



BIAFO INDUSTRIES LIMITED

Manufacturer of Tovex® Explosives
& Blasting Accessories



ANNUAL REPORT

2023



TABLE OF CONTENTS

CORPORATE INFORMATION	01
NOTICE OF ANNUAL GENERAL MEETING	02
CHAIRMANS' REVIEW	09
DIRECTORS' REPORT	13
STAKEHOLDERS INFORMATION	21
STATEMENT OF COMPLIANCE	23
INDEPENDENT AUDITORS' REVIEW REPORT	25
INDEPENDENT AUDITORS' REPORT	26
STATEMENT OF FINANCIAL POSITION	31
STATEMENT OF PROFIT OR LOSS	32
STATEMENT OF COMPREHENSIVE INCOME	33
STATEMENT OF CHANGES IN EQUITY	34
STATEMENT OF CASH FLOWS	35
NOTES TO THE FINANCIAL STATEMENTS	36
PATTERN OF SHAREHOLDING	80
PROXY FORM	82
E-DIVIDEND MANDATE FORM	84



The image shows the exterior of a building named 'BIAFO HOUSE'. The building features a two-story design. The ground floor has a white facade, while the upper floor is partially covered by a balcony with a stone-clad wall. A set of brown stone steps leads up to a dark entrance, flanked by a ramp with a metal railing. A large sign above the entrance reads 'BIAFO HOUSE'. The building is surrounded by lush green trees, and the foreground is a paved area with yellow parking lines.

BIAFO HOUSE

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

M. Afzal Khan
Anwar Moin

Deputy Chairman
Chief Executive Officer

NON EXECUTIVE DIRECTORS

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

Director
Director
Director
Director
Director
Director

INDEPENDENT DIRECTORS

Ehsan Mani
Syed Zomma Mohiuddin
Adnan Afridi
Himayat Ullah

Chairman
Director
Director
Director

COMPANY SECRETARY

Khawaja Shaiq Tanveer

CHIEF FINANCIAL OFFICER

Syed Sajid Hussain Shah

AUDIT & RISK MANAGEMENT COMMITTEE

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

HR & REMUNERATION COMMITTEE

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

AUDITORS

Yousuf Adil Chartered Accountants

LEGAL ADVISORS

Chima & Ibrahim, 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

NOTICE OF 35TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting of Biafo Industries Limited will be held on October 25, 2023 at 11:00 a.m. at **Kehkashan Hall, Islamabad Hotel, G-6 Civic Centre, Melody Market, Islamabad** to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting held on October 25, 2022.
2. To receive and adopt the Audited Accounts of the Company for the year ended June 30, 2023 together with Auditors' report and Directors' report thereon.
3. To approve the payment of final cash dividend of Rs. 3.00 per share (30%) and also the interim cash dividend of Rs. 2.30 per share (23%) declared on April 26, 2023, making a total of Rs. 5.30 per share (53%) cash dividend.
4. To appoint Auditors for the year 2023-24 and to fix their remuneration. Retiring Auditors M/s Yousuf Adil Chartered Accountants being eligible offer themselves for reappointment for the year 2023-24.

SPECIAL BUSINESS:

5. To consider and, if thought fit, pass the following special resolution with or without modification:

"RESOLVED that the authorized share capital of the Company be and is hereby increased from Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10 each to Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10 each, by creation of 90,000,000 additional ordinary shares at nominal value of Rs. 10 each to rank pari passu in every respect with the existing ordinary shares of the Company.

FURTHER RESOLVED that the Memorandum and Articles of Association of the Company be and are hereby altered for increase in authorized share capital to read as follows:

- Clause IV of Memorandum of Association "The authorized capital of the Company is Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10 each."
- Article 3 of Articles of Association "The authorized capital of the Company is Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10 each."

FURTHER RESOLVED that Chief Executive Officer or Company Secretary be and are hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementation of the aforesaid resolution.

6. To transact such other business as may be placed before the meeting with the permission of the Chairman.

Statement under Section 134(3) of the Companies Act, 2017 in respect of special business contained in agenda item is being sent to the members along with the notice.

By Order of the Board



Khawaja Shaiq Tanveer
Company Secretary

Islamabad
September 26, 2023

NOTES

1. Share Transfer Books of the Company will remain closed from October 17, 2023 to October 25, 2023 both days inclusive.
2. A member entitled to attend and vote at the meeting shall be entitled to appoint another person, as his/her proxy to attend, demand or join in demanding a poll, speak and vote instead of his/her proxy so appointed shall have such rights, as attending, speaking and voting at the meeting as are available to a member. Proxies in order to be effective must be received at the registered office of the company not later than 48 hours before the meeting duly stamped, signed and witnessed. A proxy need not be a member of the Company.

NOTICE OF 35TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

3. CDC Shareholders or their proxies are required to bring with them their original National Identity cards or Passports along with the Participant's ID numbers and their Account Numbers at the time of attending the Annual General Meeting in order to authenticate their usual documents required for such purposes

For CNIC & Zakat

4. Members are requested to submit a copy of the Computerized National Identity Card (CNIC) to update our records. In case of non-submission of CNIC (copy), all future dividends may be withheld.
5. Members are requested to submit declaration as per Zakat & Ushr Ordinance 1980 for zakat exemption and to advise change in address, if any.

PARTICIPATION IN THE AGM THROUGH VIDEO LINK FACILITY:

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 6 dated March 03, 2021 has allowed listed companies to arrange participation of shareholders in Annual General Meeting through Video Link Facility in addition to physical attendance by the members as well.

Shareholders interested to participate in the meeting through video link are requested to email their Name, Folio Number, Cell Number and Number of Shares held in their name with subject "Registration for Biafo Industries Limited AGM - 2023" along with valid copy of CNIC at management@biafo.com. The video link and login credentials will be shared with only those members/designated proxies whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

POSTAL BALLOT / E-VOTING

Members can exercise their right to vote through e-voting or postal ballot, subject to meeting the requirements of Sections 143-145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018 (as the case may be).

E-DIVIDEND

As per Section 242 of the Companies Act, 2017, in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, through this notice, all shareholders are requested to update their IBAN details in the Central Depository System through respective participants. In case of physical shares, to provide bank account details to our Share Registrar, M/s F.D. Registrar Services (PVT) Ltd. E-Dividend mandate form is enclosed.

DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNT

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 i.e. May 31, 2017. The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

FILER AND NON-FILER STATUS

- i) In pursuance of Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - a) For filers of income tax returns 15%
 - b) For non-filers of income tax returns 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the Active Tax payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL on or before the date of approval of cash dividend at the Annual General Meeting on October 25, 2023 otherwise tax on their cash dividend will be deducted @ 30% instead of @ 15%.

NOTICE OF 35TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions, in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding Proportions of Principal shareholders and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Shares Registrar, in writing as follows:

Company Name	Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

- ii) For any query / problem / information, the investors may contact the Company or the Share Registrar at the following addresses, phone numbers, email addresses:

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

F.D. Registrar Services (PVT) Ltd.

17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi

Tel: +92 21 32271905-6

- iii) The Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate members having physical shares should send a copy of their NTN certificate to the company or its Share Registrar i.e. M/s F.D. Registrar Services (PVT) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT 2017

This statement sets out material facts concerning the special businesses to be transacted at the annual general meeting of the Company to be held on October 25, 2023.

The existing Authorized Share Capital of the Company is Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs.10 each.

In order to provide the Company with adequate leverage for funding of future growth and for strategic investments in new and existing projects, Board of Directors has proposed to increase the Authorized Share Capital of the Company by Rs. 900,000,000 divided into 90,000,000 Ordinary Shares of Rs. 10/- each from Rs. 600,000,000 divided into 60,000,000 ordinary shares of Rs. 10 each to Rs. 1,500,000,000 divided into 150,000,000 ordinary shares of Rs. 10 each. The increase in Authorized Share Capital would be in the interest of the Company and its shareholders, whereas no prejudice will be caused to any shareholder. The interest of the Directors and Chief Executive Officer is only limited to the extent of their being Director and Chief Executive Officer and ordinary shareholders of the Company. It is therefore proposed to increase the Authorized Share Capital so as to enable the Company to increase its paid-up capital by offering bonus/right shares to the members, in future as and when decided by the Board after fulfilling necessary legal and regulatory requirements.

The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respects.

نوٹس برائے 35 واں سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ سینٹرل ڈیپازٹری سسٹم میں متعلقہ درخواست دہندگان اپنے انٹرنیشنل بینک اکاؤنٹس (IBAN) کی تفصیلات کو اپ ڈیٹ کریں۔ مادی حصص (Physical Shares) کی صورت میں اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئر رجسٹرار، میسرز ایف ڈی رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کو فراہم کریں۔ شیئرز ہولڈرز کیلئے ای۔ ڈی ڈی مینڈیٹ فارم منسلک کیا گیا ہے۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا ڈیپازٹ

کمپنیز ایکٹ 2017 کے سیکشن 72 کی رو سے ہر موجودہ کمپنی ایس ای سی پی کے مجوزہ طریقہ کار اور اعلان کردہ تاریخ کے مطابق کمپنیز ایکٹ 2017 کے 31 مئی 2017 میں اطلاق کے بعد 4 سال کے اندر اپنے فزیکل شیئرز ایک انٹرنیٹ فارم میں منتقل کرنے کی پابند ہے۔ شیئرز ہولڈرز جن کے پاس فزیکل شیئرز ہیں کسی بروکر یا انویسٹر کے پاس سی ڈی سی سب اکاؤنٹ یا سی ڈی سی کے پاس براہ راست اپنا اکاؤنٹ کھلوانا اور اپنے شیئرز scrip-less فارم میں رکھیں۔ اس سہولت کی بدولت شیئرز محفوظ رہیں گے اور کسی بھی وقت فروخت کیے جاسکتے ہیں۔ سٹاک ایکسچینج کے موجودہ قوانین کے مطابق فزیکل شیئرز کی ٹریڈنگ کی اجازت نہیں ہے۔

فائلر اور نان فائلر کا سٹیٹس

ا۔ اگلی آئی آر ڈی 2001 کے سیکشن 150 کے مطابق جس میں کمپنیوں کی جانب سے ادا کی جانے والی مالیت پر منافع کے دوہولڈنگ ٹیکس کی کوٹنی کے نرخ وضع کئے گئے ہیں۔ ٹیکس کے انراخ مندرجہ ذیل ہیں۔

الف۔ اگلی ریزرو فائلرز کیلئے 15 فیصد ب۔ اگلی ریزرو نان فائلرز کیلئے 30 فیصد

کمپنی کو مالیت کے عوض 30 فیصد کے بجائے 15 فیصد کے حساب سے نقد منافع منقسم (Cash Dividend) پر ٹیکس کوٹنی کے قابل بنانے کیلئے ان تمام شیئرز ہولڈرز جن کا نام، ٹیکس فائلر ہونے کے باوجود، ایف بی آر کی ویب سائٹ پر موجود ایکسچینج سٹ (ATL) میں موجود نہیں ہے، کو یہ بات یقینی بنانے کی ہدایت کی جاتی ہے کہ وہ 25 اکتوبر 2023 کو منعقد ہونے والے سالانہ اجلاس عام میں نقد منافع کی منظوری کی تاریخ تک یا اس سے قبل اپنا نام ATL میں درج کروائیں بصورت دیگر نقد منافع پر 15 فیصد کے بجائے 30 فیصد ٹیکس کی کوٹنی کی جائے گی۔

مزید برآں، فیڈرل بورڈ آف ریونیو کی معمول شدہ وضاحت کے مطابق دوہولڈنگ ٹیکس کا تعین علیحدہ علیحدہ حصص داران کے فائلر / نان فائلر ہونے کی بنیاد پر کیا جائے گا۔ مشترکہ اکاؤنٹس کی صورت میں بھی شیئرز کی مناسبت سے یہی طریقہ اختیار کیا جائے گا۔ اس سلسلے میں تمام شیئرز ہولڈرز جو مشترکہ طور پر شیئرز رکھتے ہیں وہ اپنے حصص کے تناسب کے مارے میں ہمارے شیئر رجسٹرار کو درج ذیل کے مطابق فراہم کریں (اگر پہلے فراہم نہیں کیا)۔

Company Name	Folio/ CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

ii۔ کسی بھی قسم کے استفسار یا شکایات معلومات کی صورت میں سرمایہ کار کمپنی یا شیئر رجسٹرار سے مندرجہ ذیل فون نمبر یا ای میل ایڈریس کے ذریعے رابطہ کر سکتے ہیں۔

BIAFO انٹرنیشنل لمیٹڈ

1st فلور، BIAFO ہاؤس، پلاٹ نمبر 23، گلی نمبر 38-40، آئی ایڈی سینٹر، سیکٹر 10/4-G، اسلام آباد، پاکستان۔

ٹیلیفون: +92-51-2353455-57، 2353455-53، +92-51-2353458 فیکس:

ویب سائٹ: www.biafo.com

ای میل: management@biafo.com

ایف ڈی رجسٹرار سروسز (پرائیویٹ) لمیٹڈ

17th فلور، صائبر ٹریڈ ٹاور-A، آئی آئی چندر بیکر روڈ، کراچی

فون: +92 21 32271905-6

ii۔ سی ڈی سی اکاؤنٹس کے حامل کارپوریٹ شیئرز ہولڈرز کیلئے بینشل ٹیکس نمبر (NTN) ہونا لازمی ہے جو ان کے متعلقہ شرکت کنندہ کے ساتھ اپ ڈیٹ ہو چکا ہو۔ فزیکل شیئرز کے حامل کارپوریٹ ممبران اپنے NTN سرٹیفکیٹ کی نقل کمپنی یا اس کے شیئر رجسٹرار ایف ڈی رجسٹرار سروسز (پرائیویٹ) لمیٹڈ کو ارسال کرنا ضروری ہے۔ شیئرز ہولڈرز اپنا NTN یا NTN سرٹیفکیٹ بھیجتے وقت، کسی بھی صورت میں کمپنی کا نام اور فون نمبر ضرور درج کریں۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت بیان

یہ بیان غیر معمولی اجلاس عام منعقدہ 25 اکتوبر 2023 میں خصوصی امور کی انجام دہی سے متعلق حقائق پیش کرتا ہے۔

کمپنی کے موجودہ مجاز کیپیٹل شیئرز 600,000,000 منقسم 60,000,000 فی عمومی شیئرز 10 روپے ہیں۔

کمپنی کو مستقبل میں بڑھوتری اور موجودہ اور نئے منصوبہ جات کی مناسب فنڈنگ کیلئے کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی کے مجاز کیپیٹل شیئرز 600,000,000 منقسم 60,000,000 فی عمومی شیئرز 10 روپے میں 900,000,000 منقسم 90,000,000 فی عمومی شیئرز 10 روپے کے اضافے کی تجویز دی ہے جس کے بعد کمپنی کے مجاز کیپیٹل شیئرز 1,500,000,000 منقسم 150,000,000 فی عمومی شیئرز 10 روپے ہو جائیں گے۔ کمپنی کے مجاز کیپیٹل شیئرز میں اضافہ کمپنی اور اسکے شیئرز ہولڈرز کے فائدے میں ہے جس میں کسی کا کوئی نقصان نہیں ہے۔ کمپنی کے ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کا مفاد جس ان کے عہدوں اور شیئرز ہولڈرز تک محدود ہے۔ اس لیے تجویز دی گئی ہے کہ کمپنی کے کیپیٹل شیئرز میں اضافہ کیا جائے تاکہ کمپنی کو اس قابل بنایا جائے کہ وہ مستقبل میں ضروری قانونی اور ریگولیٹری کارروائی کے بعد بورڈ کی منظوری سے مشروہ ممبرز کو بونس ارنٹ شیئرز کی پیشکش کے ذریعے اپنے پیڈ اپ کیپیٹل میں اضافہ کرے۔

نئے عمومی شیئرز جب جاری کیے جائیں گے تمام لحاظ سے موجودہ عمومی شیئرز کے برابر ہوں گے۔

نوٹس برائے 35 واں سالانہ اجلاس عام

بذریعہ نوٹس بڑا مطلع کیا جاتا ہے کہ بیافو انڈسٹریز لمیٹڈ کا 35 واں سالانہ اجلاس عام مورخہ 25 اکتوبر 2023 دن 11:00 بجے کھٹکشاں ہال، اسلام آباد ہوٹل، G-6 سوک سینٹر، میلوڈی مارکیٹ، اسلام آباد میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا:

عمومی امور

- 1- سالانہ اجلاس عام منعقدہ 25 اکتوبر 2022 کے منٹس کی توثیق۔
- 2- 30 جون 2023 کو مکمل ہونے والے سال کے آڈٹ شدہ اکاؤنٹس مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی اور اختیار کرنا۔
- 3- 30 جون 2023 کو ختم ہونے والے سال کیلئے حتمی منافع منقسم 3.00 روپے فی شیئر (30 فیصد) اور 26 اپریل 2023 کو اعلان کردہ عبوری منافع منقسم 2.30 روپے فی شیئر (23 فیصد) مجموعی نقد منافع منقسم 5.30 روپے فی شیئر (53 فیصد)۔
- 4- 2023-24 لے آؤڈیٹرز اور ان کے معاوضے کی تقرری۔ ریٹائرڈ ہونے والے آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس نے اہلیت کے حامل ہونے پر خود کو سال 2023-24 دوبارہ تیناقتی کیلئے پیش کیا ہے۔

خصوصی امور

- 5- درج ذیل امور کو تہہ بلی یا بغیر تہہ بلی زیر غور لانا اور مناسب سمجھنے پر منظور کرنا۔
 طے پایہ کہ کمپنی کے مجاز کپیٹل شیئرز 600,000,000 منقسم 60,000,000 فی عمومی شیئر 10 روپے سے بڑھ کر 1,500,000,000 منقسم 150,000,000 فی عمومی شیئر 10 روپے ہو گئے ہیں جن میں 90,000,000 عمومی شیئرز 10 روپے شیئر کا اضافہ ہوا ہے۔
 مزید طے پایہ کہ مجاز کپیٹل شیئرز میں اضافے کی وجہ سے کمپنی کے میورنڈم اور آرٹیکل آف ایسوسی ایشن میں درج ذیل تبدیلی کی جاتی ہے۔
 - میورنڈم آف ایسوسی ایشن کی شق IV "کمپنی کے مجاز کپیٹل شیئرز 1,500,000,000 منقسم 150,000,000 فی عمومی شیئر 10 روپے ہو گئے ہیں"
 - آرٹیکل آف ایسوسی ایشن کی شق 3 "کمپنی کے مجاز کپیٹل شیئرز 1,500,000,000 منقسم 150,000,000 فی عمومی شیئر 10 روپے ہو گئے ہیں"
 طے پایہ کہ چیف ایگزیکٹو آفیسر یا کمپنی سیکرٹری درج بالا امور کی انجام دہی کیلئے تمام قانونی تقاضوں کو پورا کرنے اور ضروری دستاویزات کو فائل کرنے کیلئے کسی یا تمام ضروری یا ضمنی اقدامات کرنے کے مجاز ہوں گے۔
- 6- چیئر مین کی اجازت سے مینٹگ میں رکھے جانے والے کچھ دیگر عمومی انجام دہی کے لیے۔
 کمپنی ایکٹ 2017 کے سیکشن 134(3) کے تحت ایجنڈا اسٹم میں شامل خصوصی امور کے حوالے سے بیان نوٹس کے ساتھ ممبران کو بھیجا جا رہا ہے۔

