

# Interim Report

for the Six Months Period Ended  
31<sup>st</sup> December 2022




**BIAFO INDUSTRIES LTD.**  
Manufacturer of Tovex<sup>®</sup> Explosives & Blasting Accessories



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# CORPORATE INFORMATION

## Corporate Information

### Board of Directors

#### Executive Directors

M. Afzal Khan  
Anwar Moin

Deputy Chairman  
Chief Executive Officer

#### Non Executive Directors

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

Director  
Director  
Director  
Director  
Director  
Director

#### Independent Directors

Ehsan Mani  
Syed Zomma Mohiuddin  
Adnan Afridi  
Himayat Ullah

Chairman  
Director  
Director  
Director

#### Company Secretary

Khawaja Shaiq Tanveer

#### Chief Financial Officer

Syed Sajid Hussain Shah

#### Audit & Risk Management Committee

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

#### HR & Remuneration Committee

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

#### Auditors

Yousuf Adil Chartered Accountants

#### Legal Advisors

Chima & Ibrahim, Raza Khalil Abbasi Suhrawardy

#### Bankers

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

#### Registered Office

##### Biafo Industries Limited

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

#### Factory

##### Biafo Industries Limited

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

#### Shares Registrar

##### F.D. Registrar Services (Pvt.) Ltd.

17th Floor, Saima Trade Tower-A, I.I.Chundigar Road, Karachi.  
Tel: +92 21 32271905-6 Fax: +92 21 32621233  
E-mail: info@fdregistrar.com | fdregistrar@yahoo.com



# DIRECTORS' REPORT

**DIRECTORS' REPORT FOR THE QUARTER/HALF YEAR  
ENDED 31 DECEMBER 2022**

Your Directors are pleased to submit the un-audited accounts for the quarter/half year ended December 31, 2022.

Net sales value of the company in the half year increased by 35.31% to Rs. 1,155.82 M (Dec 21: Rs. 854.18 M) while net sales value in the quarter to December, 2022 increased by 32.76% to Rs. 529.32 M (Dec 21: 398.71 M).

For the period under review, supplies to Oil and Gas sector and export sector increased which includes sales to African Market, whereas supplies to the construction sector and large projects decreased because of economic downturn as compared to the quarter ended December 2021.

For the period under review, gross profit to sales ratio increased by 42.2% to Rs. 439.70 M as compared to previous year's comparable period (Dec 2021: Rs. 309.21 M), whereas net profit after taxation increased by 40.38% to Rs. 213.09 M. as compared to the period ended December 2021. This resulted in an EPS of Rs. 4.59 (EPS December 2021: Rs. 3.27 Restated). Profitability increased mainly due to increase in sales volume.

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

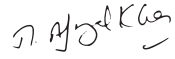
Your Board of Directors has not proposed any dividend for the period under review.

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

For and on behalf of the Board.



**Anwar Moin**  
Chief Executive Officer



**M. Afzal Khan**  
Deputy Chairman

Islamabad  
22 February 2023

## 31 دسمبر 2022 کو ختم ہونے والی سہ ماہی ایشماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 دسمبر 2022 کو اختتام پذیر ہونے والی سہ ماہی ایشماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت پہلی ایشماہی میں 35.31 فیصد اضافے سے 1,155.82 ملین روپے رہی (دسمبر 2021، 854.18 ملین روپے) جبکہ دسمبر 2022 کو ختم ہونے والی سہ ماہی میں کمپنی کی خالص حجم فروخت 32.76 فیصد اضافے سے 529.32 ملین روپے رہی (دسمبر 2021، 398.71 ملین روپے)

زیر جائزہ مدت میں تیل و گیس اور برآمدی شعبے میں سپلائرز میں اضافہ ہوا جس میں افریقہ کی مارکیٹ کو بھی فروخت شامل ہے، تاہم تعمیری شعبے اور بڑے منصوبہ جات میں معیشت کی تنزلی کی وجہ سے دسمبر 2021 کو ختم ہونے والی سہ ماہی کے مقابلے میں کمی واقع ہوئی۔

زیر جائزہ مدت میں کمپنی کا مجموعی منافع 42.2 فیصد اضافے سے 439.70 ملین روپے رہا۔ جبکہ گزشتہ سال اسی عرصہ میں (دسمبر 2021) 309.21 ملین روپے رہا۔ جبکہ ٹیکس کٹوتی کے بعد کمپنی کا خالص حجم منافع گزشتہ ایشماہی دسمبر 2021 کے مقابلے میں 40.38 فیصد اضافے کے بعد 213.09 ملین روپے رہا۔ اس کے نتیجے میں فی شیئر منافع 4.59 روپے رہا۔ (فی شیئر منافع دسمبر 2021، 3.27 روپے) فروخت کے حجم میں اضافے کے باعث منافع میں اضافہ ہوا۔

