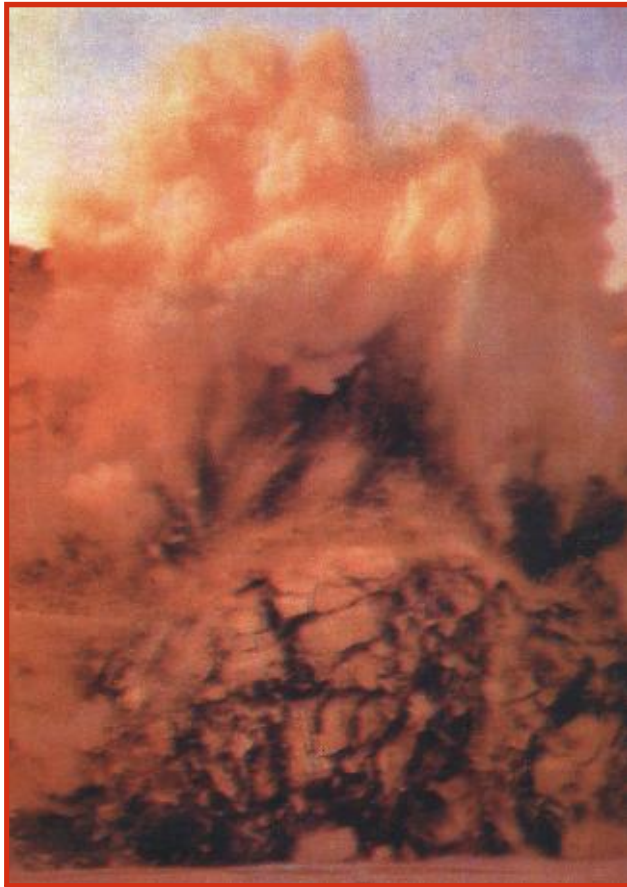


Quarterly Report
for the Period Ended
30 September 2018



BIAFO INDUSTRIES LTD.
Manufacturers of Tovex[®] Explosives & Blasting Accessories

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CORPORATE INFORMATION

Board of Directors

Executive Directors

M. Afzal Khan
Khawaja Amanullah Askari
Maj. Gen. (Ret'd.) S. Z. M. Askree
Ms. Shirin Safdar

Deputy Chairman
Managing Director & Chief Executive Officer
Director
Director

Non Executive Directors

Dr. M. Humayun Khan
M. Zafar Khan
Adnan Aurangzeb
Ms. Ayesha Humayun Khan

Chairman
Director
Director
Director

Independent Directors

Khwaja Ahmad Hosain
Muhammad Yaqoob
Ehsan Mani
Ms. Mehreen Hosain
Ms. Syeda Shahbano Abbas

Director
Director
Director
Director
Director

Company Secretary

Khawaja Shaiq Tanveer

Chief Financial Officer

Syed Sajid Hussain Shah

Audit & Risk Management Committee

Ehsan Mani	Chairman
Adnan Aurangzeb	Member
Muhammad Yaqoob	Member
Ms. Ayesha Humayun Khan	Member
Khwaja Ahmad Hosain	Member
Dr. M. Humayun Khan	Member

HR & Remuneration Committee

Khwaja Ahmad Hosain	Chairman
Dr. M. Humayun Khan	Member
Ms. Mehreen Hosain	Member
Khawaja Amanullah Askari	Member
Muhammad Yaqoob	Member
Adnan Aurangzeb	Member
Ms. Shirin Safdar	Member
Ms. Syeda Shahbano Abbas	Member

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Legal Advisors

Chima & Ibrahim
Mian Imran Law Associates

Bankers

Allied Bank Limited	Bank Alfalah Limited
National Bank of Pakistan	United Bank Limited
Bank of Khyber	Faysal Bank Limited
Askari Bank Limited	MCB 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, Hattar Industrial Estate, Hattar, Khyber Pakhtunkhwa, Pakistan.
Tel: +92 995 617830 Fax: +92 995 617497
Website: www.biafo.com, Email: plant@biafo.com

Shares Registrar

Riasat Ishtiaq Consulting (Pvt) Ltd.

