

Quarterly Report

for the Period Ended
31 March 2020



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

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CORPORATE INFORMATION

Corporate Information

Board of Directors

Executive Directors

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

Deputy Chairman
Chief Executive Officer
Executive Director
Executive Director

Non Executive Directors

Dr. M. Humayun Khan
M. Zafar Khan
Khwaja Ahmad Hosain
Basit Waheed
Adnan Aurangzeb
Ms. Ayesha Humayun Khan

Chairman
Director
Director
Director
Director
Director

Independent Directors

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

Director
Director
Director
Director

Company Secretary

Khawaja Shaiq Tanveer

Chief Financial Officer

Syed Sajid Hussain Shah

Audit & Risk Management Committee

| | |
|---------------------|----------|
| Ehsan Mani | Chairman |
| Dr. M. Humayun Khan | Member |
| Adnan Aurangzeb | Member |
| Muhammad Yaqoob | Member |
| Khwaja Ahmad Hosain | Member |
| Basit Waheed | Member |

HR & Remuneration Committee

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

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

Bankers

Allied Bank of Pakistan
National Bank of Pakistan
Bank of Khyber

Bank Alfalah Limited
United Bank Limited
Faysal Bank Limited

Registered Office

Biafo Industries Limited

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

Factory

Biafo Industries Limited

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

Shares Registrar

Riasat Ishtiaq Consulting (Pvt) Ltd

Office No. 19-20, 2nd Floor, Hill View Plaza, Jinnah Avenue, Blue Area, Islamabad.
Tel: +92 51 2344223-4 Fax: +92 51 2605658



DIRECTORS' REPORT

BIAFO INDUSTRIES LTD.

DIRECTORS' REPORT FOR THE QUARTER / NINE MONTHS ENDED 31 MARCH 2020

Your Directors are pleased to submit the un-audited accounts for the quarter/nine months ended March 31, 2020.

Net sales value of the company in the nine months period ended March 31, 2020 increased by 15.13% to Rs. 1,280.60 M (Mar 19: Rs. 1,112.26 M) while net sales value in the quarter to March, 2020 decreased by 2.24% to Rs. 388.51 M (Mar 19: 397.41 M).

In the period under review, sales Improved to the Oil and Gas sector and large projects due to increased Seismic Exploration activity. Whereas supplies to mining/ construction projects have shown a decline due to slow down of economic activities.

Gross profit for the nine months period ending March 31, 2020 decreased by 7.22% to Rs. 466.85 M. and for the quarter to March, 20 decreased by 11.77% to Rs. 125.86 M. Net profit after taxation for the nine months decreased by 6.99% to Rs. 237.23 M. (EPS March 2020: Rs. 7.49 & EPS March 2019: Rs. 8.96 Restated) and for the quarter to March, 2020 decreased by 10.86% to Rs. 54.93 M. (EPS March 2020: Rs. 1.73 & EPS March 2019: Rs. 3.14 Restated). The main reasons for the profitability decline were, increase in the price of imported raw materials due to Pak Rupee depreciation, increase in markup rates, and general slowdown of the Country's economy. It is also anticipated that due to recent hit taken by the country because of the COVID-19 spread and lock down of the Industry, performance of the Company in the coming periods may be effected.

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

Your Board of Directors have declared the 3rd interim cash dividend of Rs. Nil per share for the period under review.

The Board comprises of 14 members including Chief Executive Officer, having 10 male and 4 female members. The composition of Board is as follows:

| Category | Names |
|--------------------------------|--|
| Independent Directors | Muhammad Yaqoob Ehsan Mani Ms. Mehreen Hosain Ms. Syeda Shahbano Abbas |
| Non-Executive Directors | Dr. M. Humayun Khan M. Zafar Khan Khawaja Ahmad Hosain Basit Waheed Adnan Aurangzeb Ms. Ayesha Humayun Khan |
| Executive Directors | M. Afzal Khan Anwar Moin (CEO) Maj. Gen. (Ret'd.) S.Z.M. Askree Ms. Shirin Safdar |

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

Audit Committee

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

HR & Remuneration Committee

| | |
|--------------------------|----------|
| Ehsan Mani | Chairman |
| Ms. Mehreen Hosain | Member |
| Dr. M. Humayun Khan | Member |
| Anwar Moin (CEO) | Member |
| Ms. Ayesha Humayun Khan | Member |
| Ms. Syeda Shahbano Abbas | Member |

CSR & HSE Committee

| | |
|-------------------------|----------|
| Ms. Ayesha Humayun Khan | Chairman |
| M. Zafar Khan | Member |
| Basit Waheed | Member |
| Ms. Mehreen Hosain | Member |

