

44 ANNUAL REPORT 2024



DADABHOJ CEMENT INDUSTRIES LTD.

CONTENTS

	PAGE
COMPANY'S VISION & MISSION STATEMENT	1
COMPANY INFORMATION	2
NOTICE OF ANNUAL GENERAL MEETING	3
CHAIRMAN'S REVIEW	4
DIRECTORS' REPORT	5
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE	10
FINANCIAL REVIEW OF SIX YEARS	13
REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE	14
AUDITOR'S REPORT TO THE MEMBERS	16
STATEMENT OF FINANCIAL POSITION	20
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	21
STATEMENT OF CASH FLOWS	22
STATEMENT OF CHANGES IN EQUITY	23
NOTES TO THE FINANCIAL STATEMENTS	23
PATTERN OF SHAREHOLDINGS	46
FORM OF PROXY	47

Vision

**Is recognized and accepted
as leader in the country
for
manufacturing
one of the best quality
cement in Pakistan**

Mission

- To have a diversified customer base
- To serve the market through innovation & creations
- To offer a high rate of return to Shareholders
- To create a good work environment for our employees and faster team work & career development
- To operate ethically
- To serve the country to achieve the national goals

DADABHOY CEMENT INDUSTRIES LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Fazal Karim Dadabhoy
Mr. Danish Dadabhoy
Mr. Shahban Ali
Mr. Jumma Baig
Mr. Mohammad Zaman
Mr. Munir Hussain
Mr. Liaquat Hussain

Chief Executive
Chairman

CHIEF FINANCIAL OFFICER

Mr. Aslam Motan

COMPANY SECRETARY

Mr. Muhammad Rashid.

AUDITORS

M/s S.M. Suhail & Co., Chartered Accountants

LEGAL ADVISOR

Mr. Salim Thepdawala & Company

BANKER

Silk Bank Limited
Bank Al Habib Limited

REGISTERED OFFICE

Noor Centre Office No.4, 2nd Floor
Plot No. 30-C Ittehad Lane 12
Phase VII D.H.A, Karachi.
Tel : 021-35312004-9
URL : www.mhdadabhoy.com

SHARE REGISTRAR

Formerly M/s. Technology Trade (Pvt) Ltd.
Dagia House, 241-C, Block 2, P.E.C.H.S.
Off Shahrach-e-Quaideen, Karachi.
Telephone No. 43913 16-17, Fax No. 4391318

FACTORY

Nooriabad Deh Kalu Kohar,
District Dadu (Sindh)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jumma Baig	Chairman
Mr. Danish Dadabhoy	Member
Mr. Fazal Karim Dadabhoy	Member

AUDIT COMMITTEE

Mr. Shahban Ali	Chairman
Mr. Danish Dadabhoy	Member
Mr. Fazal Karim Dadabhoy	Member

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of Dadabhooy Cement Industries Limited will be held on Monday the October 28th 2024 at 03:00 p.m. at Plot# 28-30/C, Suite# 4, 2nd Floor, Noor Centre, Khayaban-e-Ittehad, Lane# 12, Phase-VII, DHA, Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To read and confirm the minutes of 43rd Annual General Meeting (AGM) of the company held on October 27, 2023.
2. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2024 together with Directors and Auditors Reports thereon.
3. To appoint auditors for the year ending June 30, 2025 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi.
October 07, 2024

By Order of the Board
Company Secretary

Note:

1. The Share Transfer Books of the company will remain closed from 21-10-2024 to 28-10-2024 (both days inclusive).
2. A member entitled to attend, speak and vote at this meeting, may appoint another person as his / her proxy to attend, speak and vote on his / her behalf.
3. Proxy forms in order to be effective, must be completed and received at the registered office of the company, duly stamped and signed not less than 48 hours before the meeting.
4. All the members and the proxy holders need to verify their identity by showing original CNIC at the time of attending the meeting. In case of corporate entity, a certified copy of the resolution of the board of directors/ valid power of attorney having the same name and specimen signature of the nominee should be produced at the time of the meeting.
5. The Financial Statement of the Company for the year ended June 30, 2024 will also be available at its official website:- www.mhdadabhoy.com

REVIEW REPORT BY THE CHAIRMAN

I am pleased to inform that for the financial year ended June 30, 2024, the overall performance of the Board has been satisfactory. However, there will always be room for improvement. Although the Company has been going through rough times in the recent past, especially due to the current economic situation of the country the Board has coped up well and have shown to be effective to the best of their abilities. The Board of Directors of the Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings.

Furthermore, exciting times lie ahead for the Company as diversification strategies are being explored which will eventually benefit our shareholders.



Danish Dadabhoy
Chairman

Karachi – October 07, 2024

DIRECTORS' REPORT

In the name of Allah, the Most Merciful and the Most Benevolent

The directors of your company are pleased to present the Annual report and the audited financial statements for the year ended June 30, 2024 together with the auditor's report thereon.

FINANCIAL POSITION AT A GLANCE

The Comparative financial results of the company are summarized below:

	<i>June 30,</i>	<i>June 30</i>
	<i>2024</i>	<i>2023</i>
	<i>--- (Rupees in '000) ---</i>	
Sales-Net	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(17,714)	(12,906)
Finance cost	-	-
Operating loss	(17,714)	(12,906)
Other charges	(531)	(596)
Other income	23,411	17,999
Profit / (Loss) before taxation	5,166	4,469
Taxation	(293)	(886)
Profit after taxation	4,873	3,610
Profit per share	0.05	0.04

The Company continued to be in a loss position because operationally it continued to stay inactive.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Re-structuring of the team to align with the new strategic direction of the Company.
- Exploring new ventures for diversification.

The Company is working with internal and external stakeholders to mitigate / reduce to acceptable level the likely impacts of the aforesaid risks.

BUSINESS PERFORMANCE HIGHLIGHTS

The Company's performance from a business viewpoint remained status quo this year and the focus was on preparing and developing a strong strategic and financial plan. We are confident that in the coming years, the Company's performance will see an upward growth.

CORPORATE SOCIAL RESPONSIBILITY

No significant activities were undertaken from the platform of the Company as far as CSR is concerned since the Company was not operationally active this year. However, in the coming years as the revenue grows, the management will allocate a certain percentage to multiple initiatives such as child education and health as we believe these are the two key areas which require the most attention of the corporate sector.

OBSERVATION OF THE AUDITORS

As regards the material uncertainty to continue as a going concern, we would like state that the management is focused on reviving the operations of the Company which is further elaborated in 'Future Outlook' section of this Report.

