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ANNUAL REPORT 2 0 2 6

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The image shows the exterior of a modern building named 'BIAFO HOUSE'. The building features a two-story design with a prominent entrance. The entrance is reached via a set of wide, light-brown stone steps. To the left of the steps is a ramp with a black metal railing. The building's facade is composed of light-colored stone on the left and white walls on the right. Large windows are visible on both floors, reflecting the surrounding greenery. The name 'BIAFO HOUSE' is mounted on a light-brown stone panel above the entrance. The foreground is a paved area with yellow parking lines. Large trees with green leaves and dark brown seed pods are visible at the top of the frame.

BIAFO HOUSE

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Matin Amjad
Ms. Shirin Safdar

Chief Executive Officer
Executive Director

NON EXECUTIVE DIRECTORS

Ehsan Mani
Ms. Ayesha Humayun Khan
Ms. Syeda Shahbano Abbas
M. Zafar Khan
Khawaja Ahmad Hosain

Chairman
Director
Director
Director
Director

INDEPENDENT DIRECTORS

Adnan Afridi
Himayat Ullah
Yawar Ikram
Mirza Rehan Baig

Director
Director
Director
Director

COMPANY SECRETARY

Rehan Ashraf

CHIEF FINANCIAL OFFICER

Muhammad Usman Qazi

AUDIT & RISK MANAGEMENT COMMITTEE

Adnan Afridi	Chairman
Ehsan Mani	Member
Himayat Ullah	Member
Yawar Ikram	Member
Mirza Rehan Baig	Member

HR & REMUNERATION COMMITTEE

Adnan Afridi	Chairman
Ehsan Mani	Member
Ms. Ayesha Humayun Khan	Member
Ms. Syeda Shahbano Abbas	Member
Matin Amjad (CEO)	Member
Khawaja Ahmad Hosain	Member

AUDITORS

Yousuf Adil Chartered Accountants

LEGAL ADVISORS

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

BANKERS

Allied Bank Limited	United Bank Limited
National Bank of Pakistan	Bank of Khyber

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 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 38th Annual General Meeting of Biafo Industries Limited will be held on October 23, 2026 at 11:00 a.m. at **Dewan-e-Khass 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 23, 2025.
2. To receive and adopt the Audited Financial Statements of the Company for the year ended June 30, 2026 together with Auditors' Report and Directors' Report thereon.
3. To approve the payment of final cash dividend of Rs. 2.50 per share (25%) and also the interim cash dividend of Rs. 2.50 per share (25%) declared on February 17, 2026, making a total of Rs. 5.00 per share (50%) cash dividend for the year ended June 30, 2026.
4. To appoint Auditors for the year 2026-27 and to fix their remuneration. Retiring Auditors M/s Yousuf Adil Chartered Accountants being eligible offer themselves for reappointment for the year 2026-27.
5. To transact such other business as may be placed before the meeting with the permission of the Chairman.

Islamabad
September 29, 2026

By Order of the Board



Rehan Ashraf
Company Secretary

NOTES

1. Share Transfer Books of the Company will remain closed from October 16, 2026 to October 23, 2026 both days inclusive.
2. A member entitled to attend and vote at the meeting shall be entitled to appoint another person, as his/her and proxy to attend, demand or join in demanding a poll, speak and vote instead of his/her and a 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.
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 dividend warrants 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 - 2026"** 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.

NOTICE OF 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

TRANSMISSION OF ANNUAL AUDITED FINANCIAL STATEMENTS, REPORTS AND NOTICE OF AGM:

The Annual Audited Statements of the Company for the year ended June 30, 2026, will be available on the Company's website, which can be accessed/downloaded from the following link and QR code:

www.biafo.com/financial_rep



The Annual Audited Financial Statements along with the reports and Notice of AGM are being sent to shareholders who have provided their email addresses. Physical copy of the Annual Report will be provided to the shareholders on demand.

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.

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.

UNCLAIMED DIVIDENDS AND SHARE CERTIFICATES:

Please note that in compliance with Section 244 of the Companies Act, 2017, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities and Exchange Commission of Pakistan.

Through this notice, shareholders are intimated to contact with the Company for any unclaimed dividend/shares. The shareholders are requested to contact the Registrar of the Company regarding any unclaimed dividends or undelivered shares (if any).

GIFTS

In adherence to the regulatory requirements set forth by the SECP, it is hereby stated that no gifts will be distributed at the meeting.

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 23, 2025 otherwise tax on their cash dividend will be deducted @ 30% instead of @ 15%.

NOTICE OF 38TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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.

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.

نوٹس برائے 38 واں سالانہ اجلاس عام

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کا ڈیپازٹ

کمپنیز ایکٹ 2017 کے سیکشن 72 کی روٹی میں ہر موجودہ کمپنی کمپنیز ایکٹ 2017 کے آغاز یعنی 31 مئی 2017 سے چار سال کے اندر ایس ای سی پی میں موجود تفصیل کے مطابق اپنے فزیکل شیئرز بک انٹری فارم میں منتقل کرنے کی پابند ہے۔ فزیکل شیئرز ہولڈنگ کے حامل شیئرز ہولڈرز کسی بروکر یا انویسٹر کاؤنٹ کے ذریعے سی ڈی سی میں براہ راست سی ڈی سی سب اکاؤنٹ کھلوا سکتے ہیں اور اپنے شیئرز scrip-less فارم میں رکھ سکتے ہیں۔ یہ کئی اعتبار سے سودمند ہے خصوصاً حفاظت اور کسی بھی وقت شیئرز کی فروخت کیلئے کیوں کہ سٹاک ایکسچینج کے موجودہ قواعد کے مطابق فزیکل شیئرز کی خرید و فروخت کی اجازت نہیں ہے۔

غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز سرٹیفکیٹس

براہ کرم نوٹ کریں کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل میں، مقررہ تاریخ سے تین سال کی مدت کے لیے بغیر دعویٰ کیے گئے تمام قابل ادا بینگی منافع منقسمہ وفاقی حکومت کے کریڈٹ میں جمع کرائے جائیں گے اور حصص کی صورت میں، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو فراہم کیے جائیں گے۔ اس نوٹس کے ذریعے شیئرز ہولڈرز کو مطلع کیا جاتا ہے کہ وہ کسی بھی غیر دعویٰ شدہ منافع منقسمہ/حصص کے لیے کمپنی سے رابطہ کریں۔ شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کے رجسٹرار سے کسی بھی غیر دعویٰ شدہ منافع منقسمہ یا غیر ترسیل شدہ شیئرز (اگر کوئی ہیں) سے رابطہ کریں۔

تخائف

ایس ای سی پی (SECP) کی جانب سے مقرر کردہ ضابطہ جاتی تقاضوں کے پیش نظر، یہ واضح کیا جاتا ہے کہ اجلاس کے دوران کوئی تخائف تقسیم نہیں کیے جائیں گے۔

فائلر اور نان فائلر کا سٹیٹس

i۔ انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے مطابق جس میں کمپنیوں کی جانب سے ادا کی جانے والی مالیت پر منافع کے وہ ہولڈنگ ٹیکس کی کوٹنی کے مختلف نرخ وضع کئے گئے ہیں۔ ٹیکس کے انراخ مندرجہ ذیل ہیں۔

الف۔ انکم ٹیکس ریٹرز فائلرز کیلئے 15 فیصد

ب۔ انکم ٹیکس ریٹرز نان فائلرز کیلئے 30 فیصد

کمپنی کو مالیت کے عوض 30 فیصد کے بجائے 15 فیصد کے حساب سے نقد منافع منقسمہ (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 ایکٹو ٹیکس پیئر لسٹ (ATL) میں موجود نہیں ہے، کو یہ بات یقینی بنانے کی ہدایت کی جاتی ہے کہ وہ 23 اکتوبر 2026 کو منعقد ہونے والے سالانہ اجلاس عام میں نقد منافع کی منظوری کی تاریخ تک یا اس سے قبل اپنا نام ATL میں درج کروالیں بصورت دیگر نقد منافع پر 15 فیصد کے بجائے 30 فیصد ٹیکس کی کوٹنی کی جائے گی۔

مزید برآں، فیڈرل بورڈ آف ریونیو کی موصول شدہ وضاحت کے مطابق وہ ہولڈنگ ٹیکس کا تعین علیحدہ علیحدہ شیئرز ہولڈرز 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 حصہ کے تناسب کے بارے میں ہمارے شیئرز 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 شیئرز رجسٹرار سے مندرجہ ذیل فون نمبر یا ای میل ایڈریس کے ذریعے رابطہ کر سکتے ہیں۔

BIAFO انڈسٹریز لمیٹڈ

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

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

ویب سائٹ: www.biafo.com

ای میل: management@biafo.com

ایف۔ ڈی رجسٹرار سرورسز (پرائیویٹ) لمیٹڈ

17th فلور، صائمہ ٹریڈ ٹاور-8، آئی آئی چندر بیکر روڈ، کراچی

فون: 92-21 32271905-6

iii۔ سی ڈی سی اکاؤنٹس کے حامل کارپوریٹ شیئرز ہولڈرز کیلئے نیشنل ٹیکس نمبر (NTN) ہونا لازمی ہے جو ان کے متعلقہ شرکت کنندہ کے ساتھ اپ ڈیٹ ہو جبکہ فزیکل شیئرز کے حامل کارپوریٹ ممبران کیلئے اپنے NTN سرٹیفکیٹ کی نقل کمپنی یا اس کے شیئرز رجسٹرار میسرز ایف۔ ڈی رجسٹرار سرورسز (پرائیویٹ) لمیٹڈ کو ارسال کرنا ضروری ہے۔ شیئرز ہولڈرز اپنا NTN یا NTN سرٹیفکیٹ بھیجتے وقت، کمپنی کا نام اور فوٹیو نمبر ضرور درج کریں۔

نوٹس برائے 38 واں سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ بیافو انڈسٹریز لمیٹڈ کا 38 واں سالانہ اجلاس عام مورخہ 24 اکتوبر 2026 دن 11:00 بجے دیوان خاص، 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 23 اکتوبر 2025 کے منٹس کی توثیق۔
- 2- 30 جون 2026 کو ختم ہونے والے مالی سال کیلئے کمپنی کے آڈٹ شدہ مالی گوثواروں مع آڈیٹرز رپورٹ اور ڈائریکٹر رپورٹ کی وصولی اور منظوری
- 3- 30 جون 2025 کو ختم ہونے والے مالی سال کیلئے حتمی نقد منافع منقسمہ بحساب 2.50 روپے فی شیئر (25 فیصد) اور 17 فروری 2026 کو اعلان کردہ عبوری نقد منافع منقسمہ بحساب 2.50 روپے فی شیئر (25 فیصد) مجموعی منافع 5.00 روپے فی شیئر (50 فیصد) کی منظوری
- 4- مالی سال 2026-27 کیلئے آڈیٹرز کی تعیناتی اور ان کے معاوضے کی منظوری۔ سبکدوش ہونے والے آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس اہل ہونے کی وجہ سے خود کو دوبارہ خدمات کیلئے پیش کیا ہے۔
- 5- چیئرمین کی اجازت سے مینٹگ میں رکھے جانے والے کچھ دیگر امور کی انجام دہی کے لیے۔

بکرم پورڈ
ریحان اشرف
کمپنی سیکرٹری

اسلام آباد،

مورخہ: 29 ستمبر 2026

نوٹس

- 1- کمپنی کی شیئر منتقلی کی کتب 16 اکتوبر 2026 تا 23 اکتوبر 2026 (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 پراکسیز (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 کارڈ یا پاسپورٹس، یا شرکت کنندہ کے آئی ڈی نمبرز، اکاؤنٹ نمبرز 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 نہ کرانے کی صورت میں مستقبل کے تمام منافع روک لئے جائیں گے۔
- 5- ممبران سے استدعا کی جاتی ہے کہ وہ زکوٰۃ اور عشر آؤٹینس 1980 کے مطابق زکوٰۃ سے استثنیٰ کا بیان جمع کرائیں یا پتہ میں تبدیلی تجویز کریں، اگر ہو تو۔

بذریعہ ویڈیو لنک سالانہ اجلاس عام میں شرکت کیلئے

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرکلر نمبر 6، مورخہ 3 مارچ 2021 کے ذریعے لمیٹڈ کمپنیوں کو اجازت دی ہے کہ وہ شیئر ہولڈرز کے سالانہ اجلاس عام میں شرکت کے لیے ویڈیو لنک کی سہولت فراہم کر سکیں، اس کے علاوہ اراکین کی فزیکل حاضری بھی ممکن ہوگی۔

وہ شیئر ہولڈرز جو ویڈیو لنک کے ذریعے مینٹگ میں شرکت کے خواہشمند ہیں، ان سے درخواست کی جاتی ہے کہ وہ اپنا نام، فوٹیو نمبر، موبائل نمبر، اور اپنے نام پر موجود شیئرز کی تعداد ای میل کریں جس کا موضوع ہو "Registration for Biao Industries Limited AGM-2026" ساتھ ہی شناختی کارڈ کی موثر نقل management@biafo.com پر ای میل کریں۔

ویڈیو لنک اور لاگ ان تفصیلات صرف ان اراکین/متعلقہ پراکسیز کو فراہم کی جائیں گی جن کی ای میلز میں تمام مطلوبہ تفصیلات موجود ہوں اور ای میل سالانہ اجلاس عام کے وقت سے کم از کم 48 گھنٹے پہلے وصول ہو چکی ہوں گی۔

سالانہ آڈٹ شدہ مالیاتی سٹیٹمنٹ، رپورٹس اور AGM کے نوٹس کی منتقلی

30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ سٹیٹمنٹ، کمپنی کی ویب سائٹ پر دستیاب ہوں گے، جنہیں درج ذیل لنک QR کوڈ سے حاصل/ڈاؤن لوڈ کیا جاسکتا ہے:

سالانہ آڈٹ شدہ مالیاتی سٹیٹمنٹ بمعہ رپورٹس اور AGM کے نوٹس ان شیئر ہولڈرز کو بھیجے جارہے ہیں جنہوں نے اپنے ای میل ایڈریس فراہم کیے ہیں۔ سالانہ رپورٹ کی فزیکل کاپی شیئر ہولڈرز کو طلب کرنے پر فراہم کی جائے گی۔

ای ڈیوڈنڈ

لمیٹڈ کمپنی ہونے کی صورت میں کمپنیز ایکٹ 2017 کے سیکشن 242 کی روشنی میں شیئر 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 شیئر ہولڈرز سے استدعا کی جاتی ہے کہ بذریعہ متعلقہ شرکت کنندگان سینٹرل ڈیپازٹری سسٹم میں اپنے انٹرنیشنل بینک اکاؤنٹس (IBAN) کی تفصیلات کو اپ ڈیٹ کریں۔ فزیکل شیئرز کی صورت میں اپنے بینک اکاؤنٹ کی تفصیلات ہمارے شیئر رجسٹر اریسر، میسرز ایف ڈی رجسٹر اریسر (پرائیویٹ) لمیٹڈ۔ ای۔ ڈیوڈنڈ منیجمنٹ فارمنسک کیا گیا ہے۔

CHAIRMAN'S REVIEW

I am pleased to present the 38th Annual Report of the Company for the year ended 30th June 2026.

During the year under review, the Company recorded a net turnover of Rs. 3,192.78 million as against Rs. 2,902.10 million in the preceding year, reflecting a robust growth of 10.02%. This performance was achieved against a challenging backdrop with rising cost of doing business, elevated inflation and the broader economic slowdown in the country.

While sales to the mining, cement and export sectors registered a significant increase during the year, volumes to other sectors were lower. The oil and gas exploration segment was also constrained by the prevalent security situation.

Gross profit for the year was Rs. 1,158.46 million (2025: Rs. 1,036.96 million), while profit after tax was recorded at Rs. 388.93 million, translating into earnings per share of Rs. 8.39 (2025: Rs. 8.40). Profitability ratios came under pressure, primarily on account of higher cost of imported raw materials due to the regional conflict and the recognition of a one-time impairment loss against trade debts.

Your Company continues to invest in enhancing production efficiencies, developing its human capital and strengthening its safety and environmental practices, thereby reinforcing the confidence of its customers and other stakeholders.

The Company has a consistent track record of delivering sound returns to its shareholders. The Board has recommended a final cash dividend of 25% (Rs. 2.50 per share) for the year ended 30 June 2026. This is in addition to the interim cash dividend of 25% (Rs. 2.50 per share) already paid, taking the total cash dividend for the year to 50%.

During the year, the Company invested Rs. 69 million in capital expenditure to further strengthen its infrastructure and modernize its plant and machinery. These investments will enhance plant efficiencies, which together with a turnaround in economic activity, is expected to improve the Company's performance in the coming years.

The Board retains overall responsibility for the strategic planning process and for shaping the vision of the Company. Comprehensive policies have been established across all significant areas of the Company's operations, and these are reviewed and updated from time to time.

The Company complied with the provisions of the Code of Corporate Governance as incorporated in the Listing Regulations of the Pakistan Stock Exchange. There has been no material departure from the best practices, as disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.

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

Looking ahead, the Company will continue to consolidate its position in the domestic market and to capitalize on the opportunities arising from large-scale mining and infrastructure projects. In parallel, we are exploring avenues for growth in international markets, particularly in Africa and selected South Asian countries.

In conclusion, on behalf of the Board, I wish to place on record my appreciation for the dedication and commitment of our employees, which remains central to the success of the Company. I extend my sincere thanks to our shareholders, customers, suppliers, bankers and business partners for their continued trust and support, and I gratefully acknowledge the valuable contribution of my fellow directors towards the sustained progress of the Company.