بکرم پورڈ
 خواجہ شائق تنویر
 کمپنی سیکرٹری

مورخہ:

26 ستمبر 2023

نوٹس

- 1- کمپنی کی شیئر منتقلی کی کتب 17 اکتوبر 2023 تا 25 اکتوبر 2023 (بشمول دونوں ایام) بند رہیں گی۔
- 2- اجلاس ہذا میں شرکت اور ووٹ دینے کا استحقاق رکھنے والے ممبر اپنی جگہ پر ووٹ دینے اور شرکت کرنے کے لیے کسی دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ مقررہ شخص کو شرکت، بولنے اور ووٹ کرنے کے وہی حقوق حاصل ہوں گے جو کہ ممبر کو حاصل ہوتے ہیں۔ پراکسی کے موثر ہونے کیلئے ضروری ہے کہ ممبر شدہ، دستخط شدہ اور گواہی کے ساتھ پراکسی (Proxies) کمپنی کے رجسٹرڈ آفس میں مینٹگ شروع ہونے سے 48 گھنٹے قبل پہنچ جانی چاہئیں۔ پراکسی کیلئے کمپنی کا ممبر ہونا ضروری نہیں۔
- 3- سی ڈی سی شیئر ہولڈرز یا ان کے پراکسی، سالانہ اجلاس عام میں شرکت کے وقت اپنے ہمراہ اصل شناختی کارڈز یا پاسپورٹس، یا شرکت کنندہ کے آئی ڈی نمبرز، اکاؤنٹ نمبرز یا ساتھ لائیں تاکہ ان مقاصد کیلئے ان کی عمومی دستاویزات کی توثیق کی جاسکے۔

کمپیوٹرائزڈ قومی شناختی کارڈ اور زکوٰۃ

- 4- ممبران سے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع کرانے کی استدعا کی جاتی ہے تاکہ ریکارڈ کو اپ ڈیٹ کیا جاسکے۔ کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل جمع کرانے کی صورت میں مستقبل کے تمام حصص روک لئے جائیں گے۔
- 5- ممبران سے استدعا کی جاتی ہے کہ وہ زکوٰۃ اور عشر آؤڈیٹس 1980 کے مطابق زکوٰۃ سے استثنیٰ کا بیان جمع کرائیں یا پتہ میں تبدیلی جو یوکرین، اگر ہو تو۔

اجلاس میں بذریعہ ویڈیو لنک شرکت کیلئے

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بذریعہ اپنے سرکلر نمبر 6 تاریخ 03 مارچ 2021 شیئرز ہولڈرز کی سالانہ اجلاس عام میں شرکت کیلئے ایسی کمپنیوں کو ووڈیولنک کا انتظام کرنے کی بھی اجازت دی ہے، شیئرز ہولڈرز سالانہ اجلاس عام میں ذاتی طور پر شرکت ہونے کے علاوہ اجلاس میں بذریعہ ویڈیو لنک بھی شرکت ہو سکتے ہیں۔

بذریعہ ویڈیو لنک اجلاس میں شرکت کے خواہشمند شیئرز ہولڈرز "Registration for Bifa Industries Limited AGM-2023" کے عنوان کے ساتھ اپنا نام، فوٹو نمبر، موبائل نمبر اور اپنے نام پر درج شیئرز کی تعداد بشمول قومی شناختی کارڈ نمبر management@bifa.com پر جمع کرائیں۔ ووڈیولنک اور لاگ ان کی تفصیل صرف ان ممبران یا ان کے پراکسیز کے ساتھ شیئر کی جائیں گی جو سالانہ اجلاس عام سے کم از کم 48 گھنٹے تمام کوائف پہنچی ای میل کریں گے۔

پوسٹل بیلت/ای ووٹنگ

کمپنی ایکٹ 2017 کے سیکشن 145-143 اوپنٹیل (پوسٹل بیلت) ریگولیشنز، 2018 کی شرائط پر پورا اترنے کی صورت میں ممبران ای ووٹنگ یا پوسٹل بیلت کے ذریعے بھی اپنا ووٹ دینے کا حق استعمال کر سکتے ہیں۔

ای ڈیوڈنڈ

ایسی کمپنی ہونے کی صورت میں کمپنی ایکٹ 2017 کے سیکشن 242 کی رو سے شیئرز ہولڈرز اپنے منافع کی نقد ادائیگی صرف الیکٹرانک طریقہ کار کے ذریعے براہ راست اپنے نامزد کردہ بینک اکاؤنٹ میں کر سکتے ہیں۔ اسی لئے نوٹس ہذا کے ذریعے تمام حصص داران کو مطلع کیا جاتا ہے کہ سینٹرل ڈیپازٹری سسٹم میں متعلقہ درخواست دہندگان اپنے انٹرنیشنل بینک اکاؤنٹس (IBAN) کی تفصیلات کو اپ ڈیٹ کریں۔ مادی حصص (Physical Shares) کی صورت میں اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئر رجسٹر، میسرز ایف ڈی رجسٹر اور میسرز (پراپریٹیٹ) لمیٹڈ کو فراہم کریں۔ شیئرز ہولڈرز کیلئے ای ڈیوڈنڈ مینڈیٹ فار منسلک کیا گیا ہے۔





CHAIRMANS' REVIEW

CHAIRMANS' REVIEW

I am pleased to present the 35th Annual Report of the Company for the year ended 30th June 2023.

On behalf of the Board and myself I would like to express our appreciation of the performance of the management and all the staff during the year. The Company reported a net turnover of Rs. 2,713.10 million during the period under review compared to Rs. 1,668.10 million last year, an increase of 62.65%. The management team proactively tackled the challenges emerging in the global supply chain, high inflation and the ongoing economic environment in the country.

Export sales and sales to the Oil and Gas sector has increased significantly during the period. Blasting activities in some of the existing large construction projects decreased due to completion of the projects.

The Company earned a gross profit for the year of Rs. 1,183.96 million (2022: Rs. 581.98 million). Net Profit after tax stood at Rs. 607.68 million resulting in earnings per share of Rs. 13.10 (2022: Rs. 5.34 restated). The profitability ratio decreased due to increases in finance costs and income tax.

Your Company is continuing to increase investment in improvements in production efficiency, human capital development and safe practices to enhance the confidence of its customers and stakeholders.

Over the years, the Company has a record of paying high dividends. The Board has recommended a final cash dividend @ 30% (Rs. 3.00 per share) for the year ended June 30, 2023. This is in addition to the interim cash dividend @ 23% (Rs 2.30 per share) thus making a total of 53% cash dividend.

The Company made significant investment in capital expenditure of Rs. 37 million in the past year to further strengthen its infrastructure and modernize plant & machinery.

The Board is responsible for the strategic planning process and developing the vision of the Company.

The Company has taken necessary measures to comply with the provisions of the code of corporate governance as incorporated in listing regulations of the Pakistan Stock Exchange. There has been no material departure from the best practices as disclosed in Statement of Compliance with Listed Companies (Code of Corporate Governance Regulations, 2019).

The Board has put in place comprehensive policies for all relevant areas of the Company's operations and these policies are reviewed and updated from time to time.

The Audit & Risk Management Committee and Human Resources & Remuneration Committee of the Board meet regularly to advise the Board. The system of internal control is sound in design and has been effectively implemented and monitored.

Looking forward, the Company will continue to strengthen its position in the local market to tap the opportunities emerging from mega projects and allied infrastructure projects. We are also exploring further opportunities in the international market, specifically in Africa.

In the end, on behalf of the Board, I wish to acknowledge once again, the contribution of all our dedicated employees for the success of the Company. I wish to thank our shareholders, customers, suppliers, bankers and other business partners for their continued confidence and support. I acknowledge the commitment and contribution made by my fellow directors towards the continuing success of the Company.

Islamabad
26 September 2023



Ehsan Mani
Chairman

میں 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی 35 ویں سالانہ رپورٹ پیش کرتے ہوئے انتہائی خوش محسوس کرتا ہوں۔ میں اپنی اور اپنے بورڈ کی جانب سے دوران سال بہترین کارکردگی کا مظاہرہ کرنے پر انتظامیہ اور جملہ ملازمین کو خراج تحسین پیش کرنا چاہتا ہوں۔ کمپنی نے زیر جائزہ عرصہ کے دوران 2,713.10 ملین روپے کا کاروبار کیا جبکہ گزشتہ سال یہ کاروبار 1,668.10 ملین روپے کا تھا۔ انتظامیہ نے عالمی سپلائی چین میں رکاوٹوں، مہنگائی اور ملک کی موجودہ معاشی صورتحال سے نبرد آزما ہونے کیلئے بروقت اقدامات اٹھائے۔

زیر جائزہ عرصہ کے دوران کمپنی کی برآمدات اور آئل و گیس کے شعبے کو فروخت میں کافی اضافہ ہوا۔ کچھ موجودہ بڑے تعمیراتی منصوبوں میں تکمیل کی وجہ سے بلاسٹنگ سرگرمیوں میں کمی واقع ہوئی۔

کمپنی نے اس سال 1,183.96 ملین روپے کا مجموعی منافع کمایا۔ (سال 2022: 581.98 ملین روپے) جبکہ ٹیکس کی ادائیگی کے بعد اصل منافع 607.68 ملین روپے رہا جس کے نتیجے میں فی شیئر آمدن 13.10 روپے رہی۔ (سال 2022: 5.34 روپے)۔ منافع میں فنڈز اور انکم ٹیکس میں اضافے کے سبب کمی واقع ہوئی۔

آپ کی کمپنی پیداواری استعداد میں اضافہ، انسانی وسائل کی ترقی اور حفاظتی اقدامات بڑھانے کے لیے سرمایہ کاری کرتی رہے گی تاکہ ہمارے صارفین اور سٹیک ہولڈرز کا کمپنی پر اعتماد برقرار رہے۔

گزشتہ کئی برسوں کے دوران کمپنی اپنی پرفارمنس کی بنیاد پر اپنے شیئر ہولڈرز کو ریکارڈ منافع منقسمہ ادا کر رہی ہے۔ بورڈ نے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے منافع سے حتمی نقد منافع منقسمہ 30 فیصد (3.00 روپے فی شیئر)۔ یہ عبوری نقد منافع منقسمہ 23 فیصد (2.30 روپے فی شیئر) کے علاوہ ہے جو شیئر ہولڈرز کو ادا کیا جا چکا ہے اس طرح زیر جائزہ عرصہ کے دوران مجموعی نقد منافع منقسمہ فی شیئر 5.30 (53 فیصد) رہا۔

کمپنی نے اپنے انفراسٹرکچر کو مضبوط اور پلانٹ اور مشینری میں جدت لانے کے لیے 37 ملین روپے کی کثیر رقم خرچ کی۔

بورڈ کمپنی کی حکمت عملی اور وژن کو ترتیب دینے میں ہمہ تن مصروف ہے۔

کمپنی نے کوڈ آف کارپوریٹ گورننس جیسا کہ فہرستی ضوابط میں تفصیل سے بیان کیا گیا ہے، کے طے کردہ ضوابط سے کبھی انحراف نہیں کیا جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019) کے تعمیلی بیان میں پیش ہے۔

بورڈ نے کمپنی کے آپریشنز کیلئے تمام متعلقہ شعبہ جات کیلئے جامع پالیسیاں مرتب کی ہوئیں ہیں جن کا وقت کے ساتھ ساتھ جائزہ لیا جاتا ہے۔

کمپنی کی آڈٹ ورک مینجمنٹ کمیٹی اور انسانی وسائل و معاوضہ طے کرنے والی کمیٹی کمپنی کے افعال کو بہتر بنانے اور مجموعی طور پر کارکردگی کو جانچنے کے لیے باقاعدگی سے میٹنگز کا انعقاد کرتی ہے۔ کمپنی اندرونی طور پر بہت مضبوط ہے جسے موثر طریقے سے کنٹرول اور مانیٹر کیا جاتا ہے۔

مستقبل میں کمپنی مقامی مارکیٹ میں اپنی پوزیشن کو مزید مضبوط بنائے گی تاکہ بڑے منصوبہ جات اور دیگر تعمیراتی منصوبوں سے استفادہ حاصل کر سکے۔ ہم بین الاقوامی مارکیٹ خصوصاً افریقہ میں بھی کاروباری مواقع تلاش کر رہے ہیں۔

آخر میں، میں بورڈ کی جانب سے اپنے تمام سختی ملازمین کی خدمات کا معترف ہوں کہ جن کی وجہ سے کمپنی کی تمام تر کامیابیاں ممکن ہو پائی ہیں۔ میں اپنے تمام شیئر ہولڈرز، صارفین، سپلائرز، بینکرز اور دیگر کاروباری شراکت داروں کا ہم پر اعتماد اور مدد کرنے پر نہایت مشکور ہوں۔ میں اپنے ساتھی ڈائریکٹرز کا بھی مشکور ہوں جن کے عزم اور اعانت نے کمپنی کو کامیابیوں سے ہمکنار کیا۔



احسان مانی

چیئر مین

اسلام آباد

26 ستمبر 2023





DIRECTORS' REPORT

DIRECTORS' REPORT

The Board of Directors is pleased to present to you the Annual Report 2023 of the Company along with the audited financial statements for the year ended June 30, 2023.

Company Profile

Biafo Industries Ltd. is engaged in the manufacturing of commercial explosives and blasting accessories, including detonators and other materials since 1988. It offers Tovex Water Gel explosives, which include Blasters, Breakers, Seismic explosives, Coal miners, and Presplitters and Powder explosives and various types of Blasting accessories.

Organizational Overview

Biafo has a modern manufacturing unit which is highly automated and can produce tovox and powder explosives. Biafo also produces blasting accessories for explosives from technology initially obtained from Hanwha Group of South Korea. However, with continuous in-house research and development Biafo has successively developed other new products as per Market demand.

Financial Performance

During the year under review, the Company recorded net sales revenue of Rs. 2,713.10 million as compared to the previous year's revenue of Rs. 1,668.10 million. Gross profit for the year increased by 103% to Rs. 1,183.96 million (2021-22: Rs. 581.98 million). The Company earned a net profit after tax of Rs. 607.68 million (2021-22: Rs. 247.73 million) resulting in earnings per share of Rs. 13.10 (2021-22: Rs. 5.34 restated). Profitability remained stable despite the massive currency devaluation and high cost of imported raw materials and supply chain issues especially during the period under review.

During the year your Company entered the Export Market and targeted Africa as the niche market. Successful supplies have been made to North Sudan during the year, however due to eruption of war and disruption of the banking system in Sudan, receipt of Export proceeds were delayed. We have recently received confirmation that the transfer of funds has been initiated and management is confident that payment will be received soon.

As part of our strategy we will continue to seek to promote exports and explore Markets in other countries including other African Countries.

Segment wise Sales and Market Performance

Significant increases in supplies were made to the oil and gas and mining sectors. Supplies to the rest of the sectors decreased due to the economic downturn.

Production

The production team performed well by meeting the requirements of customers and effectively fulfilling the demand for various products,.

Biafo is committed to ensuring that only the highest quality products are delivered to all our clientele. The Company continues to invest in improving product efficiency, human resources, and safe practices to enhance the confidence of its users, workforce and stakeholders. The Company has brought into production a the newly installed Signal Transmission Tube manufacturing facility. This is an import substitution project.

Capital Expenditure

Your Company continues to invest in the latest production technologies in order to utilize new opportunities created by technological advancement. The Company made capital investment of Rs. 37 million during the year in order to maintain its manufacturing capacity.

Risk Management

Effective risk management is an integral part of our day-to-day activities. We continuously explore and develop opportunities to remain competitive in the market and achieve our targets. For that, the company has an independent risk management department which reports to the Board's audit and risk committee. It has developed the risk management process with tools and techniques to identify, evaluate, assess, mitigate and report the risks as per the risk policy manual

Adequacy of Internal Financial Controls

The Board of Directors has established effective internal financial controls across all functions. The independent internal audit function of the company regularly monitors the implementation of financial controls and the Audit Committee reviews it.

Health, Safety & Environment

Working with explosives requires the utmost safety measures. We apply these and other control mechanisms as our priority is to enable our workforce to stay safe and healthy each day. We are an ISO 9001: 2015 and OHSAS 18001: 2007 standard certified company and our approach to health and safety is set out in a series of standards, policy guidelines, operating procedures, hazard identifications and systems that are regularly reviewed and updated.

Human Resource

The company policy on human resources is to attain the highest standards of professionalism throughout the organization by recognizing individual capabilities, productivity, commitment and contribution. The company believes that the continued progress and success of the company depends upon the carefully selected, well trained, achievement-oriented and dedicated employee workforce. Company lays great emphasis on the training and development of its personnel and a healthy work environment.

Corporate Social Responsibility

Corporate Social Responsibility is one of the core values and an integral part of Biafo's overall mission. The Company is a donor to various organizations, including, hospitals, charitable institutes in the field of healthcare, education, disaster relief, arts and culture.

Return to Shareholders

The Board has recommended a final cash dividend of Rs. 3.00 per share (30%) out of the profits for the year ended June 30, 2023. This is in addition to the interim cash dividends of Rs. 2.30 per share (23%) declared on April 26, 2023 making a total of Rs. 5.30 per share (53%) cash dividend.

Business Challenges and Future Prospects

The current economic scenario represents the biggest challenge the industry currently faces. The unprecedented devaluation, high inflation, and sharp increase in costs have all had a crippling effect on the industry.

However, despite the above challenges, the Company was able to achieve substantial earnings growth over the last year. In terms of market expansion, the Company is well placed and positioned to target the new markets specially in mining sector.

DIRECTORS' REPORT

COMPOSITION OF THE BOARD

The total number of directors are 12 as per the following composition:

Male: Nine (9)

Female: Three (3)

The composition of Board is as follows:

i.	Independent Directors	i) Ehsan Mani (Chairman)
		ii) Syed Zomma Mohiuddin
		iii) Adnan Afridi
		iv) Himayat Ullah
ii.	Non-Executive Directors	i) M. Zafar Khan
		ii) Khwaja Ahmad Hosain
		iii) Muhammad Waheed
iii.	Executive Directors	i) M. Afzal Khan
		ii) Anwar Moin
iv.	Female Directors	i) Ms. Ayesha Humayun Khan (Non-Executive Director)
		ii) Ms. Mehreen Hosain (Non-Executive Director)
		iii) Ms. Syeda Shahbano Abbas (Non-Executive Director)

As per the Company policy, non-executive directors, including independent directors, are only paid a meeting fee, which is approved by the Board of Directors.

The Board has set up a formal process of evaluation of the performance of the Board. Furthermore, the Board is in the process of developing the process of evaluating the performance of its committees as per the requirements of the Code of Corporate Governance.

Board of Directors Structure, Its Committees and Meetings

During the year, the Board remained actively involved in performing their duties under various laws and the Memorandum and Articles of Association of the Company, with the objective of enhancing the profitability of the Company, thus increasing shareholder's returns. The Board possesses necessary skills, competence, knowledge and experience to deal with various business issues. The Chairman of the Board is a non-executive director. During the year, four meetings of the Board of Directors were held for review of periodic Financial Statements as well as for consideration of significant and routine matters including those referred to the Board by its committees.