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

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لئے کوئی منافع منقسمہ تجویز نہیں کیا ہے۔

آپ کا بورڈ اس موقع پر اپنے ہملہ ملازمین کا 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

احسان علی خان  
ایم افضل خان  
ڈپٹی چیئرمین

انور معین  
چیف ایگزیکٹو آفیسر

اسلام آباد  
22 فروری 2023



## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF BIAFO INDUSTRIES LIMITED

#### Report on review of condensed interim financial statements

##### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Biafo Industries Limited ("the Company")** as at December 31, 2022, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements (here-in-after referred to as the 'condensed interim financial statements') for the six months period ended December 31, 2022. The management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2022.

##### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at and for the six months period ended December 31, 2022 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Yousuf Adil  
Chartered Accountants

Place: Islamabad  
Date: February 24, 2023  
UDIN: RR202210134BQ2ZTgyq



# FINANCIAL STATEMENTS

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Note	Unaudited 31 Dec 2022 Rupees	Audited 30 June 2022 Rupees
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	1,969,315,644	1,990,489,199
Investment property		67,212,045	67,562,580
Long-term deposits		1,782,900	1,777,650
		<u>2,038,310,589</u>	<u>2,059,829,429</u>
<b>CURRENT ASSETS</b>			
Inventories		446,691,216	542,924,259
Trade debts		546,934,730	459,361,686
Short-term advances		26,989,955	109,639,300
Trade deposits, short-term prepayments and other receivables		25,266,104	52,519,965
Short-term investments	5	217,377,362	316,860,605
Advance tax - net		-	40,510,943
Cash and bank balances		103,123,840	71,855,534
		<u>1,366,383,207</u>	<u>1,593,672,292</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	319,175,528	349,656,098
Current portion of long-term loan		64,021,228	75,299,188
Current portion of lease liabilities		5,624,899	6,305,878
Short-term borrowings	7	273,839,369	549,095,329
Provision for taxation		16,850,442	-
Unclaimed dividend		30,183,691	27,399,799
Unpaid dividend		17,313,878	15,442,085
		<u>727,009,035</u>	<u>1,023,198,377</u>
		<b>639,374,172</b>	<b>570,473,915</b>
<b>NET CURRENT ASSETS</b>			
<b>NON - CURRENT LIABILITIES</b>			
Long-term loan		153,253,857	183,904,620
Employee benefit		7,598,568	12,220,200
Lease liabilities		3,910,184	6,506,651
Deferred tax liability - net	8	70,205,646	91,364,325
		<u>234,968,255</u>	<u>293,995,796</u>
		<b>2,442,716,506</b>	<b>2,336,307,548</b>
<b>NET ASSETS</b>			
<b>REPRESENTED BY:</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		463,826,880	463,826,880
Revenue reserve - unappropriated profit		655,766,187	544,672,628
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		1,323,123,439	1,327,808,040
		<u>2,442,716,506</u>	<u>2,336,307,548</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

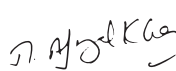
The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Note	Three Months Ended		Six Months Ended	
		31 Dec 2022 Rupees	31 Dec 2021 Rupees	31 Dec 2022 Rupees	31 Dec 2021 Rupees
<b>Revenue - net</b>	10	529,317,842	398,713,030	1,155,822,848	854,184,112
Cost of sales		(281,334,917)	(270,548,032)	(716,124,931)	(544,977,709)
<b>Gross profit</b>		247,982,925	128,164,998	439,697,917	309,206,403
Other income		4,789,405	2,560,751	6,064,405	3,835,751
Distribution expenses		(16,684,658)	(11,554,829)	(35,828,113)	(28,711,586)
Administrative expenses		(43,456,483)	(36,756,404)	(83,590,816)	(73,844,564)
Net impairment losses on financial assets		(15,049,062)	(3,124,266)	(15,049,062)	(3,124,266)
<b>Operating profit</b>		177,582,127	79,290,250	311,294,331	207,361,738
Finance costs		(22,098,419)	(18,932,893)	(45,405,527)	(32,604,315)
Finance income		3,244,606	12,117,834	37,652,658	29,696,897
<b>Net finance cost</b>		(18,853,813)	(6,815,059)	(7,752,869)	(2,907,418)
Workers' profit participation fund		(7,936,416)	(3,623,760)	(15,177,073)	(10,222,716)
Workers' welfare fund		(3,341,536)	(1,421,082)	(5,951,793)	(4,008,908)
<b>Profit before tax</b>		147,450,362	67,430,349	282,412,596	190,222,696
Income tax expense		(44,720,665)	(11,669,369)	(69,323,455)	(38,425,040)
<b>Profit for the period</b>		102,729,697	55,760,980	213,089,141	151,797,656
			<b>Restated</b>		<b>Restated</b>
<b>Earnings per share</b>					
Basic and diluted		2.21	1.20	4.59	3.27