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



Anwar Moin
Chief Executive Officer

Islamabad
28th April, 2020

بورڈ کی کمٹیاں اور ان کی تشکیل حسب ذیل ہے۔

آڈٹ کمیٹی

احسان مانی، چیئر مین

عدنان اورنگزیب، رکن

محمد یعقوب، رکن

باسط وحید، رکن

خولید احمد حسین، رکن

ڈاکٹر ایم ہمایوں خان، رکن

ایچ آر معاوضہ جاتی کمیٹی

احسان مانی، چیئر مین

محترمہ مہرین حسین، رکن

ڈاکٹر ایم ہمایوں خان، رکن

انور معین (سی ای او)، رکن

محترمہ عائشہ ہمایوں خان، رکن

محترمہ سیدہ شاہ بانو عباس، رکن

سی ایس آر و ایچ ایس ای کمیٹی


محترمہ عائشہ ہمایوں خان، چیئر مین

ایم ظفر خان، رکن

باسط وحید، رکن

محترمہ مہرین حسین، رکن

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


انور معین
چیف ایگزیکٹو آفیسر

اسلام آباد

28 اپریل 2020

بیافونڈسٹریٹ لمیٹڈ

31 مارچ 2020 کو ختم ہونے والی سہ ماہی / نو ماہی مدت کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 مارچ 2020 کو اختتام پذیر ہونے والی سہ ماہی / نو ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص مجموعہ فروخت 31 مارچ 2020 کو ختم ہونے والی نو ماہی مدت میں 15.13 فیصد اضافے سے 1,280.60 ملین روپے رہی (مارچ 2019: 1,112.26 ملین روپے) جبکہ مارچ 2020 کو ختم ہونے والی سہ ماہی مدت میں خالص مجموعہ فروخت 2.24 فیصد کمی سے 388.51 ملین روپے رہی (مارچ 2019: 397.41 ملین روپے)۔

زیر جائزہ مدت میں تیل و گیس اور بڑے منصوبوں میں سسٹمک ایکسپلوریشن سرگرمیوں میں اضافے کے باعث فروخت میں بہتری آئی جبکہ کان کنی / تعمیرات کے شعبے میں معاشی سرگرمیوں میں تیزی کے باعث سلائیڈز میں کمی دیکھنے میں آئی۔

31 مارچ 2020 کو ختم ہونے والی نو ماہی مدت کے لیے کمپنی کا خام منافع 7.22 فیصد کمی سے 466.85 ملین روپے رہا اور مارچ 2020 کو ختم ہونے والی سہ ماہی کے لیے 11.77 فیصد کمی سے 125.86 ملین روپے رہا۔ نو ماہی مدت میں خالص منافع بعد از اس ٹیکس ادائیگی 6.99 فیصد کمی کی سے 237.23 ملین روپے رہا۔ (فی شخص منافع مارچ 2020: 7.49 روپے اور فی شخص منافع مارچ 2019: 8.96 روپے) اور مارچ 2020 کی سہ ماہی کے لیے 10.86 فیصد کم ہو کر 54.93 ملین روپے ہو گیا۔ (فی شخص منافع مارچ 2020: 1.73 روپے اور فی شخص منافع مارچ 2019: 3.14 روپے)۔ منافع کی شرح میں کمی کی بنیادی وجوہات میں پاکستانی روپے کی قدر میں تخفیف کی وجہ سے درآمدی خام مال کی قیمتوں میں اضافہ، شرح سود میں اضافہ اور عمومی طور پر ملکی معیشت میں گراوٹ ہے۔ یہ بھی خیال کیا جا رہا ہے کہ آنے والے دنوں میں کورونا وائرس کی بناء پر ملک میں لاک ڈاؤن کی وجہ سے کمپنی کی پرفارمنس متاثر ہو سکتی ہے۔

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

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لئے تیسرے عبوری نقد منافع منقسمہ فی شخص Nil روپے کا اعلان کیا ہے۔

بورڈ 14 اراکین پر مشتمل ہے جن میں بشمول چیف ایگزیکٹو آفیسر، 10 مرد اراکین اور 4 خواتین اراکین شامل ہیں۔ بورڈ کی تشکیل حسب ذیل ہے۔

| نام | دور |
|--|------------------------|
| محمد یعقوب احسان مانی محترمہ مہرین حسین محترمہ سیدہ شاہ بانو عباس | آزاد ڈائریکٹرز |
| ڈاکٹر ایم ہمایوں خان ایم ظفر خان خواجہ احمد حسین باسط وحید عدنان اورنگزیب محترمہ عائشہ ہمایوں خان | ٹان ایگزیکٹو ڈائریکٹرز |
| ایم افضل خان انور منمن (چیف ایگزیکٹو آفیسر) میجر جنرل (ریٹائرڈ) ایس زیڈ ایم عسکری محترمہ شیریں صفدر | ایگزیکٹو ڈائریکٹرز |

