

65
YEARS
1959 - 2024

of
Innovation,
Quality,
Trust, and
Reliability

**ANNUAL
REPORT**

2024

DADEX



65th

Annual Report

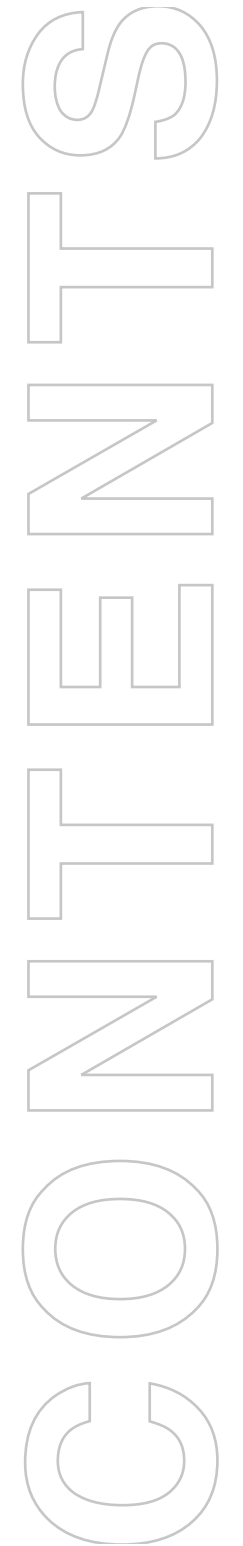
for the year ended June 30, 2024



**Celebrating 65 years
of Innovation, Quality,
Trust, and Reliability**

CONTENTS

Founder Charman	2
About Dadex	4
Philosophy	6
Vision & Mission	8
Building Blocks and Values	10
Glorious Decades at a Glance	12
Products	14
Geographical Presence	16
Safety, Health and Environment	18
Company Information	20
Notice of Annual General Meeting	22
Chairman's Review	28
Report of the Board of Directors	30
Key Operating and Financial Data	48
Statement of Compliance with the CCG	49
Auditors' Review Report on Statement of Compliance	50
Auditors' Report to the Members	53
Statement of Financial Position	61
Profit and Loss Account	62
Statement of Comprehensive Income	63
Statement of Changes in Equity	64
Statement of Cash Flows	65
Notes to the Financial Statements	66
Pattern of Share Holding	106
Form of Proxy - English	108
Form of Proxy - Urdu	109
Jamapunji	



FOUNDER CHAIRMAN

KASSIM DADA (1919 - 2001)



CHAIRMAN

Sikander (Pvt) Ltd.
Brooke Bond Pakistan Ltd.
Berger Paints Pakistan Ltd.
Dada Agencies Ltd.
Dadex Eternit Limited
Pakistan Welding Electrodes Ltd.
J&N Pakistan Ltd.
Smith Kline & French of Pak. Ltd.

DIRECTOR

State Bank of Pakistan
Dada (Pvt) Ltd.
Adamjee Sugar Mills Ltd.
Adamjee Insurance Company Ltd.
Adamjee Industries Ltd.
Central Chemical's (Pvt) Ltd.
Metropolitan Bank Ltd.
First International Investment Bank Ltd.
First International Investment Fund Ltd.
Habib Insurance Company Ltd.
Mehran Jute Mills Ltd.

Kassim Dada was an individual of principles. An astute businessman, a philanthropist, an avid traveler and a man committed to basic values – Kassim Dada's individuality influenced many to add meaning and significance to their lives.

Following the simple principle of fairness, clarity and sincere application to all things in life – he worked hard to make Dadex a company that would not only be recognized for its quality of work and products, but one which would be recognized for its integrity. As he wrote in his autobiography, A Ramble through Life,

“...the conduct towards others must be based on kindness, service, fairness, charity, justice, honesty and the sanctity of promise, pledge or agreement.”

The Dadex Vision signifies all those qualities that were an intrinsic part of existence for Kassim Dada. The strength and longevity of any successful company does not merely lie in the superiority of its products – but in how it conducts business.

Dadex has evolved into a company that upholds authenticity as a crucial factor in its business practices. Be it in serving customers, product quality or relationships with its clients – the underlying aim is the collective convergence of all values under the principle rule of truthfulness.

Dadex vision signifies Kassim Dada's legacy of fundamental righteousness in both business and personal life.



ABOUT **DADDEX**

Dadex was established as a public limited company in 1959. We started with the manufacturing of FC roofing systems at our facilities in Hyderabad, under the dynamic leadership of our Founder Chairman, Mr. Kassim Dada. Being a forward-looking organization, his son, Mr. Sikander Dada kept up to date with the market, and was instrumental in the diversification with plastic piping systems. Presently we produce various thermoplastic systems such as u-PVC, PP-R, PP-RCT, PP, PE.

Headquartered in Karachi, our two manufacturing facilities based in Hyderabad and Sundar Industrial Estate (near Lahore) are equipped with state of the art machinery. Our joint efforts have led Dadex to the ISO 9001, ISO 14001, ISO 45001 and PSQCA certifications.

We aim to set standards in every field we enter. Customer focus, quality and innovation are reflected in every aspect of our business. Offering customized solutions to a cross section of markets for over 65 years, Dadex today is a hallmark of trust and reliability.

We believe that our strength lies in delighting our customers. That is why providing quality products backed by round the clock technical support services are the Dadex promise to all our valued customers.

OUR PHILOSOPHY

Our forte has been and continues to be, to manufacture and market innovative customer-oriented products. Focusing on superiority, reliability and durability - we believe that these characteristics must embody not just our products but also our business practices.

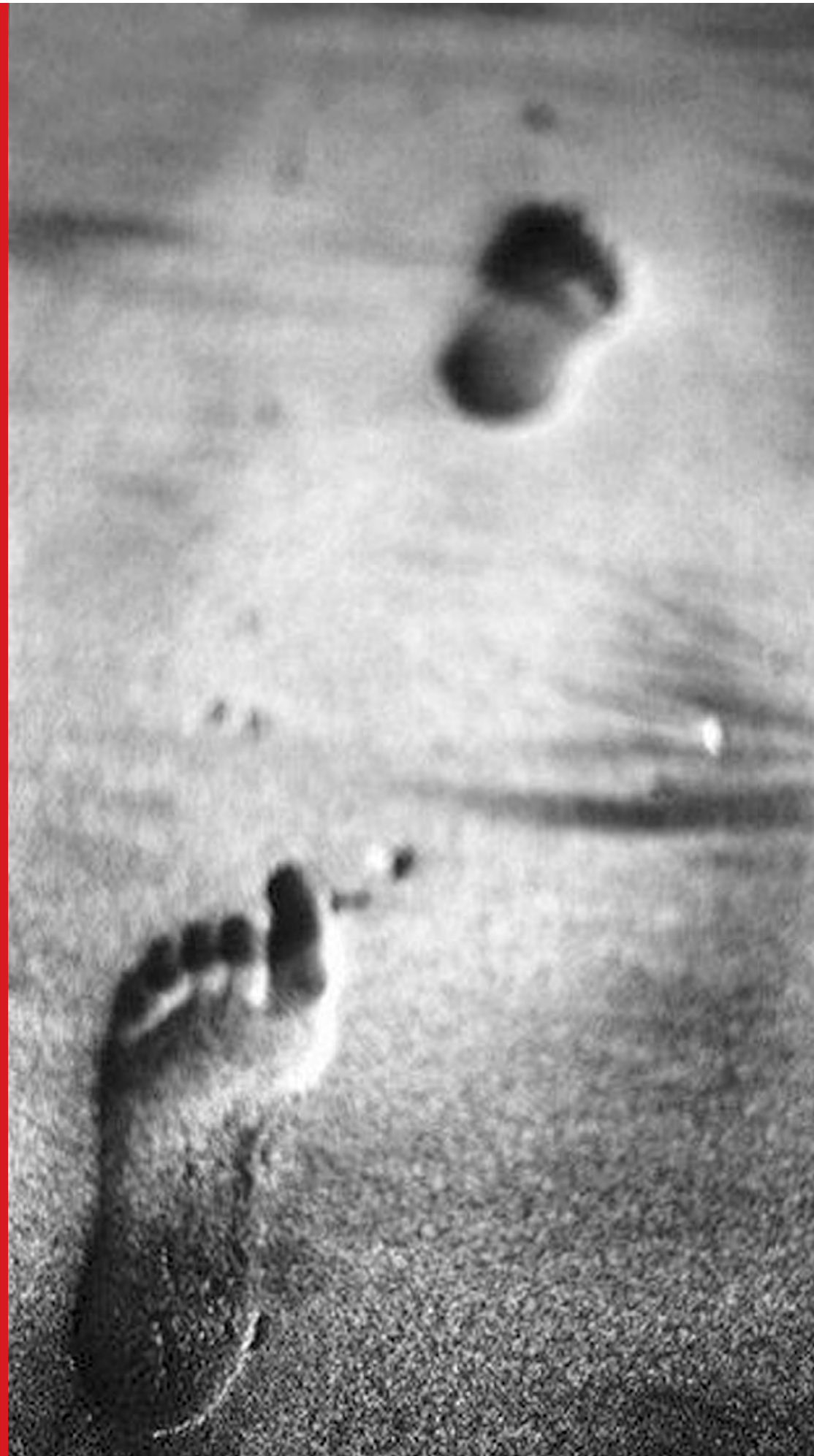
We believe in transparency; integrity, sound business practices and in presenting the best products and services to our Customers at all times.