The Committees of the Board and their composition is as follows:

Audit & Risk Management Committee

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

Executive Committee

M. Afzal Khan	Chairman
Anwar Moin (CEO)	Member
Ehsan Mani	Member
Himayat Ullah	Member
Khwaja Ahmad Hosain	Member

HR & Remuneration Committee

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

CSR & HSE Committee

Ms. Ayesha Humayun Khan	Chairman
Ms. Mehreen Hosain	Member
M. Zafar Khan	Member
Syeda Zomma Mohiuddin	Member

DIRECTORS' REPORT

Code of Corporate Governance

We are pleased to report that the Company has taken necessary measures to comply with the Code of Corporate Governance as incorporated in the listing regulations of the Pakistan Stock Exchange.

The Board regularly reviews the Company's strategic direction. Business plans and targets set by the Chief Executive are reviewed by the Board. The Board is committed to maintain a high standard of good corporate governance. As required by the Code of Corporate Governance, your directors are pleased to report that:

- Financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flow & changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable & prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed in preparation of financial statements and any departure therefrom has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored. The system itself is also subject to continuous review for enhancement wherever and whenever necessary.
- There is no significant doubt about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the code of corporate governance, as detailed in the listing regulations except those disclosed in the Statement of Compliance with Listed Companies (Code of Corporate Governance Regulations, 2019).
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2023 except for those stated in the financial statements.
- Four directors of the Company are exempt from the directors' training program on the basis of their level of education and length of experience as provided in the CCG. Further, six of the directors of the Company have obtained certification under the directors' training program as required under clause (xi) of the CCG during prior years. None of the directors attended any training program during the year. The company has arranged a Directors Training Program for 01 Executive (Chief Operating Officer) during the year.
- The values of investment of various funds, based on their respective accounts as at 30 June 2023 are as:

DESCRIPTION	AMOUNT
Provident Fund	Rs. 1 70,383,512
Gratuity Fund	Rs. 77,902,928

Key Operating and Financial Data

Key operating and financial data of last six years is enclosed.

Auditors

The present auditor's M/s Yousuf Adil Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee of the Company, having considered the matter, recommend the retiring auditors for reappointment as External Auditors of the Company for the year 2023-24.

Pattern of Share Holding

Pattern of shareholding is enclosed.

DIRECTORS' REPORT

Acknowledgement

Your Board would like to take this opportunity to express its special appreciation to all the employees of the Company, without whose continued commitment and hard work the challenges of new opportunities could not be met. We also acknowledge the support and cooperation of our major stakeholders, customers, suppliers and our bankers, especially Allied Bank Ltd and United Bank Ltd.

On behalf of the Board



Anwar Moin
Chief Executive Officer



Ehsan Mani
Chairman

Islamabad
26 September 2023

کوڈ آف کارپوریٹ گورننس

- ہمارے لئے یہ انتہائی خوشی کی بات ہے کہ کمپنی نے کوڈ آف کارپوریٹ گورننس کی پیروی کے لئے پاکستان اسٹاک ایکسچینج کے فہرستی ضوابط کے مطابق ضروری اقدامات کئے ہیں۔ بورڈ باقاعدگی سے کمپنی کی کلیدی سمت کا جائزہ لیتا ہے۔ چیف ایگزیکٹو کی جانب سے اہداف مقرر کئے جاتے ہیں اور بورڈ کی طرف سے ان کا باقاعدگی سے جائزہ لیا جاتا ہے۔ بورڈ اعلیٰ کارپوریٹ گورننس کے معیارات قائم کرنے کیلئے پرعزم ہے۔ جیسا کہ ضابطہ کارپوریٹ گورننس کی رو سے مطلوب ہے، آپ کے ڈائریکٹرز آپ کو اس امر سے آگاہ کرنے میں مسرت محسوس کرتے ہیں کہ:
- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے، منصفانہ طور پر کمپنی کی موجودہ حالت، اس کے آپریشنز کے نتائج، کیش فلوا اور ایجوٹیٹی میں تبدیلی کو ظاہر کرتے ہیں۔
 - کمپنی کے اکاؤنٹس کے ریکارڈ کو باقاعدہ طور پر منظم کیا جاتا ہے۔
 - مالیاتی گوشواروں کی تیاری میں مسلسل مناسب اکاؤنٹنگ پالیسی اختیار کی جاتی ہے اور کھاتوں کا تخمینہ مناسب و محتاط طریقوں سے لگایا جاتا ہے۔
 - مالی گوشواروں کی تیاری میں پاکستان میں لاگو مالیاتی رپورٹنگ کے بین الاقوامی معیارات کی تعمیل کی جاتی ہے اور جہاں کہیں ان سے کوئی بھی انحراف کیا گیا اس کی موزوں طور پر وضاحت دی گئی۔
 - اندرونی کنٹرول کا نظام ساخت میں ٹھوس ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔ نظام پر از خود بہتری کے لئے جب بھی اور جہاں بھی ضروری ہو مسلسل نظر ثانی کی جاتی ہے۔
 - کمپنی کے کاروبار جاری رکھنے کی صلاحیت پر کوئی شک و شبہ نہیں ہے۔
 - فہرستی ضوابط میں درج کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی انحراف نہیں کیا گیا ماسوائے لسٹڈ کمپنیز میں موجود تعمیلی بیان کے (کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019)۔
 - ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مدد میں 30 جون 2023 تک بقایا جات میں کوئی بھی قانونی ادائیگی نہیں کرنی ماسوائے ان کے جو مالی گوشواروں میں بیان کی گئی ہیں۔
 - کمپنی کے چارٹرڈ ایکٹرز اپنی تعلیمی قابلیت اور وسیع تجربے کی بنیاد پر ڈائریکٹرز ٹریننگ پروگرام سے مستفی ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس کے احکامات میں دیا گیا ہے۔ مزید چھ ڈائریکٹرز نے گزشتہ سال کے دوران ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفکیٹ حاصل کر لیا ہے جیسا کہ کوڈ آف کارپوریٹ گورننس کی شق (11) کے تحت مطلوب ہے۔ دوران سال کسی بھی ڈائریکٹر نے کسی بھی ٹریننگ پروگرام میں شرکت نہیں کی۔
 - 30 جون 2023 کو متعلقہ اکاؤنٹس کی بنیاد پر مختلف فنڈز کی سرمایہ کاری کی مالیت حسب ذیل ہے:

رقم	تفصیل
170,383,512/- روپے	پروویڈنٹ فنڈ
77,902,928/- روپے	گرےجویٹی فنڈ

بنیادی آپریٹنگ اور مالیاتی اعداد و شمار

گزشتہ چھ سال کے بنیادی آپریٹنگ اور مالیاتی اعداد و شمار منسلک ہیں:

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس سبڈوش ہو رہے ہیں۔ اہل ہونے کے باعث انہوں نے دوبارہ تقرری کے لئے اپنی خدمات پیش کرنے کی پیشکش کی ہے۔ کمپنی کی آڈٹ کمیٹی نے معاملے پر غور کیا اور سبڈوش ہونے والے آڈیٹرز کی مالی سال 2023-24 کیلئے دوبارہ تقرری کی سفارش کی۔

شیر ہولڈنگ کا طریقہ کار

شیر ہولڈنگ کا طریقہ کار لف ہے۔

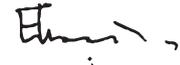
اعتراف

آپ کا بورڈ اس موقع پر کمپنی کے تمام ملازمین کے لئے خصوصی ستائش کا اظہار کرنا چاہے گا جن کے مسلسل عزم اور سخت محنت کے بغیر نئے مواقعوں کے پہنچنے سے نہ بننا ممکن نہ تھا۔ ہم اس موقع پر اپنے اہم سٹیک ہولڈرز، صارفین، سپلائرز اور بینکوں خصوصاً الائیڈ بینک لمیٹڈ اور یونائیٹڈ بینک لمیٹڈ کا ان کی قابل قدر خدمات اور تعاون کا اعتراف کرتے ہیں۔

بورڈ کی جانب سے



انور معین
چیف ایگزیکٹو آفیسر



احسان مانی
چیرمین

اسلام آباد

26 ستمبر 2023

ڈائریکٹرز رپورٹ

شیر ہولڈرز کیلئے منافع

بورڈ کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کیلئے حتمی نقد منافع 3 روپے (30 فیصد) فی شیر کی سفارش کی گئی ہے۔ یہ منافع 26 اپریل 2023 کو اعلان کردہ 2.30 روپے فی شیر (23 فیصد) سے اضافی ہے۔ مجموعی منافع 5.30 روپے (53 فیصد) فی شیر۔

کاروباری مسائل اور مستقبل کے امکانات

موجودہ معاشی صورت حال اس صنعت کو درپیش سب سے بڑے چیلنج کی نمائندگی کرتا ہے۔ روپے کی قدر میں غیر معمولی گراؤ، بلند فراطر، اور لاگت میں تیزی سے اضافے نے صنعت پر شدید اثرات مرتب کیے ہیں۔ تاہم، مندرجہ بالا چیلنجز کے باوجود، گزشتہ سال کے دوران کمپنی خاطر خواہ آمدنی میں اضافہ حاصل کرنے میں کامیاب رہی۔ مارکیٹ کی توسیع کے لحاظ سے، کمپنی خاص طور پر کان کنی کے شعبے میں نئی منڈیوں تک رسائی کے لیے اچھی پوزیشن میں ہے۔

بورڈ کی ترتیب

ادارے میں مجموعی طور پر 12 ڈائریکٹرز موجود ہیں جن میں سے مرد: (9) خواتین: (3) تین (3)

بورڈ کی ترتیب مندرجہ ذیل ہے۔

خود مختار ڈائریکٹرز

i۔ احسان مانی (چیئرمین)

ii۔ سید زوماحی الدین

iii۔ عدنان آفریدی

iv۔ حمایت اللہ

نان۔ ایگزیکٹو ڈائریکٹرز

i۔ ایم ظفر خان

ii۔ انور معین

iii۔ محترمہ سیدہ شاہ بانو عباس (نان ایگزیکٹو ڈائریکٹر)

ii۔ محترمہ مہرین حسین (نان ایگزیکٹو ڈائریکٹر)

iii۔ محترمہ سیدہ شاہ بانو عباس (نان ایگزیکٹو ڈائریکٹر)

ایگزیکٹو ڈائریکٹرز

i۔ ایم فضل خان

ii۔ انور معین

خواتین ڈائریکٹرز

i۔ محترمہ سیدہ شاہ بانو عباس (نان ایگزیکٹو ڈائریکٹر)

ii۔ محترمہ مہرین حسین (نان ایگزیکٹو ڈائریکٹر)

iii۔ محترمہ سیدہ شاہ بانو عباس (نان ایگزیکٹو ڈائریکٹر)

کمپنی پالیسی کے مطابق، نان۔ ایگزیکٹو ڈائریکٹرز بشمول خود مختار ڈائریکٹرز کو صرف میٹنگ میں شرکت کی فیس ادا کی جاتی ہے جو کہ بورڈ آف ڈائریکٹرز کی جانب سے منظور کی جاتی ہے۔ بورڈ نے ایک باضابطہ لائحہ عمل طے کیا ہے تاکہ براہ راست بورڈ کی کارکردگی کا جائزہ لیا جائے۔ اس کے ساتھ ساتھ بورڈ کی جانب سے کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی ارکان کی کارکردگی کا جائزہ لینے کے لئے بھی طریقہ کار وضع کیا جا رہا ہے۔

بورڈ آف ڈائریکٹرز کی ساخت، کمیٹیاں اور اجلاس

اس سال کے دوران بورڈ نے مختلف قوانین، میمورنڈم اور کمپنی کے آرٹیکل آف ایسوسی ایشن کے تحت انتہائی فعال انداز میں اپنے فرائض اس مقصد کے لئے انجام دیئے کہ کمپنی اور شیر ہولڈرز کے منافع میں اضافہ ہو۔ بورڈ کے پاس تمام ضروری مہارتیں، صلاحیتیں، معلومات اور تجربہ موجود ہے جو انہیں مختلف کاروباری امور انجام دینے کے لئے ضروری ہے۔ بورڈ کے چیئرمین نان۔ ایگزیکٹو ڈائریکٹر ہیں۔ اس سال کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے تاکہ مخصوص دورانیہ کی مالیاتی سٹیٹمنٹ کا جائزہ لیا جاسکے اور اہم اور عمومی نوعیت کے معاملات بشمول ان کے جو کہ بورڈ کمپنی کو بھیجے گئے، پر غور کیا جاسکے۔

بورڈ کی کمپنی اور اس کی ساخت درج ذیل ہے

آڈٹ کمپنی اور رسک مینجمنٹ کمپنی	ایچ آر و معاوضہ جاتی کمیٹی
عدنان آفریدی	احسان مانی
احسان مانی	انور معین (سی ای او)
حمایت اللہ	محترمہ سیدہ شاہ بانو عباس
محترمہ سیدہ شاہ بانو عباس	محترمہ مہرین حسین
محمد وحید	خولجا احمد حسین

ایگزیکٹو کمیٹی

ایگزیکٹو کمیٹی	سی ایس آر ایچ ایس ای کمیٹی
ایم فضل خان	محترمہ سیدہ شاہ بانو عباس
انور معین (سی ای او)	محترمہ مہرین حسین
احسان مانی	ایم ظفر خان
حمایت اللہ	سیدہ زوماحی الدین
خولجا احمد حسین	

ڈائریکٹرز رپورٹ

30 جون 2023 کو اختتام پذیر ہونے والے مالی سال کے لئے آڈٹ شدہ فنانشل سٹیٹمنٹ اور سالانہ رپورٹ 2023 پیش کرتے ہوئے بیافو انڈسٹریز لمیٹڈ کے بورڈ آف ڈائریکٹرز انتہائی خوش محسوس کر رہے ہیں۔

کمپنی پروفائل

بیافو انڈسٹریز لمیٹڈ 1988 سے کمرشل ایکسپلوسوز (بارودی مواد) اور بلاسٹنگ اسریر بشمول ڈیٹونائٹ اور دیگر میٹیریل بنانے والی کمپنی ہے۔ بیافو انڈسٹریز لمیٹڈ ٹوکیو اور ٹائپل جن میں بلاسٹرز، بریکرز، سیمیک ایکسپلوسوز، کول مائٹرز شامل ہیں اور Presplitters اور پاور ایکسپلوسوز اور مختلف اقسام کی بلاسٹنگ اسریر بناتی ہے۔

ادارہ جاتی جائزہ

بیافو کے پاس ایک جدید اور سٹیٹ آف دی آرٹ مینوفیکچرنگ یونٹ ہے جو انتہائی آٹومیٹڈ ہے اور ٹوکیو ایکسپلوسوز اور پاور ایکسپلوسوز بنا سکتا ہے۔ بیافو جنوبی کوریا کے Hanwha گروپ سے حاصل کردہ ٹیکنالوجی کی بدولت ایکسپلوسوز کیلئے بلاسٹنگ اسریر بھی بناتی ہے۔ بیافو میں تحقیق و ترقی پر خصوصی توجہ مرکوز کی جاتی ہے جس کی بدولت ضرورت کے مطابق نئی مصنوعات بھی تیار کی جاتی ہیں۔

مالی کارکردگی

زیر جائزہ سال کے دوران کمپنی کی سبز کے شعبے میں اصل آمدنی 2,713.10 ملین روپے رہی جبکہ گزشتہ سال یہی آمدنی 1,668.10 ملین روپے تھی۔ اس سال کے مجموعی منافع میں 103 فیصد اضافہ ہوا جو اس سال 1,183.96 ملین روپے رہا۔ (سال 2021-22 میں منافع 581.98 ملین روپے تھا)۔ کمپنی کو ٹیکس ادا کرنے کے بعد 607.68 ملین روپے خالص منافع حاصل ہوا (سال 2021-22 میں خالص منافع 247.73 ملین روپے تھا)۔ جس کے نتیجے میں فی شیئر 13.10 روپے آمدنی ہوئی۔ (سال 2021-22 میں فی شیئر آمدنی 5.34 روپے تھی)۔ اس سال روپے کی قدر میں گراؤ، خام مال کی زیادہ لاگت اور سپلائی چین میں رکاوٹوں کے باوجود بھی منافع مستحکم رہا۔

سال کے دوران آپ کی کمپنی ایکسپورٹ مارکیٹ میں داخل ہوئی اور افریقہ کو ایک بہترین مارکیٹ کے طور پر نشانہ بنایا۔ سال کے دوران شمالی سوڈان کو سپلائری کی کامیاب فراہمی کی گئی، تاہم سوڈان میں جنگ اور بینکنگ کے نظام میں خلل کی وجہ سے برآمدات کی وصولی میں تاخیر ہوئی۔ ہمیں حال ہی میں تصدیق ملی ہے کہ فنڈز کی منتقلی شروع کر دی گئی ہے اور انتظامیہ کو یقین ہے کہ ادائیگی جلد ہی موصول ہو جائے گی۔ اپنی حکمت عملی کے ایک حصے کے طور پر ہم دیگر افریقی ممالک سمیت دیگر ممالک میں برآمدات کو فروغ دینے اور مارکیٹس کی تلاش جاری رکھیں گے۔

شعبے کے اعتبار سے فروخت اور مارکیٹ میں کارکردگی

آئل و گیس اور کان کنی کے شعبے میں سپلائری میں خاصہ اضافہ ہوا۔ دیگر شعبہ جات میں معاشی تنزلی بدولت سپلائری میں کمی ہوئی۔

پیداوار

پلانٹ پروڈکشن ٹیم نے صارفین کی ضروریات پوری کرنے اور مختلف پروڈکٹس اور سروسز کی طلب کو پورا کرنے کے لئے ملک کی معاشی ابتری کے باوجود بھی موثر کارکردگی کا مظاہرہ کیا۔ بیافو کارکردگی میں مسلسل بہتری کے فلسفے پر یقین رکھتے ہوئے اپنے تمام معزز صارفین کو پروڈکٹس کا بہترین معیار فراہم کرنے میں مصروف عمل ہے۔ کمپنی پیداواری صلاحیت، قابل افرادی قوت اور محفوظ طرز عمل کو اپناتے ہوئے صارفین، عملے اور سٹیک ہولڈرز کے اعتماد میں اضافہ کر رہی ہے۔ کمپنی نے پیداواری پلانٹ میں سگنل ٹرانسمیشن ٹیوب مینوفیکچرنگ کی تنصیب کی ہے۔ یہ درآمدات کو کم کرنے کی جانب ایک اہم قدم ہے۔

کمپیٹل اخراجات

ٹیکنالوجی میں جدت کی بدولت پیدا ہونے والے نئے مواقعوں سے استفادہ کرنے کی خاطر آپ کی کمپنی نئی پیداواری ٹیکنالوجیز میں سرمایہ کاری کرتی رہتی ہے۔ کمپنی نے مینوفیکچرنگ صلاحیت میں اضافے کیلئے اس سال 37 ملین روپے کی سرمایہ کاری کی۔

رسک مینجمنٹ

کمپنی میں ایک مضبوط اور موثر رسک مینجمنٹ کا نظام قائم ہے جو اس کی روزمرہ کی سرگرمیوں کا انتہائی اہم حصہ ہے۔ ہم مارکیٹ میں مقابلے اور اپنے اہداف کے حصول کیلئے ہمیشہ سرگرم رہتے ہیں۔ کمپنی میں ایک خود مختار رسک مینجمنٹ ڈیپارٹمنٹ ہے جو کہ آڈٹ اور رسک مینجمنٹ کمیٹی کو رپورٹ کرتا ہے۔ کمپنی نے ٹولز اور تکنیک کے استعمال سے ایسا رسک مینجمنٹ کا نظام قائم کیا ہے جو رسک کی نشاندہی کرتا ہے، اس کی پڑتال کرتا ہے رسک پالیسی مینوئل میں رپورٹ کرتا ہے اور رسک کو کم کرنے کیلئے اقدامات کرتا ہے۔