BIAFO INDUSTRIES LTD. CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 31 MARCH 2020

| | | Un-Audited 31 Mar 2020 Rupees | Audited 30 June 2019 Rupees |
|---|---|-------------------------------------|-----------------------------------|
| NON - CURRENT ASSETS | | | |
| Property, plant and equipment | 4 | 1,048,252,610 | 1,046,351,416 |
| Investment property | | 29,688,456 | 30,255,752 |
| Long - term deposits | | 1,777,650 | 1,793,600 |
| | | 1,079,718,716 | 1,078,400,768 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | | 15,789,378 | 10,947,722 |
| Stock in trade | | 249,486,022 | 319,847,587 |
| Trade debts | | 395,698,390 | 279,538,533 |
| Advances | | 20,267,986 | 14,151,399 |
| Trade deposits and short - term prepayments | | 7,748,124 | 5,603,562 |
| Advance tax | | 49,741,489 | 24,139,827 |
| Other receivables | | 1,857,118 | 7,499,419 |
| Short - term investments | 5 | 332,836,315 | 491,618,034 |
| Cash and bank balances | | 42,552,578 | 40,534,570 |
| | | 1,115,977,400 | 1,193,880,653 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 6 | 166,441,786 | 182,056,475 |
| Lease Liabilities | | 805,145 | - |
| Short-term borrowings | 7 | 480,087,870 | 595,079,117 |
| Unclaimed dividend | | 23,029,521 | 23,391,830 |
| Unpaid dividend | | 13,030,925 | 11,295,615 |
| | | 683,395,247 | 811,823,037 |
| NET CURRENT ASSETS | | | |
| | | 432,582,153 | 382,057,616 |
| NON - CURRENT LIABILITIES | | | |
| Employee benefits | | 4,850,989 | 5,438,514 |
| Lease Liabilities | | 1,128,043 | - |
| Deferred tax liability - net | 8 | 38,095,221 | 49,780,166 |
| | | 44,074,253 | 55,218,680 |
| NET ASSETS | | | |
| | | 1,468,226,616 | 1,405,239,704 |
| REPRESENTED BY: | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share capital | | 316,800,000 | 264,000,000 |
| Revenue reserve | | | |
| Unappropriated profit | | 443,775,553 | 429,984,402 |
| Capital reserve | | | |
| Revaluation surplus on property, plant and equipment - net of tax | | 707,651,063 | 711,255,302 |
| | | 1,468,226,616 | 1,405,239,704 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |

The annexed notes 1 to 17 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

| | Note | Three Months Ended | | Nine Months Ended | |
|------------------------------------|------|----------------------|---------------|----------------------|---------------|
| | | 31 Mar 2020 | 31 Mar 2019 | 31 Mar 2020 | 31 Mar 2019 |
| | | Rupees | Rupees | Rupees | Rupees |
| NET TURNOVER | 10 | 388,505,766 | 397,411,042 | 1,280,597,987 | 1,112,263,699 |
| Cost of sales | | (262,644,313) | (221,901,555) | (813,746,322) | (626,466,843) |
| GROSS PROFIT | | 125,861,453 | 175,509,487 | 466,851,665 | 485,796,856 |
| Other income | | 25,042,555 | 13,698,057 | 46,325,946 | 50,360,054 |
| Distribution expenses | | (22,467,946) | (9,941,158) | (50,120,563) | (29,794,813) |
| Administrative expenses | | (34,241,213) | (31,845,308) | (97,494,883) | (92,959,797) |
| Finance costs - net | | (18,585,556) | (12,200,305) | (58,640,679) | (30,133,774) |
| Impairment loss on trade debts | | (1,230,330) | - | (8,061,003) | - |
| OPERATING PROFIT | | 74,378,963 | 135,220,773 | 298,860,483 | 383,268,526 |
| Workers' profit participation fund | | (3,718,948) | (6,761,038) | (14,943,024) | (19,163,426) |
| Workers' welfare fund | | (1,487,580) | (2,704,416) | (5,977,210) | (7,665,371) |
| PROFIT BEFORE TAXATION | | 69,172,435 | 125,755,319 | 277,940,249 | 356,439,729 |
| TAXATION | | | | | |
| Current | | | | | |
| - For the year | | (15,190,531) | (25,152,307) | (55,862,423) | (73,369,222) |
| - Prior years | | - | - | 3,464,141 | - |
| Deferred | | 943,964 | (1,269,086) | 11,684,945 | 758,482 |
| | | (14,246,567) | (26,421,393) | (40,713,337) | (72,610,740) |
| PROFIT FOR THE PERIOD | | 54,925,868 | 99,333,926 | 237,226,912 | 283,828,989 |
| | | | | | |
| EARNINGS PER SHARE | | | | | Restated |
| - Basic and diluted | | 1.73 | 3.14 | 7.49 | 8.96 |


