



FINANCIAL STATEMENTS

**FOR THE NINE (9)
MONTHS ENDED
MARCH 31, 2023
(UNAUDITED)**

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COMPANY INFORMATION

Board of Directors	Mr. Shahzad M. Husain - Chairman Mr. Sikander Dada Mr. Abu Talib H.K. Dada Mr. Maqbool H.H. Rahimtoola Syed Shahid Ali Bukhari Mrs. Amber Ahmed Motiwala Mrs. Ayesha Tariq Allawala	(Non - Executive Director) (Chief Executive / Director) (Non - Executive Director) (Non - Executive Director) (Independent Director) (Independent Director) (Independent Director)
Chief Financial Officer Company Secretary & Head of Internal Audit	Mr. Muhammad Yousuf Mr. Irfan Aziz	
Board Audit Committee	Syed Shahid Ali Bukhari Mr. Shahzad M. Husain Mr. Maqbool H.H. Rahimtoola Mrs. Amber Ahmed Motiwala	- Chairman - Member - Member - Member
Human Resource and Remuneration Committee	Mrs. Ayesha Tariq Allawala Mr. Maqbool H.H. Rahimtoola Mr. Abu Talib H.K. Dada	- Chairperson - Member - Member
Management Team	Mr. Sikander Dada Mr. Tanveer Saleem Mr. Muhammad Hanif Idrees Mr. Asim Mohammad Khan Mr. Muhammad Yousuf Lt. Cdr. (Retd.) Saeed Ahmed Khan	- Chief Executive Officer - Chief Operating Officer (Technical & Operations) Director Finance Director Sales & Marketing - Chief Financial Officer -General Manager Admin & HR
Auditors	BDO Ebrahim & Co., Chartered Accountants	
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited Bank AlBaraka MCB Bank Limited Sindh Bank Limited The Bank of Punjab United Bank Limited (UBL Ameen) Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Askari Bank Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited	

Legal Advisor

Abrar Hasan & Co.
9 Mezzanine Floor, Beaumont Plaza,
near PIDC House, Karachi.

Registered Office

Dadex House, 34-A/1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi- 75400
Tel: (92-21) 111000789
Fax: (92-21) 34315716
Email: info@dadex.com.pk

Share Registrar

M/s. JWAFS Registrar Services (Private) Limited
407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi
Phone: (92-21) 35662023-24
Fax: (92-21) 35221192
Email: jwaffs@live.com
info@jwaffs.com

Website

www.dadex.com

Directors' Review

The Directors are pleased to present their review together with the financial statements of the Company for the nine months ended March 31, 2023.

The present economic situation of the country, including high inflation, high interest rates, and a large trade deficit, can contribute to economic instability and make it more difficult for businesses to succeed.

The Company posted a gross profit of Rs. 125.826 million for the period under review as compared to Rs. 217.914 million for the corresponding period of last year. The gross profitability for the period under review was on the backdrop of elevated raw material and fuel prices coupled with upward movement of the exchange rate resulting in a severe under pressure in the cost of production.

The persistent increase in key input costs has already put pressure on product margins, making it difficult for the business to operate in a competitive environment. Recent State Bank measures to manage the Current Account Deficit by increasing interest rates will make the situation even more difficult for the Company, as they will for every other industrial enterprise in the nation.

The board's leadership is making every effort to steer the organization in the right direction. Rest assured that management is taking every precaution to protect the company's profits, however, we are unable to control the macroeconomic environment, as it is beyond our control to address all of these factors, but management is doing all that it can to handle the situation in a responsible manner. Unfortunately, we do not foresee any improvement in the economic situation of the country in the near future, however, we will do our best to navigate these troubled waters in the most effective manner.

We would like to express our gratitude for our employees' continued commitment and the patronage of our customers and all stakeholders who have supported the company during these trying times.