AUDITORS

The present Auditors, M/s. S.M Suhail & Co., Chartered Accountants, retired and being eligible have offered themselves for reappointment. Audit committee has recommended the reappointment.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

Owing to the financial outlook of the Company, Non-Executive and Independent Directors of the Company have voluntarily waived their remuneration for attending the Board and Committee meetings of the Company.

PATTERN OF SHARES HOLDING

Pattern of shareholding as at June 30, 2024 required under the reporting framework is annexed.

FUTURE OUTLOOK

We are fully determined to move the Company from present situation and give a strong strategic direction to the Company.

In this regard, we have been corresponding with the prospective investors to attract the investment in the Company. Considering the increasing demand and expected growth in cement industries, we are hopeful to achieve its objective.

The Securities and Exchange Commission of Pakistan (SECP) provided the Company with a hearing opportunity on March 31, 2021, leading to the submission of a board-approved revival plan on April 16, 2021, along with a request for the withdrawal of the impugned order. On March 25, 2024, as per the Pakistan Stock Exchange (PSX) notice (Reference PSX N-267), the impugned order dated October 28, 2019, was set aside, paving the way for the Company's continued progress and operational revival.

INTERNAL FINANCIAL CONTROLS

The directors are aware of their responsibility with respect to internal financial controls. Currently there are weak or no financial controls as the Company is not operationally active. However, strong controls will be implemented once the Company is in operation.

EARNING PER SHARE

The profit / (loss) per share of the company as at 2024 stood at Rs. 0.05(2023: Rs. 0.04) per share.

STATEMENT ON CORPORATE AND FINANCIAL FRAMEWORK

The Directors of the Company are aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Regulations of the stock exchange where the Company is listed. All necessary steps are being taken to ensure appropriate Corporate Governance in the Company as required by the Code.

- a) The Financial Statements prepared by the Management of the Company, present fairly the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting and Financial reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) As already stated above the Company has already developed a business plan and negotiations are underway with prospective investors from the hospitality sector. As such the management does not see any significant doubt to continue as going concern.
- f) Key operating and financial data for last six years is annexed with financial statement.
- g) The Company has neither declared dividend nor issued bonus shares for the current financial year because of operating and accumulated losses incurred.

- h) Information about taxes and levies is given in the notes to and forming part of financial statements.
- i) The Company does not have any scheme for its employees.
- j) During the year, 4 meetings of the Board of Directors, 4 meetings of the audit committee and 1 meeting of the Human Resource and Remuneration (HR&R) Committee were held separately. Attendance by each Director and member of the Committees is annexed below.
- k) The Company has no overdue of any substantial bank loan since now the same have been cleared.
- l) There was no trading in shares of the Company by its directors, CEO, CFO, Company Secretary and their spouses and minor children.

THE COMPOSITION OF THE BOARD

Total number of directors are seven as per the following:

- a) Male: Seven
b) Female: None

Composition of the Board is as follows:

Category	Names
a. Independent Directors	Mr. Shahban Ali Mr. Muhammad Zaman Mr. Jumma Baig
b. Other Non-Executive Director	Mr. Liaquat Hussain Mr. Munir Hussain
c. Executive Directors	Mr. Fazal Karim Dadabhoy Mr. Danish Dadabhoy

MEETINGS OF THE BOARD OF DIRECTORS

During the year four meetings of Board of directors were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meetings Attended</i>
Mr. Fazal Karim Dadabhoy	4
Mr. Danish Dadabhoy	4
Mr. Jumma Baig	4
Mr. Shaban Ali	4
Mr. Muhammad Zaman	4
Mr. Munir Hussain	4
Mr. Liaquat Hussain	4

MEETINGS OF THE AUDIT COMMITTEE

During the year four meetings of Audit Committee were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meetings Attended</i>
Mr. Shaban Ali - Chairman	4
Mr. Danish Dadabhoy	4
Mr. Fazal Karim Dadabhoy	4

MEETINGS OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year one meeting of HR&R Committee were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meeting Attended</i>
Mr. JummaBaig - Chairman	1
Mr. DanishDadabhoy	1
Mr. Fazal Karim Dadabhoy	1

ACKNOWLEDGEMENT

We are pleased to record their appreciation for the continued dedications, commitment and loyalty of the employees of your company.

We are also thankful to all stakeholders for the loyalty they have shown during our difficult period.

We also appreciate the assistance and continued support of the various Government Departments, Bankers, Customers and Shareholders.

For and on behalf of the Board



Fazal Karim Dadabhoy
Chief Executive



Danish Dadabhoy
Director

Karachi: October07, 2024

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019
Dadabho Cement Industries Limited
For the Year Ended June 30, 2024**

The company has complied with the requirements of the Regulations in the following manner:

- 1) The total number of directors are seven as per the following:
 - a) Male: Seven
 - b) Female: None
- 2) The composition of board is as follows:

Category	Names
a. Independent Directors	Mr. Shahban Ali Mr. Muhammad Zaman Mr. Jumma Baig
b. Other Non-Executive Director	Mr. Liaquat Hussain Mr. Munir Hussain
c. Executive Directors	Mr. Fazal Karim Dadabho Mr. Danish Dadabho

- 3) The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
- 4) The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5) The board has developed a vision/mission statement, overall corporate strategy. While significant policies of the company are in the process of formulation as the Company is planning for revival within the next financial year.

- 6) All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7) The meetings of the board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8) The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9) The Board has not arranged any training program during the year but ensures that, other than the exempt Directors, all the Directors acquire the prescribed certification under the training program within the stipulated time.
- 10) There has been no change in the position of the Company Secretary. While no appointment of head of internal audit has been made during the year due to operational inactivity of the Company.
- 11) CFO and CEO duly endorsed the financial statements before approval of the board.
- 12) The board has formed committees comprising of members given below:

Committees	Names and Designation
a. Audit Committee	Mr. Shahban Ali– Chairman Mr. Danish Dadabhoy Mr. Fazal Karim Dadabhoy
b. HR and Remuneration Committee	Mr. Jumma Baig - Chairman Mr. Danish Dadabhoy Mr. Fazal Karim Dadabhoy

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14) The frequency of meetings of the committees were as per following:

Committees	Frequency of Meetings
a. Audit Committee	Four meetings were held in FY 2023-24.
b. HR and Remuneration Committee	One annual meeting held before June 30, 2024

- 15) Due to operational inactivity of the Company, the Board has not formed any internal audit function during the year.

