

Quarterly Report

for the Period Ended
31st March 2022

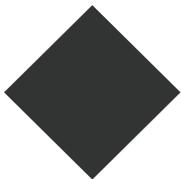


BIAFO INDUSTRIES LTD.
Manufacturer of Tovex[®] Explosives & Blasting Accessories



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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
Khwaja 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
Khwaja 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
M. Afzal Khan	Member

Auditors

Yousuf Adil Chartered Accountants

Legal Advisors

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

Bankers

Allied Bank of Pakistan
National Bank of Pakistan
Bank of Khyber
Meezan Bank Limited

United Bank Limited
Faysal Bank Limited
Sindh Bank Limited
Soneri 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 LIMITED
DIRECTORS' REPORT FOR THE PERIOD
ENDED 31 MARCH 2022

Your Directors are pleased to submit the un-audited accounts for the period ended 31 March 2022.

Net sales value of the company in the nine months increased by 11.40% to Rs. 1,369.07 M (Mar 21: Rs. 1,228.96 M) while net sales value in the quarter to March, 2022 increased by 4.04% to Rs. 514.89 M (Mar 21: 494.91 M).

For the period under review, Sales to large projects, oil and gas, construction/mining and cement sector increased while supplies to export sector slightly decreased. Overall sales have shown positive growth as compared to the nine months ended March, 2021.

For the review period, gross profit to sales ratio has increased by 3.39% to Rs. 507.58 M. as compared to previous year's comparable period (Mar., 21: Rs. 490.93 M). Whereas net profit after taxation to sales ratio has increased by 3.76% to Rs. 257.02 M. as compared to the nine months ended Mar., 2021, resulting in an EPS of Rs. 5.54 (EPS Mar., 2021: Rs. 5.34 Restated). Profitability showed slight increase mainly due to increased sales volume especially in the 3rd quarter. Expenses remained within budget as approved by the Board of Directors.

The 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
22 April 2022

بیان فوائد سٹریٹجی لیٹیڈ

31 مارچ 2022 کو ختم ہونے والی سہ ماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 مارچ 2022 کو اختتام پذیر ہونے والی سہ ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت زیر جائزہ نو ماہی مدت میں 11.40 فیصد اضافے سے 1,369.07 ملین روپے رہی (مارچ 2021: 1,228.96 ملین روپے) جبکہ مارچ 2022 کو ختم ہونے والی سہ ماہی میں کمپنی کی خالص فروخت کی قدر 4.04 فیصد اضافے سے 514.89 ملین روپے رہی (مارچ 2021: 494.91 ملین روپے)

زیر جائزہ مدت میں بڑے منصوبوں، آئیل اور گیس، کنسٹرکشن / مائننگ اور سیمنٹ کے شعبے کو فروخت میں اضافہ ہوا جبکہ برآمدات کے شعبے میں سپلائرز میں معمولی کمی آئی۔ جبکہ مارچ 2021 کو ختم ہونے والی نو ماہی مدت کے مقابلے مجموعی فروخت میں مثبت ترقی دیکھنے میں آئی ہے۔ زیر جائزہ مدت میں خام منافع 3.39 فیصد اضافے سے 507.58 ملین روپے رہا جبکہ گزشتہ سال اسی عرصہ میں (مارچ 2021: 490.93 ملین روپے) رہا۔ جبکہ ٹیکس کٹوتی کے بعد خالص حجم منافع کی شرح گزشتہ سال مارچ 2021 کو اختتام پذیر نو ماہی مدت کے مقابلے میں 3.76 فیصد اضافے سے 257.02 ملین روپے رہی جسکے نتیجے میں فی شیئر آمدن 5.54 روپے رہی (مارچ 2021: فی شیئر آمدن 5.34 روپے، نظر ثانی شدہ)۔ خاص طور پر تیسری سہ ماہی میں فروخت کے حجم میں اضافے کے وجہ سے منافع میں معمولی اضافہ ہوا۔

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

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

آپ کا بورڈ اس موقع پر اپنے جملہ 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