Office No. 19-20, 2nd Floor, Hill View Plaza, Jinnah Avenue, Blue Area, Islamabad.
Tel: +92 51 2344223-4 Fax: +92 51 2605658

BIAFO INDUSTRIES LIMITED
DIRECTORS' REPORT FOR THE QUARTER
ENDED 30TH SEPTEMBER 2018

Your Directors are pleased to submit the unaudited accounts for the period ended 30th September 2018.

Net sales value of the company increased by 4.12% against the comparable quarter of last year to Rs. 383.80 m (Sep 2017: Rs. 368.60 m).

In the period under review we saw improvement in supplies to the Oil and Gas sector due to increased Seismic Exploration against the comparable period of the previous year. Construction sector has also shown increased activities, although demand reduced from the large scale mining sector.

Gross profit increased by 2.02% to Rs. 177.18 m. Gross profit margin declined 0.95% to 46.16% due to the increase in raw materials cost and fuel and energy cost impacted due to the devaluation of Pak rupee. We expect further effect in the coming period due to the pressure on the economy of devaluation of rupee, increased interest rate leading to inflationary pressures.

Operating profit increased by 0.13% to Rs. 143.8m.

Net profit after taxation increased by 0.37% to Rs. 107.42 m against the comparable period of the previous year, resulting in EPS of Rs. 4.88 (EPS 2017 : Rs. 4.86).

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

Your Board of Directors have declared the 1st. interim cash dividend of Rs.2.25 per share (22.5%) for the period under review.

The Board comprises of 13 members including Chief Executive Officer having 9 male members and 4 female members. The composition of Board is as follows:

Category	Names
Independent Directors	Khwaja Ahmad Hosain
	Muhammad Yaqoob
	Ehsan Mani
	Ms. Mehreen Hosain
	Ms. Syeda Shahbano Abbas
Non-Executive Directors	Dr. M. Humayun Khan
	M. Zafar Khan
	Adnan Aurangzeb
	Ms. Ayesha Humayun Khan
Executive Directors	M. Afzal Khan
	Khawaja Amanullah Askari (CEO)
	Maj. Gen. (Ret'd.) S. Z. M. Askree
	Ms. Shirin Safdar

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

Audit Committee

Ehsan Mani	Chairman
Adnan Aurangzeb	Member
Muhammad Yaqoob	Member
Ms. Ayesha Humayun Khan	Member
Khwaja Ahmad Hosain	Member
Dr. M. Humayun Khan	Member

HR & Remuneration Committee

Khwaja Ahmad Hosain	Chairman
Ms. Mehreen Hosain	Member
Dr. M Humayun Khan	Member
Khawaja Amanullah Askari	Member
Muhammad Yaqoob	Member
Adnan Aurangzeb	Member
Ms. Shirin Safdar	Member
Ms. Syeda Shahbano Abbas	Member

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



Khawaja Amanullah Askari
MD & Chief Executive Officer

Islamabad
24th October 2018

درجہ	نام
ایگزیکٹو ڈائریکٹرز	ایم افضل خان
	خواجہ امان اللہ عسکری (سی ای او)
	میجر جنرل (ریٹائرڈ) ایس زیڈ ایم عسکری
	محترمہ شیریں صفدر

بورڈ کی کمیٹیاں اور ان کی تشکیل حسب ذیل ہے:

آڈٹ کمیٹی	ایچ آر و معاوضہ جاتی کمیٹی
احسان مانی، چیئر مین	خواجہ احمد حسن، چیئر مین
عدنان اورنگزیب، رکن	محترمہ مہرین حسین، رکن
محمد یعقوب، رکن	ڈاکٹر ایم ہمایوں خان، رکن
محترمہ عائشہ ہمایوں خان، رکن	خواجہ امان اللہ عسکری، رکن
خواجہ احمد حسین، رکن	محمد یعقوب، رکن
ڈاکٹر ایم ہمایوں خان، رکن	عدنان اورنگزیب، رکن
	محترمہ شیریں صفدر، رکن
	محترمہ سیدہ شاہ بانو عباس، رکن