- 16) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 17) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18) We confirm that all other requirements of the Regulations have been complied with except the following non-compliances with the Regulations which occurred due to the operational inactivity of the Company, but we assure our members that reasonable progress is being made by the Company's management and its Board to seek compliance by the end of next financial year:
- Executive directors of the Company are more than one-third of the elected directors;
 - Formal and effective mechanism is in place for the annual evaluation of Board members;
 - Related party transactions reviewed by the Audit Committee and approved by the Board;
 - Orientation program arranged for the Directors during the year;
 - Audit Committee and Human Resource and Remuneration Committee include executive members of the Board; and
 - Code of conduct along with supporting policies and procedures are placed on the Company's website.



Fazal Karim Dadabhoy
Chief Executive



Danish Dadabhoy
Director

Karachi

Dated: October 07, 2024

DADABHOY CEMENT INDUSTRIES LIMITED

DADABHOY CEMENT INDUSTRIES LIMITED

FINANCIAL REVIEW FOR SIX YEARS

Particulars 2024 2023 2022 2021 2020 2019

PRODUCTION SUMMARY

Clinker Production	-	-	-	-	-	-
Cement Production	-	-	-	-	-	-
Cement Dispatch	-	-	-	-	-	-

ASSETS EMPLOYED

Fixed Assets	-	-	-	-	-	-
Long term Loan & Investments	-	-	-	-	-	-
Current Assets	248,177	242,983	239,384	247,866	255,037	262,233
Total Assets Employed	253,302	248,780	246,169	248,841	255,037	262,233

FINANCED BY

Shareholders' Equity	245,309	240,436	236,826	240,081	246,760	251,352
Surplus on Revaluation	-	-	-	-	-	-
Long term Liabilities	-	-	-	-	-	-
Deferred Liabilities	-	-	-	-	-	-
Current Liabilities	7,135	7,013	8,777	8,195	7,711	10,881
Total Funds Invested	253,302	248,780	246,169	248,841	255,037	262,233

FINANCED BY

Turnover (Net)	-	-	-	-	-	-
Operating Profit (Loss)	-	-	-	-	-	-
Profit / (loss) before Taxation	5,166	4,496	(3,137)	(6,679)	(4,592)	131,883
Profit / (loss) after Taxation	4,873	3,610	(3,254)	(6,679)	(4,592)	136,047
Cash Dividend	-	-	-	-	-	-
Profit (Loss) carried forward	(770,281)	(775,154)	(778,764)	(775,509)	(768,830)	(764,238)

DADABHOY CEMENT INDUSTRIES LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2024



S.M. SUHAIL & CO.
Chartered Accountants - *A member firm of:*





**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DADABHOY CEMENT INDUSTRIES LIMITED
FOR THE YEAR ENDED JUNE 30, 2024**

**Review Report on the Statement of Compliance Contained in the Listed Companies
(Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Dadabhoj Cement Industries Limited** (the Company) for the year ended June 30, 2024, in accordance with the requirements of regulation # 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures, and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance with this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the statement of compliance:

Based on our review, nothing has come to our attention that causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the note referenced where it is stated in the Statement of Compliance:

S. No	Reference	Descriptions
1	Para 5	The company does not have significant policies. <i>SMSCo.</i>

- Karachi
- Lahore
- Islamabad
- UAE
- Canada
- Australia

Main Office
1112, 11th Floor, Park Avenue
PECHS, Block-6
Shahrah-e-Faisal
Karachi, Pakistan.
Phone: + 92-21-34314057
+ 92-21-34314163
E-mail: sms@smsco.pk
URL: www.smsco.pk



S. No	Reference	Descriptions
2	Para 10 and 15	There is no internal audit function in the Company.
3	Para 1 b	There is currently no representation from diverse members on the board of directors.
4	Para 18 b	There is no formal mechanism for the annual evaluation of Board members.
5	Para 18 e	The Audit Committee and Human Resource and Remuneration Committee include executive members of the Board.

S.M. Suhail & Co.

S.M. Suhail & Co.
Chartered Accountants
Karachi

Engagement Partner: Mr. S.M. Suhail, FCA

Our Ref: SMS-A-02832023
Date: October 7, 2024

UDIN: CR2024101979EMY21F8Q



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DADABHOY CEMENT INDUSTRIES LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Adverse Opinion

We have audited the annexed financial statements of **DADABHOY CEMENT INDUSTRIES LIMITED**, which comprise the statement of financial position as of June 30, 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Owing to the significance of the matter stated in the basis for Adverse Opinion section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024, of the profit, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

The Company has accumulated losses as on the year end date amounting to Rs. 770.28 million (2023: Rs. 775.15 million). The operations of the Company are closed since financial year 2009 due to which the Company has been facing financial and operational difficulties and was unable to discharge its financial and operational liabilities in ordinary course of business. The Company was reporting nil sales and plans to address financial difficulties or improve operations. The Company has also disposed-off all of its plant and machinery and settled its outstanding bank loan.

These factors indicate the existence of material uncertainty that may cast significant doubts regarding the Company's ability to continue as a going concern. The financial statements do not disclose this fact. Further, the mitigating factors disclosed by the management in the financial statements in note 1.2 reflect initial steps taken by the management for restarting the operational activities of the Company, which have not been materialized.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Adverse opinion. *SMS*

- Karachi
- Lahore
- Islamabad
- UAE
- Canada
- Australia

Main Office
1112, 11th Floor, Park Avenue
PECHS, Block-6
Shahrah-e-Faisal
Karachi, Pakistan.
Phone: + 92-21-34314057
+ 92-21-34314163
E-mail: sms@smsco.pk
URL: www.smsco.pk



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Except for the matter described in the *Basis for Adverse Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements by the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the management either intends to liquidate the Company or to cease the operations or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements,



As part of an audit in accordance with the ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matter stated in basis for adverse opinion section, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017); *SMSCO*



- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditures incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for year ended June 30, 2023 were audited by another firm of Chartered Accountants who vide their report dated October 6, 2023 expressed adverse opinion thereon.

The engagement partner on the audit resulting in this independent auditors' report is Mr. S.M. Suhail, FCA.