احمد علی خان
ایم افضل خان
ڈپٹی چیئرمین

انور معین
چیف ایگزیکٹو آفیسر

اسلام آباد
22 اپریل 2022

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		(Unaudited) 31 Mar 2022 Rupees	(Audited) 30 June 2021 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	1,384,491,380	1,176,257,970
Investment property		28,222,589	28,761,874
Long-term deposits		1,777,650	1,777,650
		<u>1,414,491,619</u>	<u>1,206,797,494</u>
CURRENT ASSETS			
Inventories		511,505,415	510,745,479
Trade debts		674,418,018	333,158,182
Short-term advances		14,226,225	34,297,781
Trade deposits, short-term prepayments and other receivables		35,695,776	40,892,454
Short-term investments	5	298,503,081	265,638,961
Advance tax - net		34,582,713	52,113,062
Cash and bank balances		43,041,449	46,665,106
		<u>1,611,972,677</u>	<u>1,283,511,025</u>
CURRENT LIABILITIES			
Trade and other payables	6	364,615,771	244,561,240
Current portion of long-term loan		59,891,069	21,982,562
Current portion of lease liabilities		5,396,991	3,745,156
Short-term borrowings	7	600,552,213	504,188,266
Unclaimed dividend		26,408,239	24,567,634
Unpaid dividend		15,505,437	14,641,304
		<u>1,072,369,720</u>	<u>813,686,162</u>
NET CURRENT ASSETS			
		<u>539,602,957</u>	<u>469,824,863</u>
NON - CURRENT LIABILITIES			
Long-term loan		178,212,768	90,619,127
Employee benefit		649,483	678,791
Lease liabilities		5,566,394	5,715,577
Deferred tax liability - net	8	52,735,783	35,362,872
		<u>237,164,428</u>	<u>132,376,367</u>
		<u>1,716,930,148</u>	<u>1,544,245,990</u>
NET ASSETS			
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		463,826,880	383,328,000
Revenue reserve - unappropriated profit		553,266,209	458,055,695
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		699,837,059	702,862,295
		<u>1,716,930,148</u>	<u>1,544,245,990</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022

	Note	Three Months Ended		Nine Months Ended	
		31 Mar 2022 Rupees	31 Mar 2021 Rupees	31 Mar 2022 Rupees	31 Mar 2021 Rupees
Revenue - net	10	514,889,614	494,911,322	1,369,073,726	1,228,956,025
Cost of sales		(316,515,215)	(288,434,914)	(861,492,924)	(738,023,157)
Gross profit		<u>198,374,399</u>	<u>206,476,408</u>	<u>507,580,802</u>	<u>490,932,868</u>
Other income		1,801,371	2,633,597	5,637,122	6,186,905
Distribution expenses		(13,516,722)	(18,619,335)	(42,228,308)	(42,276,484)
Administrative expenses		(36,380,400)	(33,576,342)	(110,224,964)	(96,896,550)
(Allowance)/Reversal for expected credit losses		-	-	(3,124,266)	2,357,666
Operating profit		<u>150,278,648</u>	<u>156,914,328</u>	<u>357,640,386</u>	<u>360,304,405</u>
Finance costs		(17,932,557)	(17,538,988)	(50,536,872)	(48,150,270)
Finance income		13,185,343	3,106,428	42,882,240	10,190,737
Net finance cost		(4,747,214)	(14,432,560)	(7,654,632)	(37,959,533)
Workers' profit participation fund		(7,276,572)	(7,124,089)	(17,499,288)	(16,117,244)
Workers' welfare fund		(2,853,558)	(2,793,760)	(6,862,466)	(6,320,488)
Profit before tax		<u>135,401,304</u>	<u>132,563,919</u>	<u>325,624,000</u>	<u>299,907,140</u>
Income tax expense		(30,182,641)	(18,268,959)	(68,607,682)	(52,195,713)
Profit for the period		<u><u>105,218,663</u></u>	<u><u>114,294,960</u></u>	<u><u>257,016,318</u></u>	<u><u>247,711,427</u></u>
Earnings per share			Restated		Restated
Basic and diluted		<u>2.27</u>	<u>2.46</u>	<u>5.54</u>	<u>5.34</u>

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022

	Three Months Ended		Nine Months Ended	
	31 Mar 2022 Rupees	31 Mar 2021 Rupees	31 Mar 2022 Rupees	31 Mar 2021 Rupees
Profit for the period	105,218,663	114,294,960	257,016,318	247,711,427
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	105,218,663	114,294,960	257,016,318	247,711,427