آپ کا بورڈ اس موقع پر اپنے جملہ ملازمین کا کاروباری چیلنجز کو پورا کرنے کیلئے ان کی سخت محنت اور مسلسل کاوشوں کی نسبت، اور اپنے تمام اسٹیک ہولڈرز کے تعاون کی بابت خصوصی ستائش کا اظہار کرنا چاہے گا۔



خواجہ امان اللہ عسکری
ایم ڈی و چیف ایگزیکٹو آفیسر

اسلام آباد

24 اکتوبر 2018

بیان فنانڈسٹریز لمیٹڈ

30 ستمبر 2018 کو ختم ہونے والی سہ ماہی مدت کیلئے ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والی مدت کیلئے غیر آڈٹ شدہ اکاؤنٹس پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ کمپنی کی خالص فروخت قدر گزشتہ سال کی سہ ماہی مدت کے مقابلے میں 4.12 فیصد کے اضافے سے 383.80 ملین (ستمبر 2017: 368.6 ملین) روپے ہو گئی۔

زیر جائزہ عرصے کے دوران ہم نے گزشتہ سال کی اسی مدت کے مقابلے میں سسٹیمک ایکسیلو ریٹین میں نمایاں اضافے کی بدولت تیل و گیس شعبے کو فراہمی میں بہتری دیکھی، اس کے برعکس بڑے پیمانے پر کان کنی شعبے کی طلب میں کمی دیکھنے میں آئی۔

کمپنی کا مجموعی منافع 2.02 فیصد کے اضافے سے 177.18 ملین روپے ہو گیا، پاکستانی روپے کی قدر میں کمی کے باعث خام مواد لاگت اور ایندھن و توانائی لاگت میں اضافے کی وجہ سے کمپنی کا مجموعی منافع مارجن 0.95 فیصد کی بعد 46.16 فیصد رہا۔ شرح سود میں اضافے کے باعث افراط زر کے دباؤ میں اضافہ اور روپے کی قدر میں کمی کی بدولت معیشت پر دباؤ کی وجہ سے ہمیں آنے والے دنوں میں اس میں مزید اثر کا احتمال ہے۔

آپریٹنگ (عملی) منافع میں 0.13 فیصد یعنی 143.8 ملین روپے کا اضافہ ہوا۔

خالص منافع میں ادا بیگی ٹیکس کے بعد گزشتہ سال کی اسی مدت کے مقابلے میں 0.37 فیصد یعنی 107.42 ملین روپے کا اضافہ ہوا ہے، جس کے نتیجے میں فی شخص منافع بحساب 4.88 روپے ہوا (فی شخص منافع (2017: 4.86 روپے)۔

کمپنی کے اخراجات اسی بجٹ کے اندر رہے جیسا کہ بورڈ آف ڈائریکٹرز کی جانب سے منظور کیا گیا تھا۔

آپ کے بورڈ آف ڈائریکٹرز نے زیر جائزہ عرصے کیلئے پہلے عبوری نقد منافع تقسیم بحساب 2.25 روپے فی شخص (22.5 فیصد) کا اعلان کیا ہے۔

بورڈ 13 اراکین بشمول چیف ایگزیکٹو آفیسر پر مشتمل ہے۔ ان میں 9 مرد اور 4 خواتین اراکین ہیں۔ بورڈ کی تشکیل حسب ذیل ہے۔

درجہ	نام
آزاد ڈائریکٹرز	خواجہ احمد حسین
	محمد یعقوب
	احسان مانی
	محترمہ مہرین حسین
نان ایگزیکٹو	محترمہ سیدہ شاہ بانو عباس
	ڈاکٹر ایم ہمایوں خان
	ایم ظفر خان
	عدنان اورنگزیب
	محترمہ عائشہ ہمایوں خان

