



BIAFO INDUSTRIES LIMITED

Manufacturer of Tovex® Explosives
& Blasting Accessories



QUARTERLY REPORT
FOR THE PERIOD ENDED

31ST MARCH
2024

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The image shows the exterior of a building named 'BIAFO HOUSE'. The building features a mix of materials: a lower section with light-colored stone masonry and an upper section with white walls. A prominent entrance is reached via a set of brown stone steps with a black metal handrail. To the left of the steps is a black ramp with a stainless steel handrail. Above the entrance, the name 'BIAFO HOUSE' is displayed in large, metallic, 3D letters. The upper floor has large glass windows reflecting the surrounding greenery. The foreground is a paved area with yellow parking lines. Large trees with dense green foliage and hanging branches are visible at the top of the frame.

BIAFO HOUSE

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, Ali Raza & Partners LLP

BANKERS

Allied Bank Limited	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/NINE MONTHS ENDED 31 MARCH 2024

Your Directors are pleased to present the un-audited accounts for the quarter/nine months ended March 31, 2024.

Net sales volume of the Company in the nine months increased by 11.90% to Rs. 2,102.59 M (Mar 23: Rs. 1,878.96 M) while net sales value for the quarter to March, 2024 increased marginally by 0.49% to Rs. 726.71 M (Mar 23: 723.14 M).

For the period under review, supplies to large projects and SEZ export sector increased, whereas supplies to Oil and Gas sector decreased due to lesser seismic exploration activity as compared to the period ended March 2023.

Gross profit to sales ratio increased by 26.34% to Rs. 953.70 M as compared to previous year's comparable period (31 March 2023: Rs. 754.85 M), whereas net profit after taxation decreased by 5.86% to Rs. 403.63 M. as compared to the period ended March 2023. This resulted in an EPS of Rs. 8.70 (EPS March 2023: Rs. 9.24). Expected export proceeds from one of our customers in Africa are overdue, due to the circumstances in that country. We have been assured by the customer that these funds shall be released soon.

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

Based on the performance, your Board of Directors have decided to declare the 1st interim cash dividend of Rs. 2.30 per share (23%) 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
25 April, 2024

31 مارچ 2024 کو ختم ہونے والی سہ ماہی / نو ماہی کے لئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 31 مارچ 2024 کو اختتام پذیر ہونے والی سہ ماہی / نو ماہی کے لئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے نہایت مسرت محسوس کرتے ہیں۔

کمپنی کی خالص حجم فروخت زیر جائزہ نو ماہی مدت میں 11.90 فیصد اضافے سے 2,102.59 ملین روپے رہی۔ (مارچ 2023: 1,878.96 ملین روپے) جبکہ مارچ 2024 کو ختم ہونی والی سہ ماہی میں کمپنی کی خالص حجم فروخت 0.49 فیصد معمولی اضافے سے 726.71 ملین روپے رہی (مارچ 2023: 723.14 ملین روپے)۔

زیر جائزہ مدت میں بڑے منصوبوں اور سیکشول اکٹماک زونز کو فروخت میں اضافہ ہوا جبکہ مارچ 2023 کو ختم ہونے والی سہ ماہی کے مقابلے میں تیل و گیس کی ایکسیلوریشن سسٹم سرگرمیوں میں کمی کے باعث فروخت میں کمی واقع آئی۔

زیر جائزہ مدت میں مجموعی منافع گزشتہ سال اسی دورانیے کے مقابلے میں 26.34 فیصد اضافے سے 953.70 ملین روپے رہا (مارچ 23: 754.85 ملین روپے)۔ جبکہ ٹیکس ادا کیگی کے بعد فروخت کی شرح گزشتہ سال مارچ 2023 کو ختم ہونے والی مدت کے مقابلے میں 5.86 فیصد کمی سے 403.63 ملین روپے رہی جسکے نتیجے میں فی شیئر آمدن 8.70 روپے رہی۔ (مارچ 2023: فی شیئر آمدن 9.24 روپے)۔ ہمارے افریقہ کے ایک کسٹمر سے متوقع برآمدی آمدن ہلکی حالات کے پیش نظر واجب الادا ہے اور کسٹمر کی طرف سے ہمیں یہ یقین دہانی کرائی گئی ہے کہ یہ فنڈز جلد جاری کر دیئے جائیں گے۔

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

کارکردگی کی بنیاد پر، آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے لئے پہلے عبوری نقد منافع منقسم 2.30 روپے فی شیئر (23 فیصد) کا اعلان کیا 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