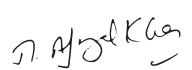
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Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Three Months Ended		Six Months Ended	
	31 Dec 2022 Rupees	31 Dec 2021 Rupees	31 Dec 2022 Rupees	31 Dec 2021 Rupees
<b>Profit for the period</b>	<b>102,729,697</b>	55,760,980	<b>213,089,141</b>	151,797,656
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>102,729,697</b>	55,760,980	<b>213,089,141</b>	151,797,656


The annexed notes 1 to 16 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 SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Capital reserve	Revenue Reserve		
	Revaluation surplus on property, plant and equipment - net of tax	Unappropriated profits		Total equity
	(Rupees)			
<b>Balance at 01 July 2021 (Audited)</b>	383,328,000	702,862,295	458,055,695	1,544,245,990
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	151,797,656	151,797,656
<b>Total comprehensive income for the period transferred to equity</b>	-	-	151,797,656	151,797,656
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(2,016,824)	2,016,824	-
	383,328,000	700,845,471	611,870,175	1,696,043,646
<b>Transactions with owners of the Company</b>				
<b>Distributions</b>				
Issue of bonus shares for 2021 @ 10%	38,332,800	-	(38,332,800)	-
<b>Total transactions with owners of the Company</b>	38,332,800	-	(38,332,800)	-
<b>Balance at 31 December 2021</b>	421,660,800	700,845,471	573,537,375	1,696,043,646
<b>Balance at 01 July 2022 (Audited)</b>	463,826,880	1,327,808,040	544,672,628	2,336,307,548
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	213,089,141	213,089,141
<b>Total comprehensive income for the period transferred to equity</b>	-	-	213,089,141	213,089,141
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(4,684,601)	4,684,601	-
	463,826,880	1,323,123,439	762,446,370	2,549,396,689
<b>Transactions with owners of the Company</b>				
<b>Distributions</b>				
Final cash dividend of 2022 @ Rs. 2.30 per share	-	-	(106,680,183)	(106,680,183)
<b>Total transactions with owners of the Company</b>	-	-	(106,680,183)	(106,680,183)
<b>Balance at 31 December 2022</b>	463,826,880	1,323,123,439	655,766,187	2,442,716,506

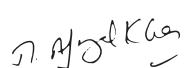
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Chief Financial Officer