On Behalf of the Board of Directors



Director
Abu Talib H. K. Dada



Director
Shahzad M. Husain

Karachi: April 26, 2023

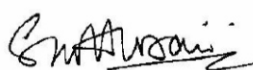
DADEX ETERNIT LIMITED
Condensed Interim Statement of Financial Position
AS AT MARCH 31, 2023 (Un-audited)

		March 31, 2023 (Un-audited) (Rupees in thousands)	June 30, 2022 (Audited)
ASSETS	Note		
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	723,610	760,674
Capital work in progress	8	13,525	1,932
Intangible assets		57	117
Investment property		27,282	29,186
Long-term loans and advances		1,073	915
Long-term security deposits		16,459	20,081
Deferred tax asset		199,053	199,053
		<u>981,059</u>	<u>1,011,958</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		40,275	42,966
Stock-in-trade	9	260,472	386,121
Trade debts	10	93,335	113,407
Loans and advances		174,988	97,232
Trade deposits and short term prepayments		88,899	58,620
Other receivables		2,628	198,452
Income tax refund due from Government		218,405	129,838
Taxation - net		28,433	84,308
Cash and bank balances		46,775	60,450
Non - current assets held for sale		723,205	723,205
		<u>1,677,415</u>	<u>1,894,599</u>
TOTAL ASSETS		<u>2,658,474</u>	<u>2,906,557</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (June 30, 2022: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2022: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	11	107,640	107,640
Reserves		(655,315)	(361,295)
Surplus on revaluation of property, plant and equipment		1,036,303	1,054,892
		<u>488,628</u>	<u>801,237</u>
NON - CURRENT LIABILITIES			
Deferred income		0	0
Long-term financing		0	0
GIDC payable		0	0
Lease liabilities		0	2,915
		0	2,915
CURRENT LIABILITIES			
Trade and other payables	12	1,382,667	1,072,486
Short-term borrowings	13	719,330	925,567
Accrued markup		23,698	26,375
Current portion of deferred income		0	421
Current portion of long term financing		0	22,965
Current portion of lease liabilities		2,465	12,899
Loan from directors		25,000	25,000
Unclaimed dividend		16,686	16,692
		<u>2,169,846</u>	<u>2,102,405</u>
TOTAL EQUITY AND LIABILITIES		<u>2,658,474</u>	<u>2,906,557</u>
CONTINGENCIES AND COMMITMENTS	14		

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



DIRECTOR
ABU TALIB H.K. DADA



DIRECTOR
SHAHZAD M. HUSAIN



CHIEF FINANCIAL OFFICER
MUHAMMAD YOUSUF

FOR THE NINE MONTHS ENDED MARCH 31, 2023 (Un-audited)

		Nine months ended		Quarter ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Note		(Rupees in thousands)			
		1,335,893	1,509,152	473,265	527,140
		(205,598)	(238,525)	(76,102)	(84,907)
	15	1,130,295	1,270,627	397,163	442,233
	16	(1,004,469)	(1,052,713)	(341,195)	(364,283)
		125,826	217,914	55,968	77,950
		(92,788)	(70,308)	(29,364)	(25,697)
		(115,174)	(90,491)	(37,020)	(28,195)
		(157,986)	(76,830)	(129,150)	(16,623)
		61,255	42,049	16,314	14,943
		(178,867)	22,334	(123,252)	22,378
		(113,212)	(93,762)	(36,526)	(34,860)
		(292,079)	(71,428)	(159,778)	(12,482)
		(20,530)	(21,753)	(7,278)	(7,624)
		-	-	-	-
		(20,530)	(21,753)	(7,278)	(7,624)
		(312,609)	(93,181)	(167,056)	(20,106)
	17	(29.04)	(8.66)	(15.52)	(1.87)

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.

ABU TALIB H.K. DADA

SHAHZAD M. HUSAIN

MUHAMMAD YOUSUF

DADEX ETERNIT LIMITED
Condensed Interim Statement of Comprehensive Income
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (Un-audited)

	Nine months ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousands)			
(Loss) / profit for the period	(312,609)	(93,181)	(167,056)	(20,106)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(312,609)</u>	<u>(93,181)</u>	<u>(167,056)</u>	<u>(20,106)</u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



DIRECTOR
ABU TALIB H.K. DADA



DIRECTOR
SHAHZAD M. HUSAIN



CHIEF FINANCIAL OFFICER
MUHAMMAD YOUSUF

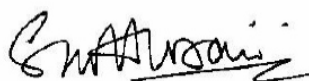
DADEX ETERNIT LIMITED
Condensed Interim Statement of Cash Flows
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (Un-audited)