محمد افضل خان

ایم افضل خان
ڈپٹی چیئرمین

انور معین

چیف ایگزیکٹو آفیسر

اسلام آباد

25 اپریل 2024

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	Unaudited 31 Mar 2024 Rupees	Audited 30 June 2023 Rupees
NON - CURRENT ASSETS			
Property, plant and equipment	4	2,193,185,504	2,239,860,635
Intangibles		5,672,072	1,696,906
Investment property		66,348,851	66,861,509
Long-term deposits		1,782,900	1,782,900
		2,266,989,327	2,310,201,950
CURRENT ASSETS			
Inventories		731,695,651	701,685,072
Trade debts		663,347,877	683,746,715
Short-term advances		24,671,252	24,620,394
Trade deposits, short-term prepayments and other receivables		56,996,474	48,899,350
Short-term investments	5	258,501,760	247,960,072
Cash and bank balances		87,746,550	65,061,864
		1,822,959,564	1,771,973,467
CURRENT LIABILITIES			
Trade, other payables and accrued liabilities	6	236,605,765	320,429,319
Current portion of long-term loan		63,031,884	63,608,865
Current portion of lease liabilities		2,707,578	4,446,011
Short-term borrowings	7	344,233,663	375,736,513
Provision for taxation		25,433,280	65,534,521
Unclaimed dividend		41,268,984	33,867,196
Unpaid dividend		23,839,921	17,288,408
		737,121,075	880,910,833
NET CURRENT ASSETS		1,085,838,489	891,062,634
NON - CURRENT LIABILITIES			
Long-term loan		76,626,939	122,603,091
Employee benefit		19,696,061	16,776,731
Lease liabilities		301,205	2,226,397
Deferred tax liability - net	8	60,065,663	128,006,728
		156,689,869	269,612,947
NET ASSETS		3,196,137,947	2,931,651,637
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		463,826,880	463,826,880
Revenue reserve - unappropriated profit		1,229,082,069	945,568,206
Capital reserve - revaluation surplus on property, plant and equipment - net of tax		1,503,228,998	1,522,256,551
		3,196,137,947	2,931,651,637
CONTINGENCIES AND COMMITMENTS			
	9		

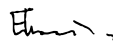
The annexed notes 1 to 16 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer




Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Note	Three Months Ended		Nine Months Ended	
		31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
		Rupees	Rupees	Rupees	Rupees
Revenue - net	10	726,710,972	723,141,150	2,102,586,118	1,878,963,998
Cost of sales		(399,834,499)	(407,988,311)	(1,148,882,008)	(1,124,113,242)
Gross profit		326,876,473	315,152,839	953,704,110	754,850,756
Other income		1,275,000	1,275,000	8,722,969	7,339,405
Distribution expenses		(18,911,044)	(13,891,969)	(55,557,662)	(49,720,082)
Administrative expenses		(48,883,391)	(40,196,064)	(158,075,816)	(123,786,880)
Net impairment losses on financial assets		(84,523,980)	-	(174,748,618)	(15,049,062)
Operating profit		175,833,058	262,339,806	574,044,983	573,634,137
Finance costs		(32,142,691)	(13,127,861)	(94,314,317)	(58,533,388)
Finance income		10,884,871	61,275,564	25,347,038	98,928,222
Net finance cost		(21,257,820)	48,147,703	(68,967,279)	40,394,834
Workers' profit participation fund		(7,728,762)	(15,524,376)	(25,253,885)	(30,701,449)
Workers' welfare fund		(3,030,887)	(6,087,991)	(9,903,484)	(12,039,784)
Profit before tax		143,815,589	288,875,142	469,920,335	571,287,738
Income tax expense		(48,973,651)	(73,218,170)	(66,285,961)	(142,541,625)
Profit for the year		94,841,938	215,656,972	403,634,374	428,746,113
Earnings per share					
Basic and diluted		2.04	4.65	8.70	9.24

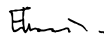
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Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Three Months Ended		Nine Months Ended	
	31 Mar 2024 Rupees	31 Mar 2023 Rupees	31 Mar 2024 Rupees	31 Mar 2023 Rupees
Profit for the period	94,841,938	215,656,972	403,634,374	428,746,113
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	94,841,938	215,656,972	403,634,374	428,746,113


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 NINE MONTHS PERIOD ENDED 31 MARCH 2024

