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**QUARTERLY REPORT**  
FOR THE PERIOD ENDED

**SEPTEMBER**  
**2026**

## TABLE OF CONTENTS

|                                   |      |
|-----------------------------------|------|
| CORPORATE INFORMATION             | 01   |
| DIRECTORS' REPORT                 | 2-3  |
| STATEMENT OF FINANCIAL POSITION   | 04   |
| STATEMENT OF PROFIT OR LOSS       | 05   |
| STATEMENT OF COMPREHENSIVE INCOME | 06   |
| STATEMENT OF CHANGES IN EQUITY    | 07   |
| STATEMENT OF CASH FLOWS           | 08   |
| NOTES TO THE FINANCIAL STATEMENTS | 9-17 |

The image shows the exterior of a two-story building named 'BIAFO HOUSE'. The building features a mix of materials: a light-colored stone wall on the left, a tan-colored horizontal band above the entrance, and white walls on the right. Large glass windows are visible on the upper floor, reflecting the surrounding greenery. A set of brown stone steps leads up to the entrance, flanked by a ramp with a metal railing on the left and a simple handrail on the right. Two potted plants are placed near the entrance on the right. The foreground is a paved area with yellow parking lines. The name 'BIAFO HOUSE' is mounted on the tan band above the steps in large, metallic, block letters.

# 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

Khwaja 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

Ehsan Mani

Himayat Ullah

Yawar Ikram

Mirza Rehan Baig

Chairman

Member

Member

Member

Member

### HR & REMUNERATION COMMITTEE

Adnan Afridi

Ehsan Mani

Ms. Ayesha Humayun Khan

Ms. Syeda Shahbano Abbas

Matin Amjad (CEO)

Khwaja Ahmad Hosain

Chairman

Member

Member

Member

Member

Member

### AUDITORS

Yousuf Adil Chartered Accountants

### LEGAL ADVISORS

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

### BANKERS

Allied Bank Limited

National Bank of Pakistan

United Bank Limited

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](http://www.biafo.com), E-mail: [management@biafo.com](mailto: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](http://www.biafo.com), E-mail: [plant@biafo.com](mailto: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](mailto:info@fdregistrar.com) | [fdregistrar@yahoo.com](mailto:fdregistrar@yahoo.com)

# **DIRECTORS' REPORT**

### DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2026

Your Directors are pleased to present the unaudited financial statements for the quarter ended 30 September 2026.

Net sales revenue for the period under review amounted to Rs. 865.39 million, compared with Rs. 1,117.65 million in the corresponding quarter of the previous year, representing a decrease of 22.57%. However, sales increased by 79.42% compared with the preceding quarter ended 30 June 2026.

During the period under review, supplies to the oil and gas sector increased following the resumption of exploration activity. Supplies to the cement sector and distributors also increased. Nevertheless, overall sales declined, primarily because the large export order executed in the corresponding quarter of the previous year did not recur.

Gross profit for the period under review decreased by 39.21% to Rs. 265.66 million (30 September 2025: Rs. 436.98 million), mainly due to lower export volumes and a change in sales mix. The Company recorded profit after tax of Rs. 100.74 million (30 September 2025: Rs. 154.40 million), with earnings per share of Rs. 2.17 (30 September 2025: Rs. 3.33).

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

The Board of Directors has not recommended an interim cash dividend for the period under review.

The Board takes this opportunity to express its appreciation to thank all employees for their hard work and continued efforts in addressing business challenges and supporting the Company's growth. The Board also appreciates the continued cooperation of all stakeholders.

For and on behalf of the Board.



**Matin Amjad**  
Chief Executive Officer



**Ehsan Mani**  
Chairman

Islamabad

22 October 2026

## بیافو انڈسٹریز لمیٹڈ

### 30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2026 کو اختتام پذیر ہونے والی سہ ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت زیر جائزہ مدت میں 22.57 فیصد کمی سے 865.39 ملین رہی۔ (ستمبر 2025: 1,117.65 ملین روپے)۔ تاہم، 30 جون 2026 کو ختم ہونے والی پچھلی سہ ماہی کے مقابلے فروخت میں 79.42 فیصد اضافہ ہوا۔