At Dadex, our aim is to continue to be an organization renowned for its principled approach in all spheres of work. Be it production of piping systems or roofing material or customer service - integrity is a force. We believe in and reliability is the foundation of all that we do.

65 years of existence has only strengthened our commitment. Excelling in piping systems, roofing materials, building products, and customer service - today, we stand poised to offer you the fundamentals upon which to build your future.

OUR VISION

“... to be the most valued company for all stakeholders, renowned for Customer focus, innovation, quality, reliability and Ethical practices.”



OUR MISSION

- We shall provide **unparalleled service** and best value to our customers through dedicated, responsive and cost effective supply chain.
- We are committed to provide **quality products** by strict adherence to international standards and best practices through technical collaboration with leading global companies in markets we serve.
- We are committed to follow **business ethics**, comply with HSE standards and enhance our contribution to society.
- We shall strive to maximize our shareholders value through sustained **profitable growth**.
- We shall enhance existing employee productivity, hire, retain and develop best talent and provide them a **competitive environment** to excel and grow.
- We will aggressively focus on increasing our market penetration by **exploring new channels**.
- We shall continue to **set new trends** through innovative marketing and manufacturing.



BUILDING BLOCKS

The guiding vision of Dadex encompasses all of the company's intrinsic values.

Each value is a fundamental building block of the company's existence and subsistence.

These values – referred to as the “Building Blocks of Dadex Values” – reflect the true spirit of the company and its employees and are now the foundation of all business practices.

Building Blocks of Dadex Values



Customer Focus
Superior Customer Support - Magnified Focus.



Innovation
Boundless Thinking. Timeless Innovation.



Quality
Quality Assured is Quality Delivered.



Reliability
Reliability and Trust - A Secure Balance.



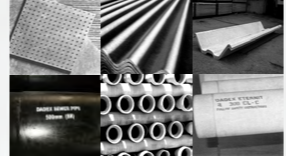




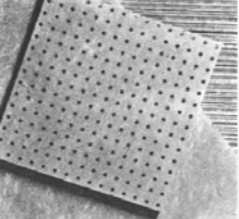
































Ethical Practices
Solid Links to Strong Principles.

Journey of a thousand miles begins with a single step

OUR GLORIOUS HISTORY

We believe that our strength lies in delighting our customers. That is why providing quality products backed by round the clock technical support services are the Dadex promise to all our valued customers.

1959	1970	1980	1990	2000	2010	2020
<p>1959 Opening of Dadex fiber cement (FC) plant in Hyderabad</p> 	<p>1962 Collaboration with Eternit group of Belgium</p> 	<p>1981 ACIL sheets and pipes</p> 	<p>1990 New name, New Logo</p> 	<p>2001 Dadex House [Shahrah-e-Faisal, Karachi]</p> 	<p>2005 Dadex certified as an Investor in People (IIP) company on meeting the best H.R. Practices and standards.</p> 	<p>2015 Launched ECO, uPVC (SWV) piping system</p> 
<p>1959 Launched FC Decorative and Corrugated Sheets</p> 	<p>1964 Launched FC Building Pipes</p> 	<p>1984 ACIL Cottage at an international exhibition</p> 	<p>1991 Technical Collaboration with Wavin - Netherlands, for the production of thermoplastic pipe systems in Pakistan</p> 	<p>2002 Launched PE Cable Duct & uPVC Electrical Conduits</p> 	<p>2005 Launched Aluminum Composite Panels (ACP)</p> 	<p>2015 Launched Thermoline, PPR Hot & Cold water piping system</p> 
	<p>1965 Plant opening in Chittagong, (EP). <small>(Plant lost in 1971 with the loss of East Pakistan)</small></p>	<p>1987 1st Pakistan Standard License for FC Sheets received from PSI</p> 	<p>1991 Launched uPVC Pressure Pipes</p> 	<p>2003 Dadex Values, Vision & Mission statements</p> 	<p>2006 Launched Flowline, complete underground uPVC sewer pipe system</p> 	<p>2016 Launched large dia PE pipes upto 630mm</p> 
	<p>1966 Plant opening in Karachi</p> 	<p>1989 Mr. Sikander Dada was appointed Chief Executive and MD</p> 	<p>1993 Launched PE pipes for Water & Gas applications</p> 	<p>2004 New name, New identity</p> 	<p>2006 Launched uPVC Tubewell Casing & Screen Pipes</p> 	<p>2017 Launched Pakistan's 1st Antimicrobial Pipes</p> 
	<p>1967 ACIL Logo creation</p> 		<p>1997 Launched Nikasi, uPVC SWV piping system</p> 	<p>2005 The American Petroleum Institute certified Dadex to use their official monogram on manufactured products (PE gas pipes). Dadex is the only company outside the US to achieve this distinction.</p> 	<p>2006 Dadex embraces SAP solutions</p> 	<p>2018 Collaboration with Marley Plumbing and drainage, UK</p> 
			<p>1998 ISO Certification</p> 		<p>2007 Plant opening in Lahore</p> 	<p>2018 Collaboration with AQUADEX, Italy</p> 
			<p>1999 Launched Polydex, PPR Hot & Cold water piping system</p> 		<p>2008 Launched Speciality piping systems</p> 	<p>2021 Launched Polydex PP-RCT system</p> 
						<p>2023 Collaboration with Magnaplast, Poland</p> 
						<p>2024 Launched UltradB, low noise SWV system</p> 

Dadex's in-house laboratories are in-line with global standards. With our state-of-the-art equipment, all our products are tested meticulously until perfection.

OUR PRODUCTS

Dadex has always been ahead of the game. Being the first company to manufacture pipes locally and go nationwide with it, we know how to go the extra mile. Staying true to that philosophy we have added versatile products to our portfolio.

Roofing

Chrysolite Cement
Corrugated Sheets

Water Supply

T-Flex, PE Pipes for Water Supply
AQUADEX, uPVC Pressure Pipes

Hot/Cold Water Supply

Polydex, PPR / PP-RCT Pipe System
Thermoline, PPR Pipe System

Waste Water Drainage

Nikasi, uPVC SWV Pipe system
ECO, uPVC SWV Pipe System
FlowLine, uPVC Underground Sewerage System
Ultra Db, Low Noise SWV Pipe System

Conduit & Ducting

Electrical Conduits,
uPVC Ducting Pipe System

OUR GEOGRAPHIC PRESENCE

Dadex is the leading building products manufacturing company. Our head office is situated at Karachi. We have two manufacturing facilities each at Hyderabad and Lahore (Sundar Estate).

We have sales offices in Karachi, Hyderabad, Multan, Faisalabad, Lahore, Islamabad, and Peshawar with a wide dealers / distributors network across the country.





SAFETY, HEALTH & ENVIRONMENT

This is how we have come this far, and this is exactly how we see ourselves entering a dynamic market, with the zeal to outperform our previous achievements, setting industry standards as we go on making Dadex a company that truly adds value for all stakeholders.

The Company places tremendous importance towards safety, health of its employees and environment as a whole. The salient features of SH&E are:

- Maintaining facilities in a manner that protects the environment.
- Training employees and installers to recognize and reduce environmentally harmful practices.
- Waste Recycling, Dust Control and Monitoring Systems operational at all our production facilities.

Company Information

Board of Directors

Mr. Shahzad M. Husain - Chairman	(Non - Executive Director)
Mr. Sikander Dada	(Non - Executive Director)
Mr. Abu Talib H.K. Dada	(Non - Executive Director)
Mr. Maqbool H.H. Rahimtoola *	(Non - Executive Director)
Syed Shahid Ali Bukhari	(Independent Director)
Mrs. Ayesha Tariq Allawala	(Independent Director)
Mrs. Amber Ahmed Motiwala	(Female Director)

Chief Financial Officer & Company Secretary

Mr. Muhammad Yousuf

Head of Internal Audit

Mr. Muhammad Arif

Board Audit Committee

Syed Shahid Ali Bukhari	- Chairman
Mr. Shahzad M. Husain	- Member
Mr. Maqbool H.H. Rahimtoola *	- Member
Mrs. Amber Ahmed Motiwala	- Member

Human Resource Remuneration Committee

Mrs. Ayesha Tariq Allawala	- Chairperson
Mr. Maqbool H.H. Rahimtoola *	- Member
Mr. Abu Talib H.K. Dada	- Member

Management Team

Mr. Samad Dada	- Chief Executive Officer
Mr. Tanveer Saleem	- Chief Operating Officer (Technical, Sales & Operations)
Mr. Muhammad Yousuf	- Chief Financial Officer & Company Secretary
Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR
Syed Munawwar Abbas Rizvi	- General Manager Hyd. Factory

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

* Resigned on September 24, 2024

Legal Advisor

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

Registered Office

Dadex House, 34-A11, 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



Notice of the 65th Annual General Meeting

Notice is hereby given that the 65th Annual General Meeting of the Dadex Eternit Limited will be held on Monday, October 28, 2024, at 3:30 pm at Dadex House, 34-A/1, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, to transact the following:

Ordinary Business:

Agenda Items



Weblink

http://www.dadex.com/aboutdadex/pdfs/2023-24/Annual_Report_2024.pdf

1. To receive, consider and adopt the following documents for the year ended June 30, 2024:
 - a) Audited Financial Statements and the Auditors' Report thereon; and
 - b) The Report of the Board of Directors.
2. To appoint auditors of the Company for the year ending June 30, 2025, and authorize the Directors to fix their remuneration. The Board of Directors recommends, based on the recommendation of the Audit Committee, the appointment of M/s. BDO Ibrahim & Co., Chartered Accountants, who have also offered themselves for reappointment.