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 SEPTEMBER 2018

		30 Sep 2018	30 June 2018
	Note	Rupees	Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	559,223,719	531,030,305
Investment property		30,837,592	31,031,540
Long-term deposits		<u>1,793,600</u>	<u>1,793,600</u>
		591,854,911	563,855,445
CURRENT ASSETS			
Stores, spare parts and loose tools		5,280,904	4,881,880
Stock in trade		179,740,945	180,984,146
Trade debts		311,417,925	353,437,290
Advances		4,501,480	5,767,595
Trade deposits and short-term prepayments		11,437,407	4,650,777
Advance tax		17,736,850	10,399,824
Other receivables		4,088,782	3,635,096
Short-term investments	5	461,032,561	455,593,056
Cash and bank balances		<u>37,016,976</u>	<u>25,630,333</u>
		1,032,253,830	1,044,979,997
CURRENT LIABILITIES			
Trade and other payables	6	145,410,898	166,515,956
Markup accrued		7,390,591	5,495,901
Short-term borrowings	7	347,589,809	419,694,378
Unclaimed dividend		16,373,826	16,136,061
Unpaid dividend		<u>7,221,681</u>	<u>7,909,501</u>
		523,986,805	615,751,797
NET CURRENT ASSETS			
		508,267,025	429,228,200
NON-CURRENT LIABILITIES			
Employee benefits		4,256,427	4,256,427
Deferred tax liability - net	8	25,359,273	25,737,772
		<u>29,615,700</u>	<u>29,994,199</u>
NET ASSETS			
		<u>1,070,506,236</u>	<u>963,089,446</u>
REPRESENTED BY:			
SHARE CAPITAL AND RESERVES			
Share capital		220,000,000	220,000,000
Unappropriated profit - revenue reserve		580,834,021	472,997,002
Revaluation surplus on property, plant and equipment - net of tax		<u>269,672,215</u>	<u>270,092,444</u>
		<u>1,070,506,236</u>	<u>963,089,446</u>
CONTINGENCIES AND COMMITMENTS			
	9		

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



Chief Financial Officer



Managing Director &
Chief Executive Officer



Chairman

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Note	Quarter Ended		Quarter Ended	
		30 Sep 2018	Period to Due Date	30 Sep 2017	Period to Due Date
		Rupees	Rupees	Rupees	Rupees
NET TURNOVER	10	383,804,563	383,804,563	368,607,802	368,607,802
Cost of sales		(206,622,021)	(206,622,021)	(194,931,411)	(194,931,411)
GROSS PROFIT		177,182,542	177,182,542	173,676,391	173,676,391
Other income		11,466,888	11,466,888	7,129,377	7,129,377
Distribution expenses		(7,426,714)	(7,426,714)	(6,238,546)	(6,238,546)
Administrative expenses		(29,354,681)	(29,354,681)	(24,765,730)	(24,765,730)
Finance costs		(8,069,902)	(8,069,902)	(6,187,281)	(6,187,281)
OPERATING PROFIT		143,798,133	143,798,133	143,614,211	143,614,211
Workers' profit participation fund		(7,189,907)	(7,189,907)	(7,180,711)	(7,180,711)
Workers' welfare fund		(2,875,963)	(2,875,963)	(2,646,801)	(2,646,801)
PROFIT BEFORE TAXATION		133,732,263	133,732,263	133,786,699	133,786,699
TAXATION					
Current		(26,786,092)	(26,786,092)	(27,403,492)	(27,403,492)
Deferred		470,619	470,619	641,235	641,235
		(26,315,473)	(26,315,473)	(26,762,257)	(26,762,257)
PROFIT FOR THE PERIOD		107,416,790	107,416,790	107,024,442	107,024,442
EARNINGS PER SHARE					
- Basic and diluted		4.88	4.88	4.86	4.86

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



Chief Financial Officer



Managing Director &
Chief Executive Officer



Chairman

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Quarter Ended		Quarter Ended	
	30 Sep 2018	Period to Due Date	30 Sep 2017	Period to Due Date
	Rupees	Rupees	Rupees	Rupees
Profit for the period	107,416,790	107,416,790	107,024,442	107,024,442
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	107,416,790	107,416,790	107,024,442	107,024,442