زیر جائزہ مدت کے دوران، تیل اور گیس کی تلاش کے شعبے میں دوبارہ سرگرمیاں شروع ہونے کی وجہ سے اس شعبے کو سپلائی میں اضافہ ہوا۔ سینٹیکلر اور ڈسٹری بیوٹرز کو سپلائی بھی بڑھ گئی۔ اس کے باوجود، مجموعی طور پر فروخت میں کمی واقع ہوئی، بنیادی طور پر اس لیے کہ پچھلے سال کی اسی سہ ماہی میں بڑے برآمدی آرڈر کی تکمیل ہوئی تھی۔

زیر جائزہ مدت میں خام منافع گزشتہ سال اسی دورانیے کے مقابلے میں 39.21 فیصد کمی سے 265.66 ملین روپے رہا (ستمبر 2025: 436.98 ملین روپے)۔ جبکہ ٹیکس کٹوتی کے بعد خالص منافع نے 100.74 ملین روپے رہا۔ (ستمبر 2025: 154.40 ملین روپے)۔ جس کے نتیجے میں فی شیئر آمدن 2.17 روپے رہی۔ (30 ستمبر 2025: 3.33 روپے)۔ بنیادی طور پر یہ کمی برآمدی حجم اور سیلر سکس میں تبدیلی کی وجہ سے ہوا۔

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

بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لیے عبوری نقد منافع کی سفارش نہیں کی ہے۔

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

بورڈ کی جانب سے

Etman

احسان مانی  
چیئر مین

Matin Ahmed

متین احمد  
چیف ایگزیکٹو آفیسر

اسلام آباد

22 اکتوبر 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT 30 SEPTEMBER 2026

|                                                                                     | Note | Un-Audited<br>30 Sep 2026<br>Rupees | Audited<br>30 June 2026<br>Rupees |
|-------------------------------------------------------------------------------------|------|-------------------------------------|-----------------------------------|
| <b>NON - CURRENT ASSETS</b>                                                         |      |                                     |                                   |
| Property, plant and equipment                                                       | 4    | 2,211,482,918                       | 2,197,319,765                     |
| Intangibles                                                                         |      | 6,456,487                           | 6,623,434                         |
| Investment property                                                                 |      | 64,702,027                          | 64,861,716                        |
| Long-term deposits                                                                  |      | 1,782,900                           | 1,782,900                         |
|                                                                                     |      | <b>2,284,424,332</b>                | 2,270,587,815                     |
| <b>CURRENT ASSETS</b>                                                               |      |                                     |                                   |
| Inventories                                                                         |      | 624,140,049                         | 595,068,898                       |
| Trade debts                                                                         |      | 809,743,340                         | 476,527,966                       |
| Short-term advances                                                                 |      | 49,508,430                          | 54,974,914                        |
| Trade deposits, short-term prepayments and other receivables                        |      | 94,879,767                          | 67,246,031                        |
| Short-term investments                                                              | 5    | 282,708,849                         | 278,932,997                       |
| Advance tax - net                                                                   |      | 65,869,272                          | 46,315,900                        |
| Cash and bank balances                                                              |      | 93,466,689                          | 126,677,705                       |
|                                                                                     |      | <b>2,020,316,396</b>                | 1,645,744,411                     |
| <b>CURRENT LIABILITIES</b>                                                          |      |                                     |                                   |
| Trade, other payables and accrued liabilities                                       | 6    | 426,499,622                         | 278,177,150                       |
| Current portion of lease liabilities                                                |      | 15,372,571                          | 6,022,252                         |
| Short-term borrowings                                                               | 7    | 253,867,764                         | 132,248,462                       |
| Unclaimed dividend                                                                  |      | 58,896,009                          | 58,875,719                        |
| Unpaid dividend                                                                     |      | 24,310,634                          | 24,600,041                        |
|                                                                                     |      | <b>778,946,600</b>                  | 499,923,624                       |
|                                                                                     |      | <b>1,241,369,796</b>                | 1,145,820,787                     |
| <b>NET CURRENT ASSETS</b>                                                           |      |                                     |                                   |
| <b>NON - CURRENT LIABILITIES</b>                                                    |      |                                     |                                   |
| Employee benefit                                                                    |      | 40,091,921                          | 40,487,721                        |
| Lease liabilities                                                                   |      | 20,711,839                          | 10,170,902                        |
| Deferred tax liability - net                                                        | 8    | 24,911,622                          | 26,415,288                        |
|                                                                                     |      | <b>85,715,382</b>                   | 77,073,911                        |
| <b>NET ASSETS</b>                                                                   |      |                                     |                                   |
|                                                                                     |      | <b>3,440,078,746</b>                | 3,339,334,691                     |
| <b>REPRESENTED BY:</b>                                                              |      |                                     |                                   |
| <b>SHARE CAPITAL AND RESERVES</b>                                                   |      |                                     |                                   |
| Share capital                                                                       |      | 463,826,880                         | 463,826,880                       |
| Revenue reserve - unappropriated profit                                             |      | 1,478,504,049                       | 1,373,932,245                     |
| Capital reserve - revaluation surplus on property, plant and equipment - net of tax |      | 1,497,747,817                       | 1,501,575,566                     |
|                                                                                     |      | <b>3,440,078,746</b>                | 3,339,334,691                     |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                                |      |                                     |                                   |
|                                                                                     | 9    |                                     |                                   |