Special Business:

The special business as set out in this notice is proposed for consideration by the members of Dadex Eternit Ltd. (the Company) to transact the following special business:

Agenda Item 3

To consider and approve the extension of the date starting from October 28, 2024 to October 27, 2025, to complete the sale transaction of Karachi Factory with Land, Building, plant, and machinery located at DEH # 21-22, Mangophir, Karachi 75890, called "Property and Assets" by passing the following resolution(s) as Special Resolution(s) with or without modification, addition, or deletion in accordance with section 183 (1) of the Companies Act 2017.

"RESOLVED THAT the consent of the shareholders be and is hereby accorded to the extension of the date starting from October 28, 2024 to October 27, 2025, to complete the sale of the Karachi Factory with Land Building, plant, and machinery located at DEH # 21-22, Mangophir, Karachi 75890."

"FURTHER RESOLVED that the Company be and is hereby authorized to take all actions incidental or ancillary thereto concerning the "Property and Assets" sale, of aforementioned Karachi Factory."

"FURTHER RESOLVED that the Board be and is hereby empowered to agree upon modifications in these resolutions that may be directed/required by the SECP/PSX or any other competent authority/regulator without the need for any further approval of the shareholders."

"RESOLVED FURTHER THAT all actions hereafter taken by the CEO and/or any Director or Authorized Person(s) on behalf of the Company in relation to the aforementioned matter are hereby confirmed, ratified, and adopted in full by the Company."

“ALSO RESOLVED THAT the Chief Executive Officer and/or the Company Secretary of the Company be and are hereby severally authorized to sign and submit required statutory returns, announcements, e-filings with the Registrar of Companies, CRO, SECP, Pakistan Stock Exchange, and or any other authority or regulator and to do all such acts, deeds, and things as may be necessary to do in this regard.”

“ALSO RESOLVED THAT certified copies of resolutions as present form or modified by the CEO/Company Secretary be communicated to the concerned authorities and shall remain in force until notice in writing to the contrary be given.”

“A statement under Section 134(3) of the Companies Act, 2017, concerning the Special Resolutions, along with the Notice, was circulated to the members of the Company and was deemed an integral part thereof.”

By Order of the Board


(Muhammad Yousuf)
Company Secretary

Karachi: September 24, 2024.

NOTES:

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from October 19, 2024, to October 28, 2024 (both days inclusive). Transfers received in order at the office of our Share Registrar, JWAFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi by the close of business hours on October 18, 2024, will be treated in time for incorporating the change in the Register of Members.
2. The entitlement to attend, participate and vote at the 65th Annual General Meeting will be according to the Register of Members as on October 18, 2024.
3. The shareholders may send their comments & suggestions relating to the agenda items of the AGM at least two working days before the AGM, at the email address cs@dadex.com.pk. The financial statements of the Company for the year ended June 30, 2024, would have been placed on the website of the company (www.dadex.com.pk).
4. A member of the Company entitled to attend, and vote may appoint another member as his/her proxy to attend, speak and vote for him/her. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
5. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity, certified true copy of the instrument authorizing the person to act as proxy shall be provided.
6. The Proxy Form, duly completed and signed, must be received at the Company Secretary Office, Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi at least 48 hours before the time of holding the meeting.
If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments shall be treated invalid. The proxy form shall be witnessed by two persons whose names, addresses and Computerized National Identity Card (CNIC) numbers shall be mentioned on the form.

7. Copy of the CNIC or passport of the beneficial owners shall be furnished with the proxy form. The proxy shall produce their original CNIC or original passport at the time of attending the meeting.

A. For Attending the Meeting:

- i. In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- ii. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of attending the meeting.

B. For Appointing Proxies:

- i. In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

C. Participation in the AGM proceedings through video link facility:

- i. Shareholders interested to attend the AGM through video link facility (Zoom application) are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest but not later than 48 hours before the time of AGM through following means:
 - a) Mobile/WhatsApp : 0333-2338042
 - b) E-mail : cosec@dadex.com
- ii. Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.
- iii. Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone/computer devices.

D. Change of Address

Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.

E. Submission of Copies of CNIC (Mandatory)

As per SECP directives the payment of dividend to the shareholders whose CNICs are not available with the Share Registrar are being withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs to our Share Registrar. In case of non-receipt of information, the Bank will be constrained to withhold payment of dividend to shareholders.

Accordingly, the shareholders, who have not yet submitted a copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Company's Share Registrar at JWAFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

F. Payment of Cash Dividend Electronically (e-Dividend)

Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company M/s. JWAFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services.

G. Availability of Annual Audited Financial Statements:

In accordance with the provision of Section 223 of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2024, are available on the Company's website www.dadex.com.pk.

Any shareholder desires to get the hard copy of the Annual Audited Financial Statements 2024, the same shall be provided free of cost within seven working days of receipt of such request.

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by post are advised to give their formal consent along with their valid email address on a "Standard Request Form".

For convenience of shareholders, a "Standard Request Form" for provision of Annual Audited Financial Statements is available on the Company's website (www.dadex.com.pk).

H. Unclaimed Dividend / Shares

Shareholders, who by any reason, could not claim their dividend or did not collect their physical shares, are advised to contact our Share Registrar M/s. JWAFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

I. Conversion of Physical Securities into Book Entry Form

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form. In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC Investor Account Services and convert their existing physical securities into book entry form.

J. Declaration as per Zakat & Usher Ordinance 1980

Members are requested to submit declaration as per Zakat & Usher Ordinance 1980 for zakat exemption and to advise change in address, if any.

K. Consent for Video Conference Facility

In accordance with Section 132 and 134 of the Companies Act, 2017, members can also avail video conference facility.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 7 days prior to the date of the Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following form and submit the same to the registered address of the Company 7 days before holding of the Annual General Meeting.

The Company will intimate to members regarding the venue of video conference facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Dadex Eternit Limited, holder of _____ ordinary share (s) as per Registered Folio/CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member

L. Postal Ballot:

Pursuant to the Companies (Postal Ballot) Regulations 2018 and with Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through Postal Ballot that is voting by post or through any electronic mode, in accordance with the requirements and procedures contained in the aforesaid Regulations.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT 2017

Special Business

Agenda Item No. 3

This statement sets out below the material facts concerning the special business to be transacted at the 65th Annual General Meeting of the Dadex Eternit Ltd. (the Company), to be held in Karachi on Monday, October 28, 2024, at 3:30 pm, at the Registered Office of the Company. The purpose of this statement is to set forth the material facts concerning special business as mentioned in Agenda Item No. 03.

The Board of Directors in its meeting held on October 20, 2022, reviewed the shareholders' approval granted at the Extraordinary General Meeting (EOGM) on May 17, 2022. The approval authorized the Company to dispose of its Karachi Factory, including the land, building, plant, and machinery called "Property and Assets" located at DEH # 21-22, Manghopir, Karachi, covering a total area of 26 acres. This item was presented as Special Business, with full disclosure of all relevant facts in line with S.R.O. 423 (I)/2018, dated April 3, 2018, and all necessary statutory compliances were adopted for shareholders' approval and implementation of the EOGM resolutions. Whereas, it was further disclosed that the sale proceeds would be used to restructure the Company's financial obligations, thereby, improving the Company's performance and providing it with additional liquidity to invest in profitable business opportunities.

The Board also acknowledged that under section 183(5) of the Companies Act, 2017, the resolutions passed at the EOGM would lapse if not implemented within one year. The sale of the Karachi Factory was initially expected to be finalized by April 2023.

Due to the length of the financial scope and statutory complexities involved in the sale of the Karachi Factory, the transaction was not completed. Therefore, the Board had recommended an extension of time for the transaction until October 2023, which was presented for shareholders' approval in a meeting held on November 25, 2022.

Whereas, the Board remains fully committed to completing the transaction and has undertaken all necessary due diligence. Nevertheless, it anticipates additional time will be required to finalize the documentation and secure the necessary approvals from relevant authorities. Therefore, the Board recommends extending the transaction deadline, seeking shareholders' approval for an extension starting from October 28, 2024, to October 27, 2025.

Expected time of completion of the transactions

The Board is seeking shareholders' approval by extending time from the earlier approval. Therefore, it is expected that transactions will be completed by October 27, 2025.

Nature & extent of the interest of directors, directly or indirectly

None of the Directors has any direct or indirect interest in the sale or disposal of the said property or plant and machinery of the Company.

The Chairman's Review

Dear Shareholders,

Global Economic Outlook

As we navigate the complexities of the global economy, it is clear that while some upside surprises may arise, the risks remain predominantly on the downside. Escalating geopolitical tensions have the potential to cause volatility in commodity prices, and the increasing fragmentation of global trade networks could lead to further disruptions. The persistence of inflation poses a significant challenge, potentially delaying the much-needed easing of monetary policies. A higher-for-longer trajectory for interest rates would likely dampen global economic activity. Moreover, the ongoing threat of natural disasters and the broader impacts of climate change continue to be formidable obstacles to global growth.

On a positive note, there is a possibility that global inflation could moderate more rapidly than anticipated, allowing for swifter monetary policy easing. However, the current state of the global economy can best be described as a 'polycrisis,' characterized by an unprecedented level of uncertainty stemming from the interplay of pandemic, political, economic, and environmental challenges.