Islamabad
24 September 2026



Ehsan Mani
Chairman

میں 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی 38 ویں سالانہ رپورٹ پیش کرتے ہوئے انتہائی خوشی محسوس کرتا ہوں۔

کمپنی کا زیر جائزہ عرصہ کے دوران خالص ٹرن اوور 10.02 فیصد اضافہ سے 3,192.78 ملین روپے رہا، جو کہ گزشتہ سال 2,902.10 ملین روپے کا تھا؛ یہ 10.02 فیصد کا اضافہ کمپنی کی نمایاں نمو کی عکاسی کرتا ہے۔ یہ کارکردگی کاروبار کرنے کی بڑھتی ہوئی لاگت، بلند افراط زر اور ملک میں وسیع تر معاشی سست روی جیسے چیلنجز کے حالات کے باوجود حاصل کی گئی۔

اگرچہ سال کے دوران کان کنی، سیمنٹ اور برآمدی شعبوں کو کی جانے والی فروخت میں نمایاں اضافہ ہوا، لیکن دیگر شعبوں میں فروخت کا حجم کم رہا۔ تیل اور گیس کی تلاش کا شعبہ بھی موجودہ سیکورٹی صورتحال کی وجہ سے محدود رہا۔

کمپنی نے اس سال 1,158.46 ملین روپے کا مجموعی منافع کمایا (سال 2025: 1,036.96 ملین روپے) رہا، جبکہ ٹیکس کی ادائیگی کے بعد خالص منافع 388.93 ملین روپے رہا، جس کے نتیجے میں فی شیئر آمدن 8.39 روپے رہی۔ (سال 2025: 8.40 روپے)۔ منافع کے تناسب (profitability ratios)، علاقائی تنازعہ کے باعث درآمد شدہ خام مال کی زیادہ لاگت اور تجارتی قرضوں (trade debts) کے خلاف ایک بار کے 'امپیئر منٹ نقصان' (impairment loss) کی بنیادی وجوہات کی بدولت، دباؤ کا شکار رہے۔

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۔

کمپنی کا اپنے شیئر ہولڈرز کو بہترین منافع فراہم کرنے کا مستقل ریکارڈ رہا ہے۔ بورڈ نے 30 جون 2026 کو ختم ہونے والے سال کے لیے 25 فیصد (2.50 روپے فی حصص) حتمی نقد منافع منقسمہ کی سفارش کی ہے۔ یہ پہلے سے ادا کیے گئے 25 فیصد (2.50 روپے فی حصص) عبوری نقد منافع منقسمہ کے علاوہ ہے، اس طرح مجموعی نقد منافع 50 فیصد ہے۔

سال کے دوران، کمپنی نے اپنے بنیادی ڈھانچے کو مزید مضبوط بنانے اور پلانٹ و مشینری کو جدید بنانے کے لیے سرمایہ کاری اخراجات (capital expenditure) کی مدد میں 69 ملین روپے کی سرمایہ کاری کی۔ یہ سرمایہ کاری پلانٹ کی استعداد میں اضافہ کرے گی، اور معاشی سرگرمیوں میں بہتری کے ساتھ مل کر، اس سے آنے والے سالوں میں کمپنی کی کارکردگی میں بہتری متوقع ہے۔

بورڈ کی طرف سے اسٹرٹجک پلاننگ کے عمل اور کمپنی کے وژن (نظریے) کی تشکیل کی مجموعی ذمہ داری کا پاس رکھتے ہوئے کمپنی کے اپریشنز کیلئے تمام متعلقہ شعبہ جات کیلئے جامع پالیسیاں مرتب کی ہوئیں جن کا وقت کے ساتھ ساتھ جائزہ لیا جاتا ہے۔

کمپنی نے پاکستان سٹاک ایکسچینج کی فہرستی ضوابط میں دی گئی کوڈ آف کارپوریٹ گورننس کی دفعات کی تعمیل کی۔ کمپنی نے فہرست شدہ کمپنیوں کے (کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019) کے تعمیلی بیان کے طے کردہ ضوابط سے کبھی انحراف نہیں کیا۔

کمپنی کی آڈٹ ورک میٹجمنٹ کمیٹی اور انسانی وسائل و معاوضہ طے کرنے والی کمیٹی بورڈ کی مشاورت کیلئے باقاعدہ طور پر میٹنگز کا انعقاد کرتی ہے۔ کمپنی اندرونی طور پر بہت مضبوط ہے جسے موثر طریقے سے کنٹرول اور مانیٹر کیا جاتا ہے۔

مستقبل کے حوالے سے، کمپنی ملکی مارکیٹ میں اپنی پوزیشن کو مستحکم کرنے اور بڑے پیمانے پر کان کنی اور بنیادی ڈھانچے (انفراسٹرکچر) کے منصوبوں سے پیدا ہونے والے مواقع سے فائدہ اٹھانے کا سلسلہ جاری رکھے گی۔ ہم بین الاقوامی مارکیٹ خصوصاً افریقہ اور جنوبی ایشیا کے دیگر ممالک میں بھی کاروباری مواقع تلاش کر رہے ہیں۔

آخر میں، میں بورڈ کی جانب سے اپنے تمام محنتی 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۔

اسلام آباد

احسان مانی

چیرمین

اسلام آباد

24 ستمبر 2026

DIRECTORS' REPORT

The Board of Directors is pleased to present the Annual Report for the year ended June 30, 2026. This report includes the Company's audited financial statements, providing a comprehensive overview of our financial performance and strategic initiatives taken during the past fiscal year.

Company Profile

Biafo Industries Ltd., established in 1988, is a leading manufacturer of high-quality commercial explosives and blasting accessories. The Company specializes in producing Tovex Water Gel Explosives, designed for diverse applications such as Blasting, Seismic Exploration, Coal Mining, and Presplitting. Its product portfolio also includes Powder Explosives and a comprehensive range of Blasting Accessories, including detonators and other essential materials, ensuring safe, environmentally friendly and precise blasting operations.

Organizational Overview

Biafo operates a modern, fully automated manufacturing facility designed to ensure the efficient production of Tovex and Powder Explosives with exceptional quality, consistency, and precision. The Company also manufactures a comprehensive range of blasting accessories, utilizing advanced technologies originally sourced from South Korea.

Through continuous in-house research and development, Biafo remains at the forefront of product innovation, consistently enhancing its product portfolio and manufacturing capabilities. The Company continually adapts and develops its products to meet evolving industry requirements and the growing demands of its customers and markets.

Financial Performance

During the year under review, the Company achieved net sales revenue of Rs. 3,192.78 million, compared to Rs. 2,902.09 million in the previous year. Gross profit increased by 11.72% to Rs. 1,158.46 million (2024-25: Rs. 1,036.96 million). The Company posted a net profit after tax of Rs. 388.94 million (2024-25: Rs. 389.49 million), resulting in earnings per share of Rs. 8.39 (2024-25: Rs. 8.40).

Profitability was affected due to increase in cost of imported raw materials and transportation charges. We anticipate the profitability to improve once the economy stabilizes and infrastructure projects resume.

Segment wise Sales and Market Performance

During the year, the Company recorded significant improvement in export sales, large projects, mining and cement sectors. However, sales to oil & gas sector witnessed a decline due to reduced seismic exploration.

Production

The regional conflict impacted global shipping and availability of key raw materials. However through effective supply chain management, the production team ensured timely availability of products to customers.

The Company is committed to operational excellence with continuous improvement in product performance, workforce capability and adherence to required safety standards. These initiatives strengthen manufacturing efficiency, enhance reliability, and reinforce the confidence of customers and other stakeholders.

Capital Expenditure

The Company is committed to leveraging the innovative production technologies to capitalize on emerging opportunities driven by technological advancements. During the year, Biafo invested Rs. 69 million in capital expenditures to maintain and enhance its manufacturing capacity and improve processes.

Liquidity Management & Cash Flow Strategy

During the year, the Company generated Rs. 735.54 million from operational activities. By the end of the year, net borrowings from banks through running finance facilities stood at Rs. 5.57 million, after accounting for cash and bank balances.

Biafo has a strong cash flow monitoring system, which regularly projects and tracks inflows and outflows, enhancing the Company's ability to manage liquidity effectively for smooth business operations.

Evaluation of Company's Performance

Management assesses the Company's performance using a range of indicators, including industry growth, historical performance, macroeconomic conditions and the overall business environment. Budgets are reviewed periodically, with actual results compared against approved targets to identify variances that enable timely corrective measures. This approach supports effective monitoring and achievement of the Company's strategic and operational objectives.

Risk Management

Biafo remains focused on identifying and capitalizing on market opportunities while proactively managing risks to sustain its competitive position and achieve its strategic objectives. To ensure objectivity and independent oversight, the Company has established a dedicated Risk Management Department with a direct reporting line to the Board's Audit and Risk Management Committee, independent of operational management. The Department operates under a comprehensive risk management framework, as set out in the Risk Management Policy Manual, supported by appropriate tools and processes for the identification, assessment, monitoring, and mitigation of key risks.

Adequacy of Internal Financial Controls

The Board of Directors has established a robust system of internal financial controls across all functions of the Company. The independent Internal Audit function regularly monitors the implementation and effectiveness of these controls, while the Audit Committee conducts periodic reviews to ensure their adequacy, effectiveness, and compliance with applicable policies and requirements.

Contribution to National Exchequer

The Company has contributed Rs. 305.92 million to the Government during the year (2025: Rs. 574.99 million), encompassing various levies such as Income Tax and Sales Tax.

Environmental, Social, and Governance (ESG) & Corporate Social Responsibility (CSR)

Biafo is focusing on a comprehensive ESG framework as a strategic pillar aligned with its Sustainability Goals and organizational values. A Board-level Sustainability Committee has been established to provide governance oversight and strategic direction for the Company's ESG initiatives, ensuring integration across all business operations and organizational functions. Recognizing the shift in the regulatory landscape under IFRS Sustainability Disclosure Standards (S1 and S2), Biafo is working actively to build organizational capacity and preparedness. The Company's CSR objectives are being strategically realigned to support ESG objectives, creating synergies between social investments and broader sustainability outcomes.

The Company is committed to initiating systematic reporting on Scope 1 emissions and key ESG performance indicators in the upcoming fiscal year. At the operational level, an interdepartmental working committee, cognizant of the cross-cutting nature of sustainability, will work in coordination with the Board Sustainability Committee to operationalize the ESG strategy, ensure policy compliance, monitor progress against targets, and drive continuous improvement across environmental stewardship, social responsibility, and governance practices.

Health, Safety & Environment

Safety is paramount in the handling and manufacturing of explosives. Biafo is committed to maintaining rigorous safety standards and controls to protect its workforce, operations, and surrounding environment, with a continued focus on fostering a zero-accident culture.

The Company's commitment is supported by ISO 9001:2015 and 45001:2018 certifications. Comprehensive policies, operating procedures, hazard identification systems, and control measures are regularly reviewed and updated. Routine risk assessments, audits and inspections further strengthen the Company's safety performance and environmentally responsible practices.

Human Resource

The Company is committed to upholding the highest standards of professionalism by recognizing and leveraging the capabilities, productivity, commitment, and contributions of its workforce. The Company firmly believes that sustained success depends upon attracting, developing, and retaining a carefully selected, well-trained, and dedicated team of professionals. Accordingly, significant emphasis is placed on

training and development initiatives designed to enhance employee competencies and foster a healthy, supportive, and inclusive work environment that encourages personal and professional growth.

The Human Resource and Remuneration Committee of the Board provides strategic oversight of all HR policy matters and is convened four times during the year to review, evaluate, and refine organizational policies and procedures. Demonstrating our commitment to our valued employees, the Company refrained from implementing any workforce reductions during the reporting period, despite challenging market conditions. This approach reflects the Board's conviction that our people represent a vital competitive advantage and are strategic asset essential to the Company's long-term success and resilience.

Return to Shareholders

The Board of Directors has recommended a final cash dividend of Rs.2.50 per share (25%) based on the profits for the year ended June 30, 2026. This is in addition to the interim cash dividend of Rs. 2.50 per share (25%) declared on February 17, 2026, bringing the total cash dividend to Rs. 5.00 per share (50%).

Business Challenges and Future Prospects

During the year, the Company faced significant challenges arising from the prevailing geopolitical situation in the region, rising import costs, and supply chain disruptions, which impacted the sales and profitability of the Company. Despite these headwinds, there are significant growth prospects through expansion into new markets in South Asia and Africa, and capturing emerging opportunities in infrastructure projects, hydroelectric developments, and the mining sector. The management is focused on further improving operational efficiency, managing costs effectively, and investing in research and development to enhance product competitiveness. With prudent financial management and disciplined execution of our strategic initiatives, the Company is well-positioned to capitalize as the economy revives and the Reko Diq project transitions to production stage, to deliver better results for all stakeholders in the years ahead.

Despite these difficulties, Biaofo Industries Ltd. has demonstrated commendable earnings growth over the years, reflecting our resilience amid market and economic instability. In response to these challenges, we are pursuing several strategic initiatives. The Company is well-positioned to benefit from the coming mining projects in the country. We are looking to expand our export markets.

New Initiatives & Product Diversification

The Company is focusing on a cross-functional initiative to develop an expanded product portfolio aimed at strategic growth and market diversification. This comprehensive program encompasses innovation in advanced technical solutions to enhance blast performance and precision, trials and commercialization of alternative raw material formulations to strengthen supply chain resilience, and the development of environmentally friendly alternatives to phase out legacy materials. These initiatives are underpinned by targeted capital investments, are expected to improve operational safety and environmental performance, optimize production costs, strengthen competitive positioning in large-scale mining contracts, and unlock new revenue streams in both domestic and export markets.

COMPOSITION OF THE BOARD

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

Male: Eight (8)

Female: Three (3)

The composition of Board is as follows:

i.	Independent Directors	i) Adnan Afridi
		ii) Himayat Ullah
		iii) Mirza Rehan Baig
		iv) Yawar Ikram
ii.	Non-Executive Directors	i) Ehsan Mani
		ii) Khwaja Ahmad Hosain
		iii) M. Zafar Khan
iii.	Executive Directors	i) Anwar Moin (CEO)
iv.	Female Directors	i) Ms. Shirin Safdar (Executive Director)
		ii) Ms. Ayesha Humayun Khan (Non-Executive Director)
		iii) Ms. Syeda Shahbano Abbas (Non-Executive Director)

In accordance with Company policy, non-executive directors, including independent directors, receive only a meeting fee, the amount of which is approved by the Board of Directors.

The Board has established a formal process for evaluating the performance of the Board and its Committees in accordance with the requirements of the Code of Corporate Governance.

Board of Directors Structure, Its Committees and Meetings

Throughout the year, the Board actively fulfilled its responsibilities in accordance with various laws and the Company's Memorandum and Articles of Association, with the primary goal of enhancing profitability and increasing shareholder returns. The Board is composed of members with the necessary skills, competence, knowledge, and experience to effectively address a range of business issues.

The Chairman of the Board is a non-executive director. During the year, the Board convened six times to review periodic financial statements and address both significant and routine matters, including those referred by its committees.

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

Audit & Risk Management Committee

Adnan Afridi	Chairperson
Ehsan Mani	Member
Mirza Rehan Baig	Member
Hamayat Ullah	Member
Yawar Ikram	Member

HR & Remuneration Committee

Adnan Afridi	Chairperson
Ehsan Mani	Member
Ms. Syeda Shahbano Abbas	Member
Ms. Ayesha Humayun Khan	Member
Khwaja Ahmad Hosain	Member
Chief Executive Officer	Member

Technical Committee

Yawar Ikram	Chairperson
Hamayat Ullah	Member
Khwaja Ahmad Hosain	Member
Chief Executive Officer	Member

Projects Committee

Adnan Afridi	Chairperson
Ehsan Mani	Member
Khwaja Ahmad Hosain	Member
Chief Executive Officer	Member

Executive Committee

Ehsan Mani	Chairperson
Shirin Safdar	Member
Khwaja Ahmad Hosain	Member
Syeda Shahbano Abbas	Member
Ayesha Humayun Khan	Member
Mirza Rehan Baig	Member
Chief Executive Officer	Member

Sustainability Committee

Ayesha Humayun Khan	Chairperson
Ehsan Mani	Member
Yawar Ikram	Member
Chief Executive Officer	Member

Code of Corporate Governance

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

The Board consistently reviews the Company's strategic direction, including the business plans and targets. We remain committed to upholding the highest standards of corporate governance. In accordance with the Code of Corporate Governance, your directors are pleased to provide the following report:

- 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, 2026 except for those stated in the financial statements.
- Two 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, nine of the directors of the Company have obtained certification under directors training programs as required under clause (xi) of the CCG.
- The values of investment of various funds, based on their respective accounts as at 30 June 2026 are as:

DESCRIPTION	AMOUNT
Provident Fund	Rs. 203,318,021
Gratuity Fund	Rs. 173,982,796

Leadership Transition

Effective July 1, 2026, Matin Amjad assumed the role of Chief Executive Officer of the Company. Under the new leadership, the Company has embarked on a renewed mission focused on sustainable growth, operational excellence, and enhancing stakeholder value.

The Board expresses its sincere appreciation for the valuable contributions of Anwar Moin during his tenure as Chief Executive Officer and acknowledges his steadfast leadership during the COVID-19 pandemic, his pivotal role in expanding the Company's export business, his contribution to key strategic initiatives, and his dedication in steering the Company through challenging circumstances.

Key Operating and Financial Data

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

Auditors

The current auditors, M/s Yousuf Adil Chartered Accountants, will retire at the end of the fiscal year. Being eligible for reappointment, they have expressed their willingness to continue in their role. The Audit Committee, after careful consideration, recommends the reappointment of M/s Yousuf Adil Chartered Accountants as the External Auditors for the Company for the fiscal year 2026-27.

Pattern of Share Holding

Pattern of shareholding is attached.

Acknowledgement

The Board extends its sincere appreciation to all employees for their unwavering commitment and hard work. Their dedication has been instrumental in navigating the challenges and seizing new opportunities. We also wish to acknowledge the support and cooperation of our key stakeholders, including our valued customers, suppliers, and financial partners, particularly Allied Bank Ltd and United Bank Ltd.

On behalf of the Board



Matin Amjad
Chief Executive Officer



Ehsan Mani
Chairman

Islamabad
24 September 2026

ایگزیکٹو کمیٹی	پرائیکٹس کمیٹی	سینئر ایڈمنسٹریٹو کمیٹی
احسان مانی	عدنان آفریدی	محترمہ عائشہ ہمایوں خان
شیرین صفدر	احسان مانی	احسان مانی
خواجہ احمد حسین	خواجہ احمد حسین	یادرا کرام
محترمہ سیدہ شاہ نوح عباس	سی ای او	سی ای او
مرزا رحمان بیگ		
سی ای او		

کوڈ آف کارپوریٹ گورننس

- ہمارے لئے یہ انتہائی خوشی کی بات ہے کہ کمپنی نے کوڈ آف کارپوریٹ گورننس کی بیرونی 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 جانب سے تیار کردہ مالیاتی گوشوارے، منصفانہ طور پر کمپنی کی موجودہ حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی 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 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 ہے۔
 - 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 اس کے کہ کمپنی میں موجود تعمیلی بیان کے (کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019)۔
 - ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں 30 جون 2026 تک بتایا جاتے ہیں کوئی بھی قانونی ادائیگی نہیں کرنی ماسوائے اس کے جو مالی گوشواروں میں بیان کی گئی ہیں۔
 - کمپنی کے دو ڈائریکٹرز اپنی تعلیمی قابلیت اور وسیع تجربے کی بنیاد پر ڈائریکٹرز ٹینک پروگرام سے مستثنیٰ ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس کے احکامات میں دیا گیا ہے۔ مزید نو (9) ڈائریکٹرز نے گزشتہ سال کے دوران ان کے ڈائریکٹر ٹینک پروگرام سے شرکت 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 ٹینک پروگرام میں شرکت نہیں کی۔
 - 30 جون 2026 کو متعلقہ اکاؤنٹس کی بنیاد پر مختلف فنڈز کی سرمایہ کاری کی مالیت حسب ذیل ہے:

رقم	تفصیل
203,318,021/- روپے	پروویڈنٹ فنڈ
173,982,796/- روپے	گریجویٹ فنڈ

قیادت کی منتقلی

یکم جولائی 2026 سے، متین امجد نے کمپنی کے چیف ایگزیکٹو آفیسر (CEO) کا عہدہ سنبھال لیا ہے۔ نئی قیادت کے تحت، کمپنی نے پائیدار ترقی، آپریشنل عمدگی اور اسٹیک ہولڈرز (متعلقہ فریقین) کی قدر میں اضافے پر مرکوز ایک نئے مشن کا آغاز کیا ہے۔ بورڈ، چیف ایگزیکٹو آفیسر کی حیثیت سے انورٹمنٹ کی گراں قدر خدمات کو سراہتا ہے اور کووڈ-19 کی وبا کے دوران ان کی مضبوط قیادت، کمپنی کے برآمدی کاروبار کو وسعت دینے میں ان کی کلیدی کردار، ایم اسٹریٹجک اقدامات میں ان کی شراکت، اور مشکل حالات میں کمپنی کی رہنمائی کرنے میں ان کے عزم و لگن کا اعتراف کرتا ہے۔

اہم آپریٹنگ اور مالیاتی اعداد و شمار

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

آڈیٹرز

موجودہ آڈیٹرز میسرز یوسف عادل چارڈا اکاؤنٹنٹس اس مالی سال کے اختتام پر سبکدوش 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 سبکدوش ہونے والے آڈیٹرز کی مالی سال 2026-27 کیلئے دوبارہ تقرری کی سفارش کی۔

شیئر ہولڈنگ کا طریقہ کار

شیئر 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 چیلنج سے نبھنا 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

Matin A. J.