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

Chief Financial Officer

Chief Executive Officer

Director

# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

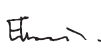
## FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|                                                      | Note | Quarter Ended         |                                 | Quarter Ended         |                                 |
|------------------------------------------------------|------|-----------------------|---------------------------------|-----------------------|---------------------------------|
|                                                      |      | 30 Sep 2026<br>Rupees | Period to Due<br>Date<br>Rupees | 30 Sep 2025<br>Rupees | Period to Due<br>Date<br>Rupees |
| <b>Revenue from contract with customers - net</b>    | 10   | 865,388,556           | 865,388,556                     | 1,117,653,792         | 1,117,653,792                   |
| Cost of sales                                        |      | (599,726,747)         | (599,726,747)                   | (680,672,190)         | (680,672,190)                   |
| <b>Gross profit</b>                                  |      | 265,661,809           | 265,661,809                     | 436,981,602           | 436,981,602                     |
| Distribution expenses                                |      | (18,117,520)          | (18,117,520)                    | (84,346,395)          | (84,346,395)                    |
| Administrative expenses                              |      | (75,230,576)          | (75,230,576)                    | (67,820,338)          | (67,820,338)                    |
| Net impairment (loss) / reversal on financial assets |      | 4,000,000             | 4,000,000                       | (11,976,540)          | (11,976,540)                    |
| <b>Operating profit</b>                              |      | 176,313,713           | 176,313,713                     | 272,838,329           | 272,838,329                     |
| Other income - net                                   |      | 4,983,895             | 4,983,895                       | 4,896,841             | 4,896,841                       |
| Finance cost                                         |      | (6,375,812)           | (6,375,812)                     | (25,678,285)          | (25,678,285)                    |
| Finance income                                       |      | 1,077,773             | 1,077,773                       | 1,184,265             | 1,184,265                       |
| <b>Net finance cost</b>                              |      | (5,298,039)           | (5,298,039)                     | (24,494,020)          | (24,494,020)                    |
| Workers' profit participation fund                   |      | (8,799,978)           | (8,799,978)                     | (12,662,058)          | (12,662,058)                    |
| Workers' welfare fund                                |      | (7,544,817)           | (7,544,817)                     | (9,054,217)           | (9,054,217)                     |
| <b>Profit before income tax and final taxes</b>      |      | 159,654,774           | 159,654,774                     | 231,524,876           | 231,524,876                     |
| Final taxes                                          |      | -                     | -                               | -                     | -                               |
| <b>Profit before income tax for the period</b>       |      | 159,654,774           | 159,654,774                     | 231,524,876           | 231,524,876                     |
| Income tax                                           |      | (58,910,719)          | (58,910,719)                    | (77,128,114)          | (77,128,114)                    |
| <b>Profit for the period</b>                         |      | 100,744,055           | 100,744,055                     | 154,396,762           | 154,396,762                     |
| <b>Earnings per share</b>                            |      |                       |                                 |                       |                                 |
| Basic and diluted                                    |      | 2.17                  | 2.17                            | 3.33                  | 3.33                            |