Chief Executive Officer



Director

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Note	31 Dec 2022 Rupees	31 Dec 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>282,412,596</b>	190,222,696
Adjustments for:			
Depreciation on property, plant and equipment	4	30,823,975	13,261,991
Depreciation on investment property		350,535	359,523
Finance costs		42,513,376	28,953,590
Provision for Workers' profit participation fund		15,177,073	10,222,716
Provision for Workers' welfare fund net of reversal		5,951,793	3,750,123
Provision for gratuity		6,834,706	6,100,608
Net impairment losses on financial assets		15,049,062	3,124,266
Dividend income		(12,940,304)	(6,925,547)
Rental Income		(2,550,000)	(2,550,000)
Unrealized gain on remeasurement of investment		(666,002)	(652,453)
Unrealized exchange (gain)/ loss - net		(8,304,850)	(21,523,338)
Gain on sale of property, plant and equipment		-	(1,026,966)
Interest income		(3,665,802)	(595,559)
		<b>88,573,562</b>	32,498,954
		<b>370,986,158</b>	222,721,650
<b>Changes in working capital:</b>			
Inventories		96,233,043	(77,570,691)
Trade debts		(102,622,106)	(121,810,537)
Advances, deposits, short term prepayments and other receivables		109,990,723	6,064,918
Trade and other payables		(25,520,950)	79,005,860
		<b>78,080,710</b>	(114,310,450)
<b>Cash generated from operating activities</b>		<b>449,066,868</b>	108,411,200
Finance costs paid		(42,059,031)	(26,034,684)
Contributions to Gratuity fund		(11,418,611)	(4,329,223)
Employee Benefits paid		(37,733)	(5,260)
Payments to Workers' profit participation fund		(22,418,670)	(17,545,685)
Income taxes paid		(36,790,565)	(25,879,065)
		<b>(112,724,610)</b>	(73,793,917)
<b>Net cash from operating activities</b>		<b>336,342,258</b>	34,617,283
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(5,066,982)	(186,588,568)
Proceeds from sale of property, plant and equipment		-	2,019,917
Disposal of Investments		108,454,095	-
Rent received		2,550,000	2,550,000
Dividend received		12,940,304	5,886,713
Interest received		6,356,927	499,646
<b>Net cash used in investing activities</b>		<b>125,234,344</b>	(175,632,292)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(104,808,390)	(29,335)
Proceed from short term borrowings		-	100,000,000
Proceeds from long term loan		-	139,333,054
Repayment of short term borrowings		-	(16,666,666)
Repayment of long term loan		(41,264,156)	(10,613,396)
Payment of lease liabilities		(8,979,790)	(6,770,831)
<b>Net cash used in financing activities</b>		<b>(155,052,336)</b>	205,252,826
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>306,524,266</b>	64,237,817
<b>Cash and cash equivalents at beginning of the period</b>		<b>(477,239,795)</b>	(457,523,160)
<b>Cash and cash equivalents at end of the period</b>	11	<b>(170,715,529)</b>	<b>(393,285,343)</b>

The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

### 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 2022. Comparative condensed interim statement of financial position is extracted from the annual audited financial statements as of 30 June 2022, 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 31 December 2021.

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 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2022.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2022. 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 June 30, 2022. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of



**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022**
**4 PROPERTY, PLANT AND EQUIPMENT**

During six months period ended 31 December 2022, the Company acquired property, plant and equipment aggregating to Rs. 9,650,420 (31 December 2021: Rs. 195,386,272). Further details are as follows:

	<b>Six Months Ended</b>	
	<b>Unaudited 31 Dec 2022 Rupees</b>	<b>Unaudited 31 Dec 2021 Rupees</b>
<b>Additions</b>		
Leasehold land	<b>4,583,438</b>	-
Plant and machinery	<b>62,000</b>	1,781,500
Tools & equipment	<b>431,146</b>	-
Office Equipment	<b>1,441,269</b>	-
Furniture and fixtures	<b>265,025</b>	-
Electrical appliances	<b>271,438</b>	60,500
Capital work in progress	<b>2,596,104</b>	184,746,568
Right of use asset	-	8,797,704
	<b>9,650,420</b>	<b>195,386,272</b>
<b>Transfer from work in progress to :</b>		
Building on leasehold land	<b>3,796,925</b>	5,967,499
	<b>3,796,925</b>	<b>5,967,499</b>
<b>Depreciation Charge</b>		
Building on leasehold land	<b>2,628,827</b>	1,875,713
Plant and machinery	<b>24,375,645</b>	7,893,442
Fork lifter	<b>48,858</b>	54,287
Tools and equipment	<b>129,912</b>	127,678
Tube well	<b>36,105</b>	40,117
Office equipment	<b>569,212</b>	725,620
Furniture and fixtures	<b>387,541</b>	379,517
Electrical appliances	<b>560,537</b>	269,789
Vehicles	<b>565,585</b>	788,696
Right of use asset	<b>1,521,753</b>	1,107,132
	<b>30,823,975</b>	<b>13,261,991</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Unaudited 31 Dec 2022 Rupees	Unaudited 31 Dec 2021 Rupees	Unaudited 31 Dec 2022 Rupees	Unaudited 31 Dec 2021 Rupees
	At cost		At carrying value	
<b>Disposals/written off</b>				
Electrical Appliances	138,985	-	-	-
Vehicles	-	1,945,774	-	992,949
	<b>138,985</b>	<b>1,945,774</b>	<b>-</b>	<b>992,949</b>
			<b>Unaudited 31 Dec 2022 Rupees</b>	<b>Audited 30 June 2022 Rupees</b>
<b>5 SHORT - TERM INVESTMENTS</b>				
Equity securities - at FVTPL			82,606,379	194,576,089
Debt securities - at amortized cost			134,770,983	122,284,516
			<b>217,377,362</b>	<b>316,860,605</b>
<b>6 TRADE AND OTHER PAYABLES</b>				
Trade creditors			120,130,754	149,907,644
Contract liability - unsecured			103,771,858	104,590,587
Accrued liabilities			13,984,099	23,526,542
Insurance payable			19,559	972,652
Workers' profit participation fund payable			15,177,073	18,904,265
Workers' welfare fund payable			5,951,793	7,184,221
Payable to employees' provident fund			2,105,687	1,951,500
Sales Tax Payable			13,368,520	-
Withholding Taxes Payable			1,193,827	2,005,650
Other payables			43,472,358	40,613,037
			<b>319,175,528</b>	<b>349,656,098</b>
<b>7 SHORT - TERM BORROWINGS</b>				
Allied Bank Limited (ABL)			261,406,002	424,436,153
United Bank Limited (UBL)			12,433,367	124,659,176
		7.1	<b>273,839,369</b>	<b>549,095,329</b>