متین امجد
چیف ایگزیکٹو آفیسر

احسان مانی

چیئر مین

اسلام آباد

24 ستمبر 2026

ہیومن ریسورس (افراد کی قوت)

کمپنی اپنی افرادی قوت کی صلاحیتوں، پیداواریت، عزم اور شراکت کو تسلیم کرتے ہوئے پیشروانہ مہارت کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لیے پرعزم ہے۔ کمپنی کا پختہ یقین ہے کہ پائیدار کامیابی کا انحصار پیشرو افراد کی احتیاط سے منتخب، اچھی تربیت یافتہ، اور سرشار ٹیم کو راغب کرنے، ترقی دینے اور اسے برقرار رکھنے پر ہے۔ اسی مناسبت سے، تربیت اور ترقیاتی اقدامات پر خاص زور دیا جاتا ہے جو ملازمین کی قابلیت کو بڑھانے اور صحت مند، معاون، اور جامع کام کے ماحول کو فروغ دینے کے لیے بنائے گئے ہیں جو ذاتی اور پیشروانہ ترقی کی حوصلہ افزائی کرتا ہے۔

بورڈ کی ہیومن ریسورس اینڈ ریسرچ ڈیپارٹمنٹ کمپنی تمام HR پالیسی معاملات کی اسٹرٹیجک نگرانی فراہم کرتی ہے اور تنظیمی پالیسیوں اور طریقہ کار کا جائزہ لینے کیلئے ایک سال میں 3 بار اپنا اجلاس منعقد کرتی ہے۔ ہمارے قابل قدر ملازمین کے ساتھ ہماری وابستگی کا مظاہرہ کرتے ہوئے، کمپنی نے مارکیٹ کے چیلنجز حالات کے باوجود پورنگ کی مدت کے دوران افرادی قوت میں کسی قسم کی کمی کو نافذ کرنے سے گریز کیا۔ یہ نقطہ نظر بورڈ کے اس یقین کی عکاسی کرتا ہے کہ ہمارے لوگ ایک اہم مسابقتی ایڈوانٹیج اور کمپنی کی طویل مدتی کامیابی اور ریزلینس کے لیے ضروری اسٹرٹیجک اثاثہ ہیں۔

شیر ہولڈرز کیلئے منافع

بورڈ کی جانب سے 30 جون 2026 کو ختم ہونے والے سال کیلئے حتمی نقد منافع 2.50 روپے (25 فیصد) فی شیئر کی سفارش کی گئی ہے۔ یہ منافع 17 فروری 2026 کو اعلان کردہ 2.50 روپے فی شیئر (25 فیصد) سے اضافی ہے۔ مجموعی منافع 5.00 روپے (50 فیصد) فی شیئر۔

کاروباری چیلنجز اور مستقبل کے امکانات

سال کے دوران کمپنی کو خطے میں موجودہ جغرافیائی سیاسی صورتحال، بڑھتی ہوئی درآمدی لاگت، اور سلائی چین میں رکاوٹوں سے پیدا ہونے والے اہم چیلنجز کا سامنا کرنا پڑا، جس نے کمپنی کی فروخت اور منافع کو متاثر کیا۔ ان مسائل کے باوجود، جنوبی ایشیا اور افریقہ میں نئی منڈیوں میں توسیع، اور بنیادی ڈھانچے کے منصوبوں، ہائیڈرو الیکٹرک ڈیولپمنٹس، اور کان کنی کے شعبے میں ابھرتے ہوئے مواقع کو حاصل کرنے کے ذریعے ترقی کے اہم امکانات موجود ہیں۔ انتظامیہ کی توجہ آپریشنل کارکردگی کو مزید بہتر بنانے، لاگت کا مؤثر طریقے سے انتظام کرنے اور مصنوعات کی مسابقت کو بڑھانے کے لیے تحقیق اور ترقی میں سرمایہ کاری پر مرکوز ہے۔ دانشمندانہ مالیاتی انتظام اور ہمارے سٹرٹیجک اقدامات کے نظم و ضبط کے ساتھ، کمپنی معیشت کی بحالی اور ریکوڈک پروڈیکٹ کے پیداواری مرحلے میں منتقلی کے ساتھ ساتھ آنے والے سالوں میں تمام اسٹیک ہولڈرز کے لیے بہتر نتائج فراہم کرنے کے لیے اچھی پوزیشن میں ہے۔

نئے اقدامات اور مصنوعات کی تنوع

کمپنی ایک وسیع پروڈکٹ پورٹ فولیو تیار کرنے کے لیے ایک کراس فنکشنل اقدام پر توجہ مرکوز کر رہی ہے جس کا مقصد اسٹرٹیجک ترقی اور مارکیٹ میں تنوع ہے۔ اس جامع پروگرام میں بلاسٹ کی کارکردگی اور درستی کو بڑھانے کے لیے جدید ٹیکنیکل سلوشنز میں جدت شامل ہے، جہاں چین کی ریزیلینس کو مضبوط کرنے کے لیے خام مال کے آئٹمز، فارمولیشنز، ٹرانزاکٹس اور کرسٹالینیشن، اور لکیسی میٹریل کو مرحلہ وار ختم کرنے کے لیے ماحول دوست آلٹرنیٹو کی ضرورت شامل ہے۔ ان اقدامات کی بنیاد ہدف پوری سرمایہ کاری پر استوار ہے؛ ان سے آپریشنل تحفظ اور ماحولیاتی کارکردگی میں بہتری، پیداواری لاگت میں توازن و بہتری، بڑے پیمانے پر کان کنی کے معاہدوں میں مسابقتی پوزیشن کی مضبوطی، اور ملکی و برآمدی دونوں منڈیوں میں آمدنی کے نئے ذرائع کے حصول کی توقع ہے۔

بورڈ کی ترتیب

ادارے میں مجموعی طور پر 11 ڈائریکٹرز موجود ہیں جن میں سے مرد: آٹھ (8) خواتین: تین (3)

بورڈ کی ترتیب مندرجہ ذیل ہے۔

خود مختار ڈائریکٹرز

i۔ عدنان آفریدی ii۔ حمایت اللہ iii۔ مرزا بھان بیگ iv۔ یادرا کرام

نان ایگزیکٹو ڈائریکٹرز

i۔ احسان مانی ii۔ خواجہ احمد حسین iii۔ ایم ظفر خان

ایگزیکٹو ڈائریکٹرز

i۔ انور حسین (سی ای او)

خواتین ڈائریکٹرز

i۔ محترمہ شیرین صدر (ایگزیکٹو ڈائریکٹر) ii۔ محترمہ عائشہ ہمایوں خان (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 باخاطبہ لائحہ عمل طے کیا ہے تاکہ براہ راست بورڈ کی کارکردگی کا جائزہ لیا جائے۔ اسکے ساتھ ساتھ بورڈ کی جانب سے کوڈ آف کارپوریٹ گورننس کے مطابق کمپنی ارکان کی کارکردگی کا جائزہ لینے کیلئے بھی طریقہ کار وضع کیا جا رہا ہے۔

بورڈ آف ڈائریکٹرز کی ساخت، کمپٹیاں اور اجلاس

اس سال کے دوران بورڈ نے مختلف قوانین، ممبرانہ 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 چھ 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 معروضہ جاتی کمپنی		میکینیکل کمپنی	
عدنان آفریدی	چیئر پرسن	عدنان آفریدی	چیئر پرسن	یادرا کرام	چیئر پرسن
احسان مانی	ممبر	احسان مانی	ممبر	حمایت اللہ	ممبر
مرزا بھان بیگ	ممبر	محترمہ سیدہ شاہ بانو عباس	ممبر	خواجہ احمد حسین	ممبر
حمایت اللہ	ممبر	محترمہ عائشہ ہمایوں خان	ممبر	سی ای او	ممبر
یادرا کرام	ممبر	خواجہ احمد حسین	ممبر		
		(سی ای او)	ممبر		

بورڈ آف ڈائریکٹرز 30 جون 2026 کو اختتام پذیر ہونے والے مالی سال کے لئے کمپنی کی سالانہ رپورٹ مسرت کے ساتھ پیش کر رہے ہیں۔ اس رپورٹ میں گزشتہ مالی سال کے دوران مالی کارکردگی اور کیے گئے اسٹریٹجک اقدامات پر مشتمل کمپنی کی آڈٹ شدہ فیصلہ شینٹ شامل ہے۔

کمپنی پر وقافل

بیا فو انڈسٹریز لمیٹڈ 1988 سے اعلیٰ معیار کے کمرشل ایکسپلوسوز (بارودی مواد) اور بلاسٹنگ اسسریز بنانے والی کمپنی ہے۔ بیا فو انڈسٹریز لمیٹڈ ٹوکیس وائرڈیل جن میں بلاسٹنگ، بریکنگ، سسٹمک ایکسپلوریشن، کول مائننگ اور Presplitting شامل ہیں۔ بیا فو انڈسٹریز محفوظ اور ماحول دوست بلاسٹنگ آپریٹرز کو یقینی بنانے کیلئے پاؤڈر ایکسپلوسوز اور بلاسٹنگ اسسریز کی وسیع رینج بشمول ڈیٹونیٹرز اور دیگر ضروری ملیریل بھی بناتی ہے۔

ادارہ جاتی جائزہ

بیا فو کے پاس ایک جدید اور سٹیٹ آف دی آرٹ مینوفیکچرنگ یونٹ ہے جو انتہائی آٹومیٹڈ ہے اور ٹوکیس ایکسپلوسوز اور پاؤڈر ایکسپلوسوز بنا سکتا ہے۔ بیا فو جنوبی کوریا سے حاصل کردہ ٹیکنالوجی کی بدولت ایکسپلوسوز کیلئے بلاسٹنگ اسسریز کی وسیع رینج بھی بناتی ہے۔ بیا فو میں تحقیق و ترقی پر خصوصی توجہ مرکوز کی جاتی ہے جس کی بدولت مارکیٹ کی ضرورت کے مطابق نئی مصنوعات بھی تیار کی جاتی ہیں۔ مسلسل داخلی تحقیق اور ترقی کے ذریعے، بیا فو مصنوعات میں جدت طرازی کے میدان میں پیش پیش ہے اور اپنے مصنوعات کے پورٹ فولیو، زور پیداواری صلاحیتوں کو مسلسل بہتر بنا رہا ہے۔ کمپنی صنعت کی بدلتی ہوئی ضروریات اور اپنے صارفین و منڈیوں کے بڑھتے ہوئے تقاضوں کو پورا کرنے کے لیے اپنی مصنوعات میں مسلسل تبدیلی اور بہتری لاتی رہتی ہے۔

مالی کارکردگی

زیر جائزہ سال کے دوران کمپنی کی بیلز کے شعبے میں اصل آمدنی 3,192.78 ملین روپے رہی جبکہ گزشتہ سال سب آآمدنی 2,902.09 ملین روپے تھی۔ اس سال کے مجموعی منافع میں 11.72 فیصد اضافہ ہوا جو اس سال 1,158.46 ملین روپے رہا۔ (سال 2024-25 میں منافع 1,036.96 ملین روپے تھا)۔ کمپنی کو ٹیکس ادائیگی کے بعد 388.94 ملین روپے خالص منافع حاصل ہوا (سال 2024-25 میں خالص منافع 389.49 ملین روپے تھا)۔ جس کے نتیجے میں فی شیئر 8.39 روپے آمدنی ہوئی۔ (سال 2024-25 میں فی شیئر آمدنی 8.40 روپے تھی)۔

درآمد شدہ خام مال کی لاگت اور نقل و حمل کے اخراجات میں اضافے کی وجہ سے منافع پر اثر پڑا۔ ہمیں امید ہے کہ معاشی استحکام اور تعمیراتی منصوبہ جات کی بحالی سے منافع میں مزید بہتری واقع ہوگی۔

شعبے کے اعتبار سے فروخت اور مارکیٹ میں کارکردگی

سال کے دوران، کمپنی نے برآمدی فروخت، بڑے منصوبوں، اور کان کنی و سبٹ کے شعبوں میں نمایاں بہتری ریکارڈ کی۔ تاہم، سسٹمک (seismic) تلاش کے کام میں کمی کے باعث تیل اور گیس کے شعبے کو کمی جانے والی فروخت میں کمی ہوئی۔

پیداوار

علاقائی تنازعے نے عالمی جہاز رانی اور اہم خام مال کی دستیابی کو متاثر کیا۔ تاہم، سلائی چین کے موثر انتظام کے ذریعے، پیداواری ٹیم نے صارفین تک مصنوعات کی بروقت فراہمی کو یقینی بنایا۔ کمپنی مصنوعات کی کارکردگی اور افرادی قوت کی صلاحیتوں میں مسلسل بہتری نیز حفاظتی معیارات کی پاسداری کے ذریعے آپریشنل ایکسیلینس کے حصول کے لیے پرعزم ہے۔ یہ اقدامات پیداواری کارکردگی کو مضبوط بناتے ہیں، قابل اعتماد ہونے کے معیار کو بڑھاتے ہیں، اور صارفین و دیگر متعلقہ فریقین کے اعتماد کو مستحکم کرتے ہیں۔

کمپنیل 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 69 ملین روپے کی سرمایہ کاری کی ہے۔

لیکچر ویڈیو مینجمنٹ اور کیش فلو مینجمنٹ

زیر جائزہ عرصہ میں آپریٹنگ سرگرمیوں سے 735.54 ملین روپے حاصل ہوئے۔ سال کے اختتام تک کمپنی نے نیٹیکو سے رنگ فائیننگ کے طور پر 5.57 ملین روپے، کیش اور بینک بیلنس کے اکاؤنٹنگ کے بعد، ادھار لیے۔ آپ کی کمپنی نے کیش فلو کی گمرانی کیلئے ایک باقاعدہ نظام قائم کیا ہے جس میں باقاعدہ طور پر ادائیگیوں اور آمدن کا تخمینہ لگایا جاتا ہے اور گمرانی کی جاتی ہے۔ جس سے کاروبار میں موثر طریقے سے لیکچر ویڈیو کا انتظام کرنے کی کمپنی کی صلاحیت میں اضافہ ہوتا ہے۔

کمپنی کی کارکردگی کی جانچ پڑتال

کمپنی کی کارکردگی کی جانچ پڑتال کیلئے مینجمنٹ کارکردگی کے مختلف اشاریے استعمال کرتی ہے جیسا کہ انڈسٹری گروٹھ، گزشتہ سال کی کارکردگی ٹیکرو اکٹاٹک اشاریے اور کمپنی پر اثر انداز ہونے والا ماحول۔ سال کے دوران مناسب وقتوں سے بجٹ تشکیل دیئے جاتے ہیں اور ان تشکیل دیئے گئے بجٹ کے مقابل کارکردگی کا جائزہ لیا جاتا ہے تاکہ وقت پر اصلاحی اقدامات کیے جاسکیں اور کمپنی کے اسٹریٹجک اور آپریشنل مقاصد کے موثر انتظام کو یقینی بنایا جاسکے۔

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 کارڈٹ اور رسک مینجمنٹ کمپنی 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 مینیکل میں رپورٹ کرتا ہے اور رسک کو کم کرنے کیلئے اقدامات کرتا ہے۔

اندرونی فیصلہ کنٹرولز کا نظام

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

قومی خزانے میں شراکت

آپ کی کمپنی نے مختلف لیویز بشمول انکم ٹیکس اور سیلز ٹیکس قومی خزانے میں 305.92 ملین روپے جمع کرائے ہیں (سال 2025، 574.99 ملین روپے)

ماحولیاتی، سماجی، اور گورننس (ESG) اور کارپوریٹ سماجی ذمہ داری (CSR)

بیا فو انڈسٹریز لمیٹڈ اپنے اسٹریٹجک اہداف اور تنظیمی اقدار کے ساتھ منسلک ایک اسٹریٹجک پلر کے طور پر ایک جامع ESG فریم ورک پر توجہ مرکوز کر رہا ہے۔ کمپنی کے ESG اقدامات کے لیے گورننس کی گمرانی اور حکمت عملی کی سمت فراہم کرنے کے لیے بورڈ کی سطح پر سسٹمک ایبلٹی کمپنی قائم کی گئی ہے، جو تمام کاروباری کارروائیوں اور تنسی کاموں میں انضمام کو یقینی بناتی ہے۔ IFRS سسٹمک ایبلٹی ڈسکلوژر سٹینڈرڈز (S1 S2) کے تحت ریگولیٹری لینڈسکیپ میں تبدیلی کو تسلیم کرتے ہوئے، کمپنی تنظیمی صلاحیت اور تیار کو بڑھانے کے لیے فعال طور پر کام کر رہا ہے۔ کمپنی کے CSR مقاصد ESG مقاصد کی حمایت کے لیے اسٹریٹجک طور پر دوبارہ ترتیب دیا جا رہا ہے، جس سے سماجی سرمایہ کاری اور سسٹمک ایبلٹی کے وسیع تر نتائج کے درمیان ہم آہنگی پیدا ہو رہی ہے۔