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|                                                  | Quarter Ended      |                    | Quarter Ended |                |
|--------------------------------------------------|--------------------|--------------------|---------------|----------------|
|                                                  | 30 Sep 2026        | Period to Due      | 30 Sep 2025   | Period to Due  |
|                                                  | Rupees             | Date<br>Rupees     | Rupees        | Date<br>Rupees |
| <b>Profit for the period</b>                     | <b>100,744,055</b> | <b>100,744,055</b> | 154,396,762   | 154,396,762    |
| Other comprehensive income for the period        | -                  | -                  | -             | -              |
| <b>Total comprehensive income for the period</b> | <b>100,744,055</b> | <b>100,744,055</b> | 154,396,762   | 154,396,762    |

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



Chief Financial Officer



Chief Executive Officer



Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

## FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|                                                                                                                                       | Capital Reserve      | Revenue Reserve                                                   |                        |               |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------|------------------------|---------------|
|                                                                                                                                       | Share capital        | Revaluation surplus on property, plant and equipment – net of tax | Unappropriated profits | Total equity  |
|                                                                                                                                       | ----- (Rupees) ----- |                                                                   |                        |               |
| Balance at 01 July 2025 (Audited)                                                                                                     | 463,826,880          | 1,496,231,115                                                     | 1,249,395,964          | 3,209,453,959 |
| Profit for the period                                                                                                                 | -                    | -                                                                 | 154,396,762            | 154,396,762   |
| Total comprehensive income for the Period                                                                                             | -                    | -                                                                 | 154,396,762            | 154,396,762   |
| Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | -                    | (4,241,175)                                                       | 4,241,175              | -             |
| Balance at 30 September 2025                                                                                                          | 463,826,880          | 1,491,989,940                                                     | 1,408,033,901          | 3,363,850,721 |
| Balance at 01 July 2026 (Audited)                                                                                                     | 463,826,880          | 1,501,575,566                                                     | 1,373,932,245          | 3,339,334,691 |
| Profit for the period                                                                                                                 | -                    | -                                                                 | 100,744,055            | 100,744,055   |
| Total comprehensive income for the Period                                                                                             | -                    | -                                                                 | -                      | -             |
| Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax | -                    | (3,827,749)                                                       | 3,827,749              | -             |
| Balance at 30 September 2026                                                                                                          | 463,826,880          | 1,497,747,817                                                     | 1,478,504,049          | 3,440,078,746 |