S. M. Suhail & Co.

S.M Suhail & Co.
Chartered Accountants
Karachi

Our Ref: SMS-A-02822025
Date: October 7, 2024

UDIN: AR202410197cVTFDbjpt

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

ASSETS	Note	2024 (Rupees in thousand)	2023
Non-Current Assets			
Property plant and equipment	4	5,124	5,797
Long term investments	5	-	-
		5,124	5,797
Current Assets			
Advances and other receivables	6	12,974	9,740
Short term investment	7	118,264	118,328
Cash and bank balances	8	116,939	114,915
		248,177	242,983
Total Assets		253,302	248,780
EQUITY AND LIABILITIES			
Authorized Capital			
150,000,000 (2023: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid up capital			
Other capital reserve	9	982,366	982,366
Accumulated losses		33,224	33,224
		(770,281)	(775,154)
Shareholders' equity		245,309	240,436
Non-Current Liabilities			
Deferred liabilities	10	-	-
Current Liabilities			
Trade and other payables	11	7,135	7,013
Income tax liability		293	764
Unclaimed dividend		566	566
		7,993	8,344
Commitment and Contingency	12	-	-
Total Equity and Liabilities		253,302	248,780

The annexed notes from 1 to 23 from an integral part of these financial statements. *S.M.S.C.*

Sapahdal's

Chief Executive

danish

Director

1/19/2024

Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees in thousand)	2023
Administrative expenses	13	(17,714)	(12,906)
Financial cost - bank charges		<u>-</u>	<u>-</u>
		(17,714)	(12,906)
Other charges	14	(531)	(596)
Other income	15	<u>23,411</u>	<u>17,999</u>
Profit before taxation		<u>5,166</u>	<u>4,496</u>
Taxation	16	(293)	(886)
Profit after taxation		<u>4,873</u>	<u>3,610</u>
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss		<input type="text" value="-"/>	<input type="text" value="-"/>
Items that will not be reclassified subsequently to profit or loss		<input type="text" value="-"/>	<input type="text" value="-"/>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>4,873</u>	<u>3,610</u>
Earnings per share - basic and diluted (Rupees)	17	<u>0.05</u>	<u>0.04</u>

The annexed notes from 1 to 23 from an integral part of these financial statements. *SMCCo.*

Anjaleel

Chief Executive

Danish

Director

H. P. Amin

Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 (Rupees in thousand)	2023
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		5,166	4,496
Adjustments for:			
Impairment loss on investment in DESCL	14	64	129
Depreciation		1,065	1,261
Financial charges		-	-
Cash flow before working capital changes		<u>6,295</u>	<u>5,887</u>
Working capital changes:			
(Increase) / decrease in current assets			
Advances and other receivables		(487)	(1,315)
Decrease / (Increase) in current liabilities			
Trade and other payable		121	(1,763)
Cash used in operations		<u>5,929</u>	<u>2,809</u>
Financial charges paid		-	-
Taxes paid		(3,512)	(2,910)
Net cash used in operating activities		<u>2,417</u>	<u>(101)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds for acquisition of fixed assets		<u>(393)</u>	<u>(273)</u>
Net cash used in investing activities		<u>(393)</u>	<u>(273)</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		2,024	(374)
Cash and cash equivalents at beginning of the year		114,915	115,289
Cash and cash equivalents at end of the year	8	<u>116,939</u>	<u>114,915</u>

The annexed notes from 1 to 23 from an integral part of these financial statements. *Smsca.*


 Chief Executive


 Director


 Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Share Capital Issued, subscribed and paid up capital	Capital Reserve Other capital reserve	Revenue Reserve Accumulated losses	Shareholders' equity
	----- (Rupees in thousand) -----			
Balance as at July 01, 2022	982,366	33,224	(778,764)	236,826
Total comprehensive income for the year				
Profit after taxation	-	-	3,610	3,610
Other comprehensive income	-	-	-	-
Balance as at June 30, 2023	982,366	33,224	(775,154)	240,436
Total comprehensive income for the year				
Profit after taxation	-	-	4,873	4,873
Other comprehensive income	-	-	-	-
Balance as at June 30, 2024	982,366	33,224	(770,281)	245,309

The annexed notes from 1 to 23 from an integral part of these financial statements. *Smsca*


 Chief Executive


 Director


 Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

1 STATUS AND NATURE OF BUSINESS

1.1 Dadabhoj Cement Industries Limited (DCIL) was incorporated on 09 August 1979 as a public limited company in Pakistan and is listed on Pakistan Stock Exchange Limited - PSX. Company is a subsidiary of Leo (Pvt.) Limited. The objective of Company is manufacturing and sale of ordinary portland, slag and sulphate resistant cement. The Company's registered office is situated at Suite # 4, 2nd Floor, Plot no. 28-30 / C, Noor Centre, Khayaban-e-Ittehad, Lane no.12, Phase VII, D.H.A., Karachi.

1.2 Going concern assumption

The Company having accumulated losses as at reporting date amounting to Rs. 770.28 million (2023: Rs. 775.15 million). The operations of the Company are closed since financial year 2009 due to which the Company has been facing financial and operational difficulties and was unable to discharge its financial and operational liabilities in due course of business. The Company was reporting nil sales since then and is totally dependent on return from investments and the financial support of its directors and associates.

The management of the Company has prepared these financial statements on going concern basis due to the following reasons:

- a) The management intends to revive the operations of the Company in the cement industry for which the planning is still on the initial stage as on the reporting date.
- b) Considering the increasing demand and expected growth in cement industries, the Company is hopeful to achieve its objective as Government of Pakistan does not allow new companies to undertake cement manufacturing projects thereby only existing companies can engage in cement manufacturing.
- c) To achieve the objective mentioned in para (a) above, the Company has been corresponding with the prospective investors to attract the investment in the Company.

Management is confident that the Company would be able to revive its operations in the foreseeable future which will result in improving the overall financial and operational outlook of the Company.

1.3 The Securities and Exchange Commission of Pakistan (SECP) vide its order dated October 28, 2019 under clause (m) Of Section 301 read with clause (b) of the Section 304 of the Companies Act, 2017 (under clause (b) of Section 309 read with clause (c) of Section 305 of the Companies Ordinance, 1984) has ordered that the Company is liable to wound up thereby authorizing the Registrar, the Company Registration Office Karachi, to present a petition for winding up of the Company. Pakistan Stock Exchange (PSX) has also issued notice bearing number PSX/N-1385 dated October 29, 2019 in this respect.

The Company filed an Appeal under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003 against the Order dated October 28, 2019 in which the Company has challenged the Impugned Order.

The SECP provided a hearing opportunity on March 31, 2021, during which it was decided that the Company would submit the revival plan, along with board approval, to the SECP. On April 16, 2021, the Company submitted the revival plan to the SECP and requested the withdrawal of the impugned order. On March 25, 2024, as per the notice issued by PSX Reference PSX N-267, the impugned order dated October 28, 2019, was set aside.