The war in Ukraine has further fueled uncertainties surrounding global food and energy supply, as well as prices. Climate change, along with excessive floods and droughts, has compounded these challenges for many nations. High interest rates have disrupted several emerging economies, particularly those with significant sovereign debt vulnerabilities. On the brighter side, global supply chain disruptions are beginning to ease, and the dislocations in energy and food markets caused by the Ukraine conflict are gradually receding as nations adapt to new realities. The tightening of monetary supply by central banks worldwide is showing positive results, with inflation rates starting to decelerate.

Domestic Economy Overview

Turning to the domestic front, Pakistan's economic outlook remains uncertain, with significant risks primarily driven by political instability, which could hinder efforts towards stabilization and reform. The potential for supply chain disruptions due to escalating conflicts in the Middle East presents additional challenges for our economy.

Recent periods have seen our economy contract, impacted by factors such as devastating floods, heightened uncertainty, and disruptions in external support. These have collectively led to a decline in both public and private investments, as well as industrial activity. Inflation has surged to its highest level in five decades, driven by supply chain disruptions and currency depreciation, resulting in higher food and energy prices. However, there is some expectation that inflation will moderate in the near term, supported by stabilization policies. Despite this, Pakistan continues to face substantial challenges, including significant new external financing needs and managing existing debt rollovers, all of which are exacerbated by tight global financial conditions.

Board's Performance

The Board of Directors of our Company remains unwavering in its commitment to ensuring compliance with all relevant rules and regulations. The Board has established a professional corporate environment that promotes timely disclosures, accountability, and high ethical standards through the formulation of comprehensive policies and procedures. Similarly, the Audit Committee and the Human Resource and Remuneration Committee have effectively fulfilled their responsibilities in accordance with applicable laws.

Throughout the year, the Board convened for a total of five meetings, adhering to the requirement of at least one meeting per quarter. These sessions were convened to review the Company's operational results, and the contributions of the Board Committees have significantly enhanced the overall functioning of the Board.

In line with the Code of Corporate Governance, an annual evaluation of the Board of Directors was conducted. This evaluation ensures that the Company's performance and overall effectiveness remain aligned with our predetermined objectives.

Acknowledgment

In closing, I would like to extend my heartfelt gratitude to all our stakeholders, including our bankers, dealers, vendors, and shareholders, for their unwavering support. I also wish to express my appreciation to our valued customers for the trust they have placed in us. My sincere thanks go to the Board of Directors for their guidance and to our management team, including all employees. The future holds great promise, and I am confident that we will continue to move forward with renewed strength and determination.

Karachi: September 24, 2024


SHAHZAD M. HUSAIN
CHAIRMAN

Report of the Board of Directors

The Directors of the company take pleasure in presenting this report, together with the Audited Financial Statements of the Company for the year ended June 30, 2024.

Principal Activities & Business Performance of the Company

The principal business of the Company is to manufacture and sell building materials, which includes piping systems and other allied products manufactured from chrysotile fiber cement, rubber, and plastics, merchandising of imported pipe fittings, accessories, and other building products.

Business Environment

The global economy demonstrates remarkable resilience, characterized by steady growth as inflation gradually moves towards the target. This journey has been marked by significant events, including supply-chain disruptions in the wake of the pandemic, a Russian-Ukraine conflict leading to a global energy and food crisis, and a substantial surge in inflation. The persistent challenges of high debt and limited fiscal space highlight an urgent need for coordinated efforts to address these issues and foster sustainable and inclusive economic growth. The momentum of international trade as a catalyst for growth is waning, evidenced by a slowdown in global trade growth to 0.3 percent in 2023. However, resurgence is anticipated, with projections indicating a recovery to 3.0 percent in 2024. Geopolitical tensions have emerged as the predominant risk facing the global economic landscape.

Pakistan Economic Overview

The restoration of macroeconomic stability is imperative for establishing a platform to stimulate growth, enhance employment, and improve the overall quality of life for the people. Recent years have been characterized by exacerbated challenges that have persisted since FY 2022. Pakistan has encountered multiple global shocks, including supply chain distortions from the Russia-Ukraine conflict, elevated global inflationary pressures leading to monetary tightening, and oil price shocks due to heightened geopolitical tensions in the Middle East.

During previous year, i.e., FY 2023-2024, the government confronted four critical challenges that threatened Pakistan's socioeconomic growth: achieving sustainable macroeconomic stability, reducing poverty, ensuring fiscal consolidation, and addressing external account vulnerabilities.

Performance of Construction Sector in Pakistan

Pakistan's construction industry contracted by 5.2% in real terms in 2023, owing to headwinds caused by the weak economic, political and financial conditions in the country.

Pakistan's high inflation rate and surging energy and construction material prices are all expected to have weighed on construction activity this year. Pakistani construction industry is expected to record an annual average growth of 5.5%, supported by investment in transport, power, housing, telecommunication, and industrial infrastructure projects.

The Sectors like Commercial construction and residential construction contributed a significant contribution amongst industrial construction, infrastructure construction, energy and utilities construction, institutional construction.

The commercial construction sector has shrunk in real terms in 2023-2024, amid headwinds such as high inflation and the rising cost of living. On the other hand Residential construction has also shrunk in real terms during this fiscal year, owing to subdued investor and consumer confidence amid elevated inflation, high property prices, and increased interest rates.

Operations

Overall production capacity at two manufacturing locations was severely affected during the year under review. During the year, investments were made in the Rs. 37.636 million in Hyderabad Factory to improve the quality of our CC Sheets and improve its appearance. Decision was made to close the Karachi Factory and focus on Hyderabad and Sundar for the future.

Statement of Compliance

The Company strictly adheres to the principles of Corporate Governance mandated by the Securities and Exchange Commission of Pakistan and has implemented all the prescribed stipulations. The same has been summarized in the statement of compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed by the auditors.

Internal controls and risk management

The Company maintains sound internal control systems to provide reasonable assurance against efficiency and effective operations, reliability of financial reports, and compliance with applicable laws and regulations. Such systems are monitored effectively by the Management while the Board Audit Committee reviews the internal control systems based on the assessment of risks and reports to the Board of Directors.

Risk and Mitigation

The Company is vulnerable to the following general risks, and in response to each risk that is currently confronted with, the Company has implemented the appropriate risk mitigation measures.

1) Commercial Risk

The company is facing the risk of an increase in the import of roofing. To mitigate this risk, the Company is lobbying to change Government import policies to protect the local industry.

The Company is also facing the risk of volatility in the raw material prices. To mitigate this risk the Company comprehensively monitors the price trends and takes strategic purchasing decisions to mitigate the effect of prices increase of resins and other raw materials.

2) Financial Risk

The company can be exposed to financial risk through borrowing from financial institutions. To mitigate this risk, the Company will reduce the bank borrowing by selling the Lahore Land and the Karachi Factory Land.

3) Compliance Risk

The Company understands that non-compliance with laws and regulations may result in the imposition of penalties, debarment, blacklisting, license cancellation, etc. Hence, the Company has a zero-tolerance policy for non-compliance activities and behaviors. In addition, to mitigate such risks, a comprehensive and effective compliance function is in place in the Company.

Dividends and Appropriations

The Company declared a final cash dividend of Rs. NIL per share i.e. NIL percent per share for the year under review.

The summary of profits/ (loss) available for appropriations is as follows:

	(Rupees in '000')
- Accumulated Loss as of July 01, 2023	(Rs. 776,884)
- Surplus on revaluation of fixed assets on account of incremental Depreciation charged on related assets	Rs. 16,093
- Loss after taxation for the year ended June 30, 2024	<u>(Rs. 305,403)</u>
- Accumulated loss as at June 30, 2024	<u><u>(Rs 1,108,194)</u></u>

The break-up value per share as at June 30, 2024, is Rs. 47.56 (2023: Rs.80.11).

Board of Directors and its Committees

The Board of Directors met five times during the year ended June 30, 2024. The Board consists of a good mix of experienced and skilled members.

The Board Audit Committee met four times and the Human Resource and Remuneration Committee met one time during the year ended June 30, 2024. The Board Committees greatly facilitated the overall working of the Board.

Syed Shahid Ali Bukhari, Independent Director is the Chairman of the Board Audit Committee and Mrs. Ayesha Tariq Allawala Independent Director is the Chairperson of the Board Human Resource and Remuneration Committee as required under the Code of Corporate Governance, Regulations 2019.

Attendance of Meetings during the Year

A number of meetings of the Board of Directors, and its Audit and the Human Resource and Remuneration Committees, together with attendance therein, is as follows:

Name of Director	Status	Board of Directors meeting		Board Audit Committee meeting		Board Human Resource and Remuneration Committee meeting	
		Held	Attended	Held	Attended	Held	Attended
Mr. Shahzad M. Husain	Non-Executive Director	5	5	4	4	-	-
Mr. Sikander Dada	Non-Executive Director	5	5	-	-	-	-
Mr. Abu Talib H.K. Dada	Non-Executive Director	5	5	-	-	1	1
Mr. Maqbool H.H.Rahimtoola	Non-Executive Director	5	4	4	4	1	1
Syed Shahid Ali Bukhari	Independent Director	5	5	4	4	-	-
Mrs. Amber Ahmed Motiwala	Female Director	5	5	4	4	-	-
Mrs. Tariq Ayesha Allawala	Independent Director	5	5	-	-	1	1

BOARD'S PERFORMANCE EVALUATION AND DIRECTORS' TRAINING PROGRAM

During the year the Board of Directors of the Company in their meeting held on July 22, 2024, appointed Mr. Samad Dada as Chief Executive Officer of Dadex Eternit Limited, in place of Mr. Sikander Dada with effect from August 01, 2024 for a term of three years. Mr. Sikander Dada will continue to act Director of the Company. Whereas, in accordance with Section 188(3) of the Companies Act, 2017, Mr. Samad Dada will act as deemed Director and be entitled to all the rights and privileges, and subject to all the liabilities, of the office of the Company.