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



Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022

	31 Mar 2022	31 Mar 2021
Note	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	325,624,000	299,907,140
Adjustments for:		
Depreciation on property, plant and equipment	4 22,908,623	20,030,592
Depreciation on investment property	539,285	553,113
Finance costs	45,814,118	23,967,466
Allowance/ (Reversal) for expected credit losses	3,124,266	(2,357,666)
Provision for Workers' profit participation fund	17,499,288	16,117,244
Provision for Workers' welfare fund net of reversal	6,603,681	4,377,020
Provision for gratuity	5,653,356	7,639,340
Provision for compensated leave absences	-	965,690
Dividend income	(11,943,637)	(8,586,024)
Rental Income	(3,825,000)	-
Unrealized gain on remeasurement of investment	(407,979)	(157,440)
Unrealized exchange gain/ (loss) -net	(29,243,314)	(3,743,437)
Gain on sale of property, plant and equipment	(1,553,337)	(1,441,104)
Interest income	(1,287,310)	(125,564)
	53,882,040	57,239,230
	379,506,040	357,146,370
Changes in:		
Inventories	(759,936)	115,755,428
Trade debts	(344,384,102)	(115,304,476)
Advances, deposits, short term prepayments and other receivables	25,268,234	(11,448,525)
Trade and other payables	113,163,789	(28,166,275)
	(206,712,015)	(39,163,848)
Cash generated from operating activities	172,794,025	317,982,523
Finance costs paid	(40,902,579)	(29,609,976)
Contributions to Gratuity fund	(4,329,223)	(10,232,619)
Employee Benefits paid	(29,308)	-
Payments to Workers' profit participation fund	(17,545,685)	(16,365,530)
Income taxes paid	(38,185,777)	(51,601,910)
	(100,992,572)	(107,810,035)
Net cash from operating activities	71,801,453	210,172,488
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(224,235,909)	(37,769,849)
Proceeds from sale of property, plant and equipment	3,444,917	8,660,778
Disposal of investments	-	7,219,214
Rent received	3,825,000	1,575,000
Dividend received	10,152,090	8,586,024
Interest received	534,359	1,441,104
Net cash used in investing activities	(206,279,543)	(10,287,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(81,627,422)	(33,637,842)
Proceeds from long term loan	139,333,054	-
Repayment of long term loan	(15,920,094)	-
Payment of lease liabilities	(7,295,052)	(5,153,429)
Net cash used in financing activities	34,490,486	(38,791,271)
Net increase / (decrease) in cash and cash equivalents	(99,987,604)	161,093,488
Cash and cash equivalents at beginning of the period	(457,523,160)	(415,543,109)
Cash and cash equivalents at end of the period	(557,510,764)	(254,449,621)

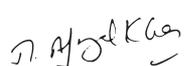
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Chief Financial Officer



Chief Executive Officer



Director

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2022

	Capital reserve	Revenue Reserve	
Share capital	Revaluation surplus on property, plant and equipment - net of tax	Unappropriated profits	Total equity
Rupees	Rupees	Rupees	Rupees
Balance at June 30, 2020 (Audited)	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
Tax effect due to change in rate on revaluation of property, plant and equipment - net of tax	-	-	-
Total comprehensive income for the period 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)	-
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 (Unaudited)	383,328,000	703,980,117	603,324,536 1,690,632,653
Balance at June 30, 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
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(3,025,236)	-
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 (Unaudited)	463,826,880	699,837,059	553,266,209 1,716,930,148

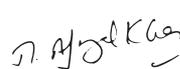
The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

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 2021. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2021, 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 2021.

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, 2021.

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, 2021. 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, 2021. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of March 31, 2022.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022**
4 PROPERTY, PLANT AND EQUIPMENT

During nine months period ended 31 March 2022, the Company acquired property, plant and equipment aggregating to Rs. 233,033,612 (31 March 2021: Rs. 44,863,941). Further details are as follows:

	Nine Months Ended	
	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees
Additions		
Plant and machinery	5,928,101	2,147,000
Office equipment	97,383	711,795
Furniture and fixtures	776,295	126,652
Electrical appliances	1,090,224	155,980
Capital work in progress	216,343,905	27,231,478
Right of use asset	8,797,704	7,094,092
	<u>233,033,612</u>	<u>37,466,997</u>
Transfer from work in progress to :		
Building on leasehold land	57,162,497	5,373,510
Plant and machinery	274,000,417	9,844,080
	<u>331,162,914</u>	<u>15,217,590</u>
Depreciation Charge		
Building on leasehold land	2,943,978	1,640,477
Plant and machinery	14,580,611	8,294,398
Fork lifter	81,431	60,319
Tools and equipment	191,517	141,865
Tube well	60,175	44,574
Office equipment	1,095,010	709,306
Furniture and fixtures	580,547	398,517
Electrical appliances	440,371	310,709
Vehicles	1,139,537	1,004,214
Right of use asset	1,795,446	516,269
	<u>22,908,623</u>	<u>13,120,647</u>