The Company is currently adhering to the guidance issued by the Pakistan Stock Exchange (PSX) and is in the process of ensuring compliance. 

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act); and
- provisions and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention. Further accrual basis of accounting is followed except for cash flow information.

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows:

Advances and other receivables

Company reviews its advances and other receivables for any provision required for any doubtful balances on an on-going balance. The provision is made while taking into consideration expected recoveries, if any.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws as applicable in Pakistan.

Investments

Company has made judgments and assumptions in determining that it has control over subsidiary and significant influence over associates, impairment of investments in subsidiaries, associates and other investees.

Provision for contingencies

Company has made judgments and assumptions in disclosure and assessment of provision for contingencies.

Useful life of assets

Company has made estimates in determining the useful life of assets. *SMRQ.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

2.5 Changes in accounting standards, interpretations and amendments to approved accounting and reporting standards

(a) Standards, interpretations and amendments to approved accounting and reporting standards which are effective during the year:

There were certain amendments that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have, therefore, not been disclosed in these financial statements except that during the year certain amendments to IAS 1 'Presentation of Financial Statements' have become applicable to the Company which require entities to disclose their material accounting policy information rather than their significant accounting policies. These amendments to IAS have been introduced to help entities improve accounting policy disclosures so that they provide more useful information to investors and other primary users of the financial statements. These amendments have been incorporated in these financial statements with the primary impact that the material accounting policy information has been disclosed rather than the significant accounting policies

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn Technical Release 27 'IAS 12, Income Taxes (Revised 2012)' and issued the 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes' (the Guidance). Accordingly, in accordance with the Guidance, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy' under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which were previously being recognised as 'Income tax

The Company has accounted for the effects of these changes in accounting policy retrospectively under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and the corresponding figures have been restated in these unconsolidated financial statements.

The following standards and amendments became effective during the year but, are not relevant to the Company's operations or, are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standards, amendments or interpretations	Effective date (accounting period beginning on or after)
IAS 1 'Presentation of financial statements' and IFRS practice statement 2 Making materiality judgements - Disclosure of Accounting policies	January 1, 2023
IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting estimates	January 1, 2023
IAS 12 'Income Taxes' - Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to two pillar income taxes	January 1, 2023
- IAS 21 - 'The Effects of Changes in Foreign Exchange Rates' (amendments)	January 1, 2025

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The Company adopted the amendment to International accounting standards (IAS) 1 'Presentation of financial statements' regarding disclosure of Material accounting policies which has been effective for accounting period beginning on or after 1 January 2023, although the adoption has not resulted in any change to the accounting policies or their adoption, they have impacted the accounting policies disclosed in the financial statements.

The amendment requires the disclosure of material rather than significant accounting policies, the amendment also provides guidance on application of materiality to disclosure of accounting policies.

Management reviewed the accounting policies and updates to the information disclosed in Note 5, Material Accounting Policies in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

(b) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards are only effective for the accounting periods beginning on or after the date mentioned against each of them :

Standards, amendments or interpretations	Effective date (Annual periods beginning on or after)
IAS 7 'Statement of Cash Flows': Amendments regarding supplier finance arrangements	1-Jan-24
IAS 1 Classification of liabilities as current or non-current — IAS 1 Classification of liabilities as non current liabilities with covenants	1-Jan-24
IFRS 16 'leases' adds subsequent measurement requirements for sales and leaseback transactions that satisfies the requirements to be accounted for as a sale.	1-Jan-24
the ISSB issued amendments to the SASB standards to enhance their inter- national applicability.	1-Jan-25
'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1-Jan-25
amendments to ifrs 9 'financial instruments: disclosures' amendments regarding classification and measurement of financial instruments	1-Jan-26
amendments to ifrs 7 'financial instruments: disclosures' amendments regarding classification and measurement of financial instruments	1-Jan-26
IFRS 17 – Insurance Contracts	1-Jan-26

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation/ disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9 on its financial statements.

S.M.C.G.

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

(c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective and adopted by SECP

IFRS 1 'First Time Adoption of International financial reporting standards' has been issued by IASB effective from July 1, 2009 However it has not been adopted yet locally by Securities exchange commission of Pakistan (SECP)

IFRS 17 'Insurance Contracts' has been notified by the IASB to be effective for the annual periods beginning on or after 1 January, 2023, However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by 1 January 2026.

IFRS 18 'Presentation and disclosure in Financial Statements' has been issued by IASB effective from January 01, 2027 However it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability Disclosures' has been issued by IASB effective from January 01, 2027 However it has not been adopted yet locally by SECP

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that are directly attributable to the acquisition of the assets.

Depreciation is charged to income applying the diminishing balance method at the rates given in depreciation schedule, whereby the cost of an assets is written-off over its estimated useful life. Full month's depreciation is charged in the month in which asset is put to use while no depreciation is charged in the month of which the asset is disposed off.

Gain or loss on disposal of fixed assets is taken to income. Normal repairs and maintenance costs are charged to income. Major renewals and improvements are capitalized.

3.2 Investments

These represent investments in shares of companies that are directly controlled by the Company or in which a substantive interest in the voting power is owned directly by the directors of the Company.

Investment in associates is accounted for using the equity method whereby investment is carried in the statement of financial position at cost as adjusted by the post-acquisition changes in the company's share of net assets of the associate less any impairment in the value of investment.

3.3 Advances and other receivables

These are initially stated at amortized cost. Provision for doubtful balance is established where there is an objective evidence that the Company will not be able to collect the due amounts. Balances considered irrecoverable are written off.

3.3 Cash and cash equivalents

It comprises of cash in hand and cash at banks which are carried at cost and subsequently measured at amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and at banks. *SM & Co.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.4 Trade and other payables

Accrued and other payables are stated at their nominal values which is the fair value of the consideration required to settle the related obligations whether or not billed to the Company. Liabilities are written back and recognized as other income when these are considered to be no longer payable.

3.5 Borrowing costs

Borrowing costs are charged to the statement of profit or loss in the year when they are incurred, except to the extent that they are directly attributable to the construction of a qualifying assets in which case they are capitalized as part of the cost of that assets.

3.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

3.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enacted on the date of statement of financial position and carry adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity. *SMSG .*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.8 Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.8.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss. *SMCG.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Based on business model of the Company, it elected to classify irrevocably its equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. **SMC Co.**

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. *CMS Co.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At each reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.8.2 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

3.8.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

b) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method.