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



Chief Financial Officer



Managing Director &
Chief Executive Officer



Chairman

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	30 Sep 2018	30 Sep 2017
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	Note 133,732,263	133,786,699
Adjustments for:		
Depreciation	5,004,712	4,868,219
Finance costs	8,069,902	6,187,281
Provision for Workers' profit participation fund	7,189,907	7,180,711
Provision for Workers' welfare fund	2,875,963	2,646,801
Provision for employee benefits	-	2,171,850
Reversal of provision for doubtful debts	-	(450,000)
Gain on remeasurement of investment	(7,348,400)	(4,812,230)
Loss / (gain) on disposal of property, plant and equipment	-	13,262
Interest income	(370,737)	(296,254)
Unrealized exchange gain	(2,150,551)	(55,000)
	13,270,796	17,454,640
	147,003,059	151,241,339
Changes in:		
Stores, spare parts and loose tools	(399,024)	814,275
Inventories	1,243,201	(2,660,206)
Trade debts	42,019,365	(30,917,148)
Advances, deposits, prepayments and other receivables	(5,603,464)	(7,873,641)
Trade and other payables	6,740,023	(1,250,785)
	44,000,101	(41,887,505)
Cash generated from operations	191,003,160	109,353,834
Finance costs paid	(6,175,212)	(5,859,934)
Payments to Workers' profit participation fund	(35,668,279)	(22,000,000)
Income taxes paid	(34,123,118)	(30,926,110)
	(75,966,609)	(58,786,044)
Net cash from operating activities	115,036,551	50,567,790
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(33,004,179)	(2,065,909)
Proceeds from disposal of property, plant and equipment	-	26,117
Net investment during the year	1,908,895	-
Net cash (used in)/generated from investing activities	(31,095,284)	(2,039,792)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividend	(450,054)	(6,156,450)
Net cash used in financing activities	(450,054)	(6,156,450)
NET DECREASE IN CASH AND CASH EQUIVALENTS	83,491,212	42,371,548
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(394,064,045)	(274,109,649)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	11 (310,572,833)	(231,738,101)

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



Chief Financial Officer



Managing Director &
Chief Executive Officer



Chairman

BIAFO INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Share capital	Revaluation surplus on property, plant and equipment - net of tax	Revenue Reserve	
			Unappropriated profits	Total equity
	Rupees	Rupees	Rupees	Rupees
Balance at 01 July 2017, as previously reported	220,000,000	-	422,429,334	642,429,334
Effect of restatement	-	271,087,143	-	271,087,143
Restated balance at 01 July 2017	220,000,000	271,087,143	422,429,334	913,516,477
Total comprehensive income for the period				
Profit for the period	-	-	107,024,442	107,024,442
Comprehensive income for the year transferred to equity	-	-	107,024,442	107,024,442
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(548,191)	-	(548,191)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	548,191	548,191
Restated balance at 30 September 2017	220,000,000	270,538,952	530,001,967	1,020,540,919
Balance at 01 July 2018, as previously reported	220,000,000	270,092,444	472,997,002	963,089,446
Total comprehensive income for the period				
Profit for the period	-	-	107,416,790	107,416,790
Comprehensive income for the year transferred to equity	-	-	107,416,790	107,416,790
Surplus on revaluation of property, plant and equipment realized through depreciation for the year - net of deferred tax	-	(420,229)	-	(420,229)
Transferred from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	420,229	420,229
Balance at 30 September 2018	220,000,000	269,672,215	580,834,021	1,070,506,236

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



Chief Financial Officer



**Managing Director &
Chief Executive Officer**



Chairman

BIAFO INDUSTRIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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 (the repealed Ordinance). 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 January 11, 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, St No. 38-40, I&T Centre, G-10/4, Islamabad - Pakistan.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for three months period ended 30 September 2018 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. The disclosures in this condensed interim financial statements do not include the information that 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 2018. Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2018, whereas comparative statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity are stated from unaudited condensed interim financial statements for three months period ended 30 September 2017.