کمپنی آئندہ مالی سال میں دائرہ کار 1 کے اخراج اور کلیدی ESG کارکردگی کے اشارے پر منظم رپورٹنگ شروع کرنے کے لیے پرعزم ہے۔ آپریشنل سطح پر، ایک بین شعبہ جاتی ورگنگ کمیٹی، جو سسٹمک ایبلٹی کی کراس کنگ نوعیت کا نظم رکھتی ہے، ESG حکمت عملی کو چلانے، پالیسی کی تعمیل کو یقینی بنانے، اہداف کے حصول کیلئے پیشرفت کی گمرانی، اور ماحولیاتی ذمہ داری، سماجی ذمہ داری، اور گورننس کے طریقوں میں مسلسل بہتری لانے کے لیے بورڈ کی پالیسی داری کمیٹی کے ساتھ مل کر کام کرے گی۔

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 45001:2018 سرٹیفائیڈ کمپنی ہیں جو اپنے ملازمین کے تحفظ کیلئے کئی طرح کے حفاظتی معیارات، پالیسی گائیڈ لائنز، آپریٹنگ پرائیمرز اور خطرات کی نشاندہی کے نظام پر سختی سے عمل پیرا ہیں 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۔

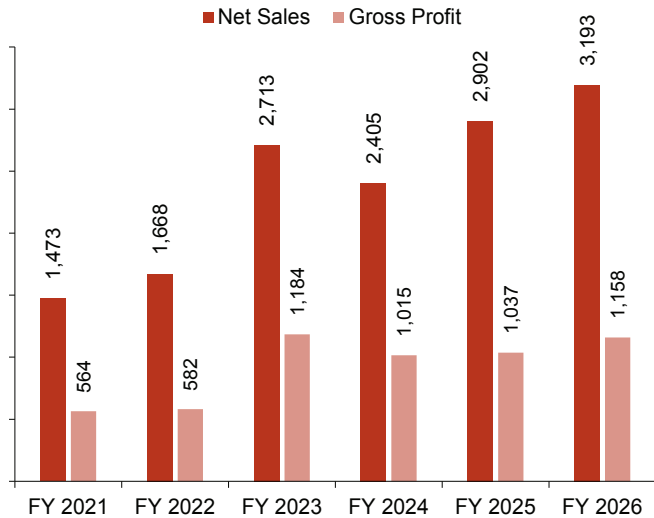
STAKEHOLDERS INFORMATION

		2025-26	2024-25	2023-24	2022-23	2021-22	2020-21
BALANCE SHEET							
Paid up Capital	Rs. In '000	463,827	463,827	463,827	463,827	463,827	383,328
Shareholder Equity*	Rs. In '000	3,339,335	3,209,454	2,936,113	2,931,652	2,336,308	1,544,246
Fixed Assets	Rs. In '000	2,268,805	2,256,281	2,246,811	2,308,419	2,058,052	1,205,020
Long Term Debts	Rs. In '000	-	-	61,302	122,603	183,905	90,619
Fixed Assets Addition	Rs. In '000	68,860	30,811	23,260	37,735	248,122	150,585
Profit & Loss Account							
Net Sales	Rs. In '000	3,192,782	2,902,087	2,405,082	2,713,098	1,668,100	1,472,765
Gross Profit / (Loss)	Rs. In '000	1,158,456	1,036,961	1,015,497	1,183,963	581,981	563,956
Operating Profit / (Loss)	Rs. In '000	679,218	719,970	439,484	864,346	365,553	383,798
EBDIT	Rs. In '000	734,574	790,087	547,397	979,071	460,803	410,399
Profit / (Loss) after taxation	Rs. In '000	388,936	389,490	295,027	607,679	247,729	254,039
PROFITABILITY RATIOS							
Gross Profit/(Loss) Margin	%	36.28	35.73	42.22	43.64	34.89	38.29
Net Profit Margin	%	12.18	13.42	12.27	22.40	14.85	17.25
Return on Assets	%	9.93	8.85	8.19	14.89	6.78	10.20
Return on Shareholder Equity*	%	11.65	12.14	10.05	20.73	10.60	16.45
LIQUIDITY RATIOS							
Current Ratio	:	3.29	1.96	2.68	2.01	1.56	1.59
Quick Ratio	:	2.10	1.21	1.37	1.21	1.03	0.95
Cash Generation to Sales	:	106	85.20	106.65	90.30	93.25	102.43
ASSETS MANAGEMENT RATIOS							
Number of Days Stock	Days	127	146	179	149	177	180
Number of Days Trade Debts	Days	64	54	64	70	77	78
Operating Cycle	Days	191	200	243	218	254	258
Fixed Assets Turnover	Times	1.41	1.29	1.07	1.18	0.81	1.22
Sales /Shareholder Equity*	Times	0.96	0.90	0.82	0.93	0.71	0.95
DEBTS MANAGEMENT RATIOS							
Total Assets to Total Debts	Times	26.38	8.08	12.07	7.18	4.45	3.98
Debts to Shareholder Equity *	%	4	17	10	19	35	41
MARKET RATIOS							
Share Price at year end	Per Share	133.86	175.62	102.00	66.00	67.00	138.20
Share Price-High	Per Share	207.10	233.99	146.00	78.99	143.90	192.89
Share Price-Low	Per Share	79.10	96.43	57.30	53.70	63.50	116.00
Earning Per Share**	Rs. 10/Share	8.39	8.40	6.36	13.10	5.34	5.48
Price Earning Ratio	Times	15.95	20.91	16.04	5.04	12.54	25.23
Dividend Declared	Per Share (Rs)	5.00	5.00	4.60	5.30	4.50	4.00
Bonus Shares	%	-	-	-	-	20.00	10.00
Dividend Payout	%	59.59	59.52	72.33	40.46	84.25	73.03
Dividend Yield	%	3.74	2.85	4.51	8.03	6.72	2.89
Break-up Value	Rs. 10/Share	72.00	69.20	63.30	63.21	50.37	40.29

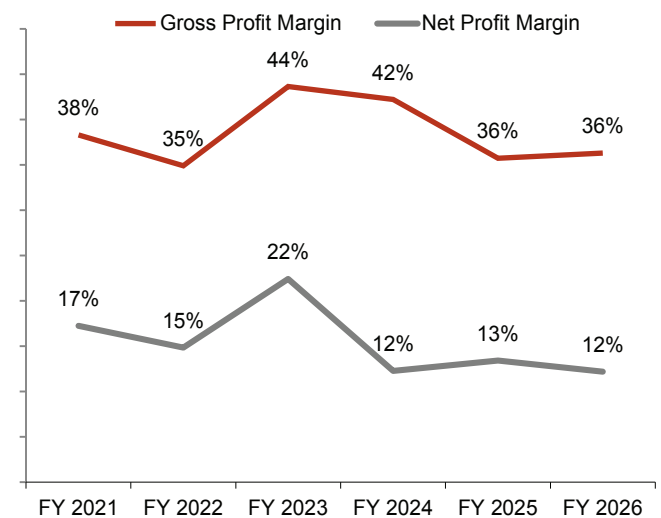
*Shareholder Equity is inclusive of Surplus on Revaluation of Fixed Assets (2025: 1,496.23 M) (2026 : 1,501.58 M)

STAKEHOLDERS INFORMATION

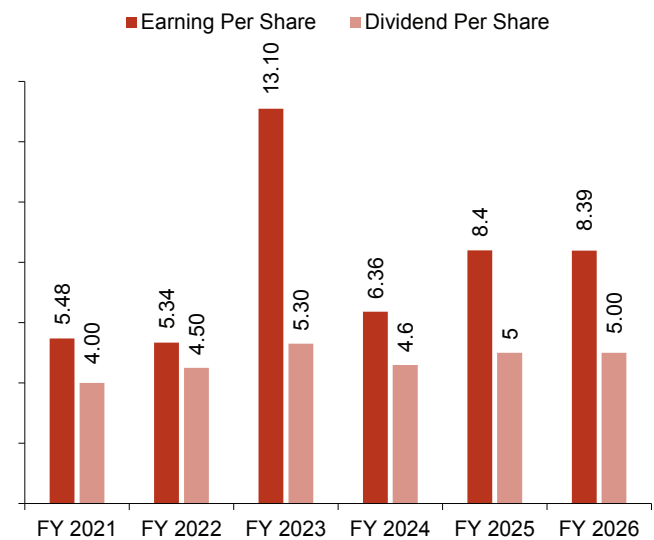
Revenue & Gross Profit (Rs. Million)



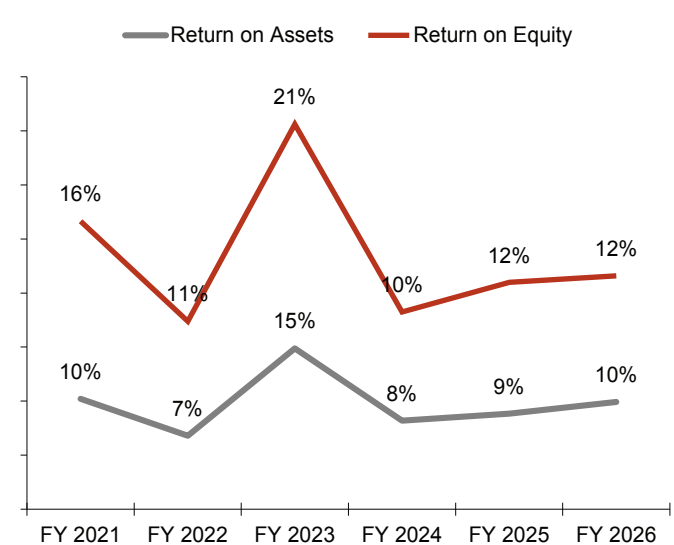
Profitability Ratio (%)



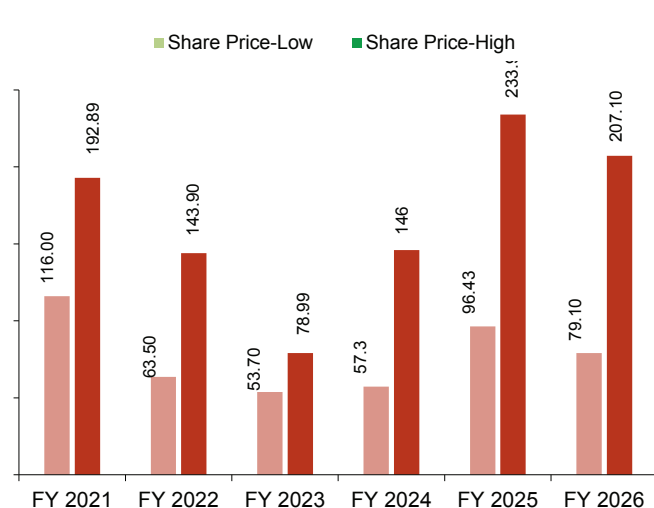
Investors' Ratios (Rs.)



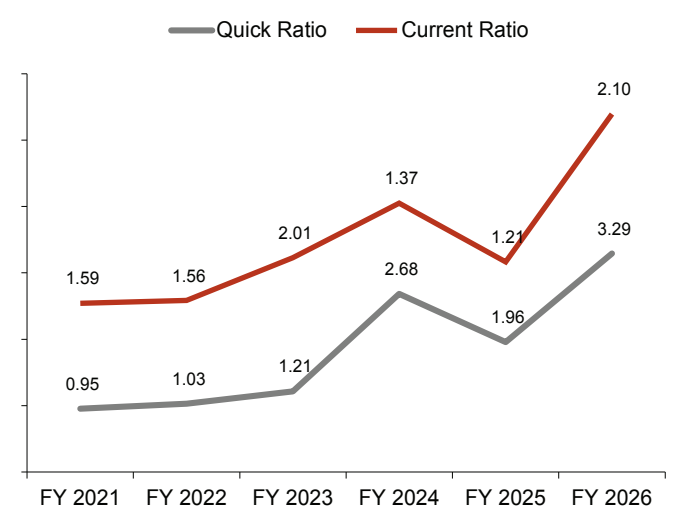
Capital Return Ratios (%)



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, 2026**

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

1. The total number of directors are 11 as per the following:

- a. Male: Eight (8)
- b. Female: Three (3)

2. The composition of Board is as follows:

i.	Independent Directors	i) Adnan Afridi
		ii) Himayat Ullah
		iii) Mirza Rehan Baig
		iv) Yawar Ikram
ii.	Non-Executive Directors	i) Ehsan Mani (Chairman)
		ii) Khwaja Ahmad Hosain
		iii) M. Zafar Khan
iii.	Executive Directors	i) Anwar Moin (CEO)
iv.	Female Directors	i) Ms. Shirin Safdar (Executive Director)
		ii) Ms. Ayesha Humayun Khan (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. Two 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, nine of the directors of the Company have obtained certification under directors training program as required under clause (xi) of the CCG during current and prior years.
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) | Yawar Ikram | Member |
| iii) | Ehsan Mani | Member |
| iv) | Himayat Ullah | Member |
| v) | Mirza Rehan Baig | Member |
| b) HR and Remuneration Committee | | |
| i) | Adnan Afridi | Chairman |
| ii) | Ehsan Mani | Member |
| iii) | Khwaja Ahmed Hosain | Member |
| iv) | Ms. Ayesha Hamayun Khan | Member |
| v) | Ms. Syeda Shahbano Abbas | Member |
| vi) | Anwar Moin | CEO/Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committee were as per following
- i. Audit & Risk Management Committee (quarterly)
 - ii. HR and Remuneration Committee (quarterly)
15. The Board has outsourced the internal audit function to Asad Ijaz & Co, Chartered Accountant who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. 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;
17. 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.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are below:

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

Sr. No.	Requirement	Reg. No.	Explanation
i	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29.1	The Board has not constituted nomination committee as the responsibility of the Committee is taken care of by the Board itself.



Ehsan Mani
Chairman

September 24, 2026

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, 2026 in accordance with the requirements of regulation 36 of the Regulations.

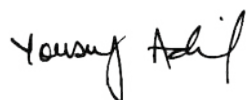
The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight 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 June 30, 2026.

Further, we highlight that certain non-compliances with non-mandatory requirements of the Regulations, along with their explanations, are reflected in clause 19 of the Statement of Compliance.



Chartered Accountants

Place: Islamabad

Date: September 25, 2026

UDIN: CR202610414CrgxtTeyA

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 comprise the statement of financial position as at June 30, 2026, 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 material accounting policy information 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, 2026 and of the profit and 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 is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current period.

This matter was 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 this matter.

INDEPENDENT AUDITORS' REPORT

Following are the key audit matter(s):

Sr.No.	Key audit matters	How the matter was addressed in our audit
1	Revenue recognition Refer notes 5.8 and 25 to the Financial statements 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. 3,192.78 million for the year ended 30 June 2026. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: - 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; and - Assessing the appropriateness of accounting policy for revenue recognition in accordance with applicable accounting and reporting standards.

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.

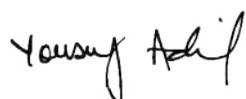
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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. Syed Asmatullah.



Chartered Accountants

Place: Islamabad

Date: September 25, 2026

UDIN:AR202610414GHAIPfjFu

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
NON – CURRENT ASSETS			
Property, plant and equipment	6	2,197,319,765	2,183,410,465
Intangibles	7	6,623,434	7,359,372
Investment property	8	64,861,716	65,511,510
Long-term deposits		1,782,900	1,782,900
		2,270,587,815	2,258,064,247
CURRENT ASSETS			
Inventories	9	595,068,898	823,271,446
Trade debts	10	476,527,966	736,861,457
Short-term advances	11	54,974,914	32,443,924
Trade deposits, short- term prepayments and other receivables	12	67,246,031	99,866,111
Short-term investments	13	278,932,997	308,845,537
Advance tax – net	14	46,315,900	61,786,875
Cash and bank balances	15	126,677,705	81,067,993
		1,645,744,411	2,144,143,343
CURRENT LIABILITIES			
Trade, other payables and accrued liabilities	16	278,177,150	476,131,817
Current portion of long-term loan	18	–	62,081,213
Current portion of lease liabilities	20	6,022,252	–
Short-term borrowings	17	132,248,462	482,692,688
Unclaimed dividend		58,875,719	52,866,644
Unpaid dividend		24,600,041	21,283,646
		499,923,624	1,095,056,008
		1,145,820,787	1,049,087,335
NET CURRENT ASSETS			
NON – CURRENT LIABILITIES			
Employee benefit	19	40,487,721	34,998,790
Lease liabilities	20	10,170,902	–
Deferred tax liability – net	21	26,415,288	62,698,833
		77,073,911	97,697,623
NET ASSETS		3,339,334,691	3,209,453,959
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital	22	463,826,880	463,826,880
Revenue reserve – unappropriated profit		1,373,932,245	1,249,395,964
Capital reserve – revaluation surplus on property, plant and equipment – net of tax	23	1,501,575,566	1,496,231,115
		3,339,334,691	3,209,453,959
CONTINGENCIES AND COMMITMENTS	24		

The annexed notes 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

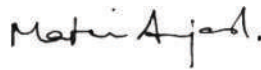
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Revenue from contract with customers - net	25	3,192,781,777	2,902,086,511
Cost of sales	26	(2,034,325,359)	(1,865,125,936)
Gross profit		1,158,456,418	1,036,960,575
Distribution expenses	27	(145,635,485)	(86,368,604)
Administrative expenses	28	(276,087,225)	(243,149,773)
Net impairment (loss) / reversal on financial assets	10.3	(57,516,006)	12,527,466
Operating profit		679,217,702	719,969,664
Other income - net	29	17,617,007	29,908,971
Finance cost	30	(53,576,773)	(45,449,116)
Finance income	31	4,388,665	7,873,176
Net finance cost		(49,188,108)	(37,575,940)
Workers' profit participation fund	16.2	(32,382,330)	(35,615,135)
Workers' welfare fund	16.3	(14,531,593)	(14,492,264)
Profit before income tax and final taxes		600,732,678	662,195,296
Final taxes	32	(2,337,656)	(4,033,658)
Profit before income tax for the period		598,395,022	658,161,638
Income tax	33	(209,459,089)	(268,671,717)
Profit for the period		388,935,933	389,489,921
Earnings per share			
Basic and diluted	34	8.39	8.40

The annexed notes from 1 to 46 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 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Profit for the year		388,935,933	389,489,921
Other comprehensive income for the year		-	-
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment	23	25,638,980	62,828,138
Tax effect on revaluation surplus for the year	21	(3,329,828)	-
Remeasurement of defined benefit plan	19.2.3	(4,870,198)	(3,835,433)
Tax on remeasurement of defined benefit plan	21	1,801,973	1,112,276
		19,240,927	60,104,981
Total comprehensive income for the year		408,176,860	449,594,902

The annexed notes from 1 to 46 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 2026