Gains and losses are recognized in statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

CMSCo

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

3.9 Earnings per share

The company presents basic and diluted earnings per share for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares. Diluted EPS is determined by adjusting profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

3.10 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the noncurrent asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss. *S.M.S.Co.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

4 PROPERTY, PLANT AND EQUIPMENT

	COST			ACCUMULATED DEPRECIATION			WDV	
	As at July 1, 2023	Additions / (Deletions)	As at June 30, 2024	Rate	As at July 1, 2023	For the Year 2024		As at June 30, 2024
					-----Rupees in thousand-----			
Generator	568	-	568	20%	234	61	295	273
Motor vehicle	6,666	-	6,666	20%	2,143	826	2,969	3,696
Furniture	363	393	756	20%	107	53	160	596
Office equipment	912	-	912	20%	227	125	352	559
June 30, 2024	8,508	393	8,901		2,711	1,065	3,777	5,124

	COST			ACCUMULATED DEPRECIATION			WDV	
	As at July 1, 2022	Additions / (Deletions)	As at June 30, 2023	Rate	As at July 1, 2022	For the Year 2023		As at June 30, 2023
					-----Rupees in thousand-----			
Generator	568	-	568	20%	159	75	234	334
Motor vehicle	6,666	-	6,666	20%	1,132	1,011	2,143	4,522
Furniture	250	113	363	20%	68	39	107	256
Office equipment	752	160	912	20%	90	137	227	684
June 30, 2023	8,235	273	8,508		1,450	1,261	2,711	5,797

SMS Co.

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

5 LONG TERM INVESTMENTS	Note	2024 (Rupees in thousand)	2023
Dadabhoj Sack Limited - Associate	5.1	-	-
5.1 Dadabhoj Sack Limited - at equity method			
Investment - cost	5.1.1	2,420	2,420
Provision for impairment	5.1.2	(2,420)	(2,420)
Book value of investment as at June 30, 2024		-	-

5.1.1 Dadabhoj Sack Limited (DSL) was incorporated in Pakistan on September 27, 1983. The principal activity of the company is the manufacturing and sale of paper bags. DSL's registered office is situated at suite # 4, 2nd floor, plot no. 28-30/C, Noor center, Khayaban-e-Ittehad, Lane no.12, Phase VII, D.H.A., Karachi, Sindh. Manufacturing facility of DSL is located at Deh, Hatal Buth, Thana Bula Khan, Main Super Highway, Jamshoro, Sindh. The Company holds 6.90% equity interest (276,000 shares) in the Dadabhoj Sack Limited (DSL) which has been presumed to be an associated company due to the fact that majority of the Directors of the Company are also the members on the Board of Directors of DSL. The reporting date of DSL is also the same as of the Company, i.e. June 30.

5.1.2 The investment in DSL is fully impaired due to the fact that during the current financial year, DSL has incurred after tax loss amounting to Rs. 2.575 (2023: Rs. 3.121) million raising its accumulated losses to Rs. 38.252 (2023: Rs. 37.432) million after transfer of revaluation surplus of Rs. 1.755 million (2023: Rs. 1.950) million. Further, the operations of DSL are closed since financial year 2008 due to which DSL is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. Since trading in shares of DSL is suspended in the PSX therefore, fair value of share price cannot be measured reliably.

5.2 Summarized financial information of	Note	2024 (Rupees in thousand)	2023
Dadabhoj Sack Limited			
Non-current assets		43,610	46,955
Current assets		3	3
Non-current liabilities		7,565	8,617
Current liabilities		5,129	4,847
Revenue		-	-
Other income		-	-
Loss before taxation		(3,627)	(4,396)
Loss after taxation		(2,575)	(3,122)
Other comprehensive income		-	-
Total comprehensive loss		(2,575)	(3,122)

5.2.1 Summarized financial information of DSL have been prepared on the basis of unaudited financial statements. SMS Co.

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

6 ADVANCES AND OTHER RECEIVABLES

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
- Un-secured - considered good			
Advances & deposits			
Advance tax		8,045	5,298
Deposits		220	220
Other receivables			
From Dadabhoj Hydrocarbon (Pvt.) Limited		829	829
From Dadabhoj Construction Technology Limited		110	110
From other related parties	6.1	3,770	3,283
		<u>12,974</u>	<u>9,740</u>

6.1 This includes receivable from Dadabhoj Sack Limited amounting to Rs. 2.638 (2023: Rs. 2.259) million, Dadabhoj Energy Supply Limited amounting to Rs. 0.838 (2023: Rs. 0.730) million, Dadabhoj Uni-Minerals Limited amounting to Rs. 0.020 (2023: 0.020) million, Dadabhoj Trading Corporation amounting to Rs. 0.210 (2023: 0.210) million and Leo Private Ltd amounting to Rs. 0.0625 (2023: 0.0625) million. This represents the reimbursable expenses incurred on behalf of the related parties and are recoverable on demand. Closing balance represents the maximum aggregate amount outstanding at any time during the year with respect to month end balances.

6.2 Age analysis of advances to related parties

Dadabhoj Uni- Minerals Limited	Dadabhoj Sack Limited	Dadabhoj Energy Supply Limited	Dadabhoj Trading Corporatio n	Leo Private Ltd
---	-----------------------------	---	--	--------------------

----- Rupees in thousand -----

The age of advances at reporting date is as follows:

	20	2,219	622	31	63
Past due amount					
Less than 30 days	-	-	216	-	-
30-60 days	-	347	-	-	-
61-180 days	-	41	-	-	-
181-365 days	-	-	-	179	-

7 SHORT TERM INVESTMENT

	Note	2024 (Rupees in thousand)	2023 (Rupees in thousand)
Investments in associate			
Dadabhoj Energy Supply Company Limited		<u>118,264</u>	<u>118,328</u>

7.1.1 Dadabhoj Energy Supply Company Limited (DESCL) was incorporated in Pakistan on May 29, 1994 having its registered office and principal place of business located at Noor Centre, office No.4, 2nd floor, plot no. 30-C, Ittehad Lane No.12, Phase VII, D.H.A., Karachi. Previously, management of DESC L had decided to windup the company, therefore, investment in DESC L had been classified as short term as it is likely that the Company will receive its due share of net assets of DESC L within the next financial year. **CMC Co.**

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

7.1.2 Investment at cost	Note	2024 (Rupees in thousand)	2023
Investment - cost	7.1.3	205,000	205,000
Provision for impairment		<u>(86,736)</u>	<u>(86,672)</u>
Book value of investment as at June 30		<u>118,264</u>	<u>118,328</u>
Book value of investment as at July 01		118,328	118,458
Provision for impairment for the year		<u>(64)</u>	<u>(129)</u>
Book value of investment as at June 30	7.1.4	<u>118,264</u>	<u>118,328</u>

7.1.3 DESCL is as an associate of the Company. The Company holds 47.86% (2023: 47.86%) equity interest 20,500,000 shares (2023: 20,500,000 shares) in DESCL which is an associated company now. The reporting date of DESCL is also the same as of the Company, i.e. June 30.