اندرونی فنانشل کنٹرولز کا نظام

کمپنی کے بورڈ آف ڈائریکٹرز نے تمام فنکشنز میں اندرونی فنانشل کنٹرولز کا ایک موثر نظام قائم کر رکھا ہے۔ کمپنی کا ایک خود مختار اندرونی آڈٹ باقاعدگی سے فنانشل کنٹرولز پر عملداری کی نگرانی کرتا ہے اور آڈٹ کمیٹی اس کا جائزہ لیتی ہے۔

صحت، حفاظت اور ماحول

ایکسپلوسوز (بارودی مواد) پر کام کرتے ہوئے انتہائی احتیاط برتنے کی ضرورت ہوتی ہے۔ اپنے ملازمین کی حفاظت ہماری سب سے اولین ترجیح ہے جس کیلئے کمپنی حفاظتی اقدامات اور کنٹرول میکانزم پر سختی سے عملدرآمد یقینی بناتی ہے۔ ہم حادثات کے مکمل خاتمے کیلئے پرعزم ہیں۔ ہم ISO 9001: 2015 اور OHSAS 18001:2007 سرٹیفیکیشن کمپنی میں جو اپنے ملازمین کے تحفظ کیلئے کئی طرح کے حفاظتی معیارات، پالیسی گائیڈ لائنز، آپرینگ پرائیمرز اور خطرات کی نشاندہی کے نظام پر سختی سے عمل پیرا ہے اور ان معیارات کا باقاعدگی سے جائزہ بھی لیا جاتا ہے۔ کمپنی کی جانب سے باقاعدگی سے رسک کی تشخیص، آڈٹ اور پڑتال کی جاتی ہے۔

ہیومن ریورس (انفرادی قوت)

انفرادی قوت سے متعلق کمپنی کی پالیسی میں بہترین صلاحیت، عزم اور شرکت کے اہل افراد کو تعینات کرنا ہے۔ کمپنی کا خیال ہے کہ کمپنی کی مسلسل ترقی اور کامیابی کا انحصار احتیاط سے منتخب، اچھی تربیت یافتہ، کامیابی پزنی اور سرشار ملازم افرادی قوت پر ہے۔ کمپنی اپنے اہلکاروں کی تربیت اور ترقی اور صحت مند کام کے ماحول پر بہت زور دیتی ہے۔

ادارے کی سماجی ذمہ داری

سماجی ذمہ داری ادارے کی بنیادی اقدار میں شامل ہے اور بیافو کے نصب العین کا اہم ترین حصہ ہے۔ ادارہ کئی ایک اداروں بشمول ہسپتالوں اور صحت عامہ، تعلیم، ناگہانی آفتوں میں ریلیف کی فراہمی، ثقافت اور آرٹ کے شعبوں سے متعلق فلاحی اداروں کو عطیات فراہم کرتی ہے۔

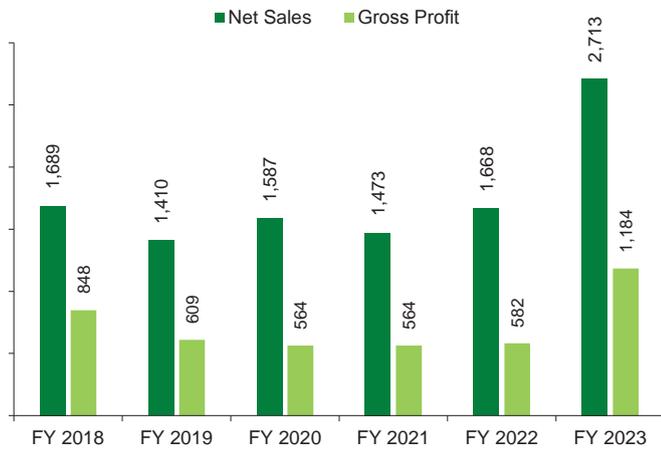
STAKEHOLDERS INFORMATION

		2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
BALANCE SHEET							
Paid up Capital	Rs. In '000	463,827	463,827	383,328	348,480	264,000	220,000
Shareholder Equity*	Rs. In '000	2,931,652	2,336,308	1,544,246	1,477,769	1,405,240	963,089
Fixed Assets	Rs. In '000	2,308,419	2,058,052	1,205,020	1,087,317	1,076,607	562,062
Long Term Debts	Rs. In '000	122,603	183,905	90,619	31,840	-	-
Fixed Assets Addition	Rs. In '000	37,735	248,122	150,585	38,022	85,068	17,656
Profit & Loss Account							
Net Sales	Rs. In '000	2,713,098	1,668,100	1,472,765	1,586,550	1,409,578	1,689,356
Gross Profit / (Loss)	Rs. In '000	1,183,963	581,981	563,956	563,704	608,765	847,650
Operating Profit / (Loss)	Rs. In '000	876,481	373,214	391,260	347,824	451,323	713,366
EBDIT	Rs. In '000	979,071	460,803	410,399	403,346	544,904	708,221
Profit / (Loss) after taxation	Rs. In '000	607,679	247,729	254,039	245,871	359,892	532,610
PROFITABILITY RATIOS							
Gross Profit/(Loss) Margin	%	43.64	34.89	38.29	35.53	43.19	50.18
Net Profit Margin	%	22.40	14.85	17.25	15.50	25.53	31.53
Return on Assets	%	14.89	6.78	10.20	10.92	15.84	33.11
Return on Shareholder Equity*	%	20.73	10.60	16.45	16.64	25.61	55.30
LIQUIDITY RATIOS							
Current Ratio	:	2.01	1.56	1.59	1.67	1.47	1.70
Quick Ratio	:	1.21	1.03	0.95	1.12	1.06	1.40
Cash Generation to Sales	:	90.30	93.25	102.43	94.79	104.65	92.38
ASSETS MANAGEMENT RATIOS							
Number of Days Stock	Days	149	177	180	127	118	72
Number of Days Trade Debts	Days	70	77	78	66	73	54
Operating Cycle	Days	218	254	258	194	190	126
Fixed Assets Turnover	Times	1.18	0.81	1.22	1.46	1.31	3.01
Sales /Shareholder Equity*	Times	0.93	0.71	0.95	1.07	1.00	1.75
DEBTS MANAGEMENT RATIOS							
Total Assets to Total Debts	Times	7.18	4.45	3.98	4.42	2.80	2.61
Debts to Shareholder Equity *	%	19	35	41	34	58	64
MARKET RATIOS							
Share Price at year end	Per Share	66.00	67.00	138.20	143.72	165.00	320.00
Share Price-High	Per Share	78.99	143.90	192.89	192.48	340.00	354.00
Share Price-Low	Per Share	53.70	63.50	116.00	110.00	153.00	202.00
Earning Per Share**	Rs. 10/Share	13.10	5.34	5.48	6.41	10.33	20.17
Price Earning Ratio	Times	5.04	12.54	25.23	22.42	15.98	15.87
Dividend Declared	Per Share (Rs)	5.30	4.30	4.00	4.00	12.50	21.00
Bonus Shares	%	-	20.00	10.00	20.00	20.00	20.00
Dividend Payout	%	40.46	37.45	73.03	62.40	121.04	104.12
Dividend Yield	%	8.03	2.99	2.89	2.78	7.58	6.56
Break-up Value	Rs. 10/Share	63.21	50.37	40.29	42.41	53.23	43.78

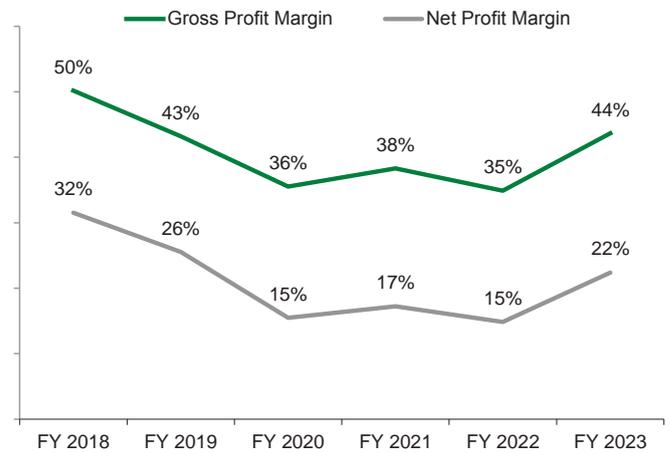
*Shareholder Equity is inclusive of Surplus on Revaluation of Fixed Assets (2022: 1,327.81 M)(2023 : 1,522.26 M)

STAKEHOLDERS INFORMATION

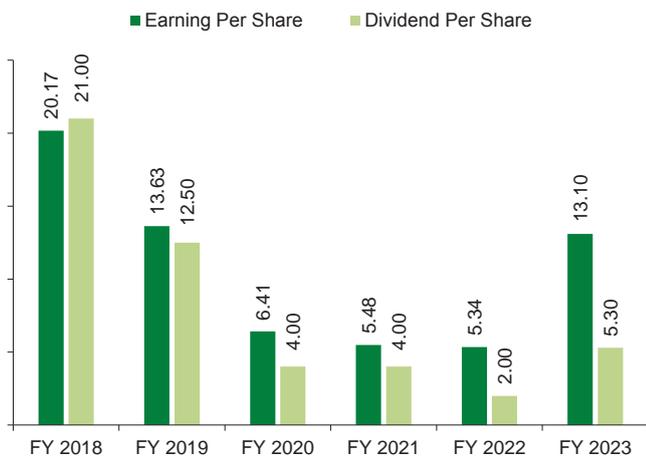
Revenue & Gross Profit (Rs. Million)



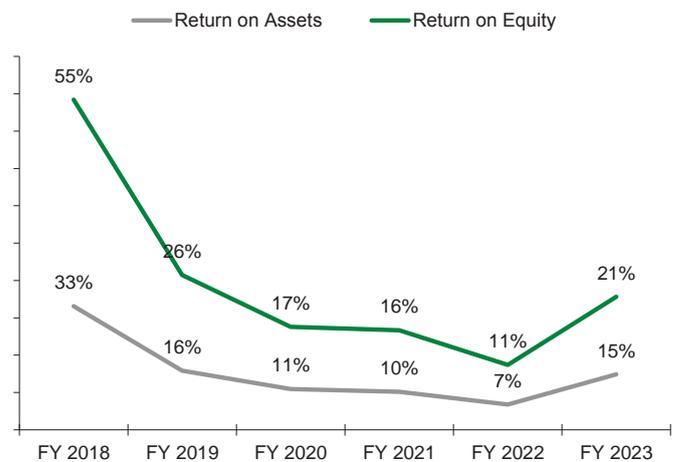
Profitability Ratio (%)



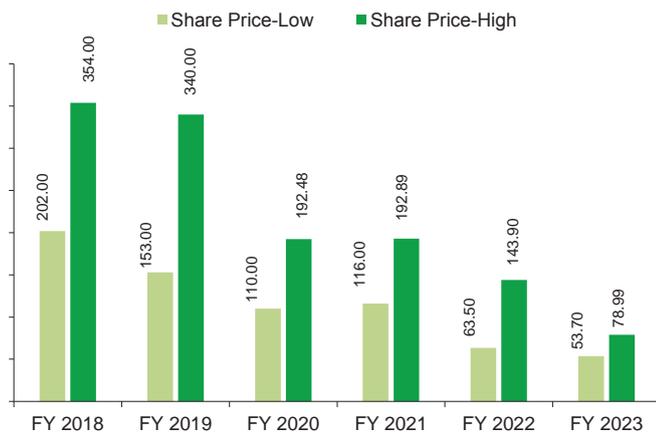
Investors' Ratios (Rs.)



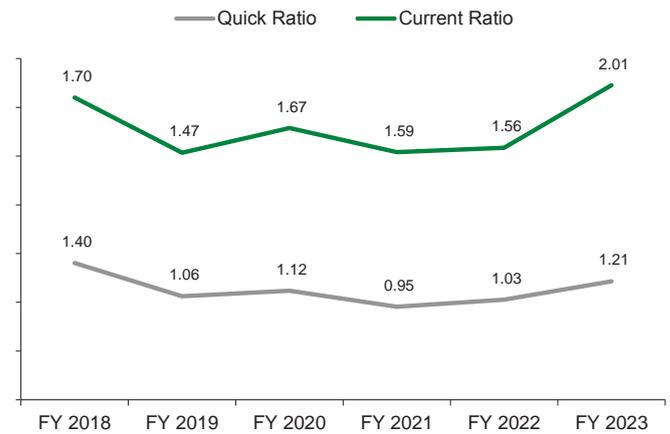
Capital Return Ratios (%)



Market Ratios (Rs./share)



Liquidity Ratio (times)



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company

Biafo Industries Limited

Year Ended

30th June, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 12 as per the following:

- a. Male: Nine (9)
- b. Female: Three (3)

2. The composition of Board is as follows:

i.	Independent Directors	i) Ehsan Mani (Chairman)
		ii) Syed Zomma Mohiuddin
		iii) Adnan Afridi
		iv) Himayat Ullah
ii.	Non-Executive Directors	i) M. Zafar Khan
		ii) Khwaja Ahmad Hosain
		iii) Muhammad Waheed
iii.	Executive Directors	i) M. Afzal Khan
		ii) Anwar Moin (CEO)
iv.	Female Directors	i) Ms. Ayesha Humayun Khan (Non-Executive Director)
		ii) Ms. Mehreen Hosain (Non-Executive Director)
		iii) Ms. Syeda Shahbano Abbas (Non-Executive Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four directors of the Company are exempt from directors training program on the basis of their level of education and length of experience as provided in the CCG. Further, six of the directors of the Company have obtained certification under directors training program as required under clause (xi) of the CCG during prior years. None of the directors have attended any training program during the year. Company has arranged Directors Training Program for 01 Executive (Chief Operating Officer) during the year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

12. The Board has formed committees comprising of members given below:
- a) Audit & Risk Management Committee
- | | | |
|------|-------------------------|----------|
| i) | Adnan Afridi | Chairman |
| ii) | Ms. Ayesha Humayun Khan | Member |
| iii) | Ehsan Mani | Member |
| iv) | Himayat Ullah | Member |
| v) | Muhammad Waheed | Member |
- b) HR and Remuneration Committee
- | | | |
|------|--------------------------|----------|
| i) | Ehsan Mani | Chairman |
| ii) | Ms. Mehreen Hosain | Member |
| iii) | Ms. Syeda Shahbano Abbas | Member |
| iv) | Anwar Moin (CEO) | Member |
| v) | Khwaja Ahmed Hosain | Member |
- i) The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
- j) The frequency of meetings (quarterly/half yearly/ yearly) of the Committee were as per following:
- Audit & Risk Management Committee (quarterly)
 - HR and Remuneration Committee (quarterly)
- k) The Board has outsourced the internal audit function to Asad Ijaz & Co who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- l) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- m) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- n) We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Islamabad
September 26, 2023



Ehsan Mani
Chairman

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Biafo Industries Limited (the Company)

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Biafo Industries Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2023.



Chartered Accountants

Place: Islamabad

Date: October 02, 2023

UDIN: CR202310134acxgIFCVL

INDEPENDENT AUDITORS' REPORT

To members of Biafo Industries Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Biafo Industries Limited (the Company), which comprises the statement of financial position as at June 30, 2023 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matter(s):

INDEPENDENT AUDITORS' REPORT

Sr. No.	Key audit matters	How the matter was addressed in our audit
1	<p>Revenue recognition</p> <p>Refer note 5.7 and 25 to the Financial statements.</p> <p>The Company is engaged in the production and sale of commercial explosives and blasting accessories including detonators and other materials. The Company recognized revenue from the sales of commercial explosives and blasting accessories amounting to Rs. 2,713 million for the year ended 30 June 2023.</p> <p>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and give rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p>	<p>Our audit procedures to assess the recognition of revenue, amongst others, included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue; • Comparing a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • Testing timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents; • Testing journal entries relating to revenue recognized during the year based on identified risk criteria; • Assessing the appropriateness of accounting policy for revenue recognition in accordance with applicable accounting and reporting standards; and • Assessing the adequacy of disclosures related to revenue as required under the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with the audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



Chartered Accountants

Place: Islamabad

Date: September 26, 2023

UDIN: AR202310134hdn7wZ31J



The image is a vertical composition. On the left, a man in a dark suit and tie is shown from the chest up, holding a laptop. The background is a composite of a city skyline at night with illuminated buildings, a blurred office interior with a desk and chair, and a bright, hazy light source at the top. The text 'FINANCIAL STATEMENTS' is centered in the upper half of the image.