The annexed notes 1 to 17 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|--------------------|--------------------|
| | 31 Mar 2020 | 31 Mar 2019 | 31 Mar 2020 | 31 Mar 2019 |
| | Rupees | Rupees | Rupees | Rupees |
| Profit for the period | 54,925,868 | 99,333,926 | 237,226,912 | 283,828,989 |
| Other comprehensive income for the period | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 54,925,868 | 99,333,926 | 237,226,912 | 283,828,989 |

The annexed notes 1 to 17 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

BIAFO INDUSTRIES LTD.
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

| | 31 Mar 2020 | 31 Mar 2019 |
|---|-------------------------|----------------------|
| | Rupees | Rupees |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | Note 277,940,249 | 356,439,729 |
| Adjustments for: | | |
| Depreciation | 20,169,915 | 15,862,258 |
| Finance costs | 58,640,679 | 30,133,774 |
| Provision for Workers' profit participation fund | 14,943,024 | 19,163,426 |
| Provision for Workers' welfare fund | 5,977,210 | 7,665,371 |
| Provision for employee benefits | 7,075,659 | 7,477,417 |
| Impairment Loss | 8,061,003 | - |
| Dividend income | (24,190,232) | - |
| Rental Income | (400,000) | - |
| Unrealized (gain)/loss on remeasurement of investment | (12,916,044) | 16,922,997 |
| Gain on disposal of property, plant and equipment | - | (429,041) |
| Interest income | (2,504,076) | (1,363,994) |
| Unrealized exchange gain | (2,004,800) | (20,303,865) |
| | 72,852,338 | 75,128,343 |
| | 350,792,587 | 431,568,072 |
| Changes in: | | |
| Stores, spare parts and loose tools | (4,841,656) | (4,850,956) |
| Inventories | 70,361,565 | (47,518,811) |
| Trade debts | (116,159,857) | 27,713,546 |
| Advances, deposits, prepayments and other receivables | (2,602,898) | (6,383,629) |
| Trade and other payables | (951,309) | 7,717,909 |
| | (54,194,155) | (23,321,941) |
| Cash generated from operations | 296,598,432 | 408,246,131 |
| Finance costs paid | (53,287,761) | (24,039,405) |
| Employee benefits paid | (9,253,665) | - |
| Payments to Workers' profit participation fund | (24,280,810) | (35,668,279) |
| Payments to Workers' welfare fund | (5,485,630) | - |
| Income taxes paid | (77,999,944) | (77,461,065) |
| | (170,307,810) | (137,168,749) |
| Net cash generated from operating activities | 126,290,623 | 271,077,382 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (21,503,815) | (66,585,100) |
| Proceeds from disposal of property, plant and equipment | - | 2,384,763 |
| Net investment during the year | 158,781,719 | (26,198,361) |
| Rent received | 600,000 | - |
| Dividend received | 24,190,232 | - |
| Interest received on saving accounts and TDRs | 1,517,495 | 832,014 |
| Net cash used in investing activities | 163,585,631 | (89,566,684) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment of dividend | (172,866,999) | (161,020,821) |
| Net cash used in financing activities | (172,866,999) | (161,020,821) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | 117,009,255 | 20,489,877 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | (554,544,547) | (399,453,031) |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | (437,535,292) | (378,963,154) |

The annexed notes 1 to 17 form an integral part of these interim financial statements.