7.1.4 As at June 30, 2024, the breakup value per share of DESCL as per their unaudited accounts was Rs. 5.769 (2023: Rs. 5.772) per share resulting in the impairment of Rs. 0.003(2022: Rs. 0.006) per share.

8 CASH AND BANK BALANCES		2024 (Rupees in thousand)	2023
Cash in hand		-	-
Cash at banks			
- in current account		2	2
- in saving account	8.1	<u>116,937</u>	<u>114,913</u>
		<u>116,939</u>	<u>114,915</u>
		<u>116,939</u>	<u>114,915</u>

8.1 It carries markup ranging between 14% to 20.5% (2023: 13.5% to 20.02%) per annum.

9 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2024 (Number of shares)	2023		2024 (Rupees in thousand)	2023
98,236,624	98,236,624	Ordinary shares of Rs. 10 each fully paid up in cash	982,366	982,366

9.1 Number of shares held by Leo (Pvt.) Limited, the holding company, and Dadabhoj Trading Corporation (Pvt.) Limited, the associated company, as on the reporting date are 61,938,455 shares (2023: 61,938,455 shares) and 9,131,360 shares (2023: 9,131,360 shares) respectively, representing 63.05% (2023: 63.05%) and 9.295% (2023: 9.295%) shareholding in the Company.

9.2 Reconciliation of issued, subscribed and paid up capital

2024 (Number of shares)	2023	
98,236,624	98,236,624	Ordinary shares of Rs. 10 each fully paid up in cash - at beginning
-	-	Ordinary shares issued during the year
<u>98,236,624</u>	<u>98,236,624</u>	Ordinary shares of Rs. 10 each at the end of the year

9.3 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction. *SMC Co.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

10 DEFERRED LIABILITIES

Note	2024	2023
	(Rupees in thousand)	
10.1	-	-
	<u>-</u>	<u>-</u>

Deferred tax liability

10.1 Deferred taxation comprises differences relating to:

Deductible temporary differences

- investment in associates
- unused tax losses

(25,838)	(25,838)
(82)	(82)

<u>(25,920)</u>	<u>(25,920)</u>
-----------------	-----------------

Deferred tax asset not recognized

10.2	25,920	25,920
	<u>-</u>	<u>-</u>

10.2 The Company has not recognized its deferred tax asset relating to deductible temporary differences of investments in associate and unused tax losses amounting to Rs. 25.92 (2023: Rs. 25.92) million as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

11 TRADE AND OTHER PAYABLES

Note	2024	2023
	(Rupees in thousand)	
	2,893	3,086
	514	200
	60	60
	583	583
	600	600
	2,484	2,484
	<u>7,135</u>	<u>7,013</u>

Accrued liabilities

Salaries payable

Withholding tax payable

SESSI payable

EOBI payable

Workers' Profit Participation Fund payable

12 COMMITMENT AND CONTINGENCY

12.1 Commitment

There are no commitment binding on the Company as on the reporting date (2023: nil).

12.2 Contingency

There are no contingency binding on the Company as on the reporting date (2023: nil).

S M & Co

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

13 ADMINISTRATIVE EXPENSES	Note	2024	2023
		(Rupees in thousand)	
Salaries and other benefits		1,685	984
Director remuneration	18.0	4,870	4,133
Traveling and conveyance		-	107
Rent expense		1,800	1,600
Vehicle maintenance		699	363
Depreciation expense		1,065	1,261
Utilities		534	394
Legal and professional		4,954	2,786
Office maintenance		2,107	1,280
		<u>17,714</u>	<u>12,906</u>
14 OTHER CHARGES			
Auditors' remuneration	14.1	467	467
Impairment loss on investment in DESCL		64	129
		<u>531</u>	<u>596</u>
14.1 Auditors' remuneration			
Audit fee		357	357
Review of Code of Corporate Governance		75	75
Half yearly review and review of CCG		35	35
Out of pocket expenses		-	-
		<u>467</u>	<u>467</u>
15 OTHER INCOME			
Income from financial asset			
Profit on saving account		23,411	17,999
		<u>23,411</u>	<u>17,999</u>
16 TAXATION			
Current			
- current year		293	764
- prior year		-	121
		293	886
Deferred		-	-
		<u>293</u>	<u>886</u>
16.1 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available.			
17 EARNINGS PER SHARE - BASIC AND DILUTED	Note	2024	2023
		(Rupees in thousand)	
Profit after taxation - Rupees in Thousands		<u>4,873</u>	<u>3,610</u>
Weighted average number of outstanding ordinary shares		<u>98,236,624</u>	<u>98,236,624</u>
Earnings per share - basic and diluted (Rupees)		<u>0.05</u>	<u>0.04</u>

SAC Co.

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

18 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES	2024	2023
	(Rupees in thousand)	
DIRECTORS' REMUNERATION		
<u>To Chief Executive Officer (One)</u>		
Managerial remuneration	2,470	2,133
House rent	-	-
Utilities	-	-
Travelling and conveyance	-	-
Bonus	-	-
Gratuity	-	-
<u>To Directors (Five)</u>		
Managerial remuneration	2,400	2,000
House rent	-	-
Utilities	-	-
Travelling and conveyance	-	-
Bonus	-	-
Gratuity	-	-
	4,870	4,133

19 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of group companies (associated companies), Directors and their close family members, executives, major shareholders of the Company. The transactions with related parties are as follows:

	Note	2024	2023
		(Rupees in thousand)	
Key Management Personnel - Directors			
Bad debt		-	-
Directors' remuneration		4,870	4,133
Leo (Pvt.) Limited - holding company 63.05% -Parent company			
Reimbursable expenses incurred		-	-
Dadabhoy Energy Supply Limited - associate and 47.86% holding			
Reimbursable expenses incurred		138	108
Dadabhoy Sack Limited - associate by the way of common directorship and 6.90% holding			
Reimbursable expenses incurred		379	791
Dadabhoy Uni-Minerals Limited - common			
Reimbursable expenses incurred		-	-
Dadabhoy Trading Corporation Limited - common directorship			
Reimbursable expenses incurred		180	180