This condensed interim financial statements is unaudited and is 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 judgments made in the application of accounting policies, key sources of estimations and the methods of computation adopted in preparation of this condensed interim financial statements and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2018. The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2018 and are not expected to have any significant effect on condensed interim financial statements of the Company:

- Amendments to IFRS 2 - 'Share-based Payment'	(effective 01 January 2018)
- Amendments to IAS 40 'Investment Property'	(effective 01 January 2018)
- Amendments to IAS 28 'Investments in Associates and Joint Ventures'	(effective 01 January 2018)
- IFRIC 23 'Uncertainty over Income Tax Treatments'	(effective 01 January 2018)
- IFRS 15 'Revenue from contracts with customers'	(effective 01 July 2018)
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration'	(effective 01 January 2018)
- IFRS 9 'Financial Instruments' and amendment	(effective 01 January 2018)

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The above amendments are not likely to have an impact on the Company's financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

During three months period ended 30 September 2018, the Company acquired property, plant and equipment aggregating Rs. 30,188,653 (30 September 2017: Rs. 2,065,909). Depreciation charge for the period amounts to Rs. 5,004,712 (30 September 2017: Rs. 4,669,299).

	Note	Unaudited 30 Sep 2018 Rupees	Audited 30 June 2018 Rupees
5. SHORT TERM INVESTMENTS			
Investments:			
Held for trading			
ABL Cash Fund		101,856,530	100,387,042
Faysal Money Market Fund		123,067,404	121,976,539
UBL Liquidity Plus Fund		167,853,627	166,459,475
Loans and receivables - Term deposit receipts		68,255,000	66,770,000
		461,032,561	455,593,056
6. TRADE AND OTHER PAYABLES			
Trade creditors		54,609,776	58,873,898
Advances from customers		9,984,388	8,560,158
Accrued liabilities		32,922,947	26,201,036
Sales tax payable - net		7,869,786	9,319,573
Insurance		1,137,586	1,026,019
Workers' profit participation fund payable		7,189,907	35,668,279
Workers' welfare fund payable		20,220,349	17,344,386
Payable to employees' provident fund - unsecured		1,279,444	-
Withholding tax payable		686,046	30,839
Others		9,510,669	9,491,768
		145,410,898	166,515,956
7. SHORT TERM BORROWINGS			
Allied Bank Limited (ABL)	7.1	143,205,097	205,022,377
Faysal Bank Limited (FBL)	7.2	87,238,421	86,232,158
United Bank Limited (UBL)	7.3	117,146,290	128,439,843
		347,589,809	419,694,378

7.1 The Company has arranged various facilities with ABL and during the period the Company utilized Running Finance Facilities as follows:

- The Running Finance facility with a sanctioned limit of Rs. 140 million (30 June 2018: Rs. 140 million) and carries mark-up at the rate of 3 months Kibor + 1% per annum of the amount utilized. The facility is secured against first equitable mortgage over industrial property of the Company amounting to Rs. 315 million and charge over current assets (excluding financial assets) and fixed assets (excluding headoffice building) of the Company.
- The Running Finance facility with a sanctioned limit of Rs. 90 million (30 June 2018: Rs. 90 million) and carries mark-up at the rate of 3 months Kibor + 0.75% per annum of the amount utilized. The facility is secured against the investment made in ABL cash fund upto market value of Rs. 94.74 million.
- The Running Finance facility with a sanctioned limit of Rs. 54.34 million (30 June 2018: Rs. 54.34 million) and carries mark-up at the rate of 3 months Kibor + 0.75% per annum of the

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amount utilized. The facility is secured against the investment made in the ABL Term Deposit Receipts of USD 550,000.

- 7.2 This represents utilized amount of running finance facility with a sanctioned limit of Rs. 150 million (30 June 2018: Rs. 150 million) and carries mark-up at the rate of 3 month Kibor + 1% per annum of the amount utilized, payable on quarterly basis. The facility is secured against investment in units of Faysal Money Market Fund with 5% margin.
- 7.3 This represents utilized amount of running finance facility with a sanctioned limit of Rs. 200 million (30 June 2018: Rs. 200 million) for financing working capital requirements of the Company. The facility carries markup at the rate of 1 month KIBOR + 0.75% per annum. The facility is secured against investment in UBL Liquidity Plus Funds with 5% margin.