Chief Financial Officer

Chief Executive Officer

Chairman

BIAFO INDUSTRIES LTD. CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

| | Revenue Reserve | | | |
|---|-----------------|---|------------------------|---------------|
| | Share capital | Revaluation surplus on property, plant and equipment - net of tax | Unappropriated profits | Total equity |
| | Rupees | Rupees | Rupees | Rupees |
| Balance at 01 July 2018 | 220,000,000 | 270,092,444 | 472,997,002 | 963,089,446 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 283,828,989 | 283,828,989 |
| Comprehensive income for the year transferred to equity | - | - | 283,828,989 | 283,828,989 |
| Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax | - | (1,260,688) | - | (1,260,688) |
| Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | - | - | 1,260,688 | 1,260,688 |
| | 220,000,000 | 268,831,756 | 758,086,679 | 1,246,918,435 |
| Transactions with members recorded directly in equity | | | | |
| Final dividend of 2018 @ Rs. 5.00 per share | - | - | (110,000,000) | (110,000,000) |
| First interim dividend of 2019 @ Rs. 2.25 per share | - | - | (59,400,000) | (59,400,000) |
| Issue of bonus shares for 2018 @ 20% | 44,000,000 | - | (44,000,000) | - |
| Total distribution to members | 44,000,000 | - | (213,400,000) | (169,400,000) |
| Balance at 31 March 2019 | 264,000,000 | 268,831,756 | 544,686,679 | 1,077,518,435 |
| Balance at 01 July 2019 | 264,000,000 | 711,255,302 | 429,984,402 | 1,405,239,704 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 237,226,912 | 237,226,912 |
| Comprehensive income for the year transferred to equity | - | - | 237,226,912 | 237,226,912 |
| Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax | - | (3,604,239) | - | (3,604,239) |
| Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | - | - | 3,604,239 | 3,604,239 |
| | 264,000,000 | 707,651,063 | 670,815,553 | 1,642,466,616 |
| Transactions with members recorded directly in equity | | | | |
| Final dividend of 2019 @ Rs. 3.00 per share | - | - | (79,200,000) | (79,200,000) |
| First interim dividend of 2020 @ Rs. 1.50 per share | - | - | (47,520,000) | (47,520,000) |
| 2nd interim dividend of 2020 @ Rs. 1.50 per share | - | - | (47,520,000) | (47,520,000) |
| Issue of bonus shares for 2019 @ 20% | 52,800,000 | - | (52,800,000) | - |
| Total distribution to members | 52,800,000 | - | (227,040,000) | (174,240,000) |
| Balance at 31 March 2020 | 316,800,000 | 707,651,063 | 443,775,553 | 1,468,226,616 |

The annexed notes 1 to 17 form an integral part of these interim financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2019. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2019, whereas comparative condensed interim statement of profit or loss, comparative condensed interim statement of comprehensive income, comparative condensed interim statement of cash flows and comparative condensed interim statement of changes in equity are extracted from unaudited interim financial statements for nine months period ended 31 March 2019.

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

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these condensed interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended 30 June 2019 except for the change as indicated in 3.1 below:

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

3.1 IFRS 16 'LEASES'

IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right of use of underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify finance or operating leases.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is to be recognised in unappropriated profit at 01 July 2019 and therefore the comparative information has not been restated and continue to be reported under IAS - 17.

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.

The Company applied a single recognition and measurement approach for all leases, unless the lease term is 1 year or less or the lease contains a low-value asset. For lease term less than 1 year and lease containing low value assets the Company has applied the exemption not to recognize right of use assets and liabilities for leases with less than 12 months of lease term. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2020:

Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the condensed interim financial statements of the Company.

IFRS 14 Regulatory Deferral Accounts - (effective for annual periods beginning on or after 1 July 2019) provides interim guidance on accounting for regulatory deferral accounts balances while IASB considers more comprehensive guidance on accounting for the effects of rate regulation. In order to apply the interim standard, an entity has to be rate regulated – i.e. the establishment of prices that can be charged to its customers for goods or services is subject to oversight and/or approved by an authorized body. The term 'regulatory deferral account balance' has been chosen as a neutral descriptor for expense (income) or variance account that is included or is expected to be included by the rate regulator in establishing the rate(s) that can be charged to customers and would not otherwise be recognized as an asset or liability under other IFRSs. The standard is not likely to have any effect on the Company's condensed interim financial statements.

The amendments are effective from annual period beginning on or after 1 January 2020 and are not likely to have an impact on the Company's condensed interim financial statements.

4. **PROPERTY, PLANT AND EQUIPMENT CONTINGENCIES AND COMMITMENTS**

During nine months period ended 31 Mar 2020, the Company acquired property, plant and equipment aggregating to Rs. 21,503,815 (31 Mar 2019: Rs. 66,585,100). Depreciation charge for the period amounts to Rs. 19,602,621 (31 Mar 2019: Rs. 14,698,175).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