	Share capital	Capital Reserve Revaluation surplus on property, plant and equipment – net of tax	Revenue Reserve Unappropriated profits	Total equity
	----- (Rupees) -----			
Balance at 01 July 2024	463,826,880	1,452,203,912	1,020,082,479	2,936,113,271
Profit for the period	-	-	389,489,921	389,489,921
Other comprehensive income for the year				
Remeasurement of defined benefit plan	-	-	(3,835,433)	(3,835,433)
Tax on remeasurement of defined benefit plan	-	-	1,112,276	1,112,276
Revaluation of property, plant and equipment- net of tax	-	62,828,138	-	62,828,138
		62,828,138	(2,723,157)	60,104,981
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation – net of deferred tax	-	(18,800,935)	18,800,935	-
	463,826,880	1,496,231,115	1,425,650,178	3,385,708,173
Transactions with owners of the company				
Distributions				
Final cash dividend of 2024 @ Rs. 2.30 per share	-	-	(106,680,182)	(106,680,182)
1st Interim cash dividend of 2025 @ Rs. 1.50 per share	-	-	(69,574,032)	(69,574,032)
	-	-	(176,254,214)	(176,254,214)
Balance at 30 June 2025	463,826,880	1,496,231,115	1,249,395,964	3,209,453,959
Balance at 01 July 2025	463,826,880	1,496,231,115	1,249,395,964	3,209,453,959
Profit for the year	-	-	388,935,933	388,935,933
Other comprehensive income for the year				
Remeasurement of defined benefit plan	-	-	(4,870,198)	(4,870,198)
Tax on remeasurement of defined benefit plan	-	-	1,801,973	1,801,973
Revaluation of property, plant and equipment- net of tax	-	22,309,152	-	22,309,152
	-	22,309,152	(3,068,225)	19,240,927
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation – net of	-	(16,964,701)	16,964,701	-
	463,826,880	1,501,575,566	1,652,228,373	3,617,630,819
Transactions with owners of the Company				
Distributions				
Final cash dividend of 2025 @ Rs. 3.50 per share	-	-	(162,339,408)	(162,339,408)
1st Interim cash dividend of 2026 @ Rs. 2.50 per share	-	-	(115,956,720)	(115,956,720)
	-	-	(278,296,128)	(278,296,128)
Balance at 30 June 2026	463,826,880	1,501,575,566	1,373,932,245	3,339,334,691

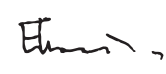
The annexed notes from 1 to 46 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		598,395,022	658,161,638
Adjustments for:			
Depreciation on property, plant and equipment	6	78,878,780	81,250,891
Amortization on intangibles	7	735,937	524,953
Depreciation on investment property	8	649,794	666,455
Finance costs		20,523,716	13,153,898
Provision for Workers' profit participation fund	16.2	32,382,330	35,615,135
Provision for Workers' welfare fund	16.3	14,531,593	14,492,264
Provision for gratuity		21,467,038	19,971,205
Provision for slow moving inventories	9	754,241	3,285,520
Provision for compensated leave absences	19.1	1,162,679	540,800
Impairment losses on financial assets	10.3	57,516,006	(12,527,466)
Dividend income	29	(11,588,378)	(16,134,634)
Realized gain on sale of investment	29	(1,505,700)	-
Rental income	29	(6,375,000)	(6,375,000)
Unrealized gain on remeasurement of investment		(55,335)	(2,626,479)
Unrealized exchange loss		3,723,000	2,523,162
Unrealized exchange gain		(2,513,384)	-
Gain on sale of property, plant and equipment	29	(9,027)	(7,502,013)
Reversal of trade creditors	29	(2,620,503)	-
Interest income	31	(4,388,665)	(7,873,176)
		203,269,122	118,985,515
Changes in working capital:		801,664,144	777,147,153
Decrease / (increase) in inventories		227,448,307	(162,284,133)
Decrease / (increase) in trade debts		202,056,575	(488,269,329)
Decrease / (increase) in advances, deposits, short term prepayments and other receivables		10,089,090	(62,122,692)
(Decrease) / increase in trade and other payables		(192,140,688)	257,588,049
		247,453,284	(455,088,105)
Cash generated from operating activities		1,049,117,428	322,059,048
Finance costs paid		(9,652,190)	(5,419,651)
Contributions to gratuity fund	19.2.6	(20,754,642)	(14,316,627)
Payments for compensated absences	19.1	(1,256,342)	(414,499)
Payments to workers' profit participation fund	16.2	(35,615,135)	(18,703,803)
Income taxes and levies paid		(246,291,778)	(313,824,900)
		(313,570,087)	(352,679,480)
Net cash generated from / (used in) operating activities		735,547,341	(30,620,432)
CASH FLOWS FROM INVESTING ACTIVITIES			
Aquisition of property, plant and equipment		(44,398,939)	(31,868,325)
Proceeds from sale of property, plant and equipment		1,719,534	10,285,599
Disposal / (purchase) of investments		27,750,575	(46,512,892)
Rent received	29	6,375,000	6,375,000
Dividend received	29	11,588,378	16,134,634
Interest received	31	4,388,665	8,691,649
Net cash generated from / (used in) investing activities		7,423,213	(36,894,335)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid - net of interest		(275,295,517)	(182,792,117)
Repayment of long term loan		(61,301,558)	(61,301,535)
Payments for Right of use assets		(3,805,667)	-
Payment of lease liabilities	20.1	(6,222,618)	(2,218,147)
Net cash used in financing activities		(346,625,360)	(246,311,799)
Net increase / (decrease) in cash and cash equivalents		396,345,194	(313,826,566)
Unrealized exchange loss		(291,256)	(806,817)
Cash and cash equivalents at beginning of the year		(401,624,695)	(86,991,312)
Cash and cash equivalents at end of the year	35	(5,570,757)	(401,624,695)

The annexed notes from 1 to 46 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 2026

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 the current license is renewable on 31 March 2027.

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. 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, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

Details of the Company's material accounting policies are stated in note 6.

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 2026

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 5.11 (iv) measurement of expected credit allowance for trade debts;
- Note 5.1.2 – Interest rate on Right of use assets and lease liabilities
- Note 5.3 – Provision for slow moving inventories
- Note 5.7 recognition of defined benefit plans;
- Note 5.14 – Provisions
- Note 5.20 – Contingent liabilities

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) New amendments that are effective for the year ended June 30, 2026

The following amendments are effective for the year ended June 30, 2026. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Lack of Exchangeability (Amendments to IAS 21)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

b) Standard and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from Accounting period beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 01, 2026
Annual Improvements to IFRS Accounting Standards (related to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	January 01, 2026
Amendments to IFRS 9 and IFRS 7 regarding power purchase arrangements	January 01, 2026
IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2027
IFRS 18 Presentation and Disclosures in Financial Statements	January 01, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 01, 2027
Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:	
- IFRS 1 – First Time Adoption of International Financial Reporting Standards	
- IFRS 20 Regulatory Assets and Regulatory Liabilities	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5 MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies set out below have been consistently applied 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 statement of profit or loss, the increase is first recognised in statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognised in statement of 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Depreciation

Leasehold land is not depreciated. Depreciation on other assets is calculated using the reducing balance method except for IT and 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:

- Buildings on leasehold land	2.5%
- Plant, machinery and equipment	10%
- Furniture and fixtures	10%
- IT & 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

Interest on lease liability

The interest expense is calculated by applying the applicable interest rate to the outstanding balance of the lease liability for the relevant period. The Company remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, a change in the assessment of an option to purchase, extend or terminate the lease, or a lease modification, as applicable.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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 corporate tax rate/ tax rates enacted or substantially enacted at the reporting date. Provision for current taxation is based on taxable income at the enacted / corporate tax rate after taking into account tax credits and rebates available, if any, as per the Income Tax Ordinance, 2001.

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 Levy

A levy is an outflow of resources embodying economic benefits that is imposed by governments on entities in accordance with legislation (i.e. laws and/or regulations), other than:

- (a) those outflows of resources that are within the scope of other standards.
- (b) fines or other penalties that are imposed for breaches of the legislation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

In these financial statements, levy includes minimum taxes differential, if any, final taxes and super taxes which are based on other than taxable profits. The corresponding advance tax paid, except for minimum taxes under section 113, which are treated as levy are recognised in prepaid assets as 'prepaid assets'.

i) Revenue Tax

Revenue taxes includes amount representing excess of :

- a) minimum tax paid under section 113 over income tax determined on income streams taxable at general rate of taxation and;
- b) minimum tax withheld / collected / paid or computed over tax liability computed on (related income tax streams taxable at general rate of tax), is not adjustable against tax liability of subsequent tax years.

Amount over income tax determined on income streams taxable at general rate of taxation shall be treated as revenue taxes.

The company determines, based on expected future taxable profits, that excess paid under section 113 by the entity over and above its tax liability (on income stream(s) taxable at general rate of taxation) is expected to be realized in subsequent tax years, then, such excess shall be recorded as deferred tax asset adjustable against tax liability for subsequent tax years. This shall be recognized as 'deferred tax asset' for the reason that it represents unused tax credit as it can be adjusted only against tax liability (of subsequent tax years) arising on taxable income subject to general rate of taxation. Such an asset shall be subject to requirements contained in IAS 12 'Income Tax'.

ii) Final Tax

Final taxes includes tax charged / withheld / paid on certain income streams under various provisions of Income Tax Ordinance, 2001 (Ordinance). Final tax is charged / computed under the Ordinance, without reference to income chargeable to tax at the general rate of tax and final tax computed / withheld or paid for a tax year is construed as final tax liability for the related stream of Income under the Ordinance.

Final tax paid is considered to be full and final discharge of the tax liability for the Company for a tax year related to that income stream.

5.6 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

5.7 Employee benefits

5.7.1 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.

5.7.2 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.

5.7.3 Defined benefit plans:

The Company operates the following defined benefit plans:

a) Gratuity – funded

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) Gratuity – unfunded

Contractual Employees who have been employed for a continuous period of not less than one year will be entitled to the Gratuity equal to one Gross salary for every completed year of service as governed under Gratuity Funds Rules of the company and initial contribution where applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

c) 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.

The liability in respect of compensated leave absences 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.

5.8 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.

5.8.1 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

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.

e) Sale of services

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an timely fee, revenue is recognised over the time as the performance obligation is satisfied.

5.9 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.

5.10 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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 amortized 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 amortized 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

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

5.11 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

Write off

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Financial liabilities – classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized 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 amortized 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 derecognizes a financial asset when the contractual rights to the cash flows from the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

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 derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognized 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.

5.12 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 5.11(iv).

5.13 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.

5.14 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.

5.15 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5.16 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.

5.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks on current, saving and deposit accounts, short term borrowings and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

5.18 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.

5.19 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.

5.20 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

5.21 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.

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.

5.22 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 48% (2025: 53%) of the total revenue during the year ended 30 June 2026. All the Assets of the Company are based in Pakistan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

6 PROPERTY, PLANT AND EQUIPMENT 6.1 Reconciliation of carrying amounts

	Leasehold land	Owned					Capital work in progress	Right of use asset	Total	
		Building on leasehold land	Plant, machinery & Equipment	IT & Appliances	Furniture and fixtures	Vehicles				
----- (Rupees) -----										
Cost / Revalued amount	Balance at 01 July 2024	1,261,758,348	237,356,793	699,837,927	44,121,662	16,525,281	44,057,116	-	13,558,784	2,317,215,911
	Additions	-	1,307,133	7,652,363	7,926,196	331,213	13,594,422	-	-	30,811,327
	Disposal	-	-	-	(331,797)	-	(6,208,598)	-	-	(6,540,395)
	Transfer	-	-	-	-	-	13,558,784	-	(13,558,784)	-
	Transfer from accumulated depreciation	-	-	-	-	-	-	-	-	-
	net replacement value method	-	-	-	-	-	-	-	-	-
	Surplus for the year	62,828,138	-	-	-	-	-	-	-	62,828,138
	Balance at 30 June 2025	1,324,586,486	238,663,926	707,490,290	51,716,061	16,856,494	65,001,724	-	-	2,404,314,981

	Balance at 01 July 2025	Balance at 01 July 2025	1,324,586,486	238,663,926	707,490,290	51,716,061	16,856,494	65,001,724	-	-
Additions		-	7,827,969	1,106,017	5,111,639	4,230,504	17,920,900	8,201,910	24,460,668	68,859,607
Disposal		-	-	-	-	-	(6,061,745)	-	-	(6,061,745)
Transfer		-	8,201,910	-	-	-	-	(8,201,910)	-	-
Transfer from accumulated depreciation		-	-	-	-	-	-	-	-	-
net replacement value method		-	-	-	-	-	-	-	-	-
Surplus for the year		16,639,444	8,999,535	-	-	-	-	-	-	25,638,980
Balance at 30 June 2026		1,341,225,930	263,693,340	708,596,307	56,827,700	21,086,998	76,860,879	-	24,460,668	2,492,751,823

Accumulated Depreciation		Balance at 01 July 2024	-	5,864,905	75,119,428	31,957,974	7,458,595	19,476,977	-	3,532,552
	Charge for the year	-	5,797,682	62,845,141	7,207,744	931,611	3,466,090	-	1,002,623	81,250,891
	Disposal	-	-	-	(331,797)	-	(3,425,012)	-	(4,535,175)	(3,756,809)
	Transfer	-	-	-	-	-	4,535,175	-	-	-
	Transfer from accumulated depreciation	-	-	-	-	-	-	-	-	-
	net replacement value method	-	-	-	-	-	-	-	-	-
	Balance at 30 June 2025	-	11,662,587	137,964,569	38,833,921	8,390,206	24,053,230	-	-	220,904,513
	Balance at 01 July 2025	-	11,662,587	137,964,569	38,833,921	8,390,206	24,053,230	-	-	220,904,513
	Charge for the year	-	5,692,216	56,977,036	8,437,472	1,001,045	5,303,371	-	1,467,640	78,878,780
	Disposal	-	-	-	-	-	(4,351,238)	-	-	(4,351,238)
Transfer	-	-	-	-	-	-	-	-	-	
Transfer from accumulated depreciation	-	-	-	-	-	-	-	-	-	
net replacement value method	-	-	-	-	-	-	-	-	-	
Surplus for the year	-	-	-	-	-	-	-	-	-	
Balance at 30 June 2026	-	17,354,803	194,941,605	47,271,393	9,391,251	25,005,363	-	1,467,640	295,432,055	

Carrying amounts	-	-	-	-	-	-	-	-	-	-
	1,324,586,486	227,001,339	569,525,721	12,882,140	8,466,288	40,948,494	-	-	-	2,183,410,467
	1,341,225,930	246,338,537	513,654,702	9,556,307	11,695,747	51,855,516	-	22,993,028	2,197,319,765	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Cost of sales	26	69,682,756	72,329,068
Distribution expenses	27	384,048	426,719
Administrative expenses	28	8,811,976	8,495,104
		78,878,780	81,250,891

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. There was not any material changes in fair values for leasehold land, building on leasehold land and plant and machinery as at June 30, 2026 except for increase in fair value of head office land and head office building based on valuation carried out by M/s Asrem (Private) Limited on 30 June 2026. As a result, head office land and building was revalued as at 30 June 2026, and remaining items were not revalued based on certificate of no material change in fair value obtained from valuer.

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. 1,501 million (2025: Rs. 1,496 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 recent 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
Leasehold land (Industrial Estate Hattar)	899,640,000
Building on leasehold land (Head office and Industrial Estate Hattar)	532,378,000
Plant and machinery (Industrial Estate Hattar)	582,250,000
	2,014,268,000

Forced sale value for head office lease hold land as per recent revaluation performed on 30 June 2026 were as follows

	30 June 2026 Rupees
Leasehold land (Head office)	240,402,041
Building on leasehold land (Head Office)	43,934,624
	284,336,665

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 2026 Rupees	30 June 2025 Rupees
Leasehold land	15,107,731	15,107,731
Building on leasehold land	190,839,661	180,501,998
Plant and machinery	281,813,618	309,873,652
	487,761,010	505,483,381

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

7 INTANGIBLES

Note

30 June 2026
Rupees

30 June 2025
Rupees

Computer software - in use

7.1

6,623,434

7,359,372

7.1 Computer software - in use

Cost

Opening balance

8,221,955

340,000

Additions

-

7,881,955

Closing balance

8,221,955

8,221,955

Accumulated depreciation on Software

Opening balance

(862,584)

(337,631)

Charge for the year

7.2

(735,937)

(524,853)

Closing balance

(1,598,521)

(862,584)

Carrying amount

6,623,434

7,359,371

Rate of amortization per annum

10% - 33.3%

10% - 33.3%

7.2 Amortization charge for the year has been allocated to administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

8 INVESTMENT PROPERTY	Note	30 June 2026 Rupees	30 June 2025 Rupees
Building	8.1	25,341,963	25,991,757
Land		39,519,753	39,519,753
		64,861,716	65,511,510
8.1 Building			
Cost			
Closing balance		32,848,608	32,848,608
Accumulated depreciation on Building			
Opening balance		(6,856,851)	(6,190,396)
Charge for the year	8.4	(649,794)	(666,455)
Closing balance		(7,506,645)	(6,856,851)
Carrying amount		25,341,963	25,991,757
Rate of depreciation per anum		2.5%	2.5%

8.2 The ground floor and mezzanine floor of the Biafo House (Head office) has been classified as Investment Property. These floors are held for earning rentals. The Company follows cost model for measuring its investment property.

8.3 During the year the Company earned rentals of Rs. 6,375,000 (2025: Rs. 6,375,000)

8.4 Depreciation charge for the year has been allocated to administrative expenses.

8.5 As per latest valuation of investment property, fair value of investment property is Rs. 201,665,096 (2025: Rs. 187,950,788) and forced sale value is Rs. 171,415,332 (2025: Rs. 159,758,169).

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.

