BIL/ACCOUNTS/2026/040

November 26, 2026

Ms. Zeest Zehra Jatoi
The Assistant Manager, Listed Companies Compliance
Regulatory Affairs Division
Pakistan Stock Exchange Limited
Stock Exchange Building, Stock Exchange Road Karachi

Subject: Incomplete Submission of Mandatory Shariah Disclosures

We reference to your letter No. PSX/Gen-1379 dated November 23, 2026 on the subject cited above concerning the Shariah disclosures in the Company's annual financial statements for the year ended June 30, 2026, issued under Clauses 5.6.9A and 5A.13(e) of the PSX Regulations.

We omitted those line items that the company had no transactions or balances under a particular head. We understood at the time that omitting a nil or inapplicable item was acceptable. We now recognise, in line with the clarification in Notice PSX/N-435, that each field must be reported explicitly whether having balance or not.

Further added that the disclosure requirements were clarified close to the preparation of the June 30, 2026 financial statements. The disclosure template had already been drafted on the format used in earlier periods and was not fully re-aligned with the clarified requirements before the statements were finalised and audited.

The Company has reviewed every item under Clause VII of Part I of Schedule IV. It has today, November 26, 2026, uploaded the complete Shariah disclosures for the year ended June 30, 2026 on PUCARS. Each applicable field reports the relevant amount, and every other field is marked "Not Applicable" or "Zero" as appropriate. A copy of the disclosure is enclosed as **Annexure A**.

The Company will comply fully with the Shariah disclosure requirements in all future quarterly, half-yearly and annual financial statements.

We request the Exchange to accept this explanation, take the corrective action into account, and treat the matter as closed.

Biafo Industries Limited Islamabad

Muhammad Usman Qazi
Chief Financial Officer

Encl.: Annexure A – Shariah Disclosures for the year ended June 30, 2026

Annexure A

Note 42 – Shariah disclosures under Clause VII of Part I of the Fourth Schedule to the Companies Act, 2017

Description		Note	2026 (Rs)	2025 (Rs)
Statement of Financial Position – Liabilities				
Long-term financing obtained as per Islamic mode			-	-
Short-term borrowings obtained as per Islamic mode			-	-
Lease financing obtained as per Islamic mode			-	-
Interest / mark-up accrued on conventional loans or advances		17	7,248,462	8,154,545
Statement of Financial Position – Assets				
Long-term Shariah-compliant investments			-	-
Short-term Shariah-compliant investments			-	-
Shariah-compliant bank deposits / bank balances			-	-
Shariah-compliant TDRs			-	-
Statement of Profit or Loss / Comprehensive Income				
Revenue from Shariah-compliant business segment		25	3,192,781,777	2,902,086,511
Late payment charges / liquidated damages (break-up)			-	-
Gain / loss / dividend on Shariah-compliant investments			-	-
Share of profit from Shariah-compliant associates			-	-
Profit on Shariah-compliant bank deposits / balances / TDRs			-	-
Exchange(Loss) gain from actual currency		29	(4,775,166)	(2,774,155)
Exchange gain from conventional derivative instruments			-	-
Profit paid on Islamic mode of financing			-	-
Total interest earned on conventional loans / advances			-	-
Other income and Finance Income – source and break-up				
Rental Income	Non-Shariah			
	Shariah compliant	29	6,375,000	6,375,000
Reversal of WWF	Non-Shariah		-	-
	Shariah compliant	29	238,229	-
Dividend Income	Non-Shariah	29	11,588,378	16,134,634
	Shariah compliant		-	-
Gain on investment in ABL Funds	Non-Shariah	29	1,505,700	-
	Shariah compliant		-	-
Gain on remeasurement of investments at fair value	Non-Shariah	29	55,335	2,626,479
	Shariah compliant		-	-
Exchange(Loss) gain	Non-Shariah	29	3,723,000	2,523,162
	Shariah compliant		(8,498,166)	(5,297,317)
Reversal of Trade creditors	Non-Shariah		-	-
	Shariah compliant	29	2,620,503	45,000
Gain on sale of property, plant and equipment	Non-Shariah		-	-
	Shariah compliant	29	9,027	7,502,013
Interest on investment in TDRs and saving accounts	Non-Shariah		4,388,665	7,873,176
	Shariah compliant	31	-	-
Total other income and finance income			**22,005,672**	**37,782,147**

Relationship with Shariah-compliant financial institutions

Name of bank / takaful operator / window	Relationship
Meezan Bank Limted	Bank Deposit
Faysal Bank Limited	Bank Deposit

Chief Financial Officer
Biafo Industries Limited

Biafo Industries Limited ☆ Islamabad ☆