		Nine months ended	
		March 31, 2023	March 31, 2022
	Note	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	18	395,830	108,625
Finance cost paid - net		(115,889)	(113,714)
Taxes refundable / (paid)		<u>(53,222)</u>	<u>(37,470)</u>
Net cash (used in) / generated from operating activities		226,719	(42,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(17,940)	237
Addition to intangible assets		-	-
Proceeds from disposal of fixed assets		16,057	345
Long term security deposits		3,464	561
Interest received		582	39
Net cash used in investing activities		2,163	1,182
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities		(13,349)	(18,817)
Long-term financing		(22,965)	(14,260)
Short term borrowings - net		(156,237)	112,944
Loan from Directors		-	25,000
Dividend paid		(6)	(70)
Net cash generated from / (used in) financing activities		<u>(192,557)</u>	<u>104,797</u>
Net (decrease) / increase in cash and cash equivalents		36,325	63,420
Cash and cash equivalents at the beginning of the period		<u>(153,710)</u>	<u>(659,830)</u>
Cash and cash equivalents at the end of the period		<u><u>(117,385)</u></u>	<u><u>(596,410)</u></u>
CASH AND CASH EQUIVALENTS			
Cash and bank balances		46,775	46,287
Short-term borrowings		<u>(98,225)</u>	<u>(642,697)</u>
		<u><u>(51,450)</u></u>	<u><u>(596,410)</u></u>

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



DIRECTOR
ABU TALIB H.K. DADA



DIRECTOR
SHAHZAD M. HUSAIN



CHIEF FINANCIAL OFFICER
MUHAMMAD YOUSUF

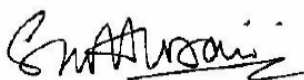
DADEX ETERNIT LIMITED
Condensed Interim Statement of Changes in Equity
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (Un-audited)

Issued, subscribed and paid-up capital	Reserves					Total	Grand total
	Capital reserve		Revenue reserve				
	Share premium	Revaluation surplus	General reserve	Accumulated losses			
(Rupees in thousands)							
Balance as at July 1, 2021	107,640	5,655	1,169,490	-	(398,744)	776,401	884,041
Transfer from general reserve to unappropriated profit	-	-	-	-	-	-	-
Total comprehensive loss for the nine months ended March 31, 2022							
Net loss for the period	-	-	-	-	(93,181)	(93,181)	(93,181)
Other comprehensive income	-	-	-	-	-	-	-
	-	-		-	(93,181)	(93,181)	(93,181)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(18,589)	-	18,589	-	-
Balance as at March 31, 2022	107,640	5,655	1,150,901	-	(473,336)	683,220	790,860
Balance as at July 1, 2022	107,640	5,655	1,054,892	-	(366,950)	693,597	801,237
Total comprehensive profit for the nine months ended March 31, 2023							
Net loss for the period	-	-	-	-	(312,609)	(312,609)	(312,609)
Other comprehensive income	-	-	-	-	-	-	-
	-	-		-	(312,609)	(312,609)	(312,609)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(18,589)	-	18,589	-	-
Balance as at March 31, 2023	107,640	5,655	1,036,303	-	(660,970)	380,988	488,628

The annexed notes from 1 to 25 form an integral part of this condensed interim financial information.



DIRECTOR
ABU TALIB H.K. DADA



DIRECTOR
SHAHZAD M. HUSAIN



CHIEF FINANCIAL OFFICER
MUHAMMAD YOUSUF

DADEX ETERNIT LIMITED
Notes to The Condensed Interim Financial Statements
FOR THE NINE MONTHS ENDED MARCH 31, 2023 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

- 1.1 Dadex Eternit Limited ("the Company") was incorporated in Pakistan as a public limited company on April 13, 1959 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its ordinary shares are listed on Pakistan Stock Exchange. The principle business of the Company is to manufacture and sell construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building product.
- 1.2 As at balance sheet date, Sikandar (Private) Limited (the Holding Company) holds 6,800,648 ordinary shares representing 63.18% shareholding.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is situated at Dadex House, 34-A/1, Block 6, P.E.C.H.S, Sharah-e-Faisal, Karachi. The Company has three factories which are located at the following locations:

- DEH # 21-22, Manghopir, Karachi
- Badin Road, Hyderabad
- Sunder Industrial Estate, Multan Road, Raiwind, District, Lahore

3 BASIS OF PREPARATION

3.1 Statement of compliance

This condensed interim financial information is unaudited and being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2022.