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
NON – CURRENT ASSETS			
Property, plant and equipment	6	2,239,860,635	1,990,483,870
Intangibles	7	1,696,906	5,329
Investment property	8	66,861,509	67,562,580
Long-term deposits		1,782,900	1,777,650
		2,310,201,950	2,059,829,429
CURRENT ASSETS			
Inventories	9	701,685,072	542,924,259
Trade debts	10	683,746,715	459,361,686
Short-term advances	11	24,620,394	109,639,300
Trade deposits, short- term prepayments and other receivables	12	48,899,350	52,519,965
Short-term investments	13	247,960,072	316,860,605
Advance tax – net	14	-	40,510,943
Cash and bank balances	15	65,061,864	71,855,534
		1,771,973,467	1,593,672,292
CURRENT LIABILITIES			
Trade, other payables and accrued liabilities	16	320,429,319	349,656,098
Current portion of long-term loan	18	63,608,865	75,299,188
Current portion of lease liabilities	20	4,446,011	6,305,878
Short-term borrowings	17	375,736,513	549,095,329
Provision for taxation	14	65,534,521	-
Unclaimed dividend		33,867,196	27,399,799
Unpaid dividend		17,288,408	15,442,085
		880,910,833	1,023,198,377
NET CURRENT ASSETS			
		891,062,634	570,473,915
NON – CURRENT LIABILITIES			
Long-term loan	18	122,603,091	183,904,620
Employee benefit	19	16,776,731	12,220,200
Lease liabilities	20	2,226,397	6,506,651
Deferred tax liability – net	21	128,006,728	91,364,325
		269,612,947	293,995,796
NET ASSETS			
		2,931,651,637	2,336,307,548
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital	22	463,826,880	463,826,880
Revenue reserve – unappropriated profit		945,568,206	544,672,628
Capital reserve – revaluation surplus on property, plant and equipment – net of tax	23	1,522,256,551	1,327,808,040
		2,931,651,637	2,336,307,548
CONTINGENCIES AND COMMITMENTS			
	24		

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
Revenue - net	25	2,713,098,089	1,668,099,587
Cost of sales	26	(1,529,135,366)	(1,086,118,585)
Gross profit		1,183,962,723	581,981,002
Other income	27	12,134,651	7,661,089
Distribution expenses	28	(68,384,745)	(53,956,789)
Administrative expenses	29	(183,111,361)	(157,653,870)
Net impairment losses on financial assets		(68,120,455)	(4,817,456)
Operating profit		876,480,813	373,213,976
Finance costs	30	(76,426,235)	(71,030,843)
Finance income	31	102,599,765	75,902,172
Net finance cost		26,173,530	4,871,329
Workers' profit participation fund		(45,132,717)	(18,904,265)
Workers' welfare fund		(17,699,105)	(7,184,221)
Profit before tax		839,822,521	351,996,819
Income tax expense	32	(232,143,566)	(104,267,631)
Profit for the year		607,678,955	247,729,188
Earnings per share			
Basic and diluted	33	13.10	5.34

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023 Rupees	30 June 2022 Rupees
Profit for the year	607,678,955	247,729,188
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss	-	-
Revaluation of property, plant and equipment	273,761,148	646,051,563
Tax effect on revaluation surplus for the year	(70,421,174)	(17,072,170)
Remeasurement of defined benefit plan - net of tax	(2,314,474)	(314,862)
	201,025,499	628,664,531
Total comprehensive income for the year	808,704,454	876,393,719

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Capital reserve		Revenue Reserve	Total equity
	Share capital	Revaluation surplus on property, plant and equipment - net of tax	Unappropriated profits	
----- (Rupees) -----				
Balance at 01 July 2021	383,328,000	702,862,295	458,055,695	1,544,245,990
Profit for the year ended 30 June 2022	-	-	247,729,188	247,729,188
Other comprehensive income for the year				
Remeasurement of defined benefit plan	-	-	(443,467)	(443,467)
Tax on remeasurement of defined benefit plan	-	-	128,604	128,604
Revaluation of property, plant and equipment- net of tax	-	646,051,563	-	646,051,563
Tax on revaluation of property, plant and equipment	-	(17,072,170)	-	(17,072,170)
	-	628,979,393	(314,863)	628,664,530
Total comprehensive income for the year transferred to equity	-	628,979,393	247,414,325	876,393,718
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(4,033,648)	-	(4,033,648)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	4,033,648	4,033,648
	383,328,000	1,327,808,040	709,503,668	2,420,639,708
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 30 June 2022	463,826,880	1,327,808,040	544,672,628	2,336,307,548
Balance at 01 July 2022	463,826,880	1,327,808,040	544,672,628	2,336,307,548
Profit for the year ended 30 June 2023	-	-	607,678,955	607,678,955
Other comprehensive income for the year				
Remeasurement of defined benefit plan	-	-	(3,259,823)	(3,259,823)
Tax on remeasurement of defined benefit plan	-	-	945,349	945,349
Revaluation of property, plant and equipment- net of tax	-	273,761,148	-	273,761,148
Tax on revaluation of property, plant and equipment - including effect of change in tax rate	-	(70,421,174)	-	(70,421,174)
	-	203,339,974	(2,314,474)	201,025,500
Total comprehensive income for the year transferred to equity	-	203,339,974	605,364,481	808,704,455
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(8,891,463)	-	(8,891,463)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	8,891,463	8,891,463
	463,826,880	1,522,256,551	1,158,928,572	3,145,012,003
Transactions with owners of the Company Distributions				
Final cash dividend of 2022 @ Rs. 2.30 per share	-	-	(106,680,183)	(106,680,183)
1st Interim cash dividend of 2023 @ Rs. 2.30 per share	-	-	(106,680,183)	(106,680,183)
Total transactions with owners of the Company	-	-	(213,360,366)	(213,360,366)
Balance at 30 June 2023	463,826,880	1,522,256,551	945,568,206	2,931,651,637

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

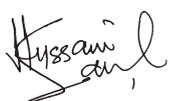


Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		839,822,521	351,996,819
Adjustments for:			
Depreciation on property, plant and equipment	6	62,118,985	37,054,076
Amortization on intangibles	7	1,776	2,664
Depreciation on investment property	8	701,071	719,047
Finance costs		71,092,197	66,749,665
Provision for Workers' profit participation fund		45,132,717	18,904,265
Provision for Workers' welfare fund net of reversal		14,184,700	6,925,436
Provision for gratuity		15,814,354	11,418,605
Provision for slow moving inventory		(1,411,471)	2,319,341
Provision for compensated leave absences		698,582	152,112
Net impairment losses on financial assets		68,120,455	4,817,456
Dividend income		(21,195,676)	(18,428,466)
Rental income		(5,100,000)	(5,100,000)
Unrealized gain on remeasurement of investment		(720,295)	(125,616)
Unrealized exchange (gain)/ loss - net		(71,647,730)	(55,287,408)
Gain on sale of property, plant and equipment		(99,173)	(2,302,304)
Interest income		(9,526,529)	(2,060,682)
		168,163,963	65,758,191
		1,007,986,484	417,755,010
Changes in working capital:			
Inventories		(157,349,342)	(34,498,121)
Trade debts		(292,505,482)	(131,020,960)
Advances, deposits, short term prepayments and other receivables		88,634,271	(86,969,030)
Trade and other payables		(65,970,115)	105,621,421
		(427,190,668)	(146,866,690)
		580,795,816	270,888,320
Cash generated from operating activities			
Finance costs paid		(76,879,711)	(56,819,794)
Contributions to Gratuity fund		(11,418,605)	(4,329,223)
Employee Benefits paid		(537,800)	(4,529,308)
Payments to Workers' profit participation fund		(18,904,265)	(17,545,685)
Income taxes paid		(163,546,689)	(58,217,585)
		(271,287,070)	(141,441,595)
		309,508,746	129,446,725
Net cash from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(24,351,664)	(234,044,358)
Proceeds from sale of property, plant and equipment		99,173	5,667,917
Disposal of Investments		140,548,263	-
Rent received		5,100,000	5,100,000
Dividend received		21,195,676	17,747,912
Interest received		14,820,878	1,700,347
		157,412,326	(203,828,182)
Net cash generated from / (used in) investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(211,514,043)	(80,699,212)
Proceeds from long term loan		-	167,316,446
Repayment of long term loan		(71,914,924)	(21,226,792)
Payment of lease liabilities		(16,926,959)	(10,725,620)
		(300,355,926)	54,664,822
Net cash (used in) / generated from financing activities			
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at beginning of the year			
Cash and cash equivalents at end of the year			
	34	(310,674,649)	(477,239,795)

The annexed notes 1 to 43 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 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) and its shares are quoted on the Pakistan Stock Exchange Limited.

The Company started its commercial production on 01 July 1994 and is principally engaged in the manufacturing and sale 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 and current license is renewable on 31 March 2024.

The Company's production facility is situated at Plot 70, Phase III, 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 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Details of the Company's significant accounting policies are stated in note 5.

3 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

- Leasehold land, buildings on leasehold land and plant and machinery have been measured at revalued amounts; and
- Liabilities related to defined benefit - gratuity and compensated absences which is stated at present value of the defined benefit liability, determined through actuarial valuation.
- Investments at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are disclosed in the respective policy notes.

3.1 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is also the Company's functional currency. All amounts have been rounded to the nearest PKR, unless otherwise indicated.

3.2 Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 5.2 measurement of intangibles and the amortization method on intangibles.
- Note 5.1.1 useful lives, reassessed values, residual values and depreciation method of property, plant and equipment;
- Note 5.4 recognition of deferred tax liabilities and assets and estimation of income tax provisions;
- Note 5.10.iv measurement of expected credit allowance for trade debts;
- Note 5.6.3 recognition of defined benefit plans;

3.3 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT PERIOD

a) Standards, interpretations of and amendments to accounting and reporting standards that are effective in the current period

There are certain amendments to existing accounting and reporting standards that have become applicable to the Company for accounting periods beginning on or after January 01, 2022. These are either considered to be not relevant or do not have any significant impact on these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Effective from Accounting period beginning on or after

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022

b) Standards, interpretations of and amendments to accounting and reporting standards that are not yet effective

There are certain other new amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2024, but are considered not to be relevant or will not have significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

Effective from Accounting period beginning on or after

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income taxes' - International Tax Reform – Pillar Two Model Rules	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 9 'Financial instruments' - Supplier Finance Arrangements	January 01, 2024
Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred Indefinitely

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Standard	Effective Date
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	January 1, 2004
- IFRS 17 – Insurance Contracts	January 1, 2023

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

5.1 Property, plant and equipment

5.1.1 Owned

Recognition and measurement

Items included in property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, except leasehold land, building on leasehold land, plant and machinery and capital work in progress. Leasehold land is stated at revalued amount. Building on leasehold land and plant and machinery is stated at revalued amount less accumulated depreciation. Capital work in progress is stated at cost less accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are recognised in the statement of profit or loss during the financial period in which they are incurred.

Leasehold land, building on leasehold land and plant and machinery are recognized at revalued amounts based on valuation by external independent valuer. Revaluation surplus on property, plant and equipment is credited to capital reserve in shareholders' equity and presented as a separate line item in statement of financial position.

Increases in the carrying amounts arising on revaluation of property, plant and equipment is recognised in statement of comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals of property, plant and equipment are recognised in the statement of profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Leasehold land is not depreciated. Depreciation on other assets is calculated using the reducing balance method except for electric appliances which are depreciated on straight line method to allocate their cost / revalued amount less residual value over their estimated useful lives at the following annual rates:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- Buildings on leasehold land	2.5%
- Plant and machinery	10%
- Fork lifter	10%
- Tools and equipment	10%
- Tube well	10%
- Office equipment	10-33.33%
- Furniture and fixtures	10%
- Electrical appliances	33.33%
- Vehicles - owned and leased	10%

Depreciation on additions to property, plant and equipment is charged from the date at which property, plant and equipment is acquired or capitalized to the date at which property, plant and equipment is disposed off / derecognized.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

5.1.2 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right to use assets

The Company recognises right-of-use assets at the lease commencement date. Right-of-use assets are initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right to use assets is subsequently depreciated using the reducing balance method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of lease term or the cost of the right of use asset reflect that the Company will exercise a purchase option. In that case the right of use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e. below Rs 100,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.2 Intangibles

Costs that are associated with identifiable softwares and economic benefits are probable for more than one year therefrom, are recognized as intangible assets.

Intangible assets are stated at cost less accumulated amortization and impairment if any, except assets that are not available for its intended use, which are stated at cost. Amortization is charged using the straight-line method at rates given in relevant note to write off the historical cost of assets over their estimated useful life. Amortization on additions is commenced from the day the asset is available for use upto the day preceding the day of disposal.

5.3 Inventories

5.3.1 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at lower of weighted average cost and net realizable value less impairment, if any. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. For items which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated net realizable value. The Company reviews the carrying amount of stores, spare parts and loose tools on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stores, spare parts and loose tools.

5.3.2 Stock in trade

These are valued at lower of cost and net realizable value. Cost comprises of cost of purchase and other costs incurred in bringing the items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make a sale.

Cost is determined as follows:

Material in transit:	at material cost plus other charges paid thereon
Raw material:	at moving average cost
Work in process:	at cost of direct materials and appropriate portion of production overheads
Finished goods:	at moving average standard cost

The Company reviews the carrying amount of stock in trade on a regular basis and provision is made for obsolescence, if there is any change in usage pattern or physical form of related stock in trade.

5.4 Income tax expense

Income tax expense comprises current and deferred tax. It is recognized in statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

5.4.1 Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantially enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Current tax assets and liabilities are offset only if certain criteria is met.

5.4.2 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Taxable temporary difference are adjusted by the portion of income expected to fall under presumptive tax regime in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan. The effect of the adjustment is charged or credited to income currently.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

5.5 Investment property

Investment property is the property held either to earn rental or for capital appreciation or for both, but not for sale in ordinary course of business. Investment property is initially measured at cost less accumulated depreciation and impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labor, any other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing cost.

Depreciation is provided on a reducing balance method and charged to statement of profit or loss to write off the depreciable amount of each asset over its estimated useful life at the rates specified in note 8. Depreciation is charged from the month asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets are included in statement of profit or loss. Gains and losses on disposal of investment property are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognized net within "other income" in statement of profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.6 Employee benefits

5.6.1 Short-term employee benefits:

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

5.6.2 Defined contribution plan – provident fund

The Company has established a recognized provident fund for the eligible employees of the Company. Provision is made in the financial statements for the amount payable by the Company to the fund and in this regard contributions are made monthly at the rate of 10% of basic salary equally by the Company and the employee. Obligations for contributions to plan is recognized as an employee benefit expense in statement of profit or loss when they are due. Investments out of provident fund are made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

5.6.3 Defined benefit plans:

The Company operates the following defined benefit plans:

a) Gratuity

The Company operates a defined benefit plan comprising a funded gratuity scheme covering all eligible employees completing the minimum qualifying period of service as specified by the scheme.

The Company's net liability in respect of this defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit liability is performed by a qualified actuary using the projected unit credit method (PUC).

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognized immediately in statement of other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit liability at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

b) Compensated leave absences

The Company operates defined benefit plan comprising an unfunded compensated leave absences scheme covering all eligible employees as specified by the scheme. Liability for unfunded scheme is recognized on the basis of actuarial valuation using the "Projected Unit Credit Method". Provision for the year is charged to profit and loss account. The amount recognized in the statement of financial position represents the present value of defined benefit obligations.

Compensated leave absences Policy applied before 01 July 2020

The Company made provision for compensated un-availed absences accumulated by its employees and charge for the year is recognized in statement of profit or loss. Liability based on actuarial valuation has not been recognised in the financial statements as the management believes that the impact of actuarial valuation is immaterial in the context of over all financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The liability in respect of staff gratuity has been computed by the Company without incorporating the effects of an actuarial valuation, as required under International Accounting Standard (IAS) – 19 "Employee Benefits", as the Company believes that this will not result in any material additional liability.

5.7 Revenue recognition

Revenue comprises the invoiced value for the sale of goods net of sales taxes, rebates and discounts, if any. Revenue from the sale of goods is recognised when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is recognised when specific criteria have been met for each of the Company's activities as described below.

5.7.1 Revenue from contracts with customers

a) Sale of goods

The Company manufactures and sells commercial explosives and blasting accessories including detonators and other materials. Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Company also considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates).

The nature and timing of satisfaction of performance obligations in contracts with customers, including significant payment terms and the related revenue recognition policies are as follows:

- i) Ex-Site - The Company's performance obligation is to deliver the goods to the customers' premises i.e., the Company bears the related freight and insurance expense for transportation and the control of the goods is transferred to the customer at the point in time where goods are delivered to customers' premises, which is the point in time where performance obligation of the contract is met.
- ii) Ex-Factory - The Company's performance obligation is ex - factory i.e., the customer bears the related freight and insurance expense for transportation and the control of the goods is transferred to the customer at the point in time where goods are loaded in customers' transportation vessel at the Company's factory premises which is the point in time where performance obligation of the contract is met.

The normal credit term is generally 15 to 45 days under both of the above selling terms of the contract.

b) Contract assets

The contract assets primarily relate to the Company's rights to consideration for sale of goods provided these are not yet billed at the reporting date. The contract assets are transferred to trade debts when the rights become unconditional.

c) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

d) Contract costs

- i) Costs to obtain a contract – Incremental costs of obtaining a contract i.e., sales commission paid to third parties are accounted for as contract costs and are transferred to profit or loss account based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized and the Company expects to recover such costs.
- ii) Costs to fulfill a contract – Costs that relate directly to a contract and are specifically identified, generate or enhance resources of the entity and are expected to be recovered i.e., direct transportation and insurance costs are accounted for as contract costs and are transferred to profit or loss account based on the systematic pattern of revenue. The Company capitalizes such costs if revenue relating to such contract has not been recognized.

5.8 Foreign currency transactions and balances

Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into PKR at the rates of exchange approximating those prevalent at the date of statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss. Transactions in foreign currencies are translated in PKR (functional and presentation currency) at the exchange rate prevailing on the date of transaction.

5.9 Finance income and finance costs

The Company's finance income and cost includes:

- Dividend income
- Gain on remeasurement of investments at fair value through profit or loss
- Interest on investment in TDRs
- Exchange gain - net (non - derivative financial instruments)
- Interest on saving accounts
- Interest expense on short term borrowings
- Interest expense on loans and borrowings
- Interest expense on lease liabilities
- Bank charges

Interest income and expense is recognized using effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset
- the amortised cost of the financial liability

In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Income on short term investments, classified as financial assets at fair value through profit or loss, are re-measured to fair value at each reporting date until the assets are de-recognized. The gains and losses arising from changes in fair value are included in the statement of profit or loss in the period in which they occur.

Divided income is recorded in the statement of profit or loss when the right to receive is established.

5.10 Financial instruments

i) Recognition and initial measurement

The Company initially recognises financial assets on the date when they are originated. Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortized cost;
- fair value through other comprehensive income (FVOCI); or
- fair value through profit or loss (FVTPL)

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

a) Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

iii) Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by at amortised impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective at FVOCI interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net at FVOCI gains and losses are recognised in OCI and are never reclassified to profit or loss.

iv) Impairment of financial assets

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowance, if any. The Company recognises a loss allowance for ECL on trade debts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognises lifetime ECL for trade debts. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

v) De-recognition

Financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred asset. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognised a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

vi) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5.11 Trade and other receivables

Trade and other receivables are initially stated at fair value of consideration to be received. Subsequent to initial recognition these are carried at their amortized cost as reduced by appropriate charge for expected credit losses, if any. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest method. Impairment of trade debts and other receivables is described in note 5.10.iv.

5.12 Trade and other payables

Trade and other payables are initially carried at the fair value of the consideration to be paid in future for goods and services received. Subsequent to initial recognition, these are carried at amortized cost.

5.13 Provisions

A provision is recognized in statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.14 Borrowing

Borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost.

5.15 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividend is approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5.16 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and short-term borrowings under mark-up arrangements, used by the Company in the management of its short-term commitments. Cash and cash equivalents are carried in the statement of financial position at amortized cost.

5.17 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which assets carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment losses had not been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

5.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

5.19 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognised, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognised in the financial statements.

5.20 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit and loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.21 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment. The financial statements have been prepared on the basis of a single reportable segment.