7.1 The facility limits, securities offered and markup rates of these short term borrowings are the same as disclosed in the annual audited financial statements for the year ended 30 June 2022.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	<b>Unaudited</b> <b>31 Dec 2022</b>	Audited 30 June 2022
	<b>Rupees</b>	<b>Rupees</b>
<b>8 DEFERRED TAX LIABILITY- net</b>		
The net balance of deferred tax is in respect of the following major temporary differences:		
Accelerated depreciation of property, plant and equipment	<b>50,649,769</b>	68,276,107
Right of use assets	<b>6,722,342</b>	7,281,592
Surplus on revaluation of property, plant and equipment	<b>28,743,628</b>	30,135,538
Lease liability	<b>(2,216,907)</b>	(2,606,379)
Employee benefits	<b>(1,766,667)</b>	(3,294,920)
Trade debts	<b>(10,932,887)</b>	(7,433,981)
Stores, spares and loose tools	<b>(993,632)</b>	(993,632)
	<b><u>70,205,646</u></b>	<u>91,364,325</u>

### 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 2022.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 24,609,499 at 31 December 2022 (30 June 2022: Rs. 36,311,645).

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 31 December 2022 amounted to Rs. 41,272,697 (30 June 2022: Rs. 22,607,412).

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>Unaudited</b>	Unaudited	<b>Unaudited</b>	Unaudited
	<b>31 Dec 2022</b>	31 Dec 2021	<b>31 Dec 2022</b>	31 Dec 2021
	<b>Rupees</b>	Rupees	<b>Rupees</b>	Rupees
<b>10 REVENUE- net</b>				
Gross local sales	<b>492,464,929</b>	360,721,824	<b>806,381,013</b>	739,435,735
Sales tax	<b>(71,679,761)</b>	(56,666,894)	<b>(117,354,526)</b>	(111,993,735)
Net local sales	<b>420,785,168</b>	304,054,930	<b>689,026,487</b>	627,442,000
Net export sales	<b>108,532,674</b>	94,658,100	<b>466,796,361</b>	226,742,112
	<b>529,317,842</b>	398,713,030	<b>1,155,822,848</b>	854,184,112

**11 CASH AND CASH EQUIVALENTS**

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

Cash and bank balances	<b>103,123,840</b>	44,251,615
Short term borrowings - running finance ( Note 7.1)	<b>(273,839,369)</b>	(437,536,958)
	<b>(170,715,529)</b>	(393,285,343)

**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:

	<b>Six Months Ended</b>	
	<b>Unaudited</b>	Unaudited
	<b>31 Dec 2022</b>	31 Dec 2021
	<b>Rupees</b>	Rupees
<b>Directors and key management personnel</b>		
Share capital held as of the reporting date by non executive directors	<b>192,867,040</b>	178,406,811
Share capital held as of the reporting date by executive directors	<b>30,127,890</b>	28,675,053
Remuneration including perquisites to Chief Executive Officer	<b>10,400,000</b>	9,750,000
Remuneration including perquisites to Directors	<b>10,031,894</b>	11,992,500
Remuneration including perquisites to key management personnel	<b>15,879,500</b>	18,367,755
Dividend to executive and non-executive directors	<b>51,288,834</b>	-
<b>Other related parties</b>		
Payment to employees' provident fund	<b>10,663,768</b>	9,604,496
Payable to employees' provident fund - unsecured	<b>2,105,687</b>	1,631,564
Payable to staff retirement gratuity fund - unsecured	<b>6,834,706</b>	6,100,608
Dividend to others	<b>55,391,349</b>	-