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

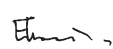
## FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|                                                                                              | Note | 30 Sep 2026<br>Rupees | 30 Sep 2025<br>Rupees |
|----------------------------------------------------------------------------------------------|------|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                  |      |                       |                       |
| <b>Profit before tax</b>                                                                     |      | <b>159,654,774</b>    | 231,524,876           |
| Adjustments for non-cash items:                                                              |      |                       |                       |
| Depreciation on property, plant and equipment                                                |      | 18,798,285            | 19,122,081            |
| Amortization on intangibles                                                                  |      | 166,947               | 185,498               |
| Depreciation on investment property                                                          |      | 159,689               | 163,784               |
| Finance costs                                                                                |      | 5,228,338             | 12,131,122            |
| Provision for Workers' profit participation fund                                             |      | 8,799,978             | 12,662,058            |
| Provision for Workers' welfare fund                                                          |      | 7,544,817             | 9,054,217             |
| Provision for gratuity                                                                       |      | -                     | 5,757,896             |
| Impairment losses on financial assets                                                        |      | (4,000,000)           | 11,976,540            |
| Rental income                                                                                |      | (1,593,750)           | (1,593,750)           |
| Unrealized gain on remeasurement of investment                                               |      | (3,277,714)           | (3,294,064)           |
| Unrealized exchange loss                                                                     |      | 1,147,474             | -                     |
| Unrealized exchange gain                                                                     |      | 112,431               | 8,962,552             |
| Gain on sale of property, plant and equipment                                                |      | -                     | (9,027)               |
| Interest income                                                                              |      | (1,077,773)           | (1,184,265)           |
|                                                                                              |      | <b>32,008,722</b>     | 73,934,642            |
|                                                                                              |      | <b>191,663,496</b>    | 305,459,518           |
| <b>Changes in working capital:</b>                                                           |      |                       |                       |
| Decrease / (increase) in inventories                                                         |      | (29,071,151)          | 139,618,293           |
| Decrease / (increase) in trade debts                                                         |      | (328,486,977)         | (39,576,223)          |
| Decrease / (increase) in advances, deposits,<br>short term prepayments and other receivables |      | (22,167,252)          | (82,221,334)          |
| (Decrease) / increase in trade and other payables                                            |      | 164,360,007           | (70,110,424)          |
|                                                                                              |      | <b>(215,365,373)</b>  | (52,289,688)          |
| <b>Cash generated from operating activities</b>                                              |      | <b>(23,701,877)</b>   | 253,169,829           |
| Finance costs paid                                                                           |      | (10,702,794)          | (12,315,645)          |
| Contributions to gratuity fund                                                               |      | (395,800)             | -                     |
| Payments to workers' profit participation fund                                               |      | (32,382,330)          | (30,000,000)          |
| Income taxes and levies paid                                                                 |      | (79,967,757)          | (91,770,700)          |
|                                                                                              |      | <b>(123,448,681)</b>  | (134,086,345)         |
| <b>Net cash generated from / (used in) operating activities</b>                              |      | <b>(147,150,558)</b>  | 119,083,484           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                  |      |                       |                       |
| Acquisition of property, plant and equipment                                                 |      | (6,287,403)           | (3,879,804)           |
| Addition to intangible assets                                                                |      | -                     | 11,072                |
| Disposal / (purchase) of investments                                                         |      | 2,528,490             | 9,995,655             |
| Rent received                                                                                |      | 1,593,750             | 1,593,750             |
| Interest received                                                                            |      | 1,077,773             | 1,184,265             |
| <b>Net cash generated from / (used in) investing activities</b>                              |      | <b>(1,087,390)</b>    | 8,904,938             |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                  |      |                       |                       |
| Dividend paid                                                                                |      | (269,117)             | -                     |
| Repayment of long term loan                                                                  |      | -                     | (15,325,383)          |
| Payments for Right of use assets                                                             |      | (2,551,395)           | -                     |
| Payment of lease liabilities                                                                 |      | (3,771,858)           | -                     |
| <b>Net cash used in financing activities</b>                                                 |      | <b>(6,592,370)</b>    | (15,325,383)          |
| <b>Net increase / (decrease) in cash and cash equivalents</b>                                |      | <b>(154,830,318)</b>  | 112,663,039           |
| <b>Cash and cash equivalents at beginning of the period</b>                                  |      | <b>(5,570,757)</b>    | (401,624,695)         |
| <b>Cash and cash equivalents at end of the period</b>                                        | 11   | <b>(160,401,075)</b>  | (288,961,656)         |

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

  
Chief Financial Officer

  
Chief Executive Officer

  
Director

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 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). Previously, the shares of the Company were quoted on Karachi and Islamabad Stock Exchanges of Pakistan. However, due to integration of these Stock Exchanges into Pakistan Stock Exchange, effective 11 January 2016, the shares of the Company are now quoted on Pakistan Stock Exchange. The Company started its commercial production on 01 July 1994 and is principally engaged in the manufacturing of commercial explosives and blasting accessories including detonators and other materials. The Company's license for manufacturing and sale of explosives is required to be renewed annually. The Company's production facility is situated at Hattar Industrial Estate, Khyber Pakhtunkhwa, with its registered office located at 1st Floor, Biafo House, Plot No. 23, Street No. 38-40, I & T Centre, G-10/4, Islamabad, Pakistan.

## 2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these condensed interim financial statements do not include the information that was reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements of the Company for the year ended 30 June 2026. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2026, whereas comparative condensed interim statement of profit or loss, comparative condensed interim statement of comprehensive income, comparative condensed interim statement of cash flows and comparative condensed interim statement of changes in equity are extracted from unaudited interim financial statements for three months period ended 30 September 2025.

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

## 3 MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2026.

The Company's financial risk management objectives and policies are consistent with

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2026

those disclosed in the audited financial statements for the year ended 30 June 2026. There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the audited financial statements of the Company for the year ended 30 June 2026. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of 30 September 2026.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after 01 July 2025 which do not have any impact on the Company's financial reporting and are been detailed below.

