)
Stores, spares and loose tools	(993,632)	(993,632)
	67,106,845	91,364,325

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 2022.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 69,349,842 at 31 March 2023 (30 June 2022: Rs. 36,311,645).

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 2023 amounted to Rs. 43,272,697 (30 June 2022: Rs. 22,607,412).

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	Three Months Ended		Nine Months Ended	
	Unaudited	Unaudited	Unaudited	Unaudited
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	Rupees	Rupees	Rupees	Rupees
10 REVENUE- net				
Gross local sales	558,111,628	387,286,712	1,364,492,641	1,126,722,447
Sales tax	(83,961,869)	(52,539,483)	(201,316,395)	(164,533,218)
Net local sales	474,149,759	334,747,229	1,163,176,246	962,189,229
Net export sales	248,991,391	180,142,385	715,787,752	406,884,497
	723,141,150	514,889,614	1,878,963,998	1,369,073,726

11 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	95,459,742	43,041,449
Short term borrowings - running finance (Note 7.1)	(243,842,580)	(600,552,213)
	(148,382,838)	(557,510,764)

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 2023	31 Mar 2022
	Rupees	Rupees
Directors and key management personnel		
Share capital held as of the reporting date by non executive directors	192,867,040	196,202,246
Share capital held as of the reporting date by executive directors	30,127,890	31,542,520
Remuneration including perquisites to Chief Executive Officer	15,600,000	14,368,065
Remuneration including perquisites to Directors	13,168,144	17,896,920
Remuneration including perquisites to key management personnel	15,879,500	27,551,633
Dividend to executive and non-executive directors	51,288,834	41,408,157
Other related parties		
Payment to employees' provident fund	10,663,768	7,238,726
Payable to employees' provident fund - unsecured	1,904,947	1,619,296
Payable to staff retirement gratuity fund - unsecured	10,124,059	9,144,037
Dividend to others	55,391,349	-

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FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

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).

**BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023**

	Carrying amount		Fair value					
	Amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
31 March 2023 (Unaudited)	Rupees		Rupees					
Financial assets measured at fair value								
Short - term investments	-	85,706,161	-	85,706,161	85,706,161	-	-	85,706,161
	-	85,706,161	-	85,706,161	85,706,161	-	-	85,706,161
Financial liabilities not measured at fair value								
Trade debts	575,320,602	-	-	575,320,602	-	-	-	-
Advances to employees	979,970	-	-	979,970	-	-	-	-
Other receivables	4,771,470	-	-	4,771,470	-	-	-	-
Short - term investments	171,044,735	-	-	171,044,735	-	-	-	-
Bank balances	95,459,742	-	-	95,459,742	-	-	-	-
Trade deposits	10,669,119	-	-	10,669,119	-	-	-	-
Long - term deposits	1,782,900	-	-	1,782,900	-	-	-	-
Total financial assets	860,028,538	85,706,161	-	945,734,699	85,706,161	-	-	85,706,161
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	243,842,580	243,842,580	-	-	-	-
Unclaimed dividend	-	-	31,698,128	31,698,128	-	-	-	-
Unpaid dividend	-	-	17,306,468	17,306,468	-	-	-	-
Long term loans	-	-	201,701,977	201,701,977	-	-	-	-
Lease liabilities	-	-	8,048,040	8,048,040	-	-	-	-
Trade and other payables	-	-	247,819,276	247,819,276	-	-	-	-
Total financial liabilities	-	-	750,416,469	750,416,469	-	-	-	-

BIAFO INDUSTRIES LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
 FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

Financial assets and liabilities	Carrying amount		Fair value					
	Amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
	Rupees		Rupees					
30 June 2022 (Audited)								
Financial assets measured at fair value								
Short - term investments	-	194,576,089	-	194,576,089	194,576,089	-	-	194,576,089
	-	194,576,089	-	194,576,089	194,576,089	-	-	194,576,089
Financial assets not measured at fair value								
Trade debts	459,361,686	-	-	459,361,686	-	-	-	-
Advances to employees	4,500,716	-	-	4,500,716	-	-	-	-
Other receivables	2,704,941	-	-	2,704,941	-	-	-	-
Short - term investments	122,284,516	-	-	122,284,516	-	-	-	-
Bank balances	71,855,534	-	-	71,855,534	-	-	-	-
Trade deposits	18,305,486	-	-	18,305,486	-	-	-	-
Long - term deposits	1,777,650	-	-	1,777,650	-	-	-	-
Total financial assets	680,790,529	194,576,089	-	875,366,618	194,576,089	-	-	194,576,089
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	549,095,329	549,095,329	-	-	-	-
Unclaimed dividend	-	-	27,399,799	27,399,799	-	-	-	-
Unpaid dividend	-	-	15,442,085	15,442,085	-	-	-	-
Long term loans	-	-	259,203,807	259,203,807	-	-	-	-
Lease liabilities	-	-	12,812,529	12,812,529	-	-	-	-
Trade and other payables	-	-	215,019,875	215,019,875	-	-	-	-
Total financial liabilities	-	-	1,078,973,424	1,078,973,424	-	-	-	-

BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2023

Nine Months Ended

	Unaudited	Unaudited
	31 Mar 2023	31 Mar 2022
14 EARNINGS PER SHARE		
<i>- Basic and diluted</i>		
Profit for the period	428,746,113	257,016,318
Weighted average number of ordinary shares	46,382,688	46,382,688
Earnings per share	9.24	5.54

14 EARNINGS PER SHARE

- Basic and diluted

Profit for the period Rupees

Weighted average number of ordinary shares

Numbers

Earnings per share Rupees

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 26 April 2023 proposed an interim cash dividend of Rs. 2.30 per share.
- 15.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 26 April 2023.

16 GENERAL

- 16** 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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