	Unaudited	Audited
	30 Sep 2018	30 June 2018
	Rupees	Rupees
8. DEFERRED TAX LIABILITY- net		
The net balance of deferred tax is in respect of the following major temporary differences:		
Accelerated depreciation of property, plant and equipment	22,299,527	22,338,035
Deferred employee benefit	(1,124,390)	(864,522)
Provision for slow moving stores, spare parts and loose	(1,234,926)	(1,234,926)
Surplus on revaluation of fixed assets	5,419,062	5,499,185
	25,359,273	25,737,772

9. CONTINGENCIES AND COMMITMENTS

There is no change in the contingent liabilities as reported in the annual financial statements for the year ended 30 June 2018

Letters of credit issued by banks on behalf of the Company for the import of raw materials amount to Rs. 16.46 million at 30 September 2018 (30 June 2018: Rs. 40.30 million).

Letter of guarantee issued by Allied Bank Limited on behalf of the Company for the issuance of performance bond to secure the contracts with different government and private entities outstanding at the year end amounting to Rs. 17,071,182 (30 June 2018: Rs. 17,071,182).

	Three Months Ended	
	Unaudited	Unaudited
	30 Sep 2018	30 Sep 2017
	Rupees	Rupees
10. NET SALES / TURNOVER		
Gross Local Sales	328,217,176	275,163,331
Sales tax	(48,467,425)	(40,099,624)
Commissions	(1,742,380)	(1,329,087)
Net Local Sales	278,007,371	233,734,620
Net Export Sales	105,797,192	134,873,182
	383,804,563	368,607,802

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	Three Months Ended	
	Unaudited	Unaudited
	30 Sep 2018	30 Sep 2017
	Rupees	Rupees
11. CASH AND CASH EQUIVALENTS		
For the purpose of cash flow statement cash and cash equivalents comprise of:		
Cash and bank balances	37,016,976	22,882,686
Short term borrowings - secured	(347,589,809)	(254,620,787)
	<u>(310,572,833)</u>	<u>(231,738,101)</u>

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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).

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

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Financial assets and liabilities	Carrying amount			Fair value			
	Loans and receivables	Held at fair value through profit or loss	Other financial assets and liabilities at amortized cost	Total	Level 1	Level 2	Total
30 September 2018							
Rupees				Rupees			
Financial assets measured at fair value							
Short term investments	-	392,777,561	-	392,777,561	392,777,561	-	392,777,561
Financial assets not measured at fair value							
Trade debts	311,417,925	-	-	311,417,925	-	-	-
Advances	755,834	-	-	755,834	-	-	-
Trade deposits	1,671,592	-	-	1,671,592	-	-	-
Other receivables	1,609,545	-	-	1,609,545	-	-	-
Short term investments	68,255,000	-	-	68,255,000	-	-	-
Long term deposits	1,793,600	-	-	1,793,600	-	-	-
Cash and bank balances	37,016,976	-	-	37,016,976	-	-	-
Total financial assets	422,520,472	392,777,561	-	815,298,033	392,777,561	-	392,777,561

Financial liabilities not measured at fair value

Short term borrowings	-	-	347,589,809	347,589,809	-	-	-
Markup accrued	-	-	7,390,591	7,390,591	-	-	-
Trade and other payables	-	-	99,460,422	99,460,422	-	-	-
Total financial liabilities	-	-	454,440,822	454,440,822	-	-	-

Financial assets and liabilities	Carrying amount			Fair value			
	Loans and receivables	Held at fair value through profit or loss	Other financial assets and liabilities at amortized cost	Total	Level 1	Level 2	Total
30 June 2018							
Rupees				Rupees			
Financial assets measured at fair value							
Short term investments	-	388,823,056	-	388,823,056	388,823,056	-	388,823,056
Financial assets not measured at fair value							
Trade debts	353,437,290	-	-	353,437,290	-	-	-
Advances	5,767,595	-	-	5,767,595	-	-	-
Trade deposits	2,032,071	-	-	2,032,071	-	-	-
Other receivables	1,609,545	-	-	1,609,545	-	-	-
Short term investments	66,770,000	-	-	66,770,000	-	-	-
Long term deposits	1,793,600	-	-	1,793,600	-	-	-
Cash and bank balances	25,630,333	-	-	25,630,333	-	-	-
Total financial assets	457,040,434	388,823,056	-	845,863,490	388,823,056	-	388,823,056