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

### 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).

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

	Carrying amount		Fair value				
	Fair value through profit or loss	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2022 (Unaudited)</b>							
<b>Financial assets measured at fair value</b>							
Short - term investments	-	82,606,379	82,606,379	82,606,379	-	-	82,606,379
	-	82,606,379	82,606,379	82,606,379	-	-	82,606,379
<b>Financial assets not measured at fair value</b>							
Trade debts	546,934,730	-	546,934,730	-	-	-	-
Advances to employees	799,181	-	799,181	-	-	-	-
Other receivables	4,571,470	-	4,571,470	-	-	-	-
Short - term investments	134,770,983	-	134,770,983	-	-	-	-
Bank balances	103,123,840	-	103,123,840	-	-	-	-
Trade deposits	9,539,243	-	9,539,243	-	-	-	-
Long - term deposits	1,782,900	-	1,782,900	-	-	-	-
<b>Total financial assets</b>	<b>801,522,347</b>	<b>82,606,379</b>	<b>884,128,726</b>	<b>82,606,379</b>	<b>-</b>	<b>-</b>	<b>82,606,379</b>
<b>Financial liabilities not measured at fair value</b>							
Short-term borrowings	-	273,839,369	273,839,369	-	-	-	-
Unclaimed dividend	-	30,183,691	30,183,691	-	-	-	-
Unpaid dividend	-	17,313,878	17,313,878	-	-	-	-
Long term loans	-	217,275,085	217,275,085	-	-	-	-
Lease liabilities	-	9,535,083	9,535,083	-	-	-	-
Trade and other payables	-	177,606,770	177,606,770	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>725,753,876</b>	<b>725,753,876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022

Financial assets and liabilities	Carrying amount		Fair value				
	Fair value through profit or loss	Financial liabilities at amortized cost	Total	Level 1	Level 2	Level 3	Total
30 June 2022 (Audited)	Rupees		Rupees				
<b>Financial assets measured at fair value</b>							
Short - term investments	-	-	194,576,089	194,576,089	-	-	194,576,089
	-	-	194,576,089	194,576,089	-	-	194,576,089
<b>Financial assets not measured at fair value</b>							
Trade debts	459,361,686	-	459,361,686	-	-	-	-
Advances to employees	4,500,716	-	4,500,716	-	-	-	-
Other receivables	2,704,941	-	2,704,941	-	-	-	-
Short - term investments	122,284,516	-	122,284,516	-	-	-	-
Bank balances	71,855,534	-	71,855,534	-	-	-	-
Trade deposits	18,305,486	-	18,305,486	-	-	-	-
Long - term deposits	1,777,650	-	1,777,650	-	-	-	-
<b>Total financial assets</b>	680,790,529	-	875,366,618	194,576,089	-	-	194,576,089
<b>Financial liabilities not measured at fair value</b>							
Short-term borrowings	-	549,095,329	549,095,329	-	-	-	-
Unclaimed dividend	-	27,399,799	27,399,799	-	-	-	-
Unpaid dividend	-	15,442,085	15,442,085	-	-	-	-
Long term loans	-	259,203,807	259,203,807	-	-	-	-
Lease liabilities	-	12,812,529	12,812,529	-	-	-	-
Trade and other payables	-	215,019,875	215,019,875	-	-	-	-
<b>Total financial liabilities</b>	-	1,078,973,424	1,078,973,424	-	-	-	-

**NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 31 DECEMBER 2022**

		<b>Six Months Ended</b>	
		<b>Unaudited</b>	Unaudited
		<b>31 Dec 2022</b>	31 Dec 2021
<b>14</b>	<b>EARNINGS PER SHARE</b>		
	<i>- Basic and diluted</i>		
	Profit for the period	Rupees	
		<b><u>213,089,141</u></b>	<u>151,797,656</u>
	Weighted average number of ordinary shares	Numbers	
		<b><u>46,382,688</u></b>	<u>46,382,688</u>
			<b>Restated</b>
	Earnings per share	Rupees	
		<b><u>4.59</u></b>	<u>3.27</u>

**14.1** Earnings per share have been restated due to issuance of 8,049,888 shares of the Company, as bonus shares during the period.

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

**15.1** The Board of Directors of the Company in their meeting held on 22 February 2023 has not proposed any interim cash dividend for the period under review.

**15.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 22 February 2023.

**16 GENERAL**

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



Chief Financial Officer



Chief Executive Officer



Director



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