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees
	At cost		At carrying value	
Disposals/written off				
Office equipment	-	43,487	-	-
Vehicles	3,351,958	7,140,758	1,891,580	3,160,731
Capital work in progress	-	1,756,610	-	1,756,610
	3,351,958	8,940,855	1,891,580	4,917,341
			Unaudited 31 Mar 2022 Rupees	Audited 30 June 2021 Rupees
5 SHORT - TERM INVESTMENTS				
Equity securities - at FVTPL			189,346,348	178,786,279
Debt securities - at amortized cost			109,156,733	86,852,682
			298,503,081	265,638,961
6 TRADE AND OTHER PAYABLES				
Trade creditors			169,717,412	168,474,934
Contract liability - unsecured			82,613,228	5,183,847
Accrued liabilities			20,171,181	4,270,389
Insurance payable			466,237	847,718
Workers' profit participation fund payable			17,499,288	17,545,685
Workers' welfare fund payable			6,862,466	4,740,141
Payable to staff gratuity fund			9,144,037	4,329,223
Payable to employees' provident fund			1,941,889	1,706,627
Other payables			54,281,006	37,462,676
			362,696,744	244,561,240
7 SHORT - TERM BORROWINGS				
Allied Bank Limited (ABL)		7.1	456,506,607	389,755,417
United Bank Limited (UBL)			144,045,606	114,432,849
		7.2	600,552,213	504,188,266
7.1	It includes an amount of Rs. 33.3 million (30 June 2021 : Nil) obtained as short term borrowing to purchase raw materials against new facility with sanctioned limited of Rs. 100 million. It is repayable in nine months, so it has not been classified as cash and cash equivalent. It carries mark-up at the rate 1 month Kibor +2.5% per annum and is secured against first hypothecation and mortgage charge over current assets and fixed assets (including land, building, plant & machinery) of the Company inclusive of 25% margin. and corporate guarantee of the Company.			
7.2	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 2021, except for the borrowing obtained as mentioned in note 7.1.			

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022**

	Unaudited 31 March 2022 Rupees	Audited 30 June 2021 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	70,829,673	29,264,607
Right of use assets	3,514,319	2,043,335
Surplus on revaluation of property, plant and equipment	(11,399,434)	12,240,314
Employee benefits	(2,552,451)	(1,460,434)
Trade debts	(6,586,100)	(5,906,572)
Stores, spares and loose tools	(1,070,224)	(1,070,224)
Post Retirement employee benefits	-	251,846
	<u>52,735,783</u>	<u>35,362,872</u>

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 2021.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 26,341,906 at 31 March 2022 (30 June 2021: Rs. 174,486,769).

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 2022 amounted to Rs. 21,607,412 (30 June 2021: Rs. 17,071,182).

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

	Three Months Ended		Nine Months Ended	
	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees
10 REVENUE- net				
Gross local sales	387,286,712	360,620,320	1,126,722,447	944,643,420
Sales tax	(52,539,483)	(52,844,199)	(164,533,218)	(138,445,235)
Net local sales	334,747,229	307,776,121	962,189,229	806,198,185
Net export sales	180,142,385	187,135,201	406,884,497	422,757,840
	<u>514,889,614</u>	<u>494,911,322</u>	<u>1,369,073,726</u>	<u>1,228,956,025</u>

11 CASH AND CASH EQUIVALENTS

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

Cash and bank balances	43,041,449	110,811,835
Short term borrowings - running finance (Note 7.1)	(600,552,213)	(365,261,456)
	<u>(557,510,764)</u>	<u>(254,449,621)</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:

	Nine Months Ended	
	Unaudited 31 Mar 2022 Rupees	Unaudited 31 Mar 2021 Rupees
Directors and key management personnel		
Dividend to non executive directors	35,673,151	14,745,354
Issue of bonus shares to non executive directors	16,218,801	14,745,310
Share capital held as of the reporting date by non executive directors	196,202,246	162,168,850
Dividend to executive directors	5,735,006	2,369,841
Issue of bonus shares to executive directors	2,606,814	2,369,820
Share capital held as of the reporting date by executive directors	31,542,520	26,068,230
Remuneration including perquisites to Chief Executive Officer	14,368,065	13,233,750
Remuneration including perquisites to Directors	17,896,920	16,143,750
Remuneration including perquisites to key management personnel	27,551,633	26,523,000
Other related parties		
Payment to employees' provident fund	7,238,726	6,777,366
Donations	-	1,260,000
Payable to employees' provident fund - unsecured	1,619,296	1,464,514
Payable to staff retirement gratuity fund - unsecured	9,144,037	3,040,297