Financial liabilities not measured at fair value

Short term borrowings	-	-	419,694,378	419,694,378	-	-	-
Markup accrued	-	-	5,495,901	5,495,901	-	-	-
Trade and other payables	-	-	95,592,721	95,592,721	-	-	-
Total financial liabilities	-	-	520,783,000	520,783,000	-	-	-

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13. 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	
	Unaudited	Unaudited
	30 Sep 2018	30 Sep 2017
	Rupees	Rupees
Directors and key management personnel		
Remuneration including perquisites of Chief Executive	6,650,000	5,297,581
Remuneration including perquisites of Directors	5,880,000	3,980,000
Remuneration including perquisites of key management personnel	8,233,671	5,513,000
Other related parties		
Payment to employees' provident fund	1,568,832	1,352,872
Payable to employees' provident fund - unsecured	1,279,444	1,090,202
Payable to staff retirement gratuity fund - unsecured	-	2,171,850

14. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Following information has been disclosed with reference to circular No. 14 of 2015 dated 21 April 2016, issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

Description	Explanation	Unaudited	Audited
		30 Sep 2018	30 June 2018
		Rupees	Rupees
i) Long term deposits	Non-interest bearing	1,793,600	1,793,600
ii) Trade debts	Non-interest bearing	311,417,925	353,437,290
iii) Advances	Non-interest bearing	4,501,480	5,767,595
iv) Trade deposits and short term prepayments	Non-interest bearing	11,437,407	4,650,777
v) Other receivables	Non-interest bearing	4,088,782	3,635,096
vi) Short term investments	Interest bearing	68,255,000	66,770,000
vii) Cash and bank balances	Placed under interest arrangement	30,093	29,886
	Placed under Shariah permissible arrangement	36,986,883	25,600,447
		37,016,976	25,630,333

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		Three Months Ended	
		Unaudited 30 Sep 2018	Unaudited 30 Sep 2017
		Rupees	Rupees
viii) Interest income on bank deposits for the period ended	Placed under interest arrangement	-	-
	Placed under Shariah permissible arrangement	-	-
ix) Interest income on investments for the period ended	Placed under interest arrangement	7,348,400	4,812,230
	Placed under Shariah permissible arrangement	-	-
		7,348,400	4,812,230
x) All sources other income		1,967,937	2,184,992
xii) Exchange gain / (loss)	Earned from actual currency fluctuations	2,150,551	132,154
xiii) Dividend income	ABL income Fund	-	-
	Faysal Money Market Fund	-	-
	UBL Liquidity Fund	-	-
		-	-

15. EARNING PER SHARE

- Basic and diluted

		Three Months Ended	
		Unaudited 30 Sep 2018	Unaudited 30 Sep 2017
Profit for the period	Rupees	<u>107,416,790</u>	<u>107,024,442</u>
Weighted average number of ordinary shares	Numbers	<u>22,000,000</u>	<u>22,000,000</u>
Earning per share	Rupees	<u>4.88</u>	<u>4.86</u>

15.1 No figure for diluted earnings per share has been presented as the Company has not issued any instrument which would have an impact on earnings per share when exercised.

16. NON ADJUSTING EVENT AFTER BALANCE SHEET DATE AND DATE OF AUTHORIZATION FOR ISSUE

16.1 The Board of Directors of the Company in their meeting held on 24th October 2018 proposed an interim cash dividend of Rs. 2.25 per share.

16.2 These condensed interim financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on 24th October 2018.

17. GENERAL

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



Chief Financial Officer



Managing Director &
Chief Executive Officer



Chairman

BOOK POST

(UNDER POSTAL CERTIFICATE)

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BIAFO INDUSTRIES LTD.

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