The Board extended a warm welcome to Mr. Samad Dada and looked forward to his leadership in guiding Dadex Eternit Limited towards continued growth and success. The Board expressed its sincere gratitude to Mr. Sikander Dada as well for his outstanding leadership and contributions during his tenure as CEO.

Moreover, Mr. Maqbool H.H. Rahimtoola, Director of Dadex Eternit Limited, has resigned from the Board effective September 24, 2024. As a result of his resignation, a casual vacancy has been created, which the Company will fill in compliance with applicable laws and regulations.

The Board carried out its obligations and tasks with careful attention, effectively steering the Company in its strategic matters. Additionally, the Board assumed a crucial role in supervising the performance of the Management and concentrating on significant areas of risk.

The Board displayed complete engagement and dedication to upholding elevated levels of Corporate Governance, aimed at protecting the interests of stakeholders. Every Director, including the Independent Director, actively engaged and added value to the Board's decision-making procedures.

The Company maintains an autonomous Internal Audit division that aids in identifying areas for enhancement within current processes.

The Board undertook a self-evaluation process, identifying potential areas for enhancement in alignment with best corporate practices. The primary focal points were strategic expansion, business prospects, risk oversight, and providing supervision to the Management.

The Company has already received approval for exemption from the Securities and Exchange Commission of Pakistan according to Regulation 19 of the CCG. This exemption pertains to the directors Mr. Sikander Dada, Mr. Abu Talib H.K. Dada, Mr. Maqbool H.H. Rahimtoola, and Mr. Shahzad M. Husain. Syed Shahid Ali Bukhari is a certified Director. The remaining directors intend to participate in the directors' training programme as needed, within the stipulated timeframe permitted by the Listed Companies Code of Corporate Governance Regulations, 2019.

Board members possess a diverse range of experience and are competent professionals. They are well-versed in the legal framework and business practices in Pakistan. Their significant expertise across various sectors has been effectively applied to the Company.

All Directors are thoroughly acquainted with their obligations and roles as Directors of a publicly listed company.

Health, Safety, Environment, and Quality

Dadex being a responsible manufacturer and aware of the situation has been continuously contributing by investing in the protection of the environment by controlling pollution, implementing of occupational health and safety standards for the employees and also for a nearby community.

The Company gives the highest priority to Health, Safety & Environment (HSE). The HSE program has been further consolidated at its Lahore (Sunder) and Hyderabad factories. Dadex has been successfully certified for the latest ISO 45001:2018 superseding earlier OHSAS 18001. The Company has successfully qualified for the latest ISO 9001:2015 from ISO 9001:2008. We achieved these certifications after stringent audits by certifying agencies and surveillance audits being carried out to keep the system effectively implemented across the manufacturing facilities.

HSE initiative is pro-active, compliant with local applicable laws and is fully aligned with guidelines from ILO /WHO & Chrysotile Institute – Canada.

Sustainable environment and energy consumption

The Company is conscious of its responsibility and commitment to protect the environment and efficiently use resources. Pursuing our commitment, among other measures taken, we encourage recycling/rework, which accounts for significant raw material cost savings, along with environmental benefits.

The Company also encourages its employees to conserve electricity by switching off lighting, computer systems, and electronics equipment when not in use and all electrical equipment is properly maintained to save energy.

Directors' Remuneration

The Board of Directors has approved the Directors' Remuneration. However, in terms of the Code of Corporate Governance, it is ensured that no Director takes part in deciding his remuneration.

The Company shall not pay remuneration to its non-executive directors including independent directors. However, non-executive and independent directors are paid meeting fees for attending the Board of Directors and Board Committee Meetings. For information on the remuneration of Directors and CEO, please refer to note 44 of the Financial Statements.

Related Party Transactions

The Company has executed all transactions with its related parties at an arm's length price except where it has been disclosed in the financial statements. The details of all related party transactions were placed before the Audit Committee and upon its recommendation; the same was approved by the Board of Directors.

Information Communication Technology

In order to meet ICT ever growing needs to adapt itself to the dynamic era of information and communication technologies the ICT department of DADEX will update its existing software / hardware. The company uses information and communication technologies as a tool to remain upbeat in cut throat competition prevailing in the market thus making sure continuous improvement in business solutions and connectivity amongst its internal and external stakeholders.

The ICT Department is committed towards delivering cutting edge and consistent IT and SAP support services to its end users. The Company is working on lines to develop enhanced controls and existing SAP processes, updating applications / software / hardware / data communication to achieve business targets.

Corporate Philanthropy and Community Welfare

The Company during the year has made a Rs. Nil contribution its CSR activities. (2023: Rs. 0.214) million.

Business Ethics and Anti-Corruption Measures

The Company adheres to a comprehensive code of ethics and business protocols. It is mandatory for all employees to steer clear of any conflicts of interest arising from their personal financial involvements and the Company's operations. All business transactions conducted on behalf of the Company are meticulously reported in its accounts.

Each employee bears the responsibility of preventing potential legal violations within their scope of authority, even if the delegation of specific tasks has taken place. The accountability remains with the employee.

The Company's guiding principles and approach persistently prioritize the adoption of robust corporate methodologies. These practices provide consumer protection and ensure effective anti-corruption measures.

Contribution to the National Exchequer and the Economy of the Country

The Company has contributed over Rs. 312 million (2023: Rs. 348 million) towards the National Exchequer in the form of income tax, sales tax, duties, levies, and other taxes.

[Human Resources

DADEX believes in Organization and People Development. Human Resource at DADEX is the most valuable asset that has played a vital role for the sustainability and growth of the company. Our company is committed to continually engage in developing and to take good care of its Human Resource in order to provide a safe and good working environment. Our HR philosophy depends on motivated and committed employees and to attract and retain the people, we recognize the need to invest in their development.

Employment of Special Persons

To provide employment opportunities to special persons and to provide them a chance to earn a respectable living as useful members of society, the Company has the policy to employ such persons.

Compliance Statement

The Company has duly complied with the rules and regulations as applicable to the company in the following manner:

- The financial statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- The Board has set up an effective Internal Audit function by appointing a qualified and experienced head of internal audit that is well conversant with the policies and procedures of the Company. The system of internal controls and other procedures, which are in place, are being continuously reviewed by the Board's Audit Committee.

The Board has a formal Remuneration Policy for the Directors. The main features include that every non-executive director including independent directors is entitled to a fixed fee as remuneration for attending meetings of the Board of Directors including a meeting of the sub-committees.

The Company incurred a net loss after tax for the year ended June 30, 2024, amounting to Rs. 350.403 million (2023: loss Rs.420.029 million), and its accumulated Profit /losses as at June 30, 2024, amounting to Rs. 1,108.194 million (2023: Rs. 776.884 million). The Company's total current liabilities amounting to Rs. 2,259.165 million (2023: Rs. 2,101.451 million) exceeded the current assets by Rs. 1,543.078 million (2023: Rs.1,271.558 million).

The Company's financial statements for the year ended June 30, 2024, are being prepared on a going concern basis, as the Management has plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements.

The Company carried out transactions with its related parties. Details of these transactions are disclosed in note 44 to financial statements.

There has been no material departure from the best practices of corporate governance, as detailed in the applicable PSX Regulations.

Operating and Financial Data

The summary of the key operating and financial data of the Company, spanning the last six years is annexed with this Report.

Taxes and levies are as disclosed in the Notes to the Accounts.

The following is the value of investments, held by the Provident Fund based on the latest un-audited accounts as at June 30, 2024:

2024		2023
(Rupees in '000')		
198,192		175,248

separate statement of compliance signed by the Directors is annexed to this Annual Report.

Holding Company

M/s. Sikander (Private) Limited is the holding company of Dadex Eternit Limited under its 63.18% shareholding in the Company.

Auditors

The present auditors M/s. BDO Ebrahim & Co., Chartered Accountants shall retire after the 65th Annual General Meeting. Being eligible, they have offered themselves for re-appointment. As required by the Code of Corporate Governance, the Board Audit Committee has recommended their re-appointment as auditors of the Company for the financial year ending June 30, 2025, and the Board agreed with the recommendation of the Board Audit Committee and therefore has recommended their re-appointment to the Shareholders of the Company.

Gender pay Gap Statement

The mean gender pay gap and median gender pay gap for the year ended June 30, 2024 is 22.20% and 3.11% respectively.

Pattern of Shareholding

The detailed pattern and categories of its shareholding including shares held by directors and executives, if any, are annexed to the Annual Report.

Material Changes

There have been no material changes and commitments affecting the financial position since June 30, 2024, to the date of this report, which has an impact on the financial statements of the Company.

Future Prospects and Challenges

Despite encountering a series of formidable challenges, including surging inflation, substantial external deficits, currency depreciation, declining foreign exchange reserves, and mounting uncertainty, Pakistan is navigating through a complex landscape. The efforts to counterbalance the repercussions of escalating global commodity and oil prices in the wake of the Russia-Ukraine conflict have put forth significant strain on both revenue and expenditures.