| | | Unaudited 31 Mar 2020 Rupees | Audited 30 June 2019 Rupees |
|--|-------------|------------------------------------|-----------------------------------|
| 5. SHORT - TERM INVESTMENTS | Note | | |
| Equity securities - at FVTPL | | 240,325,766 | 401,190,028 |
| Debt securities - at amortised cost | | 92,510,549 | 90,428,006 |
| | | <u>332,836,315</u> | <u>491,618,034</u> |
| 6. TRADE AND OTHER PAYABLES | | | |
| Trade creditors | | 71,354,402 | 92,740,997 |
| Contract liability - advances from customers | | 2,049,516 | 2,427,760 |
| Accrued liabilities | | 27,288,819 | 30,206,002 |
| Sales tax payable - net | | 5,583,148 | - |
| Insurance | | 440,984 | 922,405 |
| Workers' profit participation fund payable | | 14,943,024 | 24,280,810 |
| Workers' welfare fund payable | | 5,977,210 | 9,712,324 |
| Payable to staff gratuity fund | | 7,635,217 | 9,225,698 |
| Payable to employees' provident fund | | 1,350,342 | 1,090,854 |
| Withholding tax payable | | 11,237,510 | 24,923 |
| Others | | 18,581,614 | 11,424,702 |
| | | <u>166,441,786</u> | <u>182,056,475</u> |
| 7. SHORT - TERM BORROWINGS | | | |
| Allied Bank Limited (ABL) | 7.1 | 350,510,976 | 346,928,891 |
| Faysal Bank Limited (FBL) | 7.2 | 53,606,703 | 98,423,800 |
| United Bank Limited (UBL) | 7.3 | 75,970,191 | 149,726,426 |
| | | <u>480,087,870</u> | <u>595,079,117</u> |

7.1 The Company has arranged various facilities with ABL with cumulative running finance limit of Rs. 600 million and during the period the Company utilized the facilities as follows:

The Running Finance facility with a sanctioned limit of Rs. 300 million (30 June 2019: Rs. 200 million) and carries mark-up at the rate of 3 months Kibor + 1% per annum of the amount utilized and The Export Refinance facility with a sanctioned limit of Rs. 75 million (30 June 2019: Rs. 75 million) and carries mark-up at the SBP Rate + 1% per annum of the amount utilized. The facility is secured against first equitable mortgage over industrial property of the Company amounting to Rs. 500 million and charge over current assets (excluding financial assets) and fixed assets (excluding Head Office Building) of the Company.

The Running Finance facility with a sanctioned limit of Rs. 75 million (30 June 2019: Rs. 75 million) and carries mark-up at the rate of 3 months Kibor + 0.75% per annum of the amount utilized. The facility is secured against the investment made in the ABL Term Deposit Receipts of USD 550,000.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020**

- 7.2** This represents utilized amount of running finance facility with a sanctioned limit of Rs. 150 million (30 June 2019: Rs. 100 million) and carries mark-up at the rate of 3 month Kibor + 1% per annum of the amount utilized, payable on quarterly basis. The facility is secured against investment in units of Faysal Money Market Fund with 5% margin.
- 7.3** This represents utilized amount of running finance facility with a sanctioned limit of Rs. 200 million (30 June 2019: 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 UBL Liquidity Plus Funds with 5% margin.

| | Unaudited 31 Mar 2020 Rupees | Audited 30 June 2019 Rupees |
|---|---|--|
| 8. DEFERRED TAX LIABILITY- net | | |
| The net balance of deferred tax is in respect of the following major temporary differences: | | |
| Accelerated depreciation of property, plant and equipment | 29,567,576 | 38,680,311 |
| Deferred employee benefits | (3,210,079) | (3,655,175) |
| Loss allowance for Expected credit losses | (1,870,153) | - |
| Provision for slow moving stores, spares and loose tools | (1,141,572) | (1,141,572) |
| Surplus on revaluation of fixed assets | 14,749,449 | 15,896,602 |
| | <u>38,095,221</u> | <u>49,780,166</u> |

9. CONTINGENCIES AND COMMITMENTS

There is no change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2019.

Letters of credit issued by banks on behalf of the Company for the import of raw materials amount to Rs. 25,777,811 at 31 March 2020 (30 June 2019: Rs. 11,036,872).

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 period end amounts to Rs. 17,071,182 (30 June 2019: Rs. 17,071,182).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

| | Three Months Ended | | Nine Months Ended | |
|-------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Unaudited 31 Mar 2020 Rupees | Unaudited 31 Mar 2019 Rupees | Unaudited 31 Mar 2020 Rupees | Unaudited 31 Mar 2019 Rupees |
| 10. NET TURNOVER | | | | |
| Gross local sales | 342,329,271 | 330,735,089 | 1,152,061,636 | 959,282,312 |
| Sales tax | (50,022,353) | (48,624,858) | (168,429,424) | (141,209,511) |
| Net local sales | 292,306,918 | 282,110,231 | 983,632,212 | 818,072,801 |
| Net export sales | 96,198,848 | 115,300,811 | 296,965,775 | 294,190,898 |
| | 388,505,766 | 397,411,042 | 1,280,597,987 | 1,112,263,699 |

| Unaudited 31 Mar 2020 Rupees | Unaudited 31 Mar 2019 Rupees |
|------------------------------------|------------------------------------|
|------------------------------------|------------------------------------|