9 INVENTORIES	Note	30 June 2026 Rupees	30 June 2025 Rupees
Stores, spare parts and loose tools	9.1	79,444,971	61,811,361
Stock in trade	9.2	515,623,927	761,460,085
		595,068,898	823,271,446
9.1 Stores, spare parts and loose tools			
Mechanical, Electrical, General Store and Safety Equipment		84,199,455	66,227,257
Provision for slow moving stores, spare parts and loose tools	9.1.1	(4,754,484)	(4,415,896)
		79,444,971	61,811,361
9.1.1 Movement in provision during the year			
Opening balance		4,415,896	4,273,687
Charge / (Reversal) for the year		338,588	142,209
Closing balance		4,754,484	4,415,896

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
9.2 Stock in trade			
Raw materials	9.2.1	296,367,615	662,911,388
Packing materials		42,709,594	42,061,230
Work in process		22,401,166	20,202,733
Finished goods		49,398,168	40,982,797
Stock in transit	9.2.2	109,861,100	-
		520,737,643	766,158,148
Provision for slow moving stock in trade	9.2.3	(5,113,716)	(4,698,063)
		515,623,927	761,460,085
9.2.1	This includes in transit stock amounting to Rs.Nil (2025: Rs. 304,885,157).		
9.2.2	This represents goods dispatched to a foreign customer which remained undelivered as at reporting date.		
9.2.3 Movement in provision during the year			
Opening balance		4,698,063	1,554,752
Charge for the year		415,653	3,143,311
Closing balance		5,113,716	4,698,063
10 TRADE DEBTS			
Trade debts			
Local Sales			
- Secured		108,590,942	118,196,686
- Unsecured	10.1	375,161,785	683,956,857
Export Sales			
- Exports	10.2	271,252,605	288,100,247
- Export processing zones		136,401,548	3,970,575
		891,406,880	1,094,224,365
Less: allowance for expected credit losses	10.3	(414,878,914)	(357,362,908)
		476,527,966	736,861,457
10.1	This include receivable from M/s Xian Senshe Electronic Technology Corporation amounting to Rs. 25,696,593 (2025: Rs. 25,696,593). The case has been filed in the court and awaiting decision. There are no sales to this party during the year. Appropriate provision for Expected Credit Loss has been recognised against the aforesaid customer balance as at reporting date		
10.2	This include receivable against export sales to a Company located in the northeast Africa region amounting to Rs. 268,412,325 ([AED: 3,545,269], 2025: Rs. 288,100,247 [AED: 3,704,993]). Exports are made against contract and payment is not processed due to issues within intermediary banks, therefore no litigation is filed against such receivable. There are no sales to this party during the year. Appropriate provision for Expected Credit Loss has been recognised against the aforesaid customer balance as at reporting date		
10.3 Movement of allowance for expected credit losses during the year		30 June 2026 Rupees	30 June 2025 Rupees
Opening balance		357,362,908	369,890,374
Charge / (Reversal) for the year		57,516,006	(12,527,466)
Closing balance		414,878,914	357,362,908
11 SHORT TERM ADVANCES			
Advances to suppliers - unsecured	11.1	53,834,562	30,888,915
Advances to employees - interest free - unsecured		1,140,352	1,555,009
		54,974,914	32,443,924
11.1	Advances to suppliers are non-adjustable and are refundable after the contract with the supplier is concluded.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

		30 June 2026 Rupees	30 June 2025 Rupees
12	TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES		
	Trade deposits – interest free	3,809,413	20,982,645
	Prepayments	6,870,920	4,344,953
	Sales tax receivable	52,397,298	72,504,417
	Others receivables	4,168,400	2,034,096
		67,246,031	99,866,111

12.1 This includes an amount of Rs. 3,418,400 in respect of an insurance claim receivable arising from the fire incident that occurred at the Company's plant site during the year. The claim has been lodged with the insurance company, and the amount represents the actual claim paid in respect of the expense incurred during the year for compensation paid to the affected party.

12.2 This includes cash margins against guarantees issued in respect of borrowings amounting to Rs. 750,000 (2025: 346,622), details of which are disclosed in note 17.1 and note 24.2 to the financial statements.

13	SHORT – TERM INVESTMENTS		
		30 June 2026 Rupees	30 June 2025 Rupees
	Investments at fair value through profit or loss		
	UBL Liquidity Plus Fund (no of units 1,238,462 (2025: 1,157,403))	125,742,783	117,459,700
	ABL Cash Fund (no of units Rs. Nil (2025: 1,206,336))	–	12,371,215
		125,742,783	129,830,915
	Debt instrument at Amortized cost		
	Term deposit receipt (TDR)	152,927,500	178,668,000
	Accrued interest	262,714	346,622
		153,190,214	179,014,622
		278,932,997	308,845,537

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 other income. As stated in note 17.2, 244,048 units (2025: 1,157,403) in UBL Liquidity Plus Fund are pledged as security against running finance facilities arranged with United Bank Limited.

13.2 This represents foreign currency term deposit receipt (TDR) amounting to USD 550,000 (2025: USD 630,000) including accrued mark – up due as at year end. This carries interest rate at 2.5% (2025: 1% to 3%) per annum. As stated in note 17.1, TDRs of USD 550,000 (2025: USD 550,000) are given as security against running finance facility arranged with Allied Bank Limited. The maturity date of this investment is December 8, 2026.

14	ADVANCE TAX – net		
		30 June 2026 Rupees	30 June 2025 Rupees
	Opening balance	61,786,875	34,784,994
	Income tax expense for the year	(263,453,987)	(279,488,194)
	Adjustment of Workers' welfare fund	(14,254,035)	(7,334,825)
	Prior year adjustment	16,183,498	–
	Income tax paid during the year	246,053,549	313,824,900
	Closing balance	46,315,900	61,786,875

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

15	CASH AND BANK BALANCES	Note	30 June 2026 Rupees	30 June 2025 Rupees
	Cash at bank – conventional banking			
	Current accounts	15.1	52,319,199	13,386,992
	Saving accounts	15.2	74,153,287	67,493,970
			126,472,486	0,880,962
	Cash in hand		205,219	187,031
			126,677,705	81,067,993
15.1	These include foreign currency balances amounting to Rs. 8,105,032 [USD 29,150] (2025: Rs.6,688,785 [USD 23,585]).			
15.2	These carry interest at the rate of 7.5% (2025: 8%) per annum.			
16	TRADE, OTHER PAYABLES AND ACCRUED LIABILITIES		30 June 2026 Rupees	30 June 2025 Rupees
	Trade creditors		155,519,331	315,424,739
	Contract liability – unsecured	16.1	17,060,001	60,661,779
	Accrued liabilities		37,962,133	31,537,961
	Insurance payable		–	51,294
	Security Deposit Payable		1,980,790	1,980,790
	Workers' profit participation fund payable	16.2	32,382,330	35,615,135
	Workers' welfare fund payable	16.3	14,531,593	14,492,264
	Payable to employees' provident fund	16.4	2,662,005	2,532,046
	Withholding tax payable		5,671,722	6,254,620
	Levies payable	16.5	–	–
	Other payables		10,407,245	7,581,189
			278,177,150	476,131,817
16.1	The contract liabilities outstanding as at 30 June 2025 amounting to Rs. 60,661,779 have been fully recognized as revenue during the current year.			
16.2	Workers' profit participation fund payable		30 June 2026 Rupees	30 June 2025 Rupees
	Opening balance		35,615,135	18,703,803
	Charge for the year		32,382,330	35,615,135
	Payment during the year		(35,615,135)	(18,703,803)
	Closing balance		32,382,330	35,615,135
16.3	Workers' welfare fund payable			
	Opening balance		14,492,264	7,334,825
	Charge for the year		14,531,593	14,492,264
	Adjustment during the year	14	(14,254,035)	(7,334,825)
	Reversal during the year	29	(238,229)	–
	Closing balance		14,531,593	14,492,264
16.4	Payable to employees' provident fund			
	All investments out of provident fund have been made in the in collective investment schemes and debt securities in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
16.5 Levies payable			
Opening balance		-	26,691,772
Charge for the year		2,337,656	4,033,658
Payment during the year		(2,337,656)	(30,725,430)
Closing Balance		-	-
17 SHORT - TERM BORROWINGS			
At amortised cost			
Allied Bank Limited			
- Running finance / ERF	17.1	130,365,681	408,524,716
United Bank Limited			
- Running finance	17.2	1,882,781	74,167,972
		132,248,462	482,692,688
17.1	This represents utilized amount of running finance facilities with cumulative sanctioned limit of Rs. 500 million (2025: 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. 200 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 which are referred to in note 13.2. These facilities also contain utilized amount of loan with cumulative sanctioned limit of Rs. 220 million (2025: Rs. 150 million) to finance raw material import.		
	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. 125 million (2025: Rs. 125 million) for Export Re-finance-I and Export Re-finance-II, carrying mark-up at the rate of SBP rate + 1.00% per annum on the utilized amount.		
	These facilities are 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 the head office building) of the Company, including an equitable mortgage over the industrial property of the Company, an exclusive hypothecation charge amounting to Rs. 250 million over the imported plant and machinery comprising the shock and plastic tube plant, lien over 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 (2025: 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. As referred to in note 13.1, the facility is secured against investment in units of UBL Liquidity Plus Fund with 5% margin.		
18 LONG TERM LOAN - SECURED	Note	30 June 2026 Rupees	30 June 2025 Rupees
Loan under refinancing schemes		-	61,301,558
Less: current portion of long term loans		-	(61,301,558)
		-	-
18.1 Current portion			
Current portion of long term loans		-	61,301,558
Markup accrued		-	779,655
		-	62,081,213
Allied Bank Limited			
Loan for acquisition of Property, Plant and Equipment	18.2	-	61,301,558
		-	61,301,558

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

18.2 This represents the utilised amount of long-term finance facilities under SBP's Temporary Economic Refinance Scheme for import of plant and machinery, with a cumulative sanctioned limit of Rs. 250 million (2025: Rs. 250 million). During the year, the Company utilised an amount of Rs. (nil) from the sanctioned facility. The facility carries mark-up at the rate of SBP rate + 4.00% on the utilised amount. The tenor of the facility is five years, repayable in 16 equal quarterly instalments commencing 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 an equitable mortgage over Plot No. 70, Phase III, Industrial Estate Hattar, measuring 29.4 acres. The outstanding amount, along with relevant interest is fully repaid during the year.

	Note	30 June 2026 Rupees	30 June 2025 Rupees
19	EMPLOYEE BENEFIT		
Accumulated compensated absences	19.1	1,104,022	1,197,685
Payable to staff gratuity - fund (regular employees)	19.2	24,682,435	20,754,642
Payable to staff gratuity - non-funded (contractual employees)	19.3	14,701,264	13,046,463
		40,487,721	34,998,790
19.1	Accumulated compensated absences		
Opening balance		1,197,685	1,071,384
Charge for the year		1,162,679	540,800
Benefits paid during the year		(1,256,342)	(414,499)
Closing balance		1,104,022	1,197,685
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		198,181,669	176,244,998
Fair value of plan assets		(173,499,234)	(155,490,356)
Liability		24,682,435	20,754,642
19.2.2	Amount recognised in the profit or loss is as follows:		
Current service cost		18,592,986	15,917,045
Net interest cost		1,219,251	1,002,164
		19,812,237	16,919,209
19.2.3	Amount to be recognised in other comprehensive income		
Actuarial (gain) / loss on obligation		839,971	10,509,408
Actuarial gain / (loss) on plan assets		4,030,227	(6,673,975)
		4,870,198	3,835,433
19.2.4	The movement in the present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation at beginning		176,244,998	139,547,123
Current service cost		18,592,986	15,917,045
Interest cost		20,439,476	18,930,464
Re-measurement of defined benefit obligation	19.2.5	839,971	10,509,408
Benefits paid		(17,935,762)	(8,659,042)
Present value of defined benefit obligation at end		198,181,669	176,244,998

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

19.2.5 The break up of re-measurement adjustments of defined benefit obligations is as follows:

	30 June 2026 Rupees	30 June 2025 Rupees
Changes in financial assumptions	-	230,859
Experience adjustments	839,971	10,278,549
	839,971	10,509,408

19.2.6 The movement in fair value of plan assets:

Fair value of plan assets at beginning	155,490,356	125,230,496
Expected return on plan assets	19,220,225	17,928,300
Re-measurement of plan assets	(4,030,227)	6,673,975
Contributions	20,754,642	14,316,627
Benefits paid	(17,935,762)	(8,659,042)
Fair value of plan assets at end	173,499,234	155,490,356

19.2.7 Contributions expected to be paid to the plan during the next year

24,682,435	20,754,642
-------------------	-------------------

19.2.8 Plan assets comprise of:

Government bonds	144,024,005	143,191,966
Mutual Funds	30,499,235	11,706,394
Cash and cash equivalents	382,694	591,996
Benefits due	(1,406,700)	-
	173,499,234	155,490,356

19.2.9 Number of employees eligible

Regular employees	189	185
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19.2.10 Principal actuarial assumptions used in the actuarial valuations are as follows:

Discount rate	12.25%	12.25%
Salary growth rate	11.25%	11.25%
Retirement age	60 years	60 years
Mortality rates	70% of the EFU (61-66)	70% of the EFU (61-66)

19.2.11 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.

	2026 Defined benefit obligation	
	Effect of 1 percent increase	Effect of 1 percent decrease
	Rupees	
Discount rate	(15,676,395)	18,031,319
Future salary growth	17,897,723	(15,815,818)

19.2.12 Projected payments

The weighted average of plan duration has decreased from 10.3 years on June 30, 2025, to 9.7 years on June 30, 2026. The expected benefit payments are as under

Years	Amount
2027	13,719,796
2028	19,509,327
2029	14,598,787
2030	13,157,288
2031	16,141,173
2032-36	227,499,706

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

19.2.13 Significant risk associated with the staff retirement benefit scheme:

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.
Final salary risk:	The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.
Mortality risk:	The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service/age distribution and the benefit.
Discount rate fluctuation:	The plan liabilities are calculated using a discount rate set with reference to PIB yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.
Investment risk:	The risk of the investment underperforming and not being sufficient to meet the liabilities. The Company ensures that the assets in the fund are managed within an asset-liability matching framework. Within this framework, the Company's objective is to match assets to the defined benefit obligations by investing in liquid assets that match the benefit payments as they fall due. The Company actively monitors that the duration and the expected yield of the investments are matching the expected cash outflows arising from the defined benefit obligations.

19.3 The amount represents gratuity payable to contractual employees of Saindak.

	Note	30 June 2026 Rupees	30 June 2025 Rupees
20 LEASE LIABILITIES			
Lease liabilities	20.1	16,193,154	-
Less: Current portion		(6,022,252)	-
Long term portion		10,170,902	-
20.1			
Lease liabilities			
Opening balance		-	2,218,147
Additions		20,655,000	-
Interest on lease liabilities		1,760,772	-
Payments		(6,222,618)	(2,218,147)
Closing balance		16,193,154	-

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

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Less than one year		6,022,252	-
One to five years		10,170,902	-
		16,193,154	-
Amounts recognized in the profit or loss			
Interest on lease liabilities	30	1,760,772	265,378
Depreciation	6.1	1,467,640	1,002,623
		3,228,412	1,268,001

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

21 DEFERRED TAX LIABILITY – net

2026

Taxable temporary difference

Property, plant and equipment
Right of use assets– net of lease liabilities
Surplus on revaluation of property, plant and equipment

Deductible temporary difference

Employee benefits
Trade debts
Inventories

Net balance at 01 July 2025	Recognized in		Net balance at 30 June 2026
	Profit or loss	OCI	
----- (Rupees) -----			
100,862,787	251,056	-	101,113,843
-	2,515,953	-	2,515,953
119,399,050	(26,703,157)	3,329,828	96,025,721
220,261,837	(23,936,148)	3,329,828	199,655,517
(14,637,026)	473,600	(1,801,973)	(15,965,399)
(139,371,534)	(14,133,664)	-	(153,505,198)
(3,554,444)	(215,188)	-	(3,769,632)
(157,563,004)	(13,875,252)	(1,801,973)	(173,240,229)
62,698,833	(37,811,400)	1,527,855	26,415,288

2025

Taxable temporary difference

Property, plant and equipment
Right of use assets– net of lease liabilities
Surplus on revaluation of property, plant and equipment

Deductible temporary difference

Employee benefits
Trade debts
Inventories

Net balance at 01 July 2024	Recognized in		Net balance at 30 June 2025
	Profit or loss	OCI	
----- (Rupees) -----			
97,429,181	3,433,606	-	100,862,787
3,045,153	(3,045,153)	-	-
131,419,320	(12,020,270)	-	119,399,050
231,893,654	(11,631,817)	-	220,261,837
(10,735,731)	(2,789,019)	(1,112,276)	(14,637,026)
(144,257,246)	4,885,712	-	(139,371,534)
(2,273,091)	(1,281,353)	-	(3,554,444)
(157,266,068)	815,340	(1,112,276)	(157,563,004)
74,627,586	(10,816,477)	(1,112,276)	62,698,833

21.1 The deferred tax has been calculated using the enacted rate of 37% (2025: 39%) as applicable on the reporting date.

22 SHARE CAPITAL

22.1 Authorized share capital

150,000,000 (2025: 150,000,000) ordinary shares of Rs. 10 each amounting to Rs. 1,500,000,000 (2025:Rs. 1,500,000,000).

22.2 Issued, subscribed and paid up capital

2026	2025		2026	2025
Number of Shares			Rupees	Rupees
20,000,000	20,000,000	Ordinary shares of Rs. 10 each issued for cash	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

22.2.1 21,394,043 ordinary shares i.e. 46.13% (2025: 13,300,658 ordinary shares i.e. 28.68%) 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 2026 Rupees	30 June 2025 Rupees
Debt	148,441,616	544,773,901
Equity	3,339,334,691	3,209,453,959
	3,487,776,307	3,754,227,860
Gearing Ratio	4.26%	14.51%
23 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT - net of tax	30 June 2026 Rupees	30 June 2025 Rupees
Revaluation surplus - gross		
Opening balance	1,615,630,165	1,583,623,232
Surplus on revaluation for the year - gross	25,638,980	62,828,138
	1,641,269,145	1,646,451,370
Transferred to equity in respect of incremental depreciation - net of deferred tax	(16,964,701)	(18,800,935)
Related deferred tax on incremental depreciation	(10,846,284)	(12,020,270)
Incremental depreciation charged to statement of profit or loss	(27,810,985)	(30,821,205)
Closing balance	1,613,458,160	1,615,630,165
Related deferred tax liability		
Opening balance	(119,399,050)	(131,419,320)
Reversed in statement of profit or loss on incremental depreciation	10,846,284	12,020,270
Tax on revaluation surplus for the year	(3,329,828)	-
Closing balance	(111,882,594)	(119,399,050)
	1,501,575,566	1,496,231,115

23.1 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

24 CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 For contingencies relating to tax matters refer note 33 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. 12,304,947 (2025: Rs. 45,181,734). 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. 7,500,000 (2025: Rs. 18,532,500). 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 Allied Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with export client outstanding at the year end amounted to USD 210.705 (2025: 208,705). Letter of Guarantees are secured by counter guarantee of Biafo Industries Limited for each LG and Hypothecation charge/ mortgage on property as under RF-1 facility.

	Note	30 June 2026 Rupees	30 Jun 2025 Rupees
25 REVENUE - net			
Local sales- gross		1,728,315,909	2,531,415,263
Sales tax		(262,111,037)	(385,416,512)
Local sales-net		1,466,204,872	2,145,998,751
Export sales	25.1	1,726,576,905	756,087,760
		3,192,781,777	2,902,086,511

25.1 Export sales includes sales made through contracts with customers for Saindak, Dudder and Reko Diq within Pakistan (2025: Saindak and Dudder) projects in Baluchistan, Pakistan which has been declared as Export Processing Zone by the Government of Pakistan (Gop).