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

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 2022

Financial assets and liabilities

31 March 2022 (Unaudited)

Financial assets measured at fair value

	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
Short - term investments	-	189,346,348	-	189,346,348	189,346,348	-	-	189,346,348
	-	189,346,348	-	189,346,348	189,346,348	-	-	189,346,348
Total financial assets	836,809,557	189,346,348	-	1,026,155,905	189,346,348	-	-	189,346,348
Financial assets not measured at fair value								
Trade debts	674,418,018	-	-	674,418,018	-	-	-	-
Advances to employees	3,487,817	-	-	3,487,817	-	-	-	-
Other receivables	2,260,741	-	-	2,260,741	-	-	-	-
Short - term investments	109,156,733	-	-	109,156,733	-	-	-	-
Bank balances	43,041,449	-	-	43,041,449	-	-	-	-
Trade deposits	2,667,149	-	-	2,667,149	-	-	-	-
Long - term deposits	1,777,650	-	-	1,777,650	-	-	-	-
Total financial assets	836,809,557	189,346,348	-	1,026,155,905	189,346,348	-	-	189,346,348
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	600,552,213	600,552,213	-	-	-	-
Unclaimed dividend	-	-	26,408,239	26,408,239	-	-	-	-
Unpaid dividend	-	-	15,505,437	15,505,437	-	-	-	-
Long term loans	-	-	238,103,838	238,103,838	-	-	-	-
Lease liabilities	-	-	10,963,385	10,963,385	-	-	-	-
Trade and other payables	-	-	329,190,953	329,190,953	-	-	-	-
Total financial liabilities	-	-	1,220,724,065	1,220,724,065	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

Financial assets and liabilities

30 June 2021 (Audited)

Financial assets measured at fair value

	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
Short - term investments	-	178,786,279	-	178,786,279	178,786,279	-	-	178,786,279
	-	178,786,279	-	178,786,279	178,786,279	-	-	178,786,279

Financial assets not measured at fair value

	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
Trade debts	333,158,182	-	-	333,158,182	-	-	-	-
Advances to employees	1,395,681	-	-	1,395,681	-	-	-	-
Other receivables	1,707,118	-	-	1,707,118	-	-	-	-
Short - term investments	86,852,682	-	-	86,852,682	-	-	-	-
Bank balances	46,665,106	-	-	46,665,106	-	-	-	-
Trade deposits	7,127,760	-	-	7,127,760	-	-	-	-
Long - term deposits	1,777,650	-	-	1,777,650	-	-	-	-
Total financial assets	478,684,179	178,786,279	-	657,470,458	178,786,279	-	-	178,786,279

Financial liabilities not measured at fair value

	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
Short-term borrowings	-	-	504,188,266	504,188,266	-	-	-	-
Unclaimed dividend	-	-	24,567,634	24,567,634	-	-	-	-
Unpaid dividend	-	-	14,641,304	14,641,304	-	-	-	-
Long term loans	-	-	112,601,689	112,601,689	-	-	-	-
Lease liabilities	-	-	9,460,733	9,460,733	-	-	-	-
Trade and other payables	-	-	244,561,240	244,561,240	-	-	-	-
Total financial liabilities	-	-	910,020,866	910,020,866	-	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2022

		Nine Months Ended	
		Unaudited	Unaudited
		31 Mar 2022	31 Mar 2021
14	EARNINGS PER SHARE		
	<i>- Basic and diluted</i>		
	Profit for the period	Rupees	
	Weighted average number of ordinary shares	Numbers	
	Earnings per share	Rupees	
			Restated

257,016,318 247,711,427

46,382,688 46,382,688

5.54 5.34

14.1 Earnings per share have been restated due to issuance of 8,049,888 shares of the Company, as bonus shares during the period.

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 22 April 2022 has not proposed any dividend.

15.2 These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22 April 2022.

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

BIAFO INDUSTRIES LTD.

1st Floor, Biafo House, Plot No. 23, Street No. 38-40,
I&T Centre, G-10/4, Islamabad - Pakistan.

Tel: (92-51) 2353450-53, 2353455-57, Fax: (92-51) 2353458

Email: management@biafo.com, www.biafo.com