	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 2022 (Audited)	463,826,880	1,327,808,040	544,672,628	2,336,307,548
Profit for the period	-	-	428,746,113	428,746,113
Total comprehensive income for the period transferred to equity	-	-	428,746,113	428,746,113
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(7,606,793)	7,606,793	-
	463,826,880	1,320,201,247	981,025,534	2,765,053,661
Transactions with owners of the Company				
Distributions				
Final cash dividend of 2022 @ Rs. 2.30 per share	-	-	(106,680,183)	(106,680,183)
Total transactions with owners of the Company	-	-	(106,680,183)	(106,680,183)
Balance at 31 March 2023	463,826,880	1,320,201,247	874,345,351	2,658,373,478
Balance at 01 July 2023 (Audited)	463,826,880	1,522,256,551	945,568,206	2,931,651,637
Profit for the period	-	-	403,634,374	403,634,374
Total comprehensive income for the period transferred to equity	-	-	403,634,374	403,634,374
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	(19,027,553)	19,027,553	-
	463,826,880	1,503,228,998	1,368,230,133	3,335,286,011
Transactions with owners of the Company				
Distributions				
Final cash dividend of 2023 @ Rs. 3.00 per share	-	-	(139,148,064)	(139,148,064)
Total transactions with owners of the Company	-	-	(139,148,064)	(139,148,064)
Balance at 31 March 2024	463,826,880	1,503,228,998	1,229,082,069	3,196,137,947

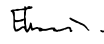
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Chief Financial Officer



Chief Executive Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	31 Mar 2024 Rupees	31 Mar 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	469,920,335	571,287,738
Adjustments for:		
Depreciation on property, plant and equipment	67,667,732	46,358,546
Amortization on intangibles	888	-
Depreciation on investment property	512,658	525,803
Finance costs	66,613,078	50,956,961
Provision for Workers' profit participation fund	25,253,885	30,701,449
Provision for Workers' welfare fund	9,903,484	12,039,784
Reversal for Workers' welfare fund	(4,897,969)	-
Provision for gratuity	18,794,584	10,124,059
Net impairment losses on financial assets	174,748,618	15,049,062
Dividend income	(13,648,724)	(16,252,546)
Rental income	(3,825,000)	(3,825,000)
Unrealized gain on remeasurement of investment	(952,805)	(1,164,916)
Unrealized exchange (gain)/ loss - net	13,480,920	(25,681,083)
Interest income	(11,002,196)	(6,111,028)
	342,649,153	112,721,091
	812,569,488	684,008,829
Changes in working capital:		
Inventories	(30,010,579)	(96,608,021)
Trade debts	(154,349,780)	(131,007,978)
Advances, deposits, short term prepayments and other receivables	(8,147,982)	74,302,642
Trade and other payables	(56,149,101)	32,711,941
	(248,657,442)	(120,601,416)
Cash generated from operating activities	563,912,046	563,407,413
Finance costs paid	(63,005,959)	(50,274,398)
Contributions to Gratuity fund	(15,814,354)	(11,418,611)
Employee Benefits paid	(60,900)	(504,400)
Payments to Workers' welfare fund	(17,699,105)	-
Payments to Workers' profit participation fund	(45,132,717)	(22,418,670)
Income taxes paid	(174,328,267)	(69,284,619)
	(316,041,302)	(153,900,698)
Net cash from operating activities	247,870,744	409,506,715
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(20,992,593)	(23,297,335)
Purchase of Investments	(13,648,724)	86,955,708
Rent received	3,825,000	3,825,000
Dividend received	13,648,724	16,252,546
Interest received	8,028,041	7,962,438
Net cash generated from / (used in) investing activities	(9,139,552)	91,698,357
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(132,596,551)	(104,815,800)
Repayment of long term loan	(48,283,479)	(56,589,540)
Payment of lease liabilities	(3,663,826)	(10,942,775)
Net cash (used in) / generated from financing activities	(184,543,856)	(172,348,115)
Net increase / (decrease) in cash and cash equivalents	54,187,536	328,856,957
Cash and cash equivalents at beginning of the period	(310,674,649)	(477,239,795)
Cash and cash equivalents at end of the period	(256,487,113)	(148,382,838)

The annexed notes 1 to 16 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 NINE MONTHS PERIOD ENDED 31 MARCH 2024

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 2023. 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 nine months period ended 31 March 2023.

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

During the period, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1) from 01 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended 30 June 2023.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after 01 July 2023 which do not have any impact on the Company's financial reporting except the disclosure of material accounting policy information rather than significant accounting policies and therefore, have not been detailed in this condensed interim financial information.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 30 June 2023. 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 2023. The carrying amounts of financial assets and financial liabilities are estimated to approximate their fair value as of 31 March 2024.