25.1.1 This also include the export of services, which has been recognised in accordance with the applicable revenue recognition requirements.

25.1.2 Revenue from technical services is recognised over time as the Company satisfies its performance obligations. Revenue is recognised based on the progress of services performed up to the reporting date.

	30 June 2026 Rupees	30 Jun 2025 Rupees
25.2 Disaggregation of revenue based on product categories:		
Tovex water gel explosives	1,244,677,809	1,498,636,654
Powder explosives	1,063,637,942	749,919,246
Accessories	700,093,850	592,677,778
Other finished goods	97,513,613	60,852,833
Services	86,858,563	-
	3,192,781,777	2,902,086,511
25.3 Disaggregation of revenue based on customer segmentation:		
Cement sector	539,239,610	475,860,125
Oil and gas sector	389,979,673	1,008,319,183
Construction sector	302,993,297	392,480,450
Large projects	120,932,791	205,238,178
Export sector	1,726,576,905	756,087,760
Others	113,059,501	64,100,815
	3,192,781,777	2,902,086,511

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

	Note	30 June 2026 Rupees	30 June 2025 Rupees
25.4 Disaggregation of revenue based on geographical location:			
Inside Pakistan		2,774,425,803	2,901,611,265
Outside Pakistan		418,355,974	475,246
		3,192,781,777	2,902,086,511
25.5 Disaggregation of revenue based on geographical location:			
At a point in time		3,105,923,214	2,902,086,511
Over time		86,858,563	-
		3,192,781,777	2,902,086,511
26 COST OF SALES			
Cost of Materials	26.1	1,289,617,070	1,275,300,521
Stores, spare parts and loose tools consumed		24,572,855	18,268,497
Fuel and power expenses		31,618,448	29,816,685
Salaries, wages and other benefits	26.2	298,290,636	220,457,080
Insurance		11,429,497	7,686,862
Repairs and maintenance		14,218,932	14,738,750
Depreciation	6.2	69,682,756	72,329,068
Vehicle running and maintenance		7,338,135	5,897,597
Travelling and conveyance		19,587,758	4,873,894
Water charges		-	96,000
Telephone, telex and postage		954,621	652,647
Printing and stationery		729,809	456,052
Canteen		5,487,890	3,195,219
Transportation cost		213,512,164	180,990,947
Fees and subscription		2,708,036	1,424,145
Vehicle rent		7,472,250	6,303,000
Security charges		13,547,199	12,069,351
Export expenses		138,780,729	7,179,975
Other manufacturing expenses		4,497,237	4,263,846
Provision for slow moving inventory		754,241	3,285,520
		2,154,800,263	1,869,285,656
Work in process:			
at beginning of the year		20,202,733	4,195,318
at end of the year		(22,401,166)	(20,202,733)
		(2,198,433)	(16,007,415)
		2,152,601,830	1,853,278,241
Cost of goods manufactured			
Finished goods:			
at beginning of the year		40,982,797	52,830,492
at end of the year		(159,259,268)	(40,982,797)
		(118,276,471)	11,847,695
		2,034,325,359	1,865,125,936
26.1 Materials consumed			
Opening balance		704,972,618	510,115,976
Purchases during the year		923,721,661	1,470,157,163
		1,628,694,279	1,980,273,139
Closing balance		(339,077,209)	(704,972,618)
		1,289,617,070	1,275,300,521

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

26.2 This includes an amount of Rs. 14,390,100 (2025: Rs. 24,533,777) charged on account of employees' retirement benefits.

	Note	30 June 2026 Rupees	30 Jun 2025 Rupees
27 DISTRIBUTION EXPENSES			
Salaries, wages and other benefits	27.1	27,080,240	34,414,788
Sales commission		70,785,060	4,922,941
Staff travelling and conveyance		8,500,406	15,801,476
Business development		32,501,428	22,513,583
Fees and subscription		128,700	146,500
Telephone and postage		273,489	202,137
Entertainment		707,028	1,168,866
Printing and stationery		51,575	269,918
Vehicle running and maintenance		1,951,481	1,759,283
Insurance		106,304	175,169
Other charges		3,165,726	4,567,224
Depreciation	6.2	384,048	426,719
		145,635,485	86,368,604

27.1 This include an amount of Rs. 949,096 (2025: Rs. 2,174,125) charged on account of employees' retirement benefits.

	Note	30 June 2026 Rupees	30 Jun 2025 Rupees
28 ADMINISTRATIVE EXPENSES			
Chief Executive Officer and Directors' remuneration	28.1	52,738,712	40,807,895
Salaries, wages and other benefits	28.1	114,185,778	106,705,540
Directors' travelling and conveyance		28,105,664	17,209,334
Staff travelling		1,045,475	1,283,033
Electricity, gas and water charges		2,929,858	2,908,879
Telephone, telex and postage		1,839,874	1,511,281
Rent, rates and taxes		184,896	184,896
Legal and professional charges		27,740,482	22,891,761
Donation	28.3	250,000	-
Auditors' remuneration	28.2	3,547,500	3,300,000
Printing and stationery		2,778,188	2,562,731
Entertainment		1,699,410	1,821,910
Insurance		880,415	911,066
Advertisements		454,518	1,669,468
Vehicle running and maintenance		9,428,635	11,175,374
Repair and maintenance		7,483,395	8,752,252
Security charges		2,222,410	2,235,230
General expenses		8,374,308	7,532,611
Depreciation on investment property	8	649,794	666,455
Amortization charge for the year	7.1	735,937	524,953
Depreciation	6.2	8,811,976	8,495,104
		276,087,225	243,149,773

28.1 These include Rs. 6,127,842 (2025: Rs. 9,124,552) charged on account of retirement benefits.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

28.2 Auditors' remuneration

	30 June 2026 Rupees	30 June 2025 Rupees
Annual audit fee	1,935,000	1,800,000
Half year review	967,000	900,000
Other certifications	645,000	600,000
	3,547,000	3,300,000

28.3 During the year, the Company paid donation to the worker's welfare fund (WWF) amounting to PKR 250,000 for the Marqa -e- Haq and Independence Day celebrations.

29 OTHER INCOME - NET

Financial Assets

	Note	30 June 2026 Rupees	30 June 2025 Rupees
Exchange loss - net		(3,723,000)	(2,523,162)
Dividend income		11,588,378	16,134,634
Realized gain on sale of investment		1,505,700	-
Gain on remeasurement of investments at fair value through profit or loss		55,335	2,626,479
		9,426,413	16,237,951

Non financial assets

Rental income		6,375,000	6,375,000
Reversal of WWF	16.3	238,229	-
Reversal of Trade creditors		2,620,503	45,000
Exchange loss - net		(1,052,166)	(250,993)
Gain on sale of property, plant and equipment		9,027	7,502,013
		8,190,594	13,671,020
		17,617,007	29,908,971

30 FINANCE COSTS

Mark up on short term borrowings		42,943,466	35,128,638
Mark up on long term loans		1,217,255	4,275,386
Interest on lease liabilities		1,760,772	265,378
Bank charges		6,025,062	5,660,778
Mark up on WPPF		1,630,218	118,936
		53,576,773	45,449,116

31 FINANCE INCOME

Interest on investment in TDRs		4,381,395	7,862,867
Interest on saving accounts		7,270	10,309
		4,388,665	7,873,176

32 FINAL TAXES

This represents amount of final tax paid under section 5 and 157 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

33 INCOME TAX

Current tax

- For the year
- Prior years

Deferred tax income

30 June 2026 Rupees	30 June 2025 Rupees
263,453,987	279,488,194
(16,183,498)	-
247,270,489	279,488,194
(37,811,400)	(10,816,477)
209,459,089	268,671,717
600,732,678	662,195,297
29%	29%
174,212,477	192,036,636
(16,183,498)	-
(1,427,854)	-
(1,022,974)	(2,258,849)
58,914,430	74,074,785
(2,099,136)	12,020,270
(596,700)	(3,167,467)
(2,337,656)	(4,033,658)
209,459,089	268,671,717

33.1 Reconciliation of tax expense for the year

Profit before income and final taxes

Tax rate

Tax on accounting profit

Prior year adjustments

Effect of change in tax rate

Tax effect of income charged under final tax regime

Super tax effect

Amount not deductible for tax purposes

Amount deductible for tax purposes but not taken to the statement of profit and loss

Final tax reclassified to Levy

33.2 The aggregate of minimum / final tax and income tax, amounting to Rs. 228,185,026 (2025: Rs. 283,521,852) million represents tax liability of the Company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

33.3 Reconciliation of tax charged under ITO 2001 and its bifurcation

Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

Note	30 June 2026 Rupees	30 June 2025 Rupees
Current tax liability for the year as per applicable tax laws	249,608,145	283,521,852
Portion of current tax liability as per tax laws, representing income tax under IAS 12	(247,270,489)	(279,488,194)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	(2,337,656)	(4,033,658)
	-	-

33.4 Tax assessments up to and including tax year 2024 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.

33.5 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 11 August 2016 before Appellate Tribunal and to date no hearing notice has been issued. Based on tax consultant's advice management expects favorable outcome in this regard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

- 33.6** The AdCIR, LTU, Islamabad had issued show cause notice u/s 122(5A) of the ITO'2001 and the Company has duly responded to the notices and provided the details/documents requested. However, the AdCIR, 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 Assessing Officer initiated appeal effect proceedings and the Company duly responded to the notice and provided complete detail in this regard. However, the Assessing Officer issued appeal effect order with a tax demand aggregating to Rs. 32,352,443. The Company has filed an appeal before ATIR against the above referred order.

As per the appellate order dated October 25, 2025 issued by the ATIR on December 8, 2025, the addbacks made earlier amounting to Rs. 98,264,881 were reduced to Rs. 12,367,838; whereas the disallowances of expenses to the extent of Rs. 85,897,043 have been deleted.

Out of the remaining amount aggregating to Rs. 12,367,838, various addback amounting to Rs. 1,974,013 were deleted; Rs. 1,635,252 were remanded back with the direction to re-examine the record presented before the ATIR, whereas no decision was made on amounts aggregating to Rs. 5,697,959. The disallowances to the extent of Rs. 3,060,614 were confirmed since complete details were not available/provided.

- 33.7** The tax authority has issued letter on 17 June 2017 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 29 June 2017, the Islamabad High Court on 3 July 2017 has granted stay against recovery of tax demand till the next date of hearing. Based on tax consultant's advice management expects favorable outcome in this regard.

- 33.8** The DCIR, Islamabad had issued notice under Section 221(b) of the ITO 2001 for the tax year 2018. The Company has duly responded to the notice and provided the details/documents requested. However, the DCIR, has issued order u/s 221 of the ITO'2001 and created an alleged tax demand of Rs. 26.681 million. The Company had filed an appeal against the above referred order. However, upon transfer of case to CIR (Appeals V), Islamabad, the case had been heard wherein the learned CIR (Appeals-V), Islamabad had accepted the stance of the Company and had annulled the order in favor of the Company through order dated 31 May 2023.

The Tax Department has filed an appeal before Appellate Tribunal Inland Revenue on 26 July 2023 against the Appellate Order of learned CIR (Appeals-V), Islamabad for which the matter is pending for adjudication. Based on tax consultant's advice management expects favorable outcome in this regard.

- 33.9** The ACIR, LTO, Islamabad issued notice u/s 122(5A) of the ITO'2001 on 04 June 2025 against the claim of exemption on income from mutual fund for tax year 2019. The Company has duly responded to the notice and provided details/documents requested. However the reply was ignored and the claim of taxes paid amounting to Rs. 7.031 million u/s 150 of the ITO'2001 was disallowed resulting in reduction of the assessed refund.

The Company has filed an appeal before CIR (Appeals-V), Islamabad on 02 July 2025 against the above referred order. The case has recently been heard for Order. However, to date the Appellate Order has not yet been issued. Based on tax consultant's advice management expects favorable outcome in this regard.

- 33.10** The ACIR, LTO, Islamabad had issued show cause notice on 12 February 2025 u/s 122(5A) of the ITO'2001. The Company has duly responded to the notice and provided details/documents requested. However the ACIR, LTO, Islamabad had issued an order u/s 122(5A) of the ITO'2001 by disallowing the deductions claimed u/s 60A & 60B of the ITO'2001 on account of WWF and WPPF resulting in reduction of the assessed refund by Rs. 4.635 million.

The Company has filed an appeal on 11 March 2025 before CIR (Appeals-V), Islamabad against the above referred order. The case has recently been heard for Order. However, to date the Appellate Order has not yet been issued. Based on tax consultant's advice management expects favorable outcome in this regard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

33.11 The AdCIR, LTO, Islamabad had issued show cause notice u/s 122(5A) of the ITO'2001. The AdCIR, LTO, Islamabad had issued an order u/s 122(5A) of the ITO'2001 by the creating the alleged tax demand of Rs.50.743 million by disallowing various expenses for which the Company has filed an appeal before CIR(Appeals-V), Islamabad.

The learned CIR (Appeals-V), Islamabad agreeing on the explanation provided during the hearing, annulled the case except for add back on account of salaries aggregating to Rs. 2.7m and Other Direct Expenses aggregating to Rs.2.5m which were upheld/ confirmed as per the order dated 24 January 2024

The Company has filed an appeal on 22 March 2024 before Appellate Tribunal Inland Revenue against the matters upheld by the CIR (Appeals-V), Islamabad. However, to date no hearing notice has been issued. Based on tax consultant's advice management expects favorable outcome in this regard.

33.12 The DCIR, had issued order u/s 161(1A)/205 of the ITO'2001 on 30 June 2025 and created an alleged tax demand of Rs. 21.215 million as shortfall of withholding tax along with default surcharge. The Company has filed appeal with CIR (Appeals-I), Islamabad wherein the case was remanded back on all issues.

The DCIR initiated appeal effect proceedings u/s 124 of the ITO'2001 and the Company duly responded to the notice and provided complete detail in this regard. However, the DCIR created an alleged tax demand of Rs. 4.801 million as short fall of withholding tax along with default surcharge.

The Company has filed an appeal on 29 July 2025 before CIR (Appeals-V), Islamabad against the above referred order. However, to date the case has not been fixed for hearing. Based on tax consultant's advice management expects favorable outcome in this regard.

33.13 Assessment finalized u/s 120(1)(b) of the ITO'2001. The DCIR, LTO, Islamabad had issued notice on under Rule 44(4) of the ITR'2002. The Company has duly responded to the notice and provided complete details/documents requested.

Based on responses filed the DCIR, LTO, Islamabad initiated proceedings u/s 161 of the ITO'2001. The Company has duly responded to the notice and provided complete details/documents requested. However, the DCIR, has issued order u/s 161 of the ITO'2001 dated 23 June 2026 and created an alleged tax demand of Rs. 37.709 million. The Company has filed appeal dated July 17, 2026 against the impugned order before the CIR (Appeals). Based on tax consultant's advice management expects favorable outcome in this regard.

34 EARNINGS PER SHARE - basic and diluted

Profit for the year (Rupees)

Average number of shares outstanding during the year (Number)

Earnings per share (Rupees)

30 June 2026

30 June 2025

388,935,933

389,489,921

46,382,688

46,382,688

8.39

8.40

35 CASH AND CASH EQUIVALENTS

Cash and bank balances

Short-term borrowings

Note

**30 June 2026
Rupees**

**30 June 2025
Rupees**

126,677,705

81,067,993

(132,248,462)

(482,692,688)

(5,570,757)

(401,624,695)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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

	Liabilities			
	Lease liabilities	Long term loan	Unpaid and unclaimed dividend	Total
	(Rupees)			
Balance at 01 July 2025	-	62,081,213	74,150,290	136,231,503
Changes from financing cash flows				
Dividend paid	-	-	(275,295,517)	(275,295,517)
Repayment of loans and borrowings	-	(63,298,468)	-	(63,298,468)
Lease liability paid	16,193,154	-	-	16,193,154
	16,193,154	(63,298,468)	(275,295,517)	(322,400,831)
Other changes				
Dividend announced	-	-	278,296,128	278,296,128
Markup (paid) / accrued - (net)	-	1,217,255	6,324,859	7,542,114
Balance at 30 June 2026	16,193,154	-	83,475,760	99,668,914
Balance at 01 July 2024	2,218,147	124,142,699	72,193,994	198,554,840
Changes from financing cash flows				
Dividend paid	-	-	(182,792,117)	(182,792,117)
Repayment of loans and borrowings	-	(61,301,535)	-	(61,301,535)
Lease liability paid	(2,218,147)	-	-	(2,218,147)
	(2,218,147)	(61,301,535)	(182,792,117)	(246,311,799)
Other changes				
Dividend announced	-	-	176,254,214	176,254,214
Markup (paid) / accrued - (net)	-	(759,951)	8,494,199	7,734,248
Balance at 30 June 2025	-	62,081,213	74,150,290	136,231,503

37 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer	Executive Directors	Executives	Total
	(Rupees)			
2026				
Managerial remuneration	26,400,000	8,528,712	158,840,604	193,769,316
Employee benefits	-	-	18,158,208	18,158,208
Bonus	2,200,000	710,726	13,236,717	16,147,443
Total	28,600,000	9,239,438	190,235,529	228,074,967
Number of persons	1	1	56	
2025				
Managerial remuneration	21,200,000	27,479,432	164,799,492	213,478,924
Employee benefits	390,000	-	20,908,032	21,298,032
Bonus	2,000,000	1,180,786	13,733,291	16,914,077
Total	23,590,000	28,660,218	199,440,815	251,691,033
Number of persons	1	3	63	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

- 37.1** 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. 22,200,000 (2025: Rs. 12,870,000).
- 37.2** Chief Executive Officer, Executive Director, Chief Operating Officer & Chief Financial Officer are provided with the Company maintained vehicles.
- 37.3** Number of persons include those who worked part of the year.