- Revenue from external customers for products of the Company is disclosed in note 25.
- Revenue from three major customers of the Company constitutes 52% (2022: 43%) of the total revenue during the year ended 30 June 2023. All the Assets of the Company are based in Pakistan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6 PROPERTY, PLANT AND EQUIPMENT 6.1 Reconciliation of carrying amounts

	Owned										Right of use asset	Total	
	Leasehold land	Building on leasehold land	Plant and machinery	Fork lifter	Tools and equipment	Tube well	Office equipment	Furniture and fixtures	Electrical appliances	Vehicles			Capital work in progress (Note 6.6)
	(rupees)												
Cost / Revalued amount													
Balance at 01 July 2021	663,146,196	151,423,834	192,120,863	3,154,690	3,856,774	2,606,600	15,462,065	12,593,829	13,853,122	25,513,713	115,544,741	20,494,193	1,219,770,620
Additions	-	1,464,142	7,108,094	-	-	-	97,383	776,295	1,923,374	-	222,675,069	14,077,416	248,121,773
Disposals	-	-	-	-	-	-	-	-	-	(5,624,112)	(334,422,883)	-	(5,624,112)
Transfer from CWIP	-	57,162,497	277,260,386	-	-	-	-	-	-	-	-	-	-
Transfer from accumulated depreciation net replacement value method surplus for the year	-	(10,412,082)	(60,455,225)	-	-	-	-	-	-	-	-	-	(70,867,307)
Balance at 30 June 2022	1,230,705,025	206,665,243	487,500,000	3,154,690	3,856,774	2,606,600	15,219,448	13,370,124	15,776,496	19,989,601	3,796,927	34,571,609	2,037,112,537
Balance at 01 July 2022	1,230,705,025	206,665,243	487,500,000	3,154,690	3,856,774	2,606,600	15,219,448	13,370,124	15,776,496	19,889,601	3,796,927	34,571,609	2,037,112,537
Additions	10,786,838	-	16,955,418	-	431,146	-	5,229,309	265,025	1,470,766	-	2,596,104	-	37,734,606
Disposals	-	-	-	-	-	-	-	-	(332,094)	-	(6,393,031)	-	(332,094)
Transfer from CWIP	-	3,796,925	2,596,106	-	-	-	-	-	-	-	-	-	-
Transfer from accumulated depreciation net replacement value method surplus for the year	-	(5,259,214)	(49,060,794)	-	-	-	-	-	-	-	-	-	(54,320,008)
Balance at 30 June 2023	1,261,758,348	231,686,347	685,000,000	3,154,690	4,287,920	2,606,600	20,446,757	13,635,149	16,915,168	19,889,601	-	34,571,609	2,293,956,189
Accumulated Depreciation													
Balance at 01 July 2021	-	6,203,825	34,961,426	2,068,947	1,303,212	1,804,264	7,630,453	5,003,495	13,035,314	9,382,652	-	1,638,814	83,032,402
Charge for the year	-	4,208,257	25,493,798	108,574	255,356	80,234	1,465,912	789,660	703,457	1,453,750	-	2,497,744	37,056,742
Disposals	-	-	-	-	-	-	-	-	-	(2,258,499)	-	-	(2,258,499)
Transfer from accumulated depreciation net replacement value method surplus for the year	-	(10,412,082)	(60,455,224)	-	-	-	-	-	-	-	-	-	(70,867,306)
Balance at 30 June 2022	-	-	-	2,177,521	1,558,568	1,884,498	8,761,693	5,793,155	13,738,771	8,577,903	-	4,136,558	46,628,667
Balance at 01 July 2022	-	-	-	2,177,521	1,558,568	1,884,498	8,761,693	5,793,155	13,738,771	8,577,903	-	4,136,558	46,628,667
Charge for the year	-	5,259,214	49,060,794	97,717	266,202	72,210	1,329,484	779,532	1,079,157	1,131,170	-	3,043,505	62,116,985
Disposals	-	-	-	-	-	-	-	-	(332,091)	-	-	-	(332,091)
Transfer from accumulated depreciation net replacement value method surplus for the year	-	(5,259,214)	(49,060,794)	-	-	-	-	-	-	-	-	-	(54,320,008)
Balance at 30 June 2023	-	-	-	2,275,238	1,824,770	1,956,708	10,091,177	6,572,687	14,485,837	9,709,073	-	7,180,063	54,095,553
Carrying amounts													
- 30 June 2022	1,230,705,025	206,665,243	487,500,000	977,169	2,298,206	722,102	6,457,755	7,576,969	20,377,25	11,311,698	3,796,927	30,435,051	1,990,483,870
- 30 June 2023	1,261,758,348	231,686,347	685,000,000	879,452	2,463,150	649,892	10,357,580	7,062,462	2,429,331	10,180,528	-	27,391,546	2,239,860,635

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6.2 Depreciation charge for the year has been allocated as follows:

	Note	30 June 2023 Rupees	30 June 2022 Rupees
	26	55,271,369	30,913,212
Cost of sales	28	526,814	153,886
Distribution expenses	29	6,320,802	5,989,642
Administrative expenses		62,118,985	37,056,740

6.3 Revaluation of leasehold land, building on leasehold and plant and machinery

Leasehold land, building on leasehold land and plant and machinery of the Company were revalued on 30 June 1996, 30 June 2005, 30 June 2010, 30 June 2015, 30 June 2019, 30 June 2022 and 30 June 2023. Last valuation was carried out by an independent valuer M/s Asrem (Private) Limited on 30 June 2023. Land and building were revalued on the market basis whereas plant and machinery under the depreciated replacement cost basis. Revaluation surplus net of incremental depreciation included in the book value of these assets as stated in note 23 amounted to Rs. 1,619 million (2022: Rs. 1,355 million) at the year end. The fair value when determined falls under level 3 hierarchy. Sensitivity analysis has not been presented since data about observable inputs is not available.

Forced sale values as per revaluation performed on 30 June 2023 were as follows, however, the forced sale values do not include the impact of subsequent additions.

	30 June 2023 Rupees	30 June 2022 Rupees
Leasehold land (Industrial Estate Hattar)	952,560,000	926,100,000
Building on leasehold land (Head office and Industrial Estate Hattar)	532,378,000	506,966,000
Plant and machinery (Industrial Estate Hattar)	582,250,000	414,375,000
	2,067,188,000	1,847,441,000

Had there been no revaluations, related figures of revalued leasehold land, building on leasehold and plant and machinery would have been as follows:

	Net book value	
	30 June 2023 Rupees	30 June 2022 Rupees
Leasehold land	54,820,721	44,033,883
Building on leasehold land	188,374,69	193,302,170
Plant and machinery	331,998,353	371,059,450
	575,193,767	608,395,503

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

6.4 Leasehold lands of the Company are located at the following locations:

Location	Usage	Area
Plot 70, Phase 3, Hattar Industrial Estate, Hattar	Production Plant	29.40 Acres
Plot 23, I&T Centre, G-10/4, Islamabad	Head Office Building	533.33 Sq Yds

6.5 Detail of disposal of property, plant and equipment:

Particulars	Cost	Book value	Sale proceeds	(Loss) / gain	Mode of disposal	To	Relationship of purchaser with Company or any of its' directors
Rupees							
Air Conditioners	193,106	-	99,173	99,173	Quotation	Muhammad Asif	Open Market
Refrigerator	45,980	-	-	-	Write Off	Write Off	
UPS & Batteries	93,005	-	-	-	Write Off	Write Off	
June 2023	332,091	-	99,173	99,173			
June 2022	5,624,112	3,365,613	5,667,917	2,302,304			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
6.6 Breakup of capital work in progress at the reporting date is as follows:			
Building on leasehold land		-	3,796,925
		-	3,796,925
7 INTANGIBLES			
Computer software - in use	7.1	3,553	5,329
Capital work in progress - computer software	7.3	1,693,353	-
		1,696,906	5,329
7.1 Computer software - in use			
Cost			
Balance at 01 July		340,000	340,000
Additions		-	-
Balance at 30 June		340,000	340,000
Accumulated depreciation on Software			
Balance at 01 July		(334,671)	(332,007)
Charge for the year		(1,776)	(2,664)
Balance at 30 June		(336,447)	(334,671)
Carrying amount		3,553	5,329
Rate of depreciation per annum		33.3%	33.3%
7.2			
Amortization charge for the year has been allocated to administrative expenses.			
7.3 Capital work in progress - computer software			
Balance at 01 July		-	-
Additions		1,693,353	-
Transfer from CWIP		-	-
Balance at 30 June		1,693,353	-
8 INVESTMENT PROPERTY			
Building	8.1	27,341,756	28,042,827
Land		39,519,753	39,519,753
		66,861,509	67,562,580
8.1 Building			
Cost			
Balance at 01 July		32,848,608	32,848,608
Additions		-	-
Balance at 30 June		32,848,608	32,848,608
Accumulated depreciation on Building			
Balance at 01 July		(4,805,781)	(4,086,734)
Charge for the year		(701,071)	(719,047)
Balance at 30 June		(5,506,852)	(4,805,781)
Carrying amount		27,341,756	28,042,827
		2.5%	2.5%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 8.2** Depreciation charge for the year has been allocated to administrative expenses.
- 8.3** As per latest valuation of investment property, fair value of investment property is Rs. 156,812,989 (2022: Rs. 155,248,498).
- 8.4** The fair value of investment property was determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value falls in level 3 hierarchy, is measured for disclosure purpose only. Sensitivity analysis has not been presented since data about observable input is not available.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
9 INVENTORIES			
Stores, spare parts and loose tools	9.1	44,801,832	39,582,058
Stock in trade	9.2	656,883,240	503,342,201
		701,685,072	542,924,259
9.1 Stores, spare parts and loose tools			
Mechanical store		24,694,375	25,115,744
Electrical store		20,661,333	15,757,894
General store		3,303,001	2,613,077
Safety equipment		416,810	369,030
		49,075,519	43,855,745
Provision for slow moving stores, spare parts and loose tools	9.2.2	(4,273,687)	(4,273,687)
		44,801,832	39,582,058
9.2 Stock in trade			
Raw materials	9.2.1	509,812,632	300,460,766
Packing materials		21,166,591	18,590,296
Work in process		51,446,992	19,084,209
Finished goods		76,011,777	168,173,153
		658,437,992	506,308,424
Provision for slow moving stock in trade	9.2.2	(1,554,752)	(2,966,223)
		656,883,240	503,342,201
		701,685,072	542,924,259

9.2.1 This includes in transit stock amounting to Rs. 3,269,577 (2022: Rs.3,549,755).

	30 June 2023 Rupees	30 June 2022 Rupees
9.2.2 Movement in provision during the year		
Opening balance	7,239,910	4,920,569
Charge / (Reversal) for the year	(1,411,471)	2,319,341
Closing balance	5,828,439	7,239,910

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

			30 June 2023	30 June 2022
		Note	Rupees	Rupees
10	TRADE DEBTS			
	Trade debts			
	- Secured		143,075,481	80,249,298
	- Unsecured		640,765,799	411,086,498
	Less: allowance for expected credit losses	10.1	(100,094,565)	(31,974,110)
			683,746,715	459,361,686
10.1	Movement of allowance for expected credit losses during the year			
	Opening balance		31,974,110	27,156,654
	Charge for the year		68,120,455	4,817,456
	Closing balance		100,094,565	31,974,110
11	SHORT TERM ADVANCES			
	Advances to suppliers - unsecured		22,511,728	105,138,584
	Advances to employees - interest free - unsecured		2,108,666	4,500,716
			24,620,394	109,639,300
12	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
	Trade deposits - interest free		10,327,099	18,305,486
	Prepayments		4,566,905	4,020,524
	Sales tax receivable		33,029,226	27,489,014
	Others receivables		976,120	2,704,941
			48,899,350	52,519,965
13	SHORT - TERM INVESTMENTS			
			30 June 2023	30 June 2022
			Rupees	Rupees
			30 June 2023	30 June 2022
			Rupees	Rupees
	Investments at fair value through profit or loss:			
	UBL Liquidity Plus Fund	881,782	1,924,817	13.1
			89,224,473	194,576,089
			89,224,473	194,576,089
	Amortized cost			
	Term deposit receipt (TDR)		157,630,000	121,861,500
	Accrued interest		1,105,599	423,016
			247,960,072	316,860,605

13.1 These investments are stated at fair value at the year end, using the year end redemption price. Gain on remeasurement is included in finance income. As stated in note 17, 881,782 units (2022: 1,924,817) in UBL Liquidity Plus Fund are pledged as security against running finance facilities arranged with United Bank Limited.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13.2 This represents foreign currency term deposit receipt (TDR) amounting to USD 550,000 (2022: USD 593,000) including accrued mark - up due as at year end. This carries interest rate at 1% to 10.10% (2022: 1% to 5.50%) per annum. As stated in note 17.1, TDRs of USD 550,000 (2022: USD 550,000) are given as security against running finance facility arranged with Allied Bank Limited.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
14	ADVANCE TAX - net		
	Balance at 01 July	40,510,943	52,113,062
	Income tax expense for the year	(265,922,337)	(65,338,348)
	Adjustment of Workers' welfare fund	(3,669,816)	(4,481,356)
	Income tax paid during the year	163,546,689	58,217,585
	Balance at 30 June	(65,534,521)	40,510,943
15	CASH AND BANK BALANCES		
	Cash at bank - conventional banking		
	Current accounts	64,781,366	71,685,445
	Saving accounts	66,853	64,023
		64,848,219	71,749,468
	Cash in hand	213,645	106,066
		65,061,864	71,855,534

15.1 These include foreign currency balances amounting to Rs. 1,730,325 [USD 6,037] (2022: Rs. 1,482,485 [USD 7,214]).

15.2 These carry interest at the rate of 14.5% (2022: 12.25%) per annum.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
16	TRADE, OTHER PAYABLES AND ACCRUED LIABILITIES		
	Trade creditors	157,655,022	149,907,644
	Contract liability - unsecured	1,486,508	1,812,131
	Accrued liabilities	42,684,504	23,526,542
	Insurance payable	811,553	972,652
	Workers' profit participation fund payable	45,132,717	18,904,265
	Workers' welfare fund payable	17,699,105	7,184,221
	Payable to employees' provident fund	1,846,948	1,951,500
	Withholding tax payable	-	2,005,650
	Others	53,112,962	143,391,493
		320,429,319	349,656,098

16.1 The contract liabilities outstanding as at June 30, 2022 amounting to PKR 248,588 have been fully recognized as revenue during the current year.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
16.2	Workers' profit participation fund payable		
	Balance at 01 July	18,904,265	17,545,685
	Charge for the year	45,132,717	18,904,265
	Payment during the year	(18,904,265)	(17,545,685)
	Balance at 30 June	45,132,717	18,904,265
16.3	Workers' welfare fund payable		
	Balance at 01 July	7,184,221	4,740,141
	Charge for the year	17,699,105	7,184,221
	Adjustment during the year	(7,184,221)	(4,740,141)
	Balance at 30 June	17,699,105	7,184,221

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
17	SHORT - TERM BORROWINGS		
Allied Bank Limited	17.1	371,313,268	424,436,153
- Running finance / ERF			
United Bank Limited	17.2	4,423,245	124,659,176
- Running finance			
		375,736,513	549,095,329

17.1 This represents utilized amount of running finance facilities with cumulative sanctioned limit of Rs. 500 million (2022: Rs. 500 million) to meet the working capital requirements of the Company. These facilities include running finance facility - RF I with sanctioned limit of Rs. 300 million carrying mark-up at the rate of 3 months KIBOR + 1.00% of the utilized amount, running finance facility - RF III with maximum sanctioned limit of Rs. 125 million carrying markup at the rate of 3 months KIBOR + 0.75% per annum of the utilized amount and secured against the investment made in the ABL term deposit receipts of USD 550,000 with 5% margin. Also refer note 13.2. These facilities also contain utilized amount of loan with cumulative sanctioned limit of Rs. 150 million (2022: Rs. Nil) to finance raw material import. The loan carries mark-up at the rate of 1 months KIBOR + 2.50% of the utilized amount.

RF I has sub limit of letter of credit - usance (foreign) and letter of guarantees (LGs) secured against cash and cash equivalents with a margin of 10% along with a facility of Letter of Credit Foreign amounting to Rs. 50 million. Further, the Company has facilities aggregating to Rs. 75 million (2022: Rs. 75 million) for Export Re-finance-I and Export Re-finance-II.

These facilities are further secured by way of first charge amounting to Rs. 993 million on all present and future current assets (excluding financial assets) and fixed assets (excluding head office building) of the Company including equitable mortgage over industrial property of the Company, lien on valid import and export documents of the Company and corporate guarantee of the Company for each letter of guarantee in addition to the securities mentioned above.

17.2 This represents utilized amount of running finance facility of Rs. 200 million (2022: Rs. 200 million) for financing working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR + 0.75% per annum. The facility is secured against investment in units of UBL Liquidity Plus Fund with 5% margin. Refer note 13.1

RF facility has sub limit of letter of guarantees (LGs) secured against deposit under lien and / or investment in UBL Funds with 5% margin amounting to Rs. 32 million.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
18	LONG TERM LOAN - SECURED		
Loan under refinancing schemes		183,904,627	255,819,551
Less: current portion of long term loans		(61,301,536)	(71,914,931)
		122,603,091	183,904,620
Current portion			
Current portion of long term loans		61,301,536	71,914,931
Markup accrued		2,307,329	3,384,257
		63,608,865	75,299,188
Allied Bank Limited			
Loan for Salary and Wages	18.1	-	10,613,389
Loan for acquisition of Property, Plant and Equipment	18.2	183,904,627	245,206,162
		183,904,627	255,819,551

18.1 This represents utilized amount of long term finance facilities under SBP's refinance scheme for payment of salaries and wages with cumulative sanctioned limit (2022: Rs. 45 million). The facility has been repaid entirely during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18.2 This represents utilized amount of long term finance facilities under SBP's temporary economic refinance scheme for import of plant and machinery with cumulative sanctioned limit of Rs. 250 million (2022: Rs. 250 million). The facility carries mark-up at the rate of SBP rate + 4.00% of the utilized amount. The tenor of the facility is 5 years repayable in 16 equal quarterly installments started from July 2022. The facility is secured by way of first charge on all present and future current assets (excluding financial assets) and fixed assets of the Company along with equitable mortgage over plot # 70 Phase III industrial Estate Hattar measuring 29.4 Acres.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
19 EMPLOYEE BENEFIT			
Accumulated compensated absences	19.1	962,377	801,595
Payable to staff gratuity fund	19.2	15,814,354	11,418,605
		16,776,731	12,220,200
19.1 Accumulated compensated absences			
Balance at 01 July		801,595	678,791
Charge for the year		698,582	152,112
Benefits paid during the year		(537,800)	(29,308)
Balance at 30 June		962,377	801,595
19.2 Defined benefit obligation - gratuity			
19.2.1 The amounts recognized in the statement of financial position are as follows:			
Present value of defined benefit obligation		106,841,335	89,974,663
Fair value of plan assets		(91,026,981)	(78,556,058)
Liability		15,814,354	11,418,605
19.2.2 Amount recognised in the profit or loss is as follows:			
Current service cost		11,812,322	10,758,677
Net interest cost		742,209	216,461
		12,554,531	10,975,138
19.2.3 Amount to be recognised in other comprehensive income			
Actuarial (gain) / loss on obligation		3,503,010	(102,007)
Actuarial gain / (loss) on plan assets		(243,187)	545,474
		3,259,823	443,467
19.2.4 The movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation at beginning		89,974,663	72,998,605
Current service cost		11,812,322	10,758,677
Interest cost		11,077,505	7,253,171
Benefits paid		(9,526,165)	(933,783)
Re-measurement of defined benefit obligation		3,503,010	(102,007)
Present value of defined benefit obligation at end		106,841,335	89,974,663
19.2.5 The movement in fair value of plan assets:			
Fair value of plan assets at beginning		78,556,058	68,669,382
Expected return on plan assets		10,335,296	7,036,710
Contributions		11,418,605	4,329,223
Benefits paid		(9,526,165)	(933,783)
Re-measurement of plan assets		243,187	(545,474)
Fair value of plan assets at end		91,026,981	78,556,058

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023 Rupees	30 June 2022 Rupees
19.2.6 Contributions expected to be paid to the plan during the next year	15,814,354	11,418,605
19.2.7 Plan assets comprise of:		
National Savings	41,100,940	42,053,353
Government bonds	25,032,879	9,062,324
Mutual Funds	24,444,365	26,536,161
Cash and cash equivalents	448,797	904,220
	91,026,981	78,556,058

19.2.8 Principal actuarial assumptions used in the actuarial valuations are as follows:

	30 June 2023	30 June 2022
Discount rate	15.25%	13%
Salary growth rate	14.25%	12%

19.2.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in respective assumptions by one percent.