The Company maintains a cautious outlook for 2024, due to the persistence of external impediments, such as import limitations, restricted foreign exchange availability, pressure on the local currency, macroeconomic uncertainties that might impact consumer demand, and an upswing in taxation.

Notwithstanding, these multifaceted challenges, the Company stands unwavering in its commitment to achieving profitable growth in the upcoming year. This determination is underpinned by leveraging robust brand equity and a highly dedicated workforce, reinforced by ongoing initiatives aimed at operational excellence.

The Management will continue to explore new sources of raw material and strict control on working capital and continue to focus on broadening the customer base and exploring new markets to achieve positive results.

Acknowledgments

The Directors would like to acknowledge the efforts of the Dadex team for working tirelessly in these challenging economic conditions. We would like to take this opportunity to thank all its shareholders and other stakeholders including suppliers, service providers, banks / financial institutions, and insurers for supporting the Company in these financially challenging conditions and look forward to their continued support to the Company.

Karachi: September 24, 2024

On behalf of the Board of Directors



Samad Dada
Chief Executive Officer



Shahzad M. Husain
Director

مستقبل کے امکانات اور چیلنجز

بہت سارے چیلنجز بشمول بڑھتی ہوئی افراط زر، نمایاں بیرونی خسارے، کرنسی کی قدر میں کمی، غیر ملکی زرمبادلہ کے ذخائر میں کمی اور غیر یقینی صورتحال کے باوجود پاکستان مشکل حالات سے نکل رہا ہے۔ روس اور یوکرین تنازعے کے نتیجے میں عالمی اجناس اور تیل کی قیمتوں میں تیزی سے اضافے کے اثرات کو متوازن کرنے کی کوششوں نے آمدنی اور اخراجات دونوں پر نمایاں دباؤ ڈالا ہے۔

کمپنی مسلسل بیرونی رکاوٹوں جیسا کہ محدود درآمدات، غیر ملکی مبادلہ کی محدود دستیابی، مقامی کرنسی پر دباؤ، میکرو اکنامکس کی غیر یقینی صورتحال جس سے صارف کی طلب متاثر ہو سکتی ہے اور ٹیکسوں میں اضافہ کی وجہ سے 2024 کیلئے محتاط انداز میں مستقبل کی پیش بینی کرتی ہے۔ ان کثیرالجہتی چیلنجز کے باوجود کمپنی آئندہ سال میں منافع میں اضافہ کے اپنے غیر متزلزل عزم پر کاربند ہے جس کی بنیاد مضبوط برانڈ ایکویٹی اور انتہائی سرشار افرادی قوت ہے جس کو آپریشنل عہدگی کے لیے جاری اقدامات سے تقویت ملتی ہے۔


انتظامیہ خام مال کے نئے ذرائع تلاش، ورکنگ کیپٹل پر سخت کنٹرول، صارفین کی تعداد میں اضافہ پر توجہ اور مثبت نتائج کے حصول کیلئے نئی منڈیوں کی تلاش کا سلسلہ جاری رکھے گی۔


اظہار تشکر

ڈائریکٹرز مشکل معاشی حالات میں انتھک محنت کیلئے ڈاؤنٹیکس کی ٹیم کی کوششوں کا اعتراف کرنا چاہتے ہیں۔ ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے تمام حصص یافتگان اور دیگر سٹیک ہولڈرز بشمول سپلائرز، سروس فراہم کنندہ، بینکوں / مالیاتی اداروں اور انشورنس کمپنیوں سے مالی طور پر مشکل ترین حالات میں کمپنی کی مدد کرنے پر اظہار تشکر کرتے ہیں اور کمپنی پر ان کا اعتماد بدستور برقرار رہنے کی امید رکھتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

کراچی: 24 ستمبر، 2024


شہزاد ایم حسین
ڈائریکٹر


شہزاد ایم حسین
چیف ایگزیکٹو آفیسر

ٹیکس اور محصولات کا اکاؤنٹس کے نوٹس میں انکشاف کیا گیا ہے۔

ذیل میں پروویڈنٹ فنڈ کے ذریعے 30 جون، 2024 تک سرمایہ کاری مالیت ہے، جو تازہ ترین آڈٹ شدہ اکاؤنٹس پر مبنی ہے۔

2023	2024
روپے 000 میں	
175,248	198,192

ڈائریکٹرز کا دستخط شدہ تعین کا ایک علیحدہ بیان اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

ہولڈنگ کمپنی

میسرز سکندر (پرائیویٹ) لمیٹڈ ڈائریکٹرز ایگزیکٹو کمیٹی کے 63.18 فیصد شیئرز ہولڈنگ کی بدولت اس کی ہولڈنگ کمپنی ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز BDO ابراہم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 65 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی بنیاد پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کا تقاضا ہے، بورڈ آڈٹ کمیٹی نے 30 جون، 2025 کو ختم ہونے والے مالی سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ تقرری کی سفارش کی ہے اور بورڈ آڈٹ کمیٹی کی سفارش سے اتفاق کرتا ہے لہذا اس نے کمپنی کے شیئرز ہولڈرز سے ان کی دوبارہ تقرری کی سفارش کی ہے۔

صنعتی اجرت کے فرق کا بیان

30 جون 2024 کو ختم ہونے والے سال کے لیے اوسط صنعتی اجرت کا فرق %22.20 اور درمیانی صنعتی اجرت کا فرق %3.11 ہے۔

پیٹرن آف شیئرز ہولڈنگ

تفصیلی پیٹرن اور اس کی شیئرز ہولڈنگ کی کیٹیگریز بشمول ڈائریکٹرز اور ایگزیکٹوز کی تحویل میں موجود شیئرز، اگر کوئی ہوں، سالانہ رپورٹ سے منسلک ہیں

مادی تبدیلیاں

مالی سال 30 جون، 2024 کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی ٹھوس تبدیلیاں اور معاہدے نہیں ہوئے ہیں۔

- کمپنی کے حساب کتاب کے کھاتے مناسب انداز میں برقرار رکھے گئے ہیں۔

- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شاریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس)، جہاں تک وہ پاکستان میں قابل اطلاق ہیں پیروی کی گئی ہے اور ان سے کسی بھی انحراف کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔

- بورڈ نے کو ایف ایف اور تجربہ کار ہیڈ آف انٹرنل آڈٹ مقرر کر کے جو کمپنی کی پالیسیوں اور طریقہ کار کو بخوبی سمجھتے ہیں، ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے۔ انٹرنل کنٹرولز کی سسٹم اور اس قسم کے دیگر پروسیجرز کا، جو بخوبی کر رہے ہیں، بورڈ کی آڈٹ کمیٹی کی طرف سے مسلسل جائزہ لیا جاتا ہے۔
- بورڈ کے پاس ڈائریکٹرز کیلئے باضابطہ معاوضہ کی پالیسی ہے۔ اہم خصوصیات میں یہ بھی شامل ہے کہ آزاد ڈائریکٹر سمیت ہر نان ایگزیکٹو ڈائریکٹر ذیلی کمیٹیوں کے اجلاس سمیت بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت کرنے کے معاوضے کے طور پر ایک مقررہ فیس کے مستحق ہیں۔ بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کیلئے ڈائریکٹرز کی فیس کے علاوہ بورڈ کا چیئرمین ماہانہ معاوضہ اور دیگر فوائد حاصل کرنے کا حق دار ہوگا جو بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

کمپنی کو 30 جون، 2024 کو ختم ہونے والے سال کیلئے بعد از ٹیکس خالص نقصان ہوا جس کی مالیت 350.403 ملین روپے ہے (2023: 420.029 ملین روپے کا نقصان) اور 30 جون، 2024 تک اس کے جمع شدہ نقصانات کی مالیت 1,108.194 ملین روپے تھی (2023: 776.884 ملین روپے)۔ کمپنی کے موجودہ واجبات مجموعی طور پر 2,259.165 ملین روپے ہیں (2023: 2,101.451 ملین روپے) جو موجودہ اثاثوں سے 1,543.078 ملین روپے سے زائد ہیں (2023: 1,271.558 ملین روپے)

30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کو خدشات کی بنیاد پر تیار کیا جا رہا ہے، کیونکہ انتظامیہ نے مارکیٹنگ کی نئی حکمت عملیوں کو متعارف کراتے ہوئے اور آپریشنل اخراجات کو کم کر کے منافع میں اضافہ کرنے کا منصوبہ بنایا ہے جس سے منافع میں بہتری آئے گی اور ورکنگ کیپٹل کی ضروریات پوری ہوں گی۔

کمپنی نے متعلقہ پارٹیوں کے ساتھ لین دین کیا جن کی تفصیل مالی گوشواروں کے نوٹ 44 میں بیان کی گئی ہے۔

- کارپوریٹ گورننس کے بہترین طریقوں سے جیسا کہ پی ایس ایکس کے قابل اطلاق ضابطوں میں تفصیل بیان کی گئی ہے، کوئی مادی انحراف نہیں کیا گیا۔

آپریٹنگ اور مالی اعداد و شمار

گزشتہ چھ سالوں میں محیط کمپنی کے اہم آپریٹنگ اور مالی اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

کاروباری مخیر سرگرمیاں اور کمیونٹی کی فلاح و بہبود

کمپنی نے سال کے دوران اپنے سی ایس آر سرگرمیوں کیلئے صفر روپے خرچ کئے (0.214:2023) ملین روپے