3.2 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for land which is stated at revalued amounts. This condensed interim financial information has been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

This condensed interim financial information has been presented in Pak Rupees, which is the functional and presentation currency of the Company.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2022.

4.1 Initial application of standards, amendments or an interpretation to existing standards

- a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim financial information.

5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

6 TAXATION

The provisions for taxation for the nine months and quarter ended March 31, 2023, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2023 as stipulated through Finance Act 2022.

	Note	March 31, 2023 (Un-audited) (Rupees in thousands)	June 30, 2022 (Audited)
7 OPERATING FIXED ASSETS			
Fixed assets	7.1	#REF!	698,259
Right-of-use assets	7.2	1,113	62,415
		#REF!	760,674
7.1 Fixed assets			
Opening net book value (NBV)		698,259	1,407,877
Revaluation surplus		-	60,134
Transfer during the period from right-of-use assets		58,519	-
Additions during the period / year at cost	7.1.1	#REF!	20,130
		#REF!	1,488,141
Disposals during the period / year at NBV	7.1.2	(298)	(66)
Depreciation charge for the period / year		(40,331)	(66,611)
Transfer to non-current assets held for sale		-	(723,205)
		(40,629)	(789,882)
Closing net book value (NBV)		#REF!	698,259

March 31,	June 30,
2023	2022
(Un-audited)	(Audited)
(Rupees in thousands)	

7.1.1 Detail of additions (at cost) during the period / year are as follows:

Owned		
Freehold land	#REF!	-
Building on freehold and leasehold land other than factory	-	2,748
Plant and machinery	4,797	15,068
Vehicles and transportation equipments	-	1,874
Office and factory equipments	1,551	440
Furniture and fixtures	-	-
	<u>#REF!</u>	<u>20,130</u>

7.1.2 Detail of disposals (at NBV) during the period / year are as follows:

Owned		
Vehicle & transportation equipments	16	66
Plant and machinery	281	-
	<u>298</u>	<u>66</u>

7.2 Right-of-use assets

Opening net book value	62,415	87,312
Addition during the period	-	-
Transfer during the period to own assets	(58,519)	(15,418)
Depreciation charge during the period / year	(2,783)	(9,479)
Closing net book value	<u>1,113</u>	<u>62,415</u>

8 CAPITAL WORK IN PROGRESS

Intangible	0	68
Plant and machinery	12,934	1,832
Office and factory equipments	591	32
	<u>13,525</u>	<u>1,932</u>

8.1 Movement of carrying amount is as follows:

Opening balance	1,932	6,778
Additions (at cost) during the period / year	17,941	5,153
	19,873	11,931
Transfer to operating fixed assets during the period / year	(6,348)	(9,999)
Closing balance	<u>13,525</u>	<u>1,932</u>

March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
(Rupees in thousands)	

9 STOCK-IN-TRADE

Raw materials			
in hand	104,939	120,238	
in transit	-	19,476	
	<u>104,939</u>	<u>139,714</u>	
Work-in-process	22,353	25,728	
Finished goods			
manufactured	110,328	179,474	
trading	22,852	41,205	
	<u>133,180</u>	<u>220,679</u>	
9.1	<u>260,472</u>	<u>386,121</u>	

9.1 Finished goods are net off provision of Rs. 88.242 million (June 30, 2022: Rs.100.409 million).

10 TRADE DEBTS

(Unsecured - considered good)			
Export	244	244	
Local	93,091	113,163	
	<u>93,335</u>	<u>113,407</u>	
(Unsecured - considered doubtful)			
Due from Turnkey project	17,414	17,414	
Due from Others	155,969	155,969	
	<u>173,383</u>	<u>173,383</u>	
	266,718	286,790	
Provision for expected credit losses			
Turnkey project	(17,414)	(17,414)	
Others	(155,969)	(155,969)	
10.1	<u>(173,383)</u>	<u>(173,383)</u>	
	<u>93,335</u>	<u>113,407</u>	