4 PROPERTY, PLANT AND EQUIPMENT

During nine months period ended 31 March 2024, the Company acquired property, plant and equipment aggregating to Rs. 20,992,593 (31 March 2023: Rs. 27,880,773). Further details are as follows:

	Nine Months Ended	
	Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees
Additions		
Leasehold land	-	4,583,438
Building on Leasehold land	3,499,847	-
Furniture and fixtures	2,753,914	265,025
IT & Appliances	8,262,171	3,049,642
Plant, machinery & Equipments	1,817,000	7,178,146
Capital work in progress	4,659,661	12,804,522
	20,992,593	27,880,773
Transfer from work in progress to :		
Building on leasehold land	2,168,599	3,796,925
Transfer from Right of Use Asset to :		
Vehicles	21,012,825	-
Depreciation Charge		
Building on leasehold land	4,381,522	3,943,890
Plant, machinery & Equipments	51,697,525	36,889,715
Furniture and fixtures	638,970	583,500
Vehicles	2,048,345	921,665
Right of use asset	835,519	2,282,629
IT & Appliances	8,065,850	1,737,147
	67,667,731	46,358,546

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

- 4.1 During the period the company has changed the class of certain assets and combined them based on their major category. There is no financial impact of this classification change in this condensed financial information.

	Note	Unaudited 31 Mar 2024 Rupees	Audited 30 June 2023 Rupees
5			
SHORT - TERM INVESTMENTS			
Equity securities - at FVTPL		101,522,006	89,224,473
Debt securities - at amortized cost		156,979,754	158,735,599
		258,501,760	247,960,072
6			
TRADE AND OTHER PAYABLES			
Trade creditors		115,770,121	157,655,022
Contract liability - unsecured		5,378,756	1,486,508
Accrued liabilities		19,907,852	42,684,504
Insurance payable		31,039	811,553
Workers' profit participation fund payable		25,253,885	45,132,717
Workers' welfare fund payable		9,903,484	17,699,105
Payable to employees' provident fund		2,161,109	1,846,948
Withholding Taxes Payable		3,153,123	-
Other payables		55,046,396	53,112,962
		236,605,765	320,429,319
7			
SHORT - TERM BORROWINGS			
Allied Bank Limited (ABL)		317,916,363	371,313,268
United Bank Limited (UBL)		26,317,300	4,423,245
	7.1	344,233,663	375,736,513

- 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 2023.

	Unaudited 31 Mar 2024 Rupees	Audited 30 June 2023 Rupees
8		
DEFERRED TAX LIABILITY- net		
Taxable temporary difference		
Property, plant and equipment	49,868,729	59,201,414
Right of use assets	1,479,620	5,333,106
Surplus on revaluation of property, plant and equipment	70,070,153	95,530,524
	121,418,502	160,065,044
Deductible temporary difference		
Employee benefits	(4,432,634)	(4,793,735)
Trade debts	(55,738,198)	(25,764,341)
Stores, spares and loose tools	(1,182,007)	(1,500,240)
	(61,352,839)	(32,058,316)
	60,065,663	128,006,728

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

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 2023.

Letters of credit issued by banks on behalf of the Company for the import of raw materials and Plant & Machinery amounted to Rs. 7,340,868 at 31 March 2024 (30 June 2023: Rs. 43,975,904).

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 amounted to Rs. 9,761,197 at 31 March 2024 (30 June 2023: Rs. 9,761,197).

Letter of guarantee issued by United Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding amounted to Rs. 31,107,000 at 31 March 2024 (30 June 2023: Rs. 31,107,000).

10	REVENUE- net	Three Months Ended		Nine Months Ended	
		Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees	Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees
	Gross local sales	479,210,121	558,111,628	1,291,294,089	1,364,492,641
	Sales tax	(73,099,834)	(83,961,869)	(197,043,252)	(201,316,395)
	Net local sales	406,110,287	474,149,759	1,094,250,837	1,163,176,246
	Net export sales	320,600,685	248,991,391	1,008,335,281	715,787,752
		<u>726,710,972</u>	<u>723,141,150</u>	<u>2,102,586,118</u>	<u>1,878,963,998</u>

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)

Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees
87,746,550	95,459,742
(344,233,663)	(243,842,580)
<u>(256,487,113)</u>	<u>(148,382,838)</u>