## Description

## Effective Date

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – Clarification on how entity accounts when there is long term lack of Exchangeability

July 01, 2025

The Securities and Exchange Commission of Pakistan (SECP) has notified IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 and introduces enhanced requirements relating to presentation, aggregation and disaggregation of information in the financial statements, including the classification of income and expenses and additional disclosure requirements. IFRS 18 is effective for annual periods beginning on or after 1 January 2027. Certain amendments in standards that are not yet effective does not have any impact on the financial reporting and as a result are not disclosed.

## 4 PROPERTY, PLANT AND EQUIPMENT

During three months period ended 30 Sep 2026, the Company acquired property, plant and equipment aggregating to Rs. 32,961,439 (30 Sep 2025: Rs. 2,822,804). Further details are as follows:

|                                              | Three Months Ended    |                       |
|----------------------------------------------|-----------------------|-----------------------|
|                                              | 30 Sep 2026<br>Rupees | 30 Sep 2025<br>Rupees |
| <b>Additions</b>                             |                       |                       |
| Vehicles                                     | -                     | -                     |
| Furniture and fixtures                       | 179,576               | 895,140               |
| IT & Appliances                              | 2,377,429             | 1,927,664             |
| Plant, machinery & Equipments                | 628,728               | -                     |
| Right of use asset                           | 26,674,036            | -                     |
|                                              | <b>32,961,439</b>     | <b>2,822,804</b>      |
| <b>Disposal of vehicles (net book value)</b> |                       |                       |
| Vehicles                                     | -                     | -                     |
| <b>Depreciation Charge</b>                   |                       |                       |
| Building on leasehold land                   | 1,564,434             | 1,430,419             |
| Plant, machinery & Equipments                | 12,950,946            | 14,355,168            |
| Furniture and fixtures                       | 299,274               | 214,912               |
| Vehicles                                     | 1,307,042             | 1,032,129             |
| Right of use asset                           | 747,633               | -                     |
| IT & Appliances                              | 1,928,956             | 2,089,453             |
|                                              | <b>18,798,285</b>     | <b>19,122,081</b>     |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|          | Note                                       | Unaudited<br>30 Sep 2026<br>Rupees | Audited<br>30 June 2026<br>Rupees |
|----------|--------------------------------------------|------------------------------------|-----------------------------------|
| <b>5</b> | <b>SHORT - TERM INVESTMENTS</b>            |                                    |                                   |
|          | Equity securities – at FVTPL               | 129,020,497                        | 125,742,783                       |
|          | Debt securities – at amortized cost        | 153,688,352                        | 153,190,214                       |
|          |                                            | <b>282,708,849</b>                 | <b>278,932,997</b>                |
| <b>6</b> | <b>TRADE AND OTHER PAYABLES</b>            |                                    |                                   |
|          | Trade creditors                            | 249,602,404                        | 155,519,331                       |
|          | Contract liability – unsecured             | 42,192,971                         | 17,060,001                        |
|          | Accrued liabilities                        | 73,393,722                         | 37,962,133                        |
|          | Workers' profit participation fund payable | 8,799,978                          | 32,382,330                        |
|          | Workers' welfare fund payable              | 22,076,410                         | 14,531,593                        |
|          | Payable to employees' provident fund       | 4,857,150                          | 2,662,005                         |
|          | Withholding Taxes Payable/Levies Payable   | 9,423,821                          | 5,671,722                         |
|          | Security Deposit Payable                   | 1,980,790                          | 1,980,790                         |
|          | Other Payables                             | 14,172,376                         | 10,407,245                        |
|          |                                            | <b>426,499,622</b>                 | <b>278,177,150</b>                |
| <b>7</b> | <b>SHORT - TERM BORROWINGS</b>             |                                    |                                   |
|          | Allied Bank Limited (ABL)                  | 212,372,924                        | 130,365,681                       |
|          | United Bank Limited (UBL)                  | 41,494,840                         | 1,882,781                         |
|          |                                            | <b>253,867,764</b>                 | <b>132,248,462</b>                |

- 7.1** The facility limits, securities offered and mark-up rates of these short term borrowings are the same as those disclosed in the annual audited financial statements for the year ended 30 June 2026, except for the enhancement of the Export Re-finance-I facility to Rs. 325 million (30 June 2026: Rs. 125 million), carrying mark-up at the rate of 4.50% per annum on the utilised amount.