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
Note	(Rupees in thousands)	
10.1 Provision for expected credit losses - others		
Opening balance	155,969	174,088
Charge during the period	-	-
Reversal of the provision	-	(18,119)
Written off	-	-
Closing balance	<u>155,969</u>	<u>155,969</u>

11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	March 31, 2023	June 30, 2022			
	Number of shares				
1,714,264	1,714,264		Ordinary shares of Rs.10/- each issued for cash	17,143	17,143
476,386	476,386		Issued for consideration other than cash	4,764	4,764
8,573,309	8,573,309		Issued as fully paid bonus shares	85,733	85,733
<u>10,763,959</u>	<u>10,763,959</u>			<u>107,640</u>	<u>107,640</u>

11.1 Ordinary shares include 4,090,536 shares of B class of Rs.10/- each converted into and deemed to be ordinary shares on disposal by a foreign shareholder, in prior years, in accordance with the Articles of Association of the Company.

11.2 The Holding Company holds 6,800,648 (June 30, 2022: 6,800,648) ordinary shares representing 63.18 percent (June 30, 2022: 63.18 percent) shareholding as at the balance sheet date.

12 TRADE AND OTHER PAYABLES

Trade creditors	762,538	603,685
Accrued liabilities	114,926	109,367
Advance from customers	373,960	239,416
Advance from tenants	7,939	1,699
Security deposits from distributors and others	15,854	14,090

		March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	Note	(Rupees in thousands)	
Workers' Profit Participation Fund payable		932	932
Workers' Welfare Fund		7,557	7,557
Infrastructure cess payable		40,913	40,913
Sales tax and excise duty		1,752	338
Withholding tax		24,279	24,279
Current portion of GIDC payable		29,343	29,614
Others		2,674	596
		<u>1,382,667</u>	<u>1,072,486</u>

13 SHORT TERM BORROWINGS

Secured			
Running finance	13.2	449,760	499,760
Islamic mode			
Karobar finance	13.1	98,225	214,160
Tijarah finance	13.3	50,000	100,000
Istisna finance	13.4	121,345	111,647
		<u>719,330</u>	<u>925,567</u>

- 13.1 This facility has been obtained from Islamic Bank Islami aggregating to Rs.177 million (June 30, 2022: Rs. 214.16 million). The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2022: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 16.50% to 21.34% (June 30, 2022: 10.59% to 16.50%) per annum.
- 13.2 These facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2022: Rs. 500 million). These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock and trade debts of Rs. 1,448 million (June 30, 2022: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 (June 30, 2022: Rs. 934 million) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. These facilities carry mark-up rate 3 months KIBOR + 2.75% (June 30, 2022: 3 months KIBOR + 2.75%) per annum.

- 13.3 An overall facility of Rs. 50 million has been obtained from Al-Baraka Bank under Tijarah financing. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property plant and equipment (Sundar factory) located at Lahore and company's stock in trade. The financing facility carries markup at 6 months KIBOR plus 3% (June 30, 2022: 6 months KIBOR plus 3%).
- 13.4 An overall facility of Rs. 150 million (June 30, 2022: 150 million) has been obtained from Habib Metropolitan Bank under Istisna financing. The facility is secured by 100% cash collateralized in shape of Lien on Islamic Naya Pakistan Certificate (INPC) placed by three shareholders including Mr. Samad Dada of equivalent amount as proposed. The financing facility carries markup at 6 months KIBOR plus 2% (June 30, 2022: 6 months KIBOR plus 2%).

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 During the year ended June 30, 2010, the Environmental Protection Tribunal (EPT) initiated proceedings against the Company, containing allegations of pollution, under the Pakistan Environmental Protection Act, 1997 based on a complaint filed by the brother of an ex-employee of the Company. The Company submitted a plea before the EPT raising the issue of the maintainability of the complaint and its lack of jurisdiction to hear the same which was dismissed vide an order dated June 29, 2010. The Company filed a constitutional petition before the Honourable High Court of Sindh (HCS) seeking reliefs that the proceedings before EPT vis-a-vis the complaint were taken coram non judice and has maintained that the EPT has no jurisdiction of the subject matter. The said constitutional petition was dismissed by HCS vide its judgment dated March 9, 2011.