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

کمپنی اخلاقیات اور کاروباری طریقوں کا ایک جامع ضابطہ رکھتی ہے۔ تمام ملازمین کو اپنی نجی مالی سرگرمیوں اور کمپنی کے کاروبار کو چلانے کے مابین مفادات کے تصادم سے گریز کرنا چاہئے۔ کمپنی کی طرف سے تمام کاروباری لین دین کو اسی کے مطابق کمپنی کے کھاتوں میں ظاہر کیا جاتا ہے۔

ہر ملازم ذمہ دار ہوگا کہ وہ دیکھے کہ اس کی ذمہ داری کے شعبے میں قوانین کی کوئی خلاف ورزی نہیں ہو رہی، جس کی مناسب نگرانی سے روک تھام ہو سکتی تھی۔ ملازم اگر کوئی مخصوص کام کسی کو سونپے تو وہ بدستور اس کا ذمہ دار ہوگا ہوگی

کمپنی کا فلسفہ اور پالیسی یہی ہے کہ عمدہ کاروباری اطوار کی پیروی کی جائے جو صارفین کو تحفظ فراہم کرتے ہیں اور انسداد بدعنوانی کے موثر اقدامات کو یقینی بناتے ہیں۔

قومی خزانے اور ملکی معیشت میں حصہ

کمپنی نے انکم ٹیکس، سیلز ٹیکس، ڈیوٹیز، محصولات اور دیگر ٹیکسوں کی مد میں قومی خزانے میں 312 ملین روپے سے زائد جمع کرائے (348:2023) ملین روپے

انسانی وسائل

ڈاڈیکس ادارہ اور افراد کی ترقی پر یقین رکھتا ہے۔ انسانی وسائل ڈاڈیکس کا ایک قیمتی اثاثہ ہے جو کمپنی کی پائیداری اور ترقی میں اہم کردار کرتا ہے۔ ہماری کمپنی کام کا محفوظ اور بہتر ماحول فراہم کرنے کیلئے اپنے انسانی وسائل کا بہت زیادہ خیال کرتی ہے۔ ہمارے ایچ آر کا فلسفہ متحرک اور پرعزم ملازمین پر منحصر ہے اور افراد کو ادارے میں راغب کرنے اور انہیں برقرار رکھنے کیلئے ہمیں ان کی ترقی میں سرمایہ کاری کی ضرورت کا ادراک ہے۔

خصوصی افراد کی ملازمت

خصوصی افراد کو روزگار کے مواقع فراہم کرنے اور انہیں معاشرے کے کارآمد ارکان کے طور پر باعزت زندگی گزارنے کا موقع فراہم کرنے کیلئے کمپنی ایسے افراد کو ملازمت دینے کی پالیسی کی حامل ہے۔

تعمیل کا بیانیہ

کمپنی نے درج ذیل طریقے سے کمپنی پر لاگو ہونے والے قواعد و ضوابط کی تعمیل کی

کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے امور کار، اس کی سرگرمیوں کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

بورڈ نے کمپنی کو اس کے تذبذب اور امور میں موثر انداز میں رہنمائی فراہم کر کے اپنے فرائض اور ذمہ داریوں کو پوری تہی سے ادا کیا ہے۔ بورڈ نے مینجمنٹ کی کارکردگی کی نگرانی اور بڑے خطرہ والے شعبوں پر توجہ دینے میں بھی اہم کردار ادا کیا۔

بورڈ اسٹیک ہولڈرز کے مفادات کے تحفظ کیلئے کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے میں سہ عزم رہا۔ بورڈ کے فیصلہ سازی کے عمل میں آزاد ڈائریکٹرز سمیت تمام ڈائریکٹرز نے مکمل طور پر حصہ لیا اور اپنی ذمہ داری نبھائی۔

کمپنی کا ایک آزاد انٹرنل آڈٹ شعبہ ہے جو موجودہ طریقہ کاروں میں بہتری کے شعبوں کو اجاگر کرتا ہے۔

بورڈ نے اپنی خود تشخیص کی اور بہترین عالمی طریقوں کے مطابق مزید بہتری لانے کیلئے ممکنہ پہلوؤں کی نشاندہی کی۔ بنیادی توجہ تذبذب اور نمو، کاروباری مواقع، رسک مینجمنٹ اور انتظامیہ کو رہنمائی فراہم کرنے پر مرکوز رہی۔

کمپنی نے سکندر دادا، ابوبالہ ایچ کے دادا، مقبول ایچ ایچ رحمت اللہ اور شہزاد ایم حسین کے لئے سی سی جی کی ریگولیشن 19 کی پیروی میں سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان سے پہلے ہی استثنیٰ کیلئے منظوری حاصل کر رکھی ہے۔ سید شاہد علی بخاری ایک سرٹیفائیڈ ڈائریکٹر ہیں۔ باقی ڈائریکٹرز سٹیک ہولڈرز کو ڈاؤن کارپوریٹ گورننس ریگولیشنز، 2019 کے تحت دیے گئے وقت میں، اگرمرد کار ہے، ڈائریکٹرز کی ٹریننگ میں شرکت کا ارادہ رکھتے ہیں۔

بورڈ کے اراکین متنوع تجربہ کے حامل ہیں اور قابل اور باصلاحیت پروفیشنل ہیں۔ وہ سب پاکستانی قوانین اور کاروباری معمولات سے بخوبی آگاہ ہیں۔ وہ مختلف شعبوں میں معقول تجربہ رکھتے ہیں اور کمپنی میں اپنی مہارت اور علم ساتھ لائے ہیں۔

تمام ڈائریکٹرز ایک سٹڈ کمپنی کے ڈائریکٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے مکمل آگاہ ہیں۔

صحت، حفاظت، ماحول اور کوالٹی

ڈاؤ میکس ایک ذمہ دار ادارہ ہے اور حالات سے آگاہی رکھتے ہوئے آلودگی پر قابو پانے، اپنے ملازمین اور قریبی آبادی کیلئے پیشہ ورانہ صحت اور حفاظت کے معیار کے ذریعے ماحول کے تحفظ کیلئے سرمایہ کاری کے ذریعے مسلسل اپنا کردار ادا کر رہا ہے۔

کمپنی صحت، حفاظت اور ماحول (ایچ ایس ای) کو بہت زیادہ ترجیح دیتی ہے۔ ایچ ایس ای پروگرام کو لاہور (سندر) اور حیدرآباد فیڈیکٹریوں میں مزید مربوط بنایا گیا ہے۔ ڈاؤ میکس نے OHSAS 18001 سے تازہ ترین ISO 45001:2018 میں کامیابی کے ساتھ کو ایفائی کیا ہے۔ ڈاؤ میکس نے ISO 9001:2008 سے تازہ ترین ISO 9001:2015 میں کامیابی کے ساتھ کو ایفائی کیا ہے۔ ہم نے یہ سرٹیفیکیشنز تصدیق کنندہ ایجنسیوں اور نگران آڈٹس کی طرف سے سخت آڈٹ کے بعد حاصل کی ہیں جن پر سسٹم کو تمام مینوفیکچرنگ سائٹس میں موثر طریقے سے نافذ کرنے کیلئے عمل درآمد کیا جا رہا ہے۔

ایچ ایس ای نوعیت کے اعتبار سے فعال مقامی مروجہ قوانین کے تابع اور ILO / WHO & Chrysotile Institute کینڈا کے رہنما خطوط کے ساتھ مکمل طور پر ہم آہنگ ہے۔

سال کے دوران اجلاسوں کی حاضری

بورڈ آف ڈائریکٹرز اور اس کی آڈٹ کمیٹی، انسانی وسائل اور مشاہیر کمیٹیوں کے اجلاسوں کی تعداد مع ان میں حاضری درج ذیل ہے۔

انسانی وسائل اور مشاہیر کمیٹی کا اجلاس		بورڈ آڈٹ کمیٹی کا اجلاس		بورڈ آف ڈائریکٹرز کا اجلاس		حیثیت	ڈائریکٹر کا نام
شرکت	منعقدہ	شرکت	منعقدہ	شرکت	منعقدہ		
		4	4	5	5	نان ایگزیکٹو ڈائریکٹر	شہزاد ایم حسین
				5	5	چیف ایگزیکٹو آفیسر	سکندر دادا
1	1			5	5	نان ایگزیکٹو ڈائریکٹر	ابوطالب ایچ کے دادا
1	1	4	4	4	5	نان ایگزیکٹو ڈائریکٹر	مقبول ایچ ایچ رحیم تولہ
		4	4	5	5	آزاد ڈائریکٹر	سید شاہد علی بخاری
		4	4	5	5	فیمیل ڈائریکٹر	مسز امبر احمد موتی والا
1	1			5	5	آزاد ڈائریکٹر	مسز عائشہ طارق اللہ والا

بورڈ کی کارکردگی کا تجزیہ اور ڈائریکٹر کا ٹریننگ پروگرام

سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز نے 22 جون، 2024 کو منعقد اپنے اجلاس میں جناب صمد دادا کو یکم اگست 2024 سے تین سال کیلئے جناب سکندر دادا کی جگہ ڈاڈیکس انٹرنٹ لمیٹڈ کا چیف ایگزیکٹو آفیسر مقرر کیا۔ جناب سکندر دادا کمپنی کے ڈائریکٹر کے طور پر اپنی خدمات جاری رکھیں گے۔