|          | Unaudited<br>30 Sep 2026<br>Rupees                      | Audited<br>30 June 2026<br>Rupees |
|----------|---------------------------------------------------------|-----------------------------------|
| <b>8</b> | <b>DEFERRED TAX LIABILITY- net</b>                      |                                   |
|          | <b>Taxable temporary difference</b>                     |                                   |
|          | Property, plant and equipment                           | 92,466,660                        |
|          | Right of use assets                                     | 4,748,957                         |
|          | Surplus on revaluation of property, plant and equipment | 100,003,593                       |
|          |                                                         | <b>197,219,210</b>                |
|          | <b>Deductible temporary difference</b>                  |                                   |
|          | Employee benefits                                       | (16,631,156)                      |
|          | Trade debts                                             | (152,025,198)                     |
|          | Inventories                                             | (3,651,234)                       |
|          |                                                         | <b>(172,307,588)</b>              |
|          |                                                         | <b>24,911,622</b>                 |

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED 30 SEPTEMBER 2026

## 9 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2026.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs.10,775,280 at 30 September 2026 (30 June 2026: Rs. 12,304,947).

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 30 September 2026 amounted to Rs. 7,500,000 (30 June 2026: Rs. 7,500,000).

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 30 September 2026 amounted to USD 240,705 (30 June 2026: USD 210,705).

## 10 REVENUE- net

Gross local sales  
Sales tax  
Net local sales  
Net export sales

| Three Months Ended    |                       |
|-----------------------|-----------------------|
| 30 Sep 2026<br>Rupees | 30 Sep 2025<br>Rupees |
| 594,993,543           | 476,996,235           |
| (90,456,557)          | (72,120,637)          |
| 504,536,986           | 404,875,598           |
| 360,851,570           | 712,778,194           |
| 865,388,556           | 1,117,653,792         |

## 11 CASH AND CASH EQUIVALENTS

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

Cash and bank balances  
Short term borrowings - running finance (Note 7.1)

|               |               |
|---------------|---------------|
| 93,466,689    | 82,756,058    |
| (253,867,764) | (371,717,715) |
| (160,401,075) | (288,961,657) |

## 12 RELATED PARTY TRANSACTIONS AND BALANCES

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

|                                                                | Three Months Ended |             |
|----------------------------------------------------------------|--------------------|-------------|
|                                                                | 30 Sep 2026        | 30 Sep 2025 |
|                                                                | Rupees             | Rupees      |
| <b>Directors and key management personnel</b>                  |                    |             |
| Remuneration including perquisites to Chief Executive Officer  | 14,850,000         | 6,600,000   |
| Remuneration including perquisites to Directors                | 2,385,906          | 14,091,178  |
| Remuneration including perquisites to key management personnel | 8,400,000          | 8,020,500   |
| <b>Other related parties</b>                                   |                    |             |
| Payment to employees' provident fund                           | 7,457,255          | 7,474,350   |
| Payable to employees' provident fund - unsecured               | 4,857,150          | 2,034,284   |
| Payable to staff retirement gratuity fund - unsecured          | 38,987,899         | 39,559,001  |

### 13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The fair value of financial assets and liabilities traded in active markets i.e. listed equity shares are based on the quoted market prices at the close of trading on the period end date. The quoted market prices used for financial assets held by the Company is current bid price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## BIAFO INDUSTRIES LIMITED

14

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|                                                  | Carrying amount |                                   |                | Fair value    |             |         |         |             |
|--------------------------------------------------|-----------------|-----------------------------------|----------------|---------------|-------------|---------|---------|-------------|
|                                                  | Financial Asset | Financial liabilities             |                |               |             |         |         |             |
|                                                  | Amortized cost  | Fair value through profit or loss | Amortized cost | Total         | Level 1     | Level 2 | Level 3 | Total       |
|                                                  |                 |                                   | Rupees         |               |             |         | Rupees  |             |
| 30 June 2026 (Audited)                           |                 |                                   |                |               |             |         |         |             |
| Non-financial assets measured at fair value      |                 |                                   |                |               |             |         |         |             |
| Property, plant and equipment                    | -               | -                                 | -              | -             | -           | -       | -       | -           |
| 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                             |                 |                                   |                |               |             |         |         |             |
| Total assets                                     | -               | -                                 | -              | 3,023,497,712 |             |         |         |             |
|                                                  | -               | -                                 | -              | 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                      | -               | -                                 | 437,766,875    | 437,766,875   | -           | -       | -       | -           |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