11. CASH AND CASH EQUIVALENTS

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

| | | |
|---------------------------------|----------------------|----------------------|
| Cash and bank balances | 42,552,578 | 35,264,803 |
| Short term borrowings - secured | (480,087,870) | (414,227,957) |
| | (437,535,292) | (378,963,154) |

12. RELATED PARTY TRANSACTIONS AND BALANCES

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

| | Nine Months Ended | |
|--|------------------------------------|------------------------------------|
| | Unaudited 31 Mar 2020 Rupees | Unaudited 31 Mar 2019 Rupees |
| Directors and key management personnel | | |
| Dividend to non executive directors | 102,700,245 | 81,150,576 |
| Issue of bonus shares to non executive directors | 31,121,286 | 21,078,070 |
| Share capital held as of the reporting date by non executive directors | 186,727,718 | 126,468,430 |
| Dividend to executive directors | 1,721,161 | 1,673,355 |
| Issue of bonus shares to executive directors | 521,564 | 434,630 |
| Share capital held as of the reporting date by executive directors | 3,129,384 | 2,607,820 |
| Remuneration including perquisites to Chief Executive | 11,345,833 | 19,125,000 |
| Remuneration including perquisites to Directors | 16,971,290 | 17,640,000 |
| Remuneration including perquisites to key management personnel | 27,093,750 | 24,956,250 |
| Other related parties | | |
| Payment to employees' provident fund | 5,631,770 | 4,530,887 |
| Donations | - | 1,150,000 |
| Payable to employees' provident fund - unsecured | 1,350,342 | 1,043,188 |
| Payable to staff retirement gratuity fund - unsecured | 7,635,217 | 7,138,100 |

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

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. 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 are current bid prices.

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).

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

Financial assets and liabilities

| | Carrying amount | | Fair value | | | | | |
|--|-----------------|-----------------------------------|---|-------|---------|---------|---------|-------|
| | Amortized cost | Fair value through profit or loss | Financial liabilities at amortized cost | | Level 1 | Level 2 | Level 3 | Total |
| | | | | Total | | | | |
| | Rupees | | Rupees | | | | | |

Financial assets measured at fair value

| | | | | | | | | |
|--------------------------|---|-------------|---|-------------|-------------|---|-----------|-------------|
| Short - term investments | - | 240,325,766 | - | 240,325,766 | 240,325,766 | - | - | 240,325,766 |
| Trade deposits | - | 2,149,446 | - | 2,149,446 | - | - | 2,149,446 | 2,149,446 |
| Long - term deposits | - | 1,777,650 | - | 1,777,650 | - | - | 1,777,650 | 1,777,650 |
| | - | 244,252,862 | - | 244,252,862 | 240,325,766 | - | 3,927,096 | 244,252,862 |

Financial assets not measured at fair value

| | | | | | | | | |
|-------------------------------|--------------------|--------------------|----------|--------------------|--------------------|----------|------------------|--------------------|
| Trade debts | 395,698,390 | - | - | 395,698,390 | - | - | - | - |
| Advances to employees | 1,392,755 | - | - | 1,392,755 | - | - | - | - |
| Other receivables | - | - | - | - | - | - | - | - |
| Short - term investments | 92,510,549 | - | - | 92,510,549 | - | - | - | - |
| Cash and bank balances | 42,552,578 | - | - | 42,552,578 | - | - | - | - |
| Total financial assets | 532,154,272 | 244,252,862 | - | 776,407,134 | 240,325,766 | - | 3,927,096 | 244,252,862 |

Financial liabilities not measured at fair value

| | | | | | | | | |
|------------------------------------|----------|----------|--------------------|--------------------|----------|----------|----------|----------|
| Short-term borrowings | - | - | 480,087,870 | 480,087,870 | - | - | - | - |
| Unclaimed dividend | - | - | 23,029,521 | 23,029,521 | - | - | - | - |
| Unpaid dividend | - | - | 13,030,925 | 13,030,925 | - | - | - | - |
| Trade and other payables | - | - | 126,651,378 | 126,651,378 | - | - | - | - |
| Total financial liabilities | - | - | 642,799,694 | 642,799,694 | - | - | - | - |

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED 31 MARCH 2020

Financial assets and liabilities

| 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 |
| | | | | | | |
| 30 June 2019 | Rupees | | | Rupees | | |