The Company filed petition for leave to appeal against the judgment of HCS before the Honorable Supreme Court of Pakistan (SCP) which granted leave to appeal to the Company vide its order dated June 23, 2011 and converted the petition into an appeal. Thereafter, after the partial hearing of the civil appeal, the SCP vide its order dated October 25, 2011 directed a commission constituted by the EPT to submit the report of environmental audit of the Company's factory and surrounding premises. Pursuant to the direction of SCP, a report was filed ostensibly on behalf of a commission constituted by the EPT to which objections have been filed by the Company before SCP. The hearing of civil appeal on merits is now pending. Based on the opinion of the legal counsel of the Company, the management expects a favorable outcome of the case. Accordingly, no provision for any potential demand in respect of the above has been made in this condensed interim financial information.

- 14.1.2 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 15.666 million (June 30, 2022: Rs. 15.666 million). However, in view of a legal advice, the Company's management is confident that these suits will be decided in its favor, and accordingly, no provision has been made in this respect.

	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
	(Rupees in thousands)	
14.2 Commitments		
Outstanding letters of credit	9,633	78,516
Outstanding letter of guarantee	70,824	34,721
Postdated cheques	15,961	6,681
Outstanding contracts	446,590	478,149
Duties payable on goods in transit	-	12,416
	<u>543,008</u>	<u>610,483</u>

15 SALES

	Nine month ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	------(Rupees in thousands)-----			
	------(Un-audited)-----			
Local sales	1,273,504	1,509,152	466,916	527,140
Export sales	62,389	-	6,349	-
Gross sales	1,335,893	1,509,152	473,265	527,140
Less:				
Sales tax	(205,598)	(238,525)	(76,102)	(84,907)
	1,130,295	1,270,627	397,163	442,233

16 COST OF SALES

Manufactured goods				
Raw materials consumed				
Opening stock	139,714	122,561	112,574	191,087
Purchase	587,832	802,983	230,063	220,975
Closing stock	(104,939)	(160,747)	(104,939)	(160,747)
Raw materials consumed	622,607	764,797	237,698	251,315
Manufacturing overheads				
Stores and spares consumed	30,323	14,067	11,966	4,832
Salaries, wages and other benefits	62,345	38,459	28,902	12,422
Procured services	50,473	38,657	15,920	11,973
Fuel, water and power	61,698	48,675	23,622	16,151
Insurance	3,848	3,579	1,213	1,421
Travelling	351	70	174	13
Communication	420	484	128	114
Depreciation	25,788	39,330	8,303	13,039
Rent, rates and taxes	2,813	3,115	1,511	665
Repairs and maintenance	22,871	5,401	12,423	1,522
Printing and stationary	173	129	10	18
Provision for slow moving stores	4,857	-	-	-
Other expenses	1,183	865	443	239
	267,143	192,831	104,615	62,409
	889,750	957,628	342,313	313,724
Work-in-process				
Opening stock	25,729	97,816	19,782	83,489
Closing stock	(22,353)	(78,325)	(22,353)	(78,325)
Cost of goods manufactured	893,126	977,119	339,742	318,888
Finished goods				
Opening stock	179,474	200,182	110,873	190,625
Closing stock	(110,328)	(164,905)	(110,328)	(164,905)
	962,272	1,012,396	340,287	344,608
Trading goods				
Opening stock	41,204	40,108	23,139	59,021
Purchase	23,845	55,997	621	16,442
Closing stock	(22,852)	(55,788)	(22,852)	(55,788)
	42,197	40,317	908	19,675
	1,004,469	1,052,713	341,195	364,283

17 EARNING PER SHARE - BASIC AND DILUTED

The basic earning per share as required under "IAS 33 Earning per share" is given below:

	Nine month ended		Quarter ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	------(Rupees in thousands)-----			
	------(Un-audited)-----			
Net (loss) / profit for the period	(312,609)	(93,181)	(167,056)	(20,106)
Weighted average number of ordinary shares	10,764	10,764	10,764	10,764
Earnings per share - basic and diluted (Rupees)	(29.04)	(8.66)	(15.52)	(1.87)