**14 Disclosure Requirement For Shariah Compliant Companies**

|                                              |              | Three Months Ended                 |                                   |
|----------------------------------------------|--------------|------------------------------------|-----------------------------------|
|                                              |              | Unaudited<br>30 Sep 2026<br>Rupees | Audited<br>30 June 2026<br>Rupees |
| <b>Liabilities</b>                           |              |                                    |                                   |
| Long-term loan                               | Non- Shariah | -                                  | -                                 |
| Short-term borrowings                        | Non- Shariah | 253,867,764                        | 132,248,462                       |
| <b>Assets</b>                                |              |                                    |                                   |
| Short-term investments- Mutual Fund          | Non- Shariah | 129,020,497                        | 125,742,783                       |
| Short-term investments- Term deposit Receipt | Non- Shariah | 153,688,352                        | 153,190,214                       |
| Cash and bank balances                       | Non- Shariah | 93,466,689                         | 126,677,705                       |

|                                                                           |                   | Three Months Ended                 |                                    |
|---------------------------------------------------------------------------|-------------------|------------------------------------|------------------------------------|
|                                                                           |                   | Unaudited<br>30 Sep 2026<br>Rupees | Unaudited<br>30 Sep 2025<br>Rupees |
| <b>Profit &amp; Loss</b>                                                  |                   |                                    |                                    |
| Revenue - net                                                             | Shariah Compliant | 865,388,556                        | 1,117,653,792                      |
| Other Income - break up                                                   |                   |                                    |                                    |
| Rental income                                                             | Shariah Compliant | 1,593,750                          | 1,593,750                          |
| Gain on sale of property, plant and equipment                             | Shariah Compliant | -                                  | 9,027                              |
| <b>FINANCE INCOME</b>                                                     |                   |                                    |                                    |
| Gain on remeasurement of investments at fair value through profit or loss | Non- Shariah      | 3,277,714                          | 3,294,064                          |
| Exchange gain - Unrealized                                                | Non- Shariah      | 112,431                            | -                                  |
| Interest on investment in TDRs                                            | Non- Shariah      | 1,075,638                          | 1,182,486                          |
| Interest on saving accounts                                               | Non- Shariah      | 2,135                              | 1,779                              |
| <b>FINANCE COSTS</b>                                                      |                   |                                    |                                    |
| Mark up on short term borrowings                                          | Non- Shariah      | 3,052,858                          | 11,535,990                         |
| Mark up on long term loans                                                | Non- Shariah      | -                                  | 595,132                            |
| Interest on lease liabilities                                             | Non- Shariah      | 1,008,114                          | -                                  |
| Exchange Loss - Realized                                                  | Shariah           | 1,147,474                          | 10,171,759                         |
| Exchange Loss - Unrealized                                                | Non- Shariah      | -                                  | -                                  |
| Bank charges                                                              | Non- Shariah      | 1,167,366                          | 3,375,404                          |

| <b>Names of the Company's Shariah Compliant financial institution</b> | <b>Arrangement</b> |
|-----------------------------------------------------------------------|--------------------|
| Faysal Bank Limited                                                   | Current Deposit    |
| Meezan Bank Limited                                                   | Current Deposit    |

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED 30 SEPTEMBER 2026

|    |                                                    | Three Months Ended |             |
|----|----------------------------------------------------|--------------------|-------------|
| 15 | EARNINGS PER SHARE                                 | 30 Sep 2026        | 30 Sep 2025 |
|    | - Basic and diluted                                |                    |             |
|    | Profit for the period Rupees                       | 100,744,055        | 154,396,762 |
|    | Weighted average number of ordinary shares Numbers | 46,382,688         | 46,382,688  |
|    | Earnings per share Rupees                          | 2.17               | 3.33        |

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

- 16.1** The Board of Directors of the Company in their meeting held on 22 October 2026 has not proposed any dividend for the period under review.
- 16.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22 October 2026.

**17 GENERAL**

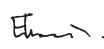
- 17.1** Figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Chief Financial Officer



Chief Executive Officer



Director



**QUARTERLY REPORT  
FOR THE PERIOD ENDED  
30 SEPTEMBER 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](mailto:management@biafo.com)

**Plant**

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