19.1 Related party balances have been disclosed in the relevant notes. *SMS Co.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

20 FINANCIAL INSTRUMENTS BY CATEGORY

	Note	2024 (Rupees in thousand)	2023
Financial Assets			
- At amortized costs			
Other receivables	6	4,929	4,442
Short term investment	7	118,264	118,328
Cash and bank balances	8	116,939	114,915
		<u>235,203</u>	<u>233,243</u>
Financial Liabilities			
- At amortized costs			
Trade and other payables	11	3,407	3,286
Unclaimed dividend		566	566
		<u>3,973</u>	<u>3,852</u>

21 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

21.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, advances, investments and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit ratings and related parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company's financial assets include receivable from related parties and directors which are credit worthy parties thereby mitigating any significant concentration risk. The Company believes that it is not exposed to major concentration of credit risk. *SMCCo.*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

	2024	2023
	(Rupees in thousand)	
Other receivables	4,929	4,442
Bank balances	116,939	114,915
	<u>121,868</u>	<u>119,357</u>

Quality of financial assets

The Company keeps its fund with banks having good credit ratings. Currently the funds are kept with banks having short term rating of A-1+ to A-2 and long term rating of AA+ to A-.

Aging of other receivable are are provided in note 6.2.

21.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with the financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfil its obligation, monitoring financial position liquidity ratios against internal and external requirements and maintaining debt financing plans.

Following are the contractual maturities of the non-derivative financial liabilities:

	2024 - Non interest bearing				
	Carrying amount	Contractual cash flows	Upto one year	More than one year but less than five years	More than five years
	----- (Rupees in thousand) -----				
Financial Liabilities					
Trade and other payables	3,407	3,407	3,407	-	-
Unclaimed dividend	566	566	566	-	-
	<u>3,973</u>	<u>3,973</u>	<u>3,973</u>	-	-
	2023 - Non interest bearing				
	Carrying amount	Contractual cash flows	Upto one year	More than one year but less than five years	More than five years
	----- (Rupees in thousand) -----				
Financial Liabilities					
Trade and other payables	3,286	3,286	3,286	-	-
Unclaimed dividend	566	566	566	-	-
	<u>3,852</u>	<u>3,852</u>	<u>3,852</u>	-	-

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to any foreign exchange risk, interest rate risk and other price risk as at reporting date.

21.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arises from the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

- i Requirements for appropriate segregation of duties between various functions, roles and responsibility;
- ii Requirements for the reconciliation and monitoring of transactions;
- iii Compliance with regulatory and other legal requirements;
- iv Documentation of control and procedures;
- v Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- vi Ethical and business standards; and
- vii Risk mitigation, including insurance where this is effective.

21.5 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.

The carrying values of all the financial assets and liabilities reported in the financial statements approximate their fair values.

In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its financial and non-financial assets in terms of following fair value hierarchy:

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:** Fair value measurements using inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs). *SUSG*

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

21.6 Fair value of non-financial assets

There is no non financial assets measured at fair value on a recurring basis.

21.7 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expenses through return from investment and borrowings.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings from financial institutions including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. The gearing ratio as at the reporting date is nil as the Company has repaid all the liabilities to financial institutions.

22 GENERAL

- Figures have been rounded off to the nearest thousand of a Pak Rupee, unless otherwise stated.
- Number of employees as on the year end date and average number of employees during the year were 10 (2023: 10) and 10 (2023: 8).

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on ~~07 OCT 2024~~ by the Board of Directors of the Company. *smca*.


Chief Executive


Director


Chief Financial Officer

**INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE
AS ON 30-06-2024**

Catagories of Shareholders	No. of Shareholders	Shares Held
----------------------------	---------------------	-------------

DIRECTORS

Mr. Fazal Karim Dadabhoy	1	938,349
Mr. Danish Dadabhoy	1	1,232
Mr. Shahban Ali	1	500
Mr. Jumma Baig	1	500
Mr. Mohammad Zaman	1	1,568
Mr. Munir Hussain	1	01
Mr. Liaquat Hussain	1	01
Individuals	4,730	15,573,427
Others	66	6,122,582
Investment Companies	1	116,250
Insurance Companies	5	104,200
Joint Stock Companies	2	71,069,815
Banks, DFIS, NBFIS Etc.	12	5,242,850
Foreign Companies	4	7,500

CATEGORIES OF SHARE HOLDERS

Catagories of Shareholders	No. of Shareholders	Shares Held	Percentage %
Individuals	4,730	15,573,427	15.85
Others	66	6,122,582	6.23
Investment Companies	1	116,250	0.12
Investment Corp of Pakistan			
Insurance Companies	5	104,200	0.11
Joint Stock Companies	2	71,069,815	72.35
Financial Institutions/Banks/DFI	12	5,242,850	5.33
Foreign Companies	4	7,500	0.01
MIDLAND BANK TRUST CORP. (JERSEY) LTD.			
THE NORTHERN TRUST COMPANY			
CHEM BANK NOMINES LTD.			
STATE STREET BANK & TRUST CO. U.S.A.			
	4,820	98,236,624	100.00

DADABHOY CEMENT INDUSTRIES LIMITED

44TH ANNUAL GENERAL MEETING 2024

FORM OF PROXY

I / We _____

Of _____ being

A member of DADABHOY CEMENT INDUSTRIES LIMITED and holder of
_____ Ordinary Shares as per registered Folio No. _____ Hereby

appoint _____

Or failing him _____

Of _____

Vide Registered Folio No. _____

As my / our proxy to vote for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to be held on 28th October 2024 and at any adjournment thereof.

Signed my me/us this _____ day of _____ 2024

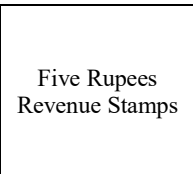
Signed by the Shareholders

Important:

This form of Proxy duly complete must be deposited at the Company's

Registered Office, Noor Centre Office No. 4, 2nd Floor, Plot No.30-C
Ittehad Lane 12 Phase VII, D.H.A, Karachi. Not later than 48 hours before
the time of holding the meeting.

A proxy should also be a shareholder of the Company.



For Office use

44TH ANNUAL REPORT