		Nine months ended	March 31,	March 31,
			2023	2022
			(Rupees in thousands)	(Un-audited)
18 CASH GENERATED FROM OPERATIONS	Note			
(Loss) / profit before taxation			(292,079)	(71,428)
Adjustment for non-cash and other items				
Depreciation				
Property, plant and equipment			40,331	50,020
Right of use asset			2,783	7,372
Investment property			1,904	1,904
Amortization			60	73
Gain on disposal of property, plant and equipment			(15,760)	(278)
Interest income			(582)	(39)
Finance costs			113,212	93,762
Amortization of deferred income			(421)	(2,856)
Provision against doubtful debts			-	(8,605)
Working capital changes	18.1		546,382	38,700
			<u>395,830</u>	<u>108,625</u>
			Nine months ended	March 31,
			March 31,	March 31,
			2023	2022
			(Rupees in thousands)	(Un-audited)
18.1 Working capital changes				
(Increase) / decrease in current assets				
Stores, spare parts and loose tools			2,691	(1,369)
Stock in trade			125,649	902
Trade debts			20,072	28,449
Loans and advances			(77,756)	(40,528)
Trade deposits and short-term prepayment			(30,279)	21,447
Other receivable			195,824	2,219
			<u>236,201</u>	<u>11,120</u>
(Decrease) / increase in current liabilities				
Trade and other payable			310,181	27,580
			<u>546,382</u>	<u>38,700</u>

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

- 19.1 The related parties comprise of Holding Company, group companies, other associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

Relation with the company	Nature of transaction	Note	Nine months ended		Quarter ended	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
			----- (Rupees in thousands) -----			
			----- (Un-audited) -----			
Holding Company	Rent paid		1,425	1,296	-	-
Associated Companies /	Sales of goods		-	-	-	-
Undertakings	Purchase of goods		-	77	-	-
Provident fund	Contribution to staff retirement benefit plans		4,701	4,194	1,777	1,507
Key management personnel	Remuneration and other benefits		11,602	13,397	4,727	4,861
					March 31, 2023	June 30, 2022
					(Un-audited)	(Audited)
					(Rupees in thousands)	
19.2	Period / year end balances					
	Receivable from associated companies / undertakings				-	-
	Payable to related parties				-	-

- 19.3 The above transactions with related parties are at arm's length based on normal commercial rates.

20 OPERATING SEGMENTS

20.1 Segment Analysis

	Chrysotile Cement	Plastic	Others	Total
	------(Rupees in thousands)-----			
Nine months ended March 31, 2023 (Unaudited)				
Turnover	504,247	626,048	-	1,130,295
Segment result	(52,607)	(29,529)	-	(82,136)
Unallocated expenses				
Other operating expenses				(157,986)
Other income				61,255
Finance costs				(113,212)
Taxation				(20,530)
Loss for the period				(312,609)
Nine months ended March 31, 2022 (Unaudited)				
Turnover	337,436	933,191	-	1,270,627
Segment result	(22,807)	79,922	-	57,115
Unallocated expenses				
Other operating expenses				(76,830)
Other income				42,049
Finance costs				(93,762)
Taxation				(21,753)
Loss for the period				(93,181)

20.2 Segment assets and liabilities

March 31, 2023 (Un-audited)

Segment assets	478,495	585,874	120,216	1,184,585
Unallocated corporate assets				#REF!
Total assets				#REF!
Segment liabilities	399,345	566,174	12,744	978,263
Unallocated corporate liabilities				1,191,583
Total liabilities				2,169,846

June 30, 2022 (Audited)

Segment assets	401,356	527,409	115,369	1,044,134
Unallocated corporate assets				1,862,423
				2,906,557
Segment liabilities	441,061	487,583	12,744	941,388
Unallocated corporate liabilities				1,163,932
Total liabilities				2,105,320

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

As of reporting date, no financial instruments of the Company are carried at fair value.

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 26, 2023 by the Board of Directors of the Company.

24 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation. However, no significant reclassification has been made during the period.

25 GENERAL

Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.



DIRECTOR
ABU TALIB H.K. DADA



DIRECTOR
SHAHZAD M. HUSAIN



CHIEF FINANCIAL OFFICER
MUHAMMAD YOUSUF

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