	2023 Defined benefit obligation	
	Effect of 1 percent increase	Effect of 1 percent decrease
	Rupees	
Discount rate	(9,383,903)	10,845,721
Future salary growth	10,720,927	(9,421,185)

19.2.10 Projected payments

The weighted average of plan duration is 11.2 years (2022: 10.9 years). The year wise projected payments are as follows;

Years	Amount
2024	4,682,607
2025	3,749,665
2026	9,435,365
2027	12,338,642
2028	18,104,039
2029-33	152,693,522

19.2.11 Significant risk associated with the staff retirement benefit scheme:

Longevity Risks:	The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.
Salary Increase Risk:	The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.
Withdrawal Risk:	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
20 LEASE LIABILITIES			
Lease liabilities	20.1	6,672,408	12,812,529
Less: Current portion		(4,446,011)	(6,305,878)
Long term portion		2,226,397	6,506,651
20.1 Lease liabilities			
as at 1 July		12,812,529	9,460,733
Additions		10,786,838	14,077,416
Payments		(16,926,959)	(10,725,620)
as at 30 June		6,672,408	12,812,529

20.2 Maturity analysis of undiscounted lease payments that will be paid after the reporting date is as follow:

	Note	30 June 2023 Rupees	30 June 2022 Rupees
Less than one year		4,446,011	8,192,511
One to five years		2,226,398	7,669,112
		6,672,409	15,861,623
Amounts recognized in the profit or loss			
Interest on lease liabilities	30	2,080,936	2,497,742
Depreciation	6	3,043,505	1,767,597
		5,124,441	4,265,339

21 DEFERRED TAX LIABILITY - net

2023

Taxable temporary difference

Property, plant and equipment
Right of use assets
Surplus on revaluation of property,
plant and equipment

Deductible temporary difference

Employee benefits
Trade debts
Stores, spare parts and loose tools

	Recognized in		Net balance at 30 June 2023
	Net balance at 01 July 2022	Profit or loss	
----- (Rupees) -----			
69,095,801	(9,894,388)	-	59,201,414
4,146,428	1,186,678	-	5,333,106
28,191,310	(3,081,959)	70,421,174	95,530,524
(2,830,212)	(1,963,523)	-	(4,793,735)
(6,385,508)	(19,378,833)	-	(25,764,341)
(853,493)	(646,747)	-	(1,500,240)
91,364,326	(33,778,771)	70,421,174	128,006,728

2022

Taxable temporary difference

Property, plant and equipment
Right of use assets
Surplus on revaluation of property,
plant and equipment

Deductible temporary difference

Retirement benefits
Trade debts
Stores, spare parts and loose tools
Post Retirement employee benefits

	Recognized in		Net balance at 30 June 2022
	Net balance at 01 July 2021	Profit or loss	
----- (Rupees) -----			
29,264,607	39,831,194	-	69,095,801
2,043,335	2,103,093	-	4,146,428
12,240,314	(1,121,174)	17,072,170	28,191,310
(1,460,434)	(1,369,778)	-	(2,830,212)
(5,906,572)	(478,936)	-	(6,385,508)
(1,070,224)	216,731	-	(853,493)
251,846	(251,846)	-	-
35,362,872	45,364,444	17,072,170	91,364,326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

22 SHARE CAPITAL

22.1 Authorized share capital

60,000,000 (2022: 60,000,000) ordinary shares of Rs. 10 each.

22.2 Issued, subscribed and paid up capital

2023	2022		2023	2022
Number of Shares			Rupees	
20,000,000	20,000,000	Ordinary shares of Rs. 10 each for cash issued	200,000,000	200,000,000
26,382,688	26,382,688	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	263,826,880	263,826,880
46,382,688	46,382,688		463,826,880	463,826,880

22.2.1 13,844,038 ordinary shares i.e. 29.85% (2022: 24,230,574 ordinary shares i.e. 52.24%) Rs. 10 each are held by the Directors of the Company.

22.2.2 All ordinary share holders have same rights regarding voting, board election, right of first refusal and block voting.

22.3 Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for share holders and benefits for other stake holders, and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to share holders and/or issue new shares. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirement.

	30 June 2023 Rupees	30 June 2022 Rupees
Debt	568,620,877	821,111,666
Equity	2,931,651,637	2,336,307,548
	3,500,272,514	3,157,419,214
Gearing Ratio	16%	26%

23 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - net of tax

Revaluation surplus - gross

Balance at 01 July

Surplus on revaluation for the year - gross

Transferred to equity in respect of incremental depreciation - net of deferred tax

Related deferred tax on incremental depreciation

Incremental depreciation charged to statement of profit or loss

Balance at 30 June

Related deferred tax liability

Balance at 01 July

Reversed in statement of profit or loss on incremental depreciation

Effect of change in tax rate

Tax on revaluation surplus for the year

Balance at 30 June

	2023	2022
Balance at 01 July	1,355,999,350	715,102,609
Surplus on revaluation for the year - gross	273,761,148	646,051,563
	1,629,760,498	1,361,154,172
Transferred to equity in respect of incremental depreciation - net of deferred tax	(8,891,463)	(4,033,648)
Related deferred tax on incremental depreciation	(3,081,959)	(1,121,174)
Incremental depreciation charged to statement of profit or loss	(11,973,422)	(5,154,822)
Balance at 30 June	1,617,787,076	1,355,999,350
Related deferred tax liability		
Balance at 01 July	(28,191,310)	(12,240,314)
Reversed in statement of profit or loss on incremental depreciation	3,081,959	1,121,174
Effect of change in tax rate	(5,171,648)	-
Tax on revaluation surplus for the year	(65,249,526)	(17,072,170)
Balance at 30 June	(95,530,525)	(28,191,310)
	1,522,256,551	1,327,808,040

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 For contingencies relating to tax matters refer note 32 to the financial statements.

24.2 Commitments

24.2.1 Letters of credit issued by Allied Bank Limited on behalf of the Company for import of raw materials and acquisition of Fixed Assets, outstanding at the year end amounted to Rs. 43,975,904 (2022: Rs. 36,311,645). The Letter of Credit is secured by way of lien over valid import documents.

24.2.2 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 the year end amounted to Rs. 9,761,197 (2022: Rs. 2,260,742). Letter of Guarantees are secured by 10% cash margin, counter guarantee of Biafo Industries Limited for each LG and Hypothecation charge/ mortgage on property as under RF-1 facility.

24.2.3 Letter of guarantee issued by United Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding at the year end amounted to Rs. 31,107,000 (2022: Rs. Nil). Letter of Guarantees are secured by 5% cash margin, counter guarantee of Biafo Industries Limited for each LG and lien on investment in UBL Funds under RF facility.

25 REVENUE - net

Local sales- gross

Sales tax

Local sales-net

Export sales

	30 June 2023 Rupees	30 June 2022 Rupees
	1,853,451,537	1,387,835,870
	(276,150,866)	(202,472,765)
	1,577,300,671	1,185,363,105
	1,135,797,418	482,736,482
	2,713,098,089	1,668,099,587

25.1 Export sales includes sales made through contracts with customers for Saindak, Dudder with in Pakistan (2022: Saindak and Dudder) projects in Balochistan, Pakistan which has been declared as Export Processing Zone by the Government of Pakistan (Gop).

25.2 Disaggregation of revenue base on product categories

Tovex water gel explosives

Powder explosives

Accessories

Other finished goods

	30 June 2023 Rupees	30 June 2022 Rupees
	1,381,815,226	752,003,892
	373,069,040	362,004,206
	931,725,326	490,060,800
	26,488,497	64,030,689
	2,713,098,089	1,668,099,587

25.3 Disaggregation of revenue based on customer segmentation:

Cement sector

Oil and gas sector

Construction sector

Large projects

Export sector

Others

	331,140,065	277,340,779
	846,616,222	300,971,290
	246,999,478	274,875,734
	143,464,694	274,717,888
	1,135,797,418	482,736,483
	9,080,212	57,457,414
	2,713,098,089	1,668,099,588

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
26	COST OF SALES		
Materials consumed	26.1	940,475,983	783,516,363
Stores, spare parts and loose tools consumed		13,829,199	9,996,954
Packing materials consumed		25,376,424	26,279,218
Fuel and power expenses		25,569,887	24,316,359
Salaries, wages and other benefits	26.2	180,655,000	157,719,238
Insurance		8,069,008	5,881,130
Repairs and maintenance		8,334,463	10,655,280
Depreciation	6.2	55,271,369	30,913,212
Vehicle running and maintenance		3,917,844	3,994,358
Travelling and conveyance		766,529	713,656
Water charges		642,610	135,300
Telephone, telex and postage		564,802	950,221
Printing and stationery		447,148	412,943
Canteen		2,181,218	2,404,166
Transportation cost		95,220,548	65,653,720
Fees and subscription		1,893,679	1,615,032
Vehicle rent		4,389,000	3,114,301
Security charges		8,815,279	6,917,784
Export expenses		84,114,769	3,990,422
Other manufacturing expenses		8,802,014	8,948,808
Provision for slow moving inventory		-	2,319,341
		1,469,336,773	1,150,447,806
Work in process:			
at beginning of the year		19,084,209	8,376,890
at end of the year		(51,446,992)	(19,084,209)
		(32,362,783)	(10,707,319)
Cost of goods manufactured		1,436,973,990	1,139,740,487
Finished goods:			
at beginning of the year		168,173,153	114,551,251
at end of the year		(76,011,777)	(168,173,153)
		92,161,376	(53,621,902)
		1,529,135,366	1,086,118,585
26.1	Materials consumed		
Balance at 01 July		300,460,766	336,977,816
Purchases during the year		1,149,827,849	746,999,313
		1,450,288,615	1,083,977,129
Balance at 30 June		(509,812,632)	(300,460,766)
		940,475,983	783,516,363
26.2	This includes an amount of Rs. 10,132,769 (2022: Rs. 13,601,262) charged on account of employees' retirement benefits.		
27	OTHER INCOME	30 June 2023 Rupees	30 June 2022 Rupees
Rental income		5,100,000	5,100,000
Reversal of WWF		3,514,405	258,785
Misc. Income		3,421,073	-
Gain on sale of property, plant and		99,173	2,302,304
		12,134,651	7,661,089

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 Rupees	30 June 2022 Rupees
28			
DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	28.1	39,982,117	33,498,421
Sales commission		95,618	11,899,467
Staff travelling and conveyance		20,785,164	3,441,343
Fees and subscription		264,600	-
Telephone and postage		278,131	199,885
Entertainment		841,524	54,479
Printing and stationery		259,329	316,594
Vehicle running and maintenance		2,345,698	1,490,567
Insurance		164,753	62,515
Other charges		2,840,997	2,839,632
Depreciation	6.2	526,814	153,886
		68,384,745	53,956,789

28.1 This include an amount of Rs. 3,164,642 (2022: Rs. 3,545,635) charged on account of employees' retirement benefits.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
29			
ADMINISTRATIVE EXPENSES			
Chief Executive Officer and Directors' remuneration	29.1	39,669,394	48,855,960
Salaries, wages and other benefits	29.1	66,346,502	48,085,367
Directors' travelling and conveyance		28,858,873	20,349,815
Staff travelling		3,633,063	336,903
Electricity, gas and water charges		1,935,217	1,454,222
Telephone, telex and postage		1,202,767	1,038,193
Rent, rates and taxes		540,452	224,458
Legal and professional charges		8,178,072	9,671,130
Donation	29.3	2,500,000	2,660,500
Auditors' remuneration	29.2	2,250,000	2,250,000
Printing and stationery		1,706,116	1,707,873
Entertainment		932,421	650,382
Insurance		557,509	547,806
Advertisements		2,027,334	462,227
Vehicle running and maintenance		8,444,862	5,672,650
Repair and maintenance		2,545,806	2,150,142
Security charges		1,470,747	1,140,506
General expenses		3,288,577	3,687,046
Depreciation on investment property	8	701,071	719,047
Amortization charge for the year	7.1	1,776	2,664
Depreciation	6.2	6,320,802	5,986,979
		183,111,361	157,653,870

29.1 These include Rs. 2,516,943 (2022: Rs. 4,132,589) charged on account of retirement benefits.

	Note	30 June 2023 Rupees	30 June 2022 Rupees
29.2			
Auditors' remuneration			
Annual audit fee		1,500,000	1,500,000
Half year review		300,000	300,000
Other certifications		450,000	450,000
		2,250,000	2,250,000

29.3 These donations has been made to Balochistan Rural Support Programme, Sindh Rural Support Organization and The Miracles Trust Swat. There is no interest of directors in these donations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	30 June 2023 Rupees	30 June 2022 Rupees
30 FINANCE COSTS		
Mark up on short term borrowings	58,392,501	51,708,780
Mark up on long term loans	10,498,423	11,586,017
Interest on lease liabilities	2,080,936	1,767,597
Bank charges	5,334,038	4,281,179
Mark up on WPPF	120,337	1,687,270
	76,426,235	71,030,843
31 FINANCE INCOME		
Dividend income	21,195,676	18,428,466
Gain on remeasurement of investments at fair value through profit or loss	720,295	125,616
Exchange gain - net	71,647,730	55,287,408
Interest on investment in TDRs	9,026,523	2,038,029
Interest on saving accounts	9,541	22,653
	102,599,765	75,902,172
32 INCOME TAX EXPENSE		
Current tax expense	265,922,337	65,338,348
Deferred tax expense	(33,778,771)	38,929,283
	232,143,566	104,267,631
32.1 Reconciliation of tax expense for the year		
Profit before tax	839,822,521	351,996,819
Tax rate	29%	29%
Tax on accounting profit	243,548,531	102,079,078
Tax effect of income charged under final tax regime	(117,289,195)	(45,759,747)
Super tax effect	70,043,737	5,173,699
Amount not deductible for tax purposes	109,552,195	43,733,061
Amount deductible for tax purposes but not taken to the statement of profit and loss	(25,791,958)	(39,851,743)
Deferred tax impact	(33,778,771)	38,929,283
	232,143,566	104,303,631

32.2 Tax assessments up to and including tax year 2022 have been finalized. However, the tax authorities are empowered to reopen these assessments within five years from the end of the financial year in which the returns were filed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 32.3** The Officer Inland Revenue (OIR), LTU Islamabad while issuing appeal effect under order section 124 of the Income Tax Ordinance, 2001 for the Tax Year 2009, made some mistakes. Disallowed admissible deduction comprising of notional income aggregating to Rs. 1,766,063 and disallowed tax deposited / paid on exports amounting to Rs. 2,112,736. As a result of the above mistake tax refund has been restricted to Rs. 11,114,986. The Company has filed an application on June 4, 2015 for rectification before OIR, LTU, Islamabad under section 221 of the Income Tax Ordinance, 2001, which is pending with OIR, LTU, Islamabad. Based on tax consultant's advice management expects favourable outcome in this regard.
- 32.4** The Officer Inland Revenue (OIR), LTU Islamabad while issuing appeal effect under order section 124 of the Income Tax Ordinance, 2001 for the Tax Year 2010, made some mistakes. Disallowed admissible deduction comprising of notional income aggregating to Rs. 4,318,240 and disallowed salaries amounting to Rs. 6,878,798. As a result of the above mistake tax refund has been restricted to Rs. 8,853,548. The Company has filed an application on June 4, 2015 for rectification before OIR, LTU, Islamabad under section 221 of the Income Tax Ordinance, 2001, which is pending with OIR, LTU, Islamabad. Based on tax consultant's advice management expects favourable outcome in this regard.
- 32.5** The tax authority while issuing appeal effect order under section 124 of the Income Tax Ordinance, 2001 [the "Ordinance"] for the Tax Year 2012 disallowed expenses amounting to Rs. 28,226,385 relating to Salaries, WPPF, donations and expenses relating to Final Tax Regime (FTR). Further, the tax credit has only been allowed to the extent of tax demand determined so there is no outstanding tax liability based on the appeal effect order. Being aggrieved with the order of CIR(A), the Company has filed an appeal on August 11, 2016 before Appellate Tribunal and to date no hearing notice has been issued. Based on tax consultant's advice management expects favourable outcome in this regard.
- 32.6** The Add CIR. LTU. Islamabad had issued show cause notice u/s 122(5A) of the ITO 2001 relating to tax year 2014 and the Company has duly responded to the notices and provided the details/documents requested. However, the Add CIR. LTU. Islamabad had issued an order u/s 122(5A) of the ITO 2001 dated 27 June 2020 wherein alleged tax demand of Rs. 340,682,982 has been determined. The Company has filed appeal with CIR(A), Islamabad. The CIR (Appeals-I), Islamabad has remanded back the case to the assessing officer. The DCIR, Islamabad has initiated the appeal effect proceedings. Based on tax consultant's advice management expects favourable outcome in this regard.
- 32.7** The tax authority has issued letter contending short fall of Rs. 61,401,195 in advance tax paid by the Company for the Tax Year 2017. On writ petition filed by the Company on June 30, 2017, the Islamabad High Court has granted stay against recovery of tax demand till the next date of hearing. Based on tax consultant's advice management expects favourable outcome in this regard.

		30 June 2023	30 June 2022
33	EARNINGS PER SHARE - basic and diluted		
	Profit for the year (Rupees)	607,678,995	247,729,188
	Average number of shares outstanding during the year (Number)	46,382,688	46,382,688
	Earnings per share (Rupees)	13.10	5.34
34	CASH AND CASH EQUIVALENTS		
	Cash and bank balances	65,061,854	71,855,534
	Short-term borrowings	(375,756,513)	(549,095,329)
		(310,674,649)	(477,239,795)

Note

15
17

30 June 2023
Rupees

30 June 2022
Rupees

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

35 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities			Total
	Lease liabilities	Long term loan	Unpaid and unclaimed dividend	
	(Rupees)			
Balance at 01 July 2022	12,812,529	261,319,830	42,841,886	316,974,245
Changes from financing cash flows				
Dividend paid	-	-	(211,514,043)	(211,514,043)
Repayment of loans and borrowings	-	(72,991,852)	-	(72,991,852)
Lease liability paid	(6,140,121)	-	-	(6,140,121)
	(6,140,121)	(72,991,852)	(211,514,043)	(290,646,016)
Other changes				
Dividend announced	-	-	213,360,366	213,360,366
New leases	-	-	-	-
Balance at 30 June 2023	6,672,408	188,327,978	44,688,209	239,688,595
Balance at 01 July 2021	9,460,733	112,601,689	39,208,938	161,271,360
Changes from financing cash flows				
Dividend paid	-	-	(80,699,212)	(80,699,212)
Repayment of loans and borrowings	-	148,718,141	-	148,718,141
Lease liability paid	(10,725,620)	-	-	(10,725,620)
	(10,725,620)	148,718,141	(80,699,212)	57,293,309
Other changes				
Dividend announced	-	-	84,332,160	84,332,160
New leases	14,077,416	-	-	14,077,416
Balance at 30 June 2022	12,812,529	261,319,830	42,841,886	316,974,245

36 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer	Executive Directors	Executives	Total
	(Rupees)			
2023				
Managerial remuneration	19,200,000	11,580,000	100,035,120	130,815,120
Employee benefits	-	-	5,064,649	5,064,649
Bonus	3,200,000	1,930,000	16,672,520	21,802,520
Total	22,400,000	13,510,000	121,772,289	157,682,289
Number of persons	1	1	39	
2022				
Managerial remuneration	18,500,000	22,140,000	86,126,100	126,766,100
Employee benefits	4,500,000	-	10,597,537	15,097,537
Bonus	1,600,000	1,845,000	7,177,175	10,622,175
Total	24,600,000	23,985,000	103,900,812	152,485,812
Number of persons	1	3	39	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

- 36.1** The aggregate amount charged in the financial statements in respect of meeting fee paid to other than Chief Executive Officer and Executive Directors was Rs. 15,300,000 (2022: Rs. 14,875,000).
- 36.2** Chief Executive Officer, Executive Directors, Chief Operating Officer, Chief Financial Officer, Advisors Safety and Security and Advisor Human Resource are provided with the Company maintained vehicles.
- 36.3** Number of persons include those who worked part of the year.