Financial assets measured at fair value

| | | | | | | | | |
|--------------------------|---|-------------|---|-------------|-------------|---|-----------|-------------|
| Short - term investments | - | 401,190,028 | - | 401,190,028 | 401,190,028 | - | - | 401,190,028 |
| Trade deposits | - | 1,598,737 | - | 1,598,737 | - | - | 1,598,737 | 1,598,737 |
| Long - term deposits | - | 1,793,600 | - | 1,793,600 | - | - | 1,793,600 | 1,793,600 |
| | - | 404,582,365 | - | 404,582,365 | 401,190,028 | - | 3,392,337 | 404,582,365 |

Financial assets not measured at fair value

| | | | | | | | | |
|-------------------------------|--------------------|--------------------|----------|--------------------|--------------------|----------|------------------|--------------------|
| Trade debts | 279,538,533 | - | - | 279,538,533 | - | - | - | - |
| Advances to employees | 776,987 | - | - | 776,987 | - | - | - | - |
| Other receivables | 5,453,980 | - | - | 5,453,980 | - | - | - | - |
| Short - term investments | 90,428,006 | - | - | 90,428,006 | - | - | - | - |
| Cash and bank balances | 40,462,320 | - | - | 40,462,320 | - | - | - | - |
| Total financial assets | 416,659,826 | 404,582,365 | - | 821,242,191 | 401,190,028 | - | 3,392,337 | 404,582,365 |

Financial liabilities not measured at fair value

| | | | | | | | | |
|------------------------------------|----------|----------|--------------------|--------------------|----------|----------|----------|----------|
| Short-term borrowings | - | - | 595,079,117 | 595,079,117 | - | - | - | - |
| Unclaimed dividend | - | - | 23,391,830 | 23,391,830 | - | - | - | - |
| Unpaid dividend | - | - | 11,295,615 | 11,295,615 | - | - | - | - |
| Trade and other payables | - | - | 145,610,658 | 145,610,658 | - | - | - | - |
| Total financial liabilities | - | - | 775,377,220 | 775,377,220 | - | - | - | - |

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 31 MARCH 2020

14. EARNING PER SHARE

- Basic and diluted

| | | Three Months Ended | | Nine Months Ended | |
|--|---------|--------------------------|--------------------------------------|--------------------------|--------------------------------------|
| | | Unaudited 31 Mar 2020 | Unaudited 31 Mar 2019 Restated | Unaudited 31 Mar 2020 | Unaudited 31 Mar 2019 Restated |
| Profit for the period | Rupees | 54,925,868 | 99,333,926 | 237,226,912 | 283,828,989 |
| Weighted average number of ordinary shares | Numbers | 31,680,000 | 31,680,000 | 31,680,000 | 31,680,000 |
| Earning per share | Rupees | 1.73 | 3.14 | 7.49 | 8.96 |

15. RECLASSIFICATIONS / REARRANGEMENTS OF CORRESPONDING FIGURES

The Company adopted IFRS 15 for the year ended 30 June 2019 retrospectively and comparative figures in the statement of profit or loss were reclassified. The following table summarises the impact of adopting IFRS 15 on the comparative figures as presented in the statement of profit or loss for each of the line items effected for the three months ended 31 March 2019 and Nine months ended 31 March 2019:

| Three Months Ended | | | Nine Months Ended | | |
|---------------------------|---------------------------------|---------------------------------------|---------------------------|---------------------------------|---------------------------------------|
| Unaudited 31 Mar 2019 | | | Unaudited 31 Mar 2019 | | |
| As previously reported | As reclassified / rearranged | Reclassifications / rearrangements | As previously reported | As reclassified / rearranged | Reclassifications / rearrangements |

Effect on statement of profit or loss

| | | | | | | |
|----------------------|-------------|-------------|-------------|---------------|---------------|-------------|
| Net turnover | 395,352,572 | 397,411,042 | 2,058,470 | 1,106,470,852 | 1,112,263,699 | 5,792,847 |
| Distribution expense | (7,882,688) | (9,941,158) | (2,058,470) | (24,001,966) | (29,794,813) | (5,792,847) |

15.1 There was no impact on other comprehensive income as a result of the reclassifications / rearrangements of corresponding figures.

16. NON ADJUSTING EVENTS AFTER REPORTING DATE AND DATE OF AUTHORIZATION FOR ISSUE

16.1 The Board of Directors of the Company in their meeting held on 28 April 2020 proposed an interim cash dividend of Rs. Nil per share.

16.2 These interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 28 April 2020.

17. GENERAL


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



Chief Financial Officer



Chief Executive Officer



Chairman

BOOK POST

(UNDER POSTAL CERTIFICATE)

If undelivered, please return to:

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