12 RELATED PARTY TRANSACTIONS AND BALANCES

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

	Nine Months Ended	
	Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees
Directors and key management personnel		
Remuneration including perquisites to Chief Executive Officer	14,400,000	15,600,000
Remuneration including perquisites to Directors	8,911,000	13,168,144
Remuneration including perquisites to key management personnel	22,035,000	15,879,500
Other related parties		
Contribution towards employees' provident fund	9,040,624	7,943,064
Payable to employees' provident fund - unsecured	2,161,109	1,904,947
Payable to staff retirement gratuity fund - unsecured	18,794,584	10,124,059

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 CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

Financial assets and liabilities	Carrying amount		Fair value			
	Financial Asset	Financial liabilities	Level 1	Level 2	Level 3	Total
	Amortized cost	Fair value through profit or loss	Amortized cost	Total	Rupees	
31 March 2024 (Unaudited)	Rupees		Rupees			
Financial assets measured at fair value						
Short - term investments	-	101,522,006	-	101,522,006	-	101,522,006
	-	101,522,006	-	101,522,006	-	101,522,006
Financial assets not measured at fair value						
Trade debts	663,347,877	-	-	663,347,877	-	-
Advances to employees	915,884	-	-	915,884	-	-
Other receivables	976,120	-	-	976,120	-	-
Short - term investments	156,979,754	-	-	156,979,754	-	-
Bank balances	87,746,550	-	-	87,746,550	-	-
Bank deposits	16,820,771	-	-	16,820,771	-	-
Bank balances	1,782,900	-	-	1,782,900	-	-
Total financial assets	928,569,856	101,522,006	-	1,030,091,862	-	101,522,006
Financial liabilities not measured at fair value						
Short-term borrowings	-	344,233,663	344,233,663	-	-	-
Unclaimed dividend	-	41,268,984	41,268,984	-	-	-
Unpaid dividend	-	23,839,921	23,839,921	-	-	-
Long term loans	-	139,658,824	139,658,824	-	-	-
Lease liabilities	-	3,008,783	3,008,783	-	-	-
Trade and other payables	-	180,755,408	180,755,408	-	-	-
Total financial liabilities	-	742,765,583	742,765,583	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

	Carrying amount		Fair value			
	Financial Asset	Financial liabilities	Level 1	Level 2	Level 3	Total
Financial assets and liabilities						
	Amortized cost	Fair value through profit or loss	Total			
30 June 2023 (Audited)						
Financial assets measured at fair value						
Short - term investments	-	89,224,473	89,224,473	-	-	89,224,473
	-	89,224,473	89,224,473	-	-	89,224,473
Financial assets not measured at fair value						
Trade debts	683,746,715	-	683,746,715	-	-	-
Advances to employees	2,108,666	-	2,108,666	-	-	-
Other receivables	976,120	-	976,120	-	-	-
Short - term investments	158,735,599	-	158,735,599	-	-	-
Bank balances	64,848,219	-	64,848,219	-	-	-
Trade deposits	10,327,099	-	10,327,099	-	-	-
Long - term deposits	1,782,900	-	1,782,900	-	-	-
Total financial assets	922,525,318	89,224,473	1,011,749,791	-	-	89,224,473
Financial liabilities not measured at fair value						
Short-term borrowings	-	375,736,513	375,736,513	-	-	-
Unclaimed dividend	-	33,867,196	33,867,196	-	-	-
Unpaid dividend	-	17,288,408	17,288,408	-	-	-
Long term loans	-	188,519,284	188,519,284	-	-	-
Lease liabilities	-	8,753,344	8,753,344	-	-	-
Trade and other payables	-	254,264,041	254,264,041	-	-	-
Total financial liabilities	-	878,423,786	878,423,786	-	-	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH 2024

		Nine Months Ended	
		Unaudited 31 Mar 2024 Rupees	Unaudited 31 Mar 2023 Rupees
14	EARNINGS PER SHARE		
	<i>- Basic and diluted</i>		
	Profit for the period	Rupees	
		403,634,374	428,746,113
	Weighted average number of ordinary shares	Numbers	
		46,382,688	46,382,688
	Earnings per share	Rupees	
		8.70	9.24

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 25 April 2024 proposed an interim cash dividend of Rs. 2.30 per share.
- 15.2** These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 25 April 2024.

16 GENERAL

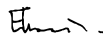
- 16.1** Figures in these condensed interim financial statements have been rounded off to the nearest rupee.



Chief Financial Officer



Chief Executive Officer




Director

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