37 RELATED PARTIES

Following are the related parties with whom the Company had entered into transactions during the year;

Sr no	Name of related party	Relationship	Direct % holding in the company
1	Mohammad Afzal Khan	Director	13.9828%
2	Ayesha Humayun Khan	Director	5.8127%
3	Syeda Shahbano Abbas	Director	4.1318%
4	Khwaja Ahmad Hosain	Director	1.1818%
5	Ehsan Mani	Director	0.3975%
6	Himayat Ullah	Director	0.1423%
7	Mehreen Hosain	Director	0.0602%
8	Anwar Moin	Director	0.0064%
9	Muhammad Waheed	Director	0.0026%
10	Syed Zomma Mohiuddin	Director	0.0022%
11	Muhammad Zafar Khan	Director	0.0011%
12	Adnan Afridi	Director	0.0011%

36.1 Related party transactions and disclosures

Related parties comprise of associated undertakings, directors, key management personnel, entities over which the directors are able to exercise influence, employees' provident fund and gratuity fund. Transactions with related parties and balances outstanding at the year end are only with directors of the company on the basis of their shareholding. Transactions with the related parties are disclosed are as follows:

	30 June 2023 Rupees	30 June 2022 Rupees
Dividend to non - executive directors	88,718,838	35,303,332
Other related parties		
Remuneration including benefits and perquisites of key management personnel		
Dividend to key management personnel (Executive directors)	35,910,000	48,585,000
Bonus shares issued during the year	13,858,829	5,735,006
Contribution towards employees' provident fund	10,566,812	9,712,769
Contribution towards employees' gratuity fund	11,668,650	4,329,223
Balances		
Payable to Employees Provident Fund	1,738,454	1,951,500
Payable to Employees Gratuity Fund	13,386,537	11,418,605

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38 FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38.1 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Financial assets and liabilities	Carrying amount		Fair value				Total
	Amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Level 1	Level 2	Level 3	
30 June 2023	Rupees		Rupees				
Financial assets measured at fair value							
Short term investments	-	89,224,473	-	89,224,473	-	-	89,224,473
	-	89,224,473	-	89,224,473	-	-	89,224,473
Financial assets not measured at fair value							
Trade debts	683,746,715	-	-	-	-	-	-
Advances to employees	2,108,666	-	-	-	-	-	-
Other receivables	976,120	-	-	-	-	-	-
Short-term investments	158,735,599	-	-	-	-	-	-
Bank balances	64,848,219	-	-	-	-	-	-
Trade deposits	10,327,099	-	-	-	-	-	-
Long - term deposits	1,782,900	-	-	-	-	-	-
Total financial assets	922,525,318	89,224,473	-	89,224,473	-	-	89,224,473
Financial liabilities not measured at fair value							
Short-term borrowings	-	-	375,736,513	-	-	-	-
Unclaimed dividend	-	-	33,867,196	-	-	-	-
Unpaid dividend	-	-	17,288,408	-	-	-	-
Long term loans	-	-	188,519,284	-	-	-	-
Lease liabilities	-	-	8,753,344	-	-	-	-
Trade and other payables	-	-	254,264,041	-	-	-	-
Total financial liabilities	-	-	878,428,786	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38.1 Fair value of financial assets and liabilities (continued)

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
30 June 2022	Rupees				Rupees			
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	71,749,468	-	-	71,749,468	-	-	-	-
Trade deposits	18,305,486	-	-	18,305,486	-	-	-	-
Long - term deposits	1,777,650	-	-	1,777,650	-	-	-	-
Total financial assets	680,684,463	194,576,089	-	875,260,552	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	-	-	-	-

38.1.1 The Company has not disclosed the fair values of financial assets and liabilities which are either short term in nature or reprise periodically.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

38.2 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Auditor. Internal Auditor undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

38.2.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company does not have any significant exposure to customers from any single country or single customer.

Credit risk of the Company arises principally from trade debts, deposits, advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows;

	2023 Rupees	2022 Rupees
Long term deposits	1,782,900	1,777,650
Trade Debts	683,746,715	459,361,686
Short term investments	247,960,072	316,860,605
Advances to employees	2,108,666	4,500,716
Trade deposits and other receivables	11,303,219	21,010,427
Bank balances	64,848,219	71,749,468
	1,011,749,791	875,260,552

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The trade debts are due from foreign and local customers for export and local sales respectively. Majority of the trade debts from foreign customers are secured against letters of credit. Management assesses the credit quality of local and foreign customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

The Company always measures the loss allowance for trade debts at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on local trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognized a loss allowance of Rs. 68 million (2022: Rs. 4.8 million) against all local trade debts .

The following table provides information about the exposure to credit risk and ECL for trade debts as at 30 June 2023

	Weighted average loss rate <u>Percentage</u>	Gross carrying amount	Allowance for expected credit losses <u>Rupees</u>	impaired
Not past due	4.21%	273,369,057	11,516,485	No
Past due 0-30 days	3.48%	54,276,820	1,889,579	No
Past due 31-60 days	6.52%	77,694,273	5,063,208	No
Past due 61-90 days	11.42%	333,124,405	38,051,901	No
Past due 91-120 days	15.89%	10,379,900	1,649,035	No
Past due 121-150 days	21.94%	7,474,405	1,639,550	No
Past due 151-180 days	21.63%	7,859,206	1,700,190	No
Past due 181-210 days	24.85%	77,520	19,260	No
Over 210 days	199.78%	6,441,311	12,868,764	No
Over 210 days (loss)	100.00%	25,696,593	25,696,593	Yes
		<u>783,841,280</u>	<u>100,094,565</u>	

38.2.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to dynamic nature of the business. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

There were no defaults on loans payable during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

30 June 2023	Contractual cash flows				
	Carrying amount	Contractual cash flows	Maturity up to one year	Maturity after one year and up to five years	Maturity after five years
	Rupees	Rupees			
Maturity upto one year					
Short-term borrowings	375,736,513	375,736,513	375,736,513	-	-
Unclaimed dividend	33,867,196	33,867,196	33,867,196	-	-
Unpaid dividend	17,288,408	17,288,408	17,288,408	-	-
Long term loan	188,519,284	188,519,284	63,608,865	124,910,419	-
Lease liabilities	6,672,408	6,672,408	4,446,011	2,226,398	-
Trade and other payables	254,264,041	254,264,041	254,264,041	-	-
	876,347,850	876,347,850	749,211,034	127,136,817	-
	876,347,850	876,347,850	749,211,034	127,136,817	-
30 June 2022					
Short-term borrowings	549,095,329	549,095,329	549,095,329	-	-
Unclaimed dividend	27,399,799	27,399,799	27,399,799	-	-
Unpaid dividend	15,442,085	15,442,085	15,442,085	-	-
Long term loan	259,203,807	259,203,807	75,299,188	183,904,619	-
Lease liabilities	12,812,529	15,861,623	8,192,511	7,669,112	-
Trade and other payables	215,019,875	215,019,875	215,019,875	-	-
	1,078,973,424	1,082,022,518	890,448,787	191,573,731	-
	1,078,973,424	1,082,022,518	890,448,787	191,573,731	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The contractual cash flows relating to loans and borrowings have been determined on the basis of expected markup rates.

38.2.3 Market risk

Market risk is the risk that changes in market prices e.g. foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market price management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Foreign currency risk management

The Pakistan Rupee (PKR) is the functional currency of the Company and as a result currency exposures arise from transactions and balances in currencies other than PKR. The Company's potential foreign currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditures and revenues

The potential currency exposures are discussed below:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Transactional exposure in respect of non – functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non – functional currency expenditure and revenues

Certain operating and capital expenditures is incurred by the Company in currencies other than the functional currency. Certain sales revenue is earned in currencies other than the functional currency of the Company. These currency risks are managed as part of overall risk management strategy. The Company does not enter into forward exchange contracts.

Exposure to foreign currency risk on year end monetary balances

The Company's exposure to foreign currency risk was as follows based on following amounts:

	2023 USD	2022 USD
Asset:		
Trade debts	1,173,740	537,922
Bank balances	6,037	7,214
Investments	593,000	593,000
	1,772,777	1,138,136
Liability:		
Trade creditors	135,791	80,569
	135,791	80,569

The significant exchange rates applied during the year were:

	Average rate		Reporting date – closing rate	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
USD 1	246.05	181.65	286.60	205.50

Sensitivity analysis

A 10 percent weakening of the PKR against the USD at 30 June would have increased profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2023 Rupees	2022 Rupees
Statement of profit or loss	45,683,645	21,733,011

A 10 percent strengthening of the PKR against the USD at 30 June would have had the equal but opposite effect on USD to the amounts shown above, on the basis that all other variables remain constant.

b) Interest rate risk

The interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market interest rates. The Company has long term and short term Pakistan Rupees based loans and borrowing arrangements at variable rates. The local currency loans and borrowings have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Non - derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non - derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

39 CAPACITY AND PRODUCTION

Products	Units	Rated production capacity	2023	2022
			Actual production	
Tovex water gel and powder explosives	Kgs	6,000,000	3,231,632	3,695,271
Detonator - plain / electric	Nos	9,000,000	2,238,722	1,135,940
Detonating cord	Meters	2,500,000	2,270,100	3,016,750

The Shortfall in production of certain products is due to the gap between market demand and the available capacity.

40 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES

Description	2023 Rupees	2022 Rupees
i) Loans / advances obtained as per Islamic mode	1,486,508	104,590,587
ii) Shariah compliant bank deposits / bank balances	-	-
iii) Profit earned from shariah compliant bank deposits / bank balances	-	-
iv) Net revenue earned from a shariah compliant business segment	2,713,098,089	1,668,099,587
v) Gain/loss or dividend earned from shariah compliant investments	-	-
vi) Exchange gain /(loss) earned	720,295	55,287,408
vii) Markup paid on Islamic mode of financing	-	-
viii) Profits earned or interest paid on any conventional loan or advance:	-	-

For profits earned on conventional investments and finance cost on conventional short-term running finance facilities, refer notes 31 and 30 respectively.

41 EMPLOYEES PROVIDENT FUND TRUST

All the investments in collective investment schemes and debt securities out of provident fund trust and contributory gratuity fund trust have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and rules formulated for this purpose.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

42 CORRESPONDING FIGURES

Corresponding figures and balances have been rearranged and reclassified, wherever necessary, for the purpose of comparison, the effects of which are not material.

43 GENERAL

43.1 Figures have been rounded off to the nearest rupee.

43.2 Corresponding figures have been re-arranged and re-classified, where necessary, for the purpose of better presentation and comparison.

43.3 Non - adjusting events after reporting date

The Board of Directors proposed final cash dividend at the rate of Rs. 3.00 per share at 30% in its meeting held on 26 September 2023.

43.4 Number of persons employed

Employees on year end (number)

Regular

43.4.1

2023

177

2022

188

Contractual

43.4.1

66

60

Average employees during the year (number)

245

230

43.4.1 Out of total 243 employees of the company at year end (2022: 248), 180 were factory employees (2022: 184).

43.5 Date of authorization for issue

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 26 September 2023.



Chief Financial Officer



Chief Executive Officer



Director

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2023

NO. OF SHAREHOLDERS	SHARE HOLDING		TOTAL NUMBER OF SHARES HELD
	FROM	TO	
293	1	100	7,808
447	101	500	124,221
229	501	1,000	174,634
640	1,001	5,000	1,436,484
111	5,001	10,000	772,512
50	10,001	15,000	602,554
28	15,001	20,000	476,413
19	20,001	25,000	434,592
9	25,001	30,000	243,157
10	30,001	35,000	332,739
8	35,001	40,000	297,497
3	40,001	45,000	132,523
1	45,001	50,000	50,000
2	50,001	60,000	107,359
3	60,001	70,000	196,720
4	70,001	80,000	289,708
1	100,001	125,000	100,218
2	125,001	150,000	273,068
4	150,001	175,000	655,290
2	175,001	200,000	375,670
2	200,001	225,000	430,591
2	225,001	250,000	463,826
1	300,001	325,000	312,617
1	400,001	425,000	414,943
2	525,001	550,000	1,075,633
1	675,001	700,000	693,630
5	1,500,001	2,000,000	9,039,651
1	2,500,001	3,000,000	2,696,086
1	3,500,001	4,000,000	3,587,133
1	5,000,001	5,500,000	5,130,000
1	6,000,001	6,500,000	6,485,606
1	8,500,001	9,000,000	8,969,805
1885			46,382,688

SHAREHOLDER'S CATEGORY	NUMBERS OF SHAREHOLDERS	NUMBERS OF SHARE HELD	PERCENTAGE
INDIVIDUALS	1,857	45,361,459	97.80%
JOINT STOCK COMPANIES	23	696,125	1.50%
INSURANCE COMPANIES	3	321,679	0.69%
MUTUAL FUNDS	3	3,425	0.01%
	1,886	46,382,688	100.00%

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2023

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	% AGE
Directors, CEO & their Spouse and Minor Children			
Mohammad Afzal Khan	1	6,485,606	13.98
Ayesha Humayun Khan	1	2,696,086	5.81
Syeda Shahbano Abbas	1	1,916,447	4.13
Khwaja Ahmad Hosain	1	548,158	1.18
Ehsan Mani	1	184,369	0.40
Himayat Ullah	1	66,000	0.14
Mehreen Hosain	1	27,920	0.06
Riffat Moin	1	15,770	0.03
Anwar Moin	1	2,957	0.01
Muhammad Waheed	1	1,210	0.00
Syed Zomma Mohiuddin	1	1,000	0.00
Muhammad Zafar Khan	1	500	0.00
Adnan Afridi	1	500	0.00
Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, & Modarba	2	314,724	0.68
Mutual Funds:			
CDC - Trustee AKD Opportunity Fund	1	2,950	0.01
CDC - Trustee Alfalah GHP Stock Fund	1	308	0.00
CDC - Trustee Pakistan Pension Fund - Equity Sub Fun	1	167	0.00
Other Individuals	1,864	16,431,078	35.43
Shareholders holding 5% or more shares in the Company:			
Yasmin Hosain	1	8,969,805	19.34
Basit Waheed	1	5,130,000	11.06
Shireen Safdar	1	3,587,133	7.73
TOTAL	1,885	46,382,688	100.00

Details of transactions in the shares by the Director, CEO, CFO, Company Secretary and their Spouses and minor children:

	Shares Purchased / Transferred In	Shares Sold / Transferred Out
Mohammad Afzal Khan	3,473,274	-
Himayat Ullah	65,500	-
Mehreen Hosain	27,420	-
Khawaja Shaiq Tanveer	15,500	-
Riffat Moin	4,000	-
Anwar Moin	2,500	-
Muhammad Zafar Khan	-	13,893,095

PROXY FORM

The Secretary
Biafo Industries Limited
1st Floor, Biafo House,
Plot No. 23, St No. 38-40
I&T Centre, G-10/4,
Islamabad.

I/We.....of
..... being member of BIAFO INDUSTRIES LIMITED
and Holder of Ordinary Shares as per Share Register Folio (Number)
..... and/ or CDC Participant I.D. No.and Sub
Account No. hereby appoint
..... of
.....(Name)
as my/our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the
Company to be held at Kehkashan Hall, Islamabad Hotel, G-6, Civic-Centre, Melody Market, Islamabad
on October 25, 2023 at 11:00 am and any adjournment thereof.

Signed day of 2023

Signature

(Signature should agree with the specimen
signature registered with the Company)

WITNESSES:

1. Signature
Name
.....
Address
.....
NIC or
Passport No.....

WITNESSES:

2. Signature
Name
.....
Address
.....
NIC or
Passport No.....

Note:

1. A member entitled to be present and vote at the Meeting may appoint a proxy to attend and vote for him/her. A proxy need not be a member of the Company.
2. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the Meeting.
3. CDC Shareholders and their Proxies must each attach an attested photocopy of their National Identity Card or Passport with the proxy form.

Proxy فارم

جناب سیکرٹری

بیا فوائڈسٹریز لمیٹڈ

فسٹ فلور، بیا فوائڈس، پلاٹ نمبر 23، سٹریٹ نمبر 38-40،

آئی اینڈ ٹی مرکز، جی ٹین فور، اسلام آباد۔

میں رہم _____ بحیثیت رکن بیا فوائڈسٹریز لمیٹڈ اور شیئرز رجسٹر فولیو (نمبر) _____ کے مطابق

_____ عمومی شیئرز کا حامل ہوں رکے حامل ہیں اور ریسی ڈی سی پارٹیسپینٹ (Participant) شناختی کارڈ نمبر _____

اور ذیلی کھاتہ نمبر _____ بذریعہ ہذا _____ کو _____ (نام) کو مقرر کرتا ہوں۔

جیسا کہ میرے رہارے Proxy نے کمپنی کے 35 ویں سالانہ عمومی اجلاس میں میرے رہارے حوالے سے ووٹ دینا ہے جو کہ کشاں ہال، اسلام آباد ہوٹل،

G-6 سوک سینٹر، میلوڈی مارکیٹ، اسلام آباد میں 25 اکتوبر، 2023ء 11:00 am اور کسی بھی اس کے التواء کے منعقد ہوگا۔

دستخط _____ مورخہ _____ 2023 کو کئے گئے

دستخط

(دستخطی اس نمونہ جاتی سے متفق ہونا چاہیے جو کمپنی کے پاس مندرج شدہ ہیں)

گواہان

_____	۲- دستخط	_____	۱- دستخط
_____	نام	_____	نام
_____	پتہ	_____	پتہ
_____		_____	

_____	سی این آئی سی یا	_____	سی این آئی سی یا
_____	پاسپورٹ نمبر	_____	پاسپورٹ نمبر

نوٹ:

۱- کوئی بھی رکن جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ہو وہ اجلاس میں اپنی جگہ شرکت اور ووٹ دینے کے لیے کسی کو Proxy مقرر کر سکتے گا۔ Proxy کو کمپنی کارکن ہونے کی ضرورت نہیں ہے۔

۲- بخرض موثریت Proxy فارم، کمپنی کے رجسٹرڈ آفس میں اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہیے۔

۳- جملہ سی ڈی سی شیئرز ہولڈرز اور ان کے Proxies کو قومی شناختی کارڈ یا پاسپورٹ کی نقل بمعہ Proxy فارم کے ساتھ منسلک کرنا لازمی ہے۔

E-DIVIDEND MANDATE FORM

The Secretary
Biafo Industries Limited
1st Floor, Biafo House,
Plot No. 23, St No. 38-40,
I&T Centre, G-10/4,
Islamabad.

Bank account details for payment of Dividend through Electronic Mode

Dear Sir,

I/We/Messrs. _____
being shareholder(s) of Biafo Industries Limited hereby authorize the Company to directly credit cash dividends declared by it, in my bank account as detailed below:

(i) Shareholder's details:	
Name of the Shareholder	
CDC Participant ID & Sub-Account No. /CDC IAS	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Contact Number (Landline & Cell Nos.)	
Shareholder's Address	
(ii) Shareholder's Bank account details:	
Title of Account	
IBAN *	
Bank's Name	
Branch Name & Code No.	
Branch Address	

It is stated that the above particulars given by me are correct and I shall keep the Company informed in case of any changes in the said particulars in future.

Yours truly,

Signature of Shareholder

(Please affix company stamp in case of corporate entity)

Notes:

- * Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.
- ** This letter must be sent to shareholder's participant/CDC Investor Account Services which maintains his/her CDC account for incorporation of bank account details for direct credit of cash dividend declared by the Company from time to time.



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-  Knowledge center
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-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



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*Mobile apps are also available for download for android and ios devices

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