38 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	Syeda Shahbano Abbas	Director	12.918%
2	Shirin Safdar	Director	7.733%
3	Ayesha Humayun Khan	Director	4.534%
4	Khwaja Ahmad Hosain	Director	20.521%
5	Ehsan Mani	Director	0.397%
6	Himayat Ullah	Director	0.008%
7	Anwar Moin	CEO	0.006%
8	M. Zafar Khan	Director	0.002%
9	Adnan Afridi	Director	0.002%
10	Yawar Ikram	Director	0.002%
11	Mirza Rehan Baig	Director	0.002%

38.1 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 2026 Rupees	30 June 2025 Rupees
Dividend to non - executive directors	88,936,638	37,358,220
Other related parties		
Remuneration including benefits and perquisites of key management personnel	37,839,438	52,250,218
Dividend to key management personnel (Executive directors)	21,537,540	13,747,688
Contribution towards employees' provident fund	16,324,482	14,805,497
Contribution towards employees' gratuity fund	20,439,476	14,316,627
Disposal of vehicle to director at book value	1,699,435	-
Balances		
Payable to Employees Provident Fund	2,662,005	2,532,046
Payable to Employees Gratuity Fund	39,383,699	33,801,105

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

39 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 2026

39.1 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			
	Amortized cost	Fair value through profit or loss	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
30 June 2026	Rupees				Rupees			
Financial assets measured at fair value								
Short term investments	-	125,742,783	-	125,742,783	125,742,783	-	-	125,742,783
	-	125,742,783	-	125,742,783	125,742,783	-	-	125,742,783
Financial assets not measured at fair value								
Trade debts	476,527,966	-	-	476,527,966	-	-	-	-
Advances to employees	1,140,352	-	-	1,140,352	-	-	-	-
Other receivables	4,168,400	-	-	4,168,400	-	-	-	-
Short-term investments	153,190,214	-	-	153,190,214	-	-	-	-
Bank balances	126,472,486	-	-	126,472,486	-	-	-	-
Trade deposits	3,809,413	-	-	3,809,413	-	-	-	-
Long - term deposits	1,782,900	-	-	1,782,900	-	-	-	-
Total financial assets	767,091,731	125,742,783	-	892,834,514	125,742,783	-	-	125,742,783
Non financial assets				3,023,497,712	-	-	-	-
Total assets				3,916,332,226	125,742,783	-	-	125,742,783
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	132,248,462	132,248,462	-	-	-	-
Unclaimed dividend	-	-	58,875,719	58,875,719	-	-	-	-
Unpaid dividend	-	-	24,600,041	24,600,041	-	-	-	-
Long term loans	-	-	-	-	-	-	-	-
Lease liabilities	-	-	16,193,154	16,193,154	-	-	-	-
Trade and other payables	-	-	205,869,499	205,869,499	-	-	-	-
Total financial liabilities	-	-	437,786,875	437,786,875	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

39.2 Fair value of financial assets and liabilities (continued)

	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
Financial assets and liabilities								
30 June 2025								
Financial assets measured at fair value								
Short-term investments	-	129,830,915	-	129,830,915	129,830,915	-	-	129,830,915
	-	129,830,915	-	129,830,915	129,830,915	-	-	129,830,915
Financial assets not measured at fair value								
Trade debts	736,861,457	-	-	736,861,457	-	-	-	-
Advances to employees	1,555,009	-	-	1,555,009	-	-	-	-
Other receivables	2,034,096	-	-	2,034,096	-	-	-	-
Short-term investments	179,014,622	-	-	179,014,622	-	-	-	-
Bank balances	80,880,962	-	-	80,880,962	-	-	-	-
Trade deposits	20,982,645	-	-	20,982,645	-	-	-	-
Long-term deposits	1,782,900	-	-	1,782,900	-	-	-	-
Total financial assets	1,023,111,691	129,830,915	-	1,152,942,606	129,830,915	-	-	129,830,915
Non financial assets								
Total assets				3,249,264,984	-	-	-	-
				4,402,207,590	129,830,915	-	-	129,830,915
Financial liabilities not measured at fair value								
Short-term borrowings	-	-	482,692,688	482,692,688	-	-	-	-
Unclaimed dividend	-	-	52,866,644	52,866,644	-	-	-	-
Unpaid dividend	-	-	21,283,646	21,283,646	-	-	-	-
Long term loans	-	-	62,081,212	62,081,212	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-	-
Trade and other payables	-	-	356,575,973	356,575,973	-	-	-	-
Total financial liabilities	-	-	975,500,163	975,500,163	-	-	-	-

39.3 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 2026

40 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.

40.1 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;

	2026 Rupees	2025 Rupees
Long term deposits	1,782,900	1,782,900
Trade Debts	476,527,966	736,861,457
Short term investments	153,190,214	179,014,622
Advances to employees	1,140,352	1,555,009
Trade deposits and other receivables	7,977,813	23,016,741
Bank balances	126,472,486	80,880,962
	767,091,731	1,023,111,691

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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. 414,878,914 (2025: Rs. 357,362,908) against all trade debts.

The following table provides information about the exposure to credit risk and ECL for trade debts as at 30 June 2026.

	Weighted average loss rate	Gross carrying amount	Allowance for expected credit losses	impaired
	Percentage		Rupees	
Not past due	0.80%	198,830,343	1,580,935	No
Past due 0-30 days	1.40%	159,075,954	2,228,569	No
Past due 31-60 days	2.88%	21,502,007	618,900	No
Past due 61-90 days	6.15%	48,724,387	2,996,390	No
Past due 91-120 days	11.98%	5,137,110	615,307	No
Past due 121-150 days	19.61%	13,238,030	2,595,888	No
Past due 151-180 days	34.81%	71,339	24,835	No
Past due 181-210 days	51.91%	9,131,383	4,740,278	No
Over 210 days (loss)	91.69%	435,696,328	399,477,812	Yes
		891,406,880	414,878,914	

	Weighted average loss rate	Gross carrying amount	Allowance for expected credit losses	impaired
	Percentage		Rupees	
Not past due	1.52%	312,267,075	4,755,493	No
Past due 0-30 days	1.80%	216,563,508	3,900,432	No
Past due 31-60 days	2.67%	88,206,237	2,354,631	No
Past due 61-90 days	6.72%	110,601,483	7,436,147	No
Past due 91-120 days	11.10%	17,618,468	1,956,148	No
Past due 121-150 days	23.48%	5,597,088	1,314,363	No
Past due 151-180 days	32.30%	1,527,025	493,245	No
Past due 181-210 days	41.51%	1,622,264	673,438	No
Over 210 days	78.27%	26,424,477	20,682,271	Yes
Over 210 days (loss)	100.00%	313,796,740	313,796,740	Yes
		1,094,224,365	357,362,908	

40.2 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 2026

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

30 June 2026	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	132,248,462	132,248,462	132,248,462	-	-
Unclaimed dividend	58,875,719	58,875,719	58,875,719	-	-
Unpaid dividend	24,600,041	24,600,041	24,600,041	-	-
Long term loan	-	-	-	-	-
Lease liabilities	16,193,154	16,193,154	16,193,154	10,170,902	-
Trade and other payables	205,869,499	205,869,499	205,869,499	-	-
	437,786,875	437,786,875	437,786,875	10,170,902	-
	437,786,875	437,786,875	437,786,875	10,170,902	-
30 June 2025					
Short-term borrowings	172,117,658	172,117,658	172,117,658	-	-
Unclaimed dividend	44,372,446	44,372,446	44,372,446	-	-
Unpaid dividend	27,821,548	27,821,548	27,821,548	-	-
Long term loan	125,682,304	125,682,304	62,841,143	62,841,161	-
Lease liabilities	2,218,147	2,218,147	2,218,147	-	-
Trade and other payables	160,423,237	160,423,237	160,423,237	-	-
	532,635,340	532,635,340	469,794,179	62,841,161	-
	532,635,340	532,635,340	469,794,179	62,841,161	-

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.

40.3 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

The potential currency exposures are discussed below:

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:

	30 June 2026	30 June 2025
Asset:		
Trade debts – AED	3,545,269	3,704,993
Trade debts – USD	10,215	55,539
Bank balances – USD	29,150	23,585
Investments – USD	550,000	630,000
	589,365	709,124
Liability:		
Trade creditors – USD	-	1,138,949

The significant exchange rates applied during the year were:

	Average rate		Reporting date – closing rate	
	30 June 2026 Rupees	30 June 2025 Rupees	30 June 2026 Rupees	30 June 2025 Rupees
USD	280.83	282.45	278.05	283.60
AED			75.71	77.76

Sensitivity analysis

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

	30 June 2026 Rupees	30 June 2025 Rupees
USD	1,638,728	(1,376,491)
AED	35,453	37,050

A 10 percent strengthening of the PKR against the USD and AED 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).

Profile

	2026 %	2025 %	2026 Rupees	2025 Rupees
Fixed rate instruments				
Financial assets				
Term deposit receipt	2.75	1-10.10	153,190,214	179,014,622
Bank balances – saving accounts	7.50	8.00	74,153,287	67,493,970
			227,343,501	246,508,592
Financial liabilities				
Long term loan	3.00–5.00	3.00–5.00	–	62,081,213
			–	62,081,213

	Effective interest rate		Carrying amounts	
	2026	2025	2026	2025
	%	%	Rupees	Rupees
Variable rate instruments				
Financial liabilities				
	1 Month to 3	1 Month to 3		
	Months	Months		
Short-term borrowings	KIBOR plus	KIBOR plus	132,248,462	482,692,688
	Margin	Margin		
			132,248,462	482,692,688

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not have derivatives as hedging instruments recognized under fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased / (decreased) profit or loss by Rs. 1,322,485 (2025: Rs. 4,826,927)

The Company is exposed to price risk because of investment in marketable securities held by the Company in Allied Money Market Fund and UBL Liquidity Plus Fund. These investments are classified as investments at fair value through profit or loss. The Company makes investment in securities in accordance with the Board of Directors' approval. A change of 1 rupee in NAV of the fund would have increased / (decreased) profit or loss by Rs. 1,238,462 (2025: Rs. 1,157,403)

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods:

The fair value of held for trading investment is determined by reference to their quoted closing repurchase price at the reporting date. repurchase price at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2026

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.

41 CAPACITY AND PRODUCTION

Products	Units	Rated production capacity	2026	2025
			Actual production	
Tovex water gel and powder explosives	Kgs	6,000,000	4,238,475	4,119,845
Detonator – plain / electric	Nos	9,000,000	1,713,770	792,593
Detonating cord	Meters	2,500,000	879,810	856,116

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

42 DISCLOSURE REQUIREMENTS FOR SHARIAH COMPLIANT COMPANIES

Description	30 June 2026 Rupees	30 June 2025 Rupees
i) Loans / advances obtained as per Islamic mode	17,060,001	60,661,779
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	3,192,781,777	2,902,086,511
v) Gain/loss or dividend earned from shariah compliant investments	-	-
vi) Exchange loss beared	(760,910)	(431,839)
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 30 and 31 respectively.

43 EMPLOYEES FUND

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 2026

44 CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified as follows, for the purposes of comparison and better presentation as per reporting framework. However, the change in corresponding figures has no material impact on previously reported financial position, financial performance and cash flow of the Company.

STATEMENT OF PROFIT OR LOSS

RECLASSIFIED FROM	RECLASSIFIED TO	Rupees
Finance costs	Other income - Non financial assets	
Exchange Loss - Realized	Exchange loss - net	(431,839)
Finance costs	Other income - Financial assets	
Exchange Loss - Unrealized	Exchange loss - net	(2,523,162)
Dividend income	Dividend income	16,134,634
Finance costs	Other income - Non financial assets	
Exchange gain - Unrealized	Exchange loss - net	180,846
Gain on remeasurement of investments at fair value through profit or loss	Gain on remeasurement of investments at fair value through profit or loss	2,626,479

STATEMENT OF CASH FLOWS

INCREASE / (DECREASE) IN CASH FLOWS FROM OPERATING ACTIVITIES

Adjustment for non-cash items:

Finance costs	(26,634,440)
Finance costs paid	26,634,440

45 GENERAL

45.1 Figures have been rounded off to the nearest rupee.

45.2 Non - adjusting events after reporting date

The Board of Directors proposed final cash dividend at the rate of Rs. 2.50 per share (25%) in its meeting held on 24 September 2026.

45.3 Number of persons employed

	Note	2026	2025
Employees on year end (number)			
Regular		189	185
Contractual		105	58
Total employees at year end	45.3.1	294	243
Average employees during the year (number)		280	239

45.3.1 Out of total 294 employees of the company at year end (2025: 243), 184 (2025: 191) are factory employees.

46 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 24 September 2026.

Chief Financial Officer

Chief Executive Officer

Director

GENDER PAY GAP STATEMENT

Gender pay gap statement under Circular No. 10 of 2024

Following is the gender pay gap calculated for the year ended 30 June 2026.

i)	Mean Gender pay gap:	-180.15%
ii)	Median Gender pay gap:	-165.08%
iii)	Any other data/ details as deemed relevant:	-

The Board is committed to enhance gender diversity by inducting female employees and formulating policy for recruitment, development and gender pay gap analysis of female employees.



Chief Executive Officer on behalf of Board of Directors of the Company

Date: 24 September 2026

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2026

NO. OF SHAREHOLDERS	SHARE HOLDING		TOTAL NUMBER OF SHARES HELD
	FROM	TO	
961	1	100	33,272
788	101	500	242,890
383	501	1,000	311,543
767	1,001	5,000	1,829,283
153	5,001	10,000	1,115,845
48	10,001	15,000	574,883
27	15,001	20,000	465,972
18	20,001	25,000	410,463
14	25,001	30,000	384,986
6	30,001	35,000	201,253
9	35,001	40,000	336,514
6	40,001	45,000	264,101
3	45,001	50,000	147,100
5	50,001	55,000	271,015
2	55,001	60,000	116,847
3	60,001	65,000	185,821
2	65,001	70,000	138,931
2	70,001	75,000	144,310
1	75,001	80,000	80,000
1	80,001	85,000	82,498
1	85,001	90,000	86,261
2	90,001	95,000	188,600
2	95,001	100,000	200,000
1	100,001	105,000	100,218
1	105,001	110,000	105,125
2	125,001	130,000	257,000
1	130,001	135,000	133,922
1	145,001	150,000	150,000
1	180,001	185,000	184,369
1	190,001	195,000	191,301
1	195,001	200,000	200,000
1	215,001	220,000	219,607
1	220,001	225,000	225,000
1	295,001	300,000	296,875
1	360,001	365,000	362,353
1	385,001	390,000	387,630
1	470,001	475,000	470,505
1	745,001	750,000	750,000
1	940,001	945,000	942,614
1	1,015,001	1,020,000	1,018,323
1	1,090,001	1,095,000	1,093,750
1	2,100,001	2,105,000	2,102,834
1	2,140,001	2,145,000	2,142,028
1	2,150,001	2,155,000	2,150,838
1	3,585,001	3,590,000	3,586,633
1	9,515,001	9,520,000	9,517,963
1	11,980,001	11,985,000	11,981,412
3,229			46,382,688
SHAREHOLDER'S CATEGORY	NUMBERS OF SHAREHOLDERS	NUMBERS OF SHARE HELD	PERCENTAGE
INDIVIDUALS	3,187	44,268,824	95.44%
JOINT STOCK COMPANIES	29	425,248	0.92%
INSURANCE COMPANIES	2	1,072,614	2.31%
MODARABA AND MUUTAL FUNDS	8	212,866	0.46%
OTHERS	3	403,136	0.87%
	3,229	46,382,688	100.00%

PATTERN OF SHAREHOLDING AS AT 30 JUNE 2026

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	% AGE
Directors, CEO & their Spouse and Minor Children			
Khawaja Ahmad Hosain	1	9,517,963	20.521
Syeda Shahbano Abbas	1	5,991,787	12.918
Shireen Safdar	1	3,586,633	7.733
Ayesha Humayun Khan	1	2,102,834	4.534
Ehsan Mani	1	184,369	0.397
Riffat Moin	1	15,770	0.034
Himayat Ullah	1	3,500	0.008
Anwar Moin	1	2,957	0.006
Muhammad Zafar Khan	1	1,000	0.002
Adnan Afridi	1	1,000	0.002
Yawar Ikram	1	1,000	0.002
Mirza Rehan Baig	1	1,000	0.002
Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, & Modarbas	35	1,943,498	4.190
Mutual Funds:			
CDC – Trustee HBL Islamic Stock Fund	1	86,261	0.186
CDC – Trustee HBL Islamic Asset Allocation Fund	1	39,876	0.086
CDC – Trustee HBLI IpF Equity Sub Fund	1	35,359	0.076
CDC – Trustee UBL Retirement Savings Fund – Equity Sub Fund	1	5,445	0.012
CDC – Trustee AKD Opportunity Fund	1	2,950	0.006
CDC – Trustee Alfalah GHP Stock Fund	1	308	0.001
CDC – Trustee Pakistan Pension Fund – Equity Sub Fund	1	167	0.000
Other Individuals	3,174	16,869,386	36.370
Shareholders holding 5% or more shares in the Company:			
Syeda Shahnoor Abbas	1	5,989,625	12.913
TOTAL	3,229	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 / Gift In	Shares Sold / Gift Out
Khawaja Ahmad Hosain	8,969,805	-
Adnan Afridi	500	-

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 38th Annual General Meeting of the
Company to be held at Dewan-e-Khass Hall, Islamabad Hotel, G-6, Civic Centre, Islamabad on
October 23, 2026 at 11:00 am and any adjournment thereof.

Signed day of 2026

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

WITNESSES:

1. Signature
Name
.....
Address
.....
CNIC No.
Passport No.

WITNESSES:

2. Signature
Name
.....
Address
.....
CNIC No.
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.

جناب سیکرٹری

بیا فوائڈسٹریز لمیٹڈ

فسٹ فلور، بیا فوائڈسٹریز، 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 فلیو (نمبر) _____ کے مطابق

_____ عمومی شیئرز کا حامل ہوں/کے حامل ہیں اور/یا سی ڈی سی پارٹیسپنٹ (Participant) شناختی کارڈ نمبر _____

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

جیسا کہ میرے/ہمارے Proxy نے کمپنی کے 38 ویں سالانہ عمومی اجلاس میں میرے/ہمارے حوالے سے ووٹ دینا ہے جو دیوان خاص ہال، اسلام آباد ہوٹل،

G-6، سوک سینٹر، میلوڈی مارکیٹ، اسلام آباد میں 23 اکتوبر، 2026ء 11:00 am اور کسی بھی اس کے التواء کے منعقد ہوگا۔

دستخط _____ مورخہ _____ 2026ء کو کئے گئے

دستخط

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

گواہان

۱۔ دستخط _____ ۲۔ دستخط _____

نام _____ نام _____

پتہ _____ پتہ _____

سی این آئی سی نمبر _____ سی این آئی سی نمبر _____

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 سکے گا۔ Proxy کو کمپنی کا رکن ہونے کی ضرورت نہیں ہے۔

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

۳۔ مجلسی ڈی سی شیئرز ہولڈرز اور ان کے Proxies کو قومی شناختی کارڈ یا پاسپورٹ کی نقل بعد 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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ANNUAL REPORT **2026**

BIAFO INDUSTRIES LIMITED

Commercial Explosives and Blasting Accessories

Head Office

BIAFO House, 1st Floor, St. 38-40, I&T Centre, G-10/4, Islamabad, Pakistan

Contact: (92-51) 2353450-53, 2353455-57 Email: management@biafo.com

Plant

Plot #70, Phase III, Hattar Industrial Estate, District Haripur, KP, Pakistan

Contact: (92-99) 561 7830, 561 7312 Email: plant@biafo.com

www.biafo.com