جبکہ کمپنی ایکٹ 2017 کے سیکشن (3) 188 کے مطابق جناب صمد دادا کو ڈائریکٹر کے طور پر تصور کیا جائے گا اور انہیں کمپنی کے دفتر کے تمام حقوق، مراعات، اور تمام ذمہ داریوں کے تابع حاصل ہوں گے۔

بورڈ نے جناب صمد دادا کو دل کی گہرائیوں سے خوش آمدید کہتے ہوئے ڈاڈیکس کو کمپنی کو مسلسل ترقی اور کامیابی کی طرف لے جانے میں ان کی قیادت کی امید ظاہر کی۔ بورڈ نے جناب سکندر دادا کا بھی تہ دل سے شکریہ ادا کیا، جنہوں نے اپنی مدت کے دوران سی ای او کی حیثیت سے شاندار قیادت کرتے ہوئے نمایاں خدمات انجام دیں۔

مزید برآں ڈاڈیکس انٹرنٹ کے ڈائریکٹر جناب مقبول ایچ ایچ رحیم تولہ نے 24 ستمبر 2024 سے بورڈ سے استعفیٰ دے دیا ہے۔ ان کے استعفیٰ کی وجہ سے آسامی پیدا ہوگئی ہے جسے کمپنی متعلقہ قوانین اور ضوابط کے مطابق پر کرے گی۔

حوالے سے تذبذب میراتی فیصلے لے رہی ہے تاکہ گوندا اور دیگر خام مال کی بڑھتی ہوئی قیمتوں کے اثر کو کم کیا جاسکے۔

(2) مالی خطرہ

کمپنی مالیاتی اداروں سے قرضوں کے حصول کے ذریعے مالی خطرے کا شکار ہو سکتی ہے اس لئے اس خطرے کو کم کرنے کیلئے کمپنی لاہور کی زمین اور کراچی فیکٹری کو فروخت کر کے بینکوں سے قرضوں کے حصول کو کم کرے گی۔

(3) ضوابط کی تعمیل سے متعلق خطرات

کمپنی کو ادراک ہے کہ قوانین و ضوابط کی عدم تعمیل کا نتیجہ جرمانے کے اطلاق، نااہلی، بلیک لسٹنگ، لائسنس کی منسوخی وغیرہ کی صورت میں نکل سکتا ہے۔ اس لئے کمپنی عدم تعمیل کی سرگرمیوں اور رویوں کیلئے زبردست کوشش کی پالیسی رکھتی ہے۔ اس کے علاوہ ایسے خطرات کو کم کرنے کیلئے کمپنی میں ایک انتہائی جامع اور موثر نظام تعمیل موجود ہے۔

ڈیویڈنڈ اور مختص کردہ رقم

کمپنی نے زیر جائزہ مدت کیلئے صفر روپے فی حصص یعنی صفر فیصد حصص حتمی نقد منافع منقسمہ کا اعلان کیا ہے۔

مختص کرنے کیلئے دستیاب منافع جات (خسارہ) کا خلاصہ درج ذیل ہے:

(روپے 000 میں)	
روپے (776,884)	بمطابق یکم جولائی، 2023 مجموعی خسارہ
16,093 روپے	متعلقہ اثاثہ جات پر چارج کئے گئے تدریجی فرسودگی کی مدد میں فیکسڈ اثاثوں کی از سر نو تعین شدہ ملاہیت میں اضافہ
روپے (305,403)	30 جون 2024 کو ختم ہونے والے سال کے بعد از ٹیکس خسارہ
<u>روپے (1,108,194)</u>	30 جون، 2024 کو جمع شدہ خسارہ

بمطابق 30 جون، 2024 فی حصص بریک اپ ویلیو 47.56 روپے ہے (30 جون، 2023 فی حصص بریک اپ ویلیو 80.11 روپے)

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

30 جون، 2024 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ بورڈ تجربہ کار اور ماہر اراکین پر مشتمل ہے۔

30 جون، 2024 کو ختم ہونے والے سال کے دوران بورڈ آڈٹ کمیٹی کے چار اور انسانی وسائل اور مشاہیر کمیٹی کے ایک اجلاس ہوا۔ بورڈ کی کمیٹیوں نے بورڈ کی کارگزاری میں زبردست معاونت فراہم کی۔

سید شاہد علی بخاری، آزاد ڈائریکٹر بورڈ آڈٹ کمیٹی کے چیئرمین ہیں اور مسز عائشہ طارق اللہ والا، آزاد ڈائریکٹر، انسانی وسائل اور مشاہیر کمیٹی کی چیئر پرسن ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس، ریگولیشنز 2019 کا تقاضا ہے۔

کمرشل تعمیرات اور رہائشی تعمیرات نے صنعتی تعمیرات، انفراسٹرکچر تعمیرات، توانائی اور یوٹیلٹی کی تعمیرات اور ادارہ جاتی تعمیرات کے مقابلے میں نمایاں حصہ ڈالا۔

کمرشل تعمیراتی شعبہ کی نمو افراط زر کی بلند شرح اور بڑھتے ہوئے اخراجات زندگی کے باعث 2023-2024 میں حقیقی معنوں میں سکڑاؤ کا شکار ہوئی۔ دوسری طرف رہائشی تعمیراتی شعبہ کو بھی رواں مالی سال کے دوران حقیقی معنوں میں نمو میں کمی کا سامنا رہا جس کی وجہ افراط زر کی بلند شرح اور جائیداد کی زیادہ قیمتوں اور شرح سود کی بلند شرح کے نتیجے میں سرمایہ کاروں اور کنزیومر کے اعتماد میں کمی ہے۔

آپریشنز

زیر جائزہ سال کے دوران دو فیکٹریوں میں مجموعی پیداواری صلاحیت بری طرح متاثر ہوئی۔ سال کے دوران سی سی شیٹس کے معیار اور اس کی وضع قطع کو بہتر بنانے کیلئے حیدرآباد فیکٹری میں 37.636 ملین روپے کی سرمایہ کاری کی گئی۔ کراچی فیکٹری کو بند کر کے حیدرآباد اور سندھ کی فیکٹریوں پر مستقبل میں توجہ مرکوز کرنے کا فیصلہ کیا گیا۔

تعمیل کا اعلامیہ

کمپنی سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کی طرف سے لاگو کارپوریٹ گورننس کے اصولوں پر سختی سے عمل کرتی ہے۔ کمپنی نے تمام متعلقہ شرائط کو نافذ کیا ہے جس کا خلاصہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ساتھ تعمیل کے اعلامیہ میں بیان کیا گیا ہے۔ آڈیٹر کی طرف سے ان شرائط کا مکمل جائزہ لیا گیا۔

انٹرنل کنٹرولز اور رسک مینجمنٹ

کمپنی کے پاس موثر انٹرنل کنٹرول سسٹم موجود ہے جو کارکردگی، موثر آپریشنز، قابل اعتبار مالی گوشواروں، مروجہ قوانین اور ضابطوں کی تعمیل کے حوالے سے مناسب نگرانی کرتا ہے۔ اس طرح کے سسٹم کی مینجمنٹ کی طرف سے موثر نگرانی کی جاتی ہے جبکہ بورڈ کی آڈٹ کمیٹیاں خطرات کے جائزے اور بورڈ آف ڈائریکٹرز کی رپورٹس کی بنیاد پر انٹرنل کنٹرول سسٹم کا جائزہ لیتی ہیں۔

کمپنی کو درپیش خطرات اور کمی کے اقدامات

کمپنی کو مندرجہ ذیل عمومی خطرات لاحق ہیں اور ہر خطرے سے نمٹنے کیلئے کمپنی نے موجودہ خطرات کو کم کرنے کیلئے مناسب اقدامات اٹھائے ہیں۔

(1) تجارتی خطرہ

کمپنی کو روٹنگ کی درآمد میں اضافہ کے خطرے کے سامنا ہے۔ اس خطرے کو کم کرنے کیلئے کمپنی حکومتی درآمدی پالیسیوں میں تبدیلی کیلئے لاگت کر رہی ہے تاکہ مقامی انڈسٹری کو تحفظ حاصل ہو۔

کمپنی کو خام مال کی قیمتوں میں اضافہ کے خطرے کا بھی سامنا ہے۔ اس خطرے کو کم کرنے کیلئے کمپنی قیمتوں کے رجحان کی مانٹرننگ کر رہی ہے اور خریداری کے

بورڈ آف ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز کیلئے 30 جون، 2024 کو ختم ہونے والے سال کیلئے رپورٹ مع پڑتال شدہ مالی گوشوارے پیش کرنا باعث مسرت ہے۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

کمپنی کا بنیادی کاروبار تعمیراتی سامان کی تیاری اور فروخت ہے جس میں بنیادی طور پر پائپنگ سسٹم اور کرائیسوٹائل فائبر سیمنٹ، ربر اور پلاسٹک سے تیار کردہ متعلقہ مصنوعات، درآمد شدہ پائپ فٹنگز، لوازمات اور دیگر لوازمات اور دیگر عمارتی مصنوعات کی فروخت شامل ہے۔

کاروباری ماحول

عالمی معیشت مستحکم ترقی کے ساتھ شاندار پیک کا مظاہرہ کر رہی ہے جس کی بنیادی وجہ افراط زر میں بتدریج کمی ہے۔ عالمی معیشت کو کورونا، روس اور یوکرین کے مابین جنگ کے باعث توانائی اور خوراک کے بحران اور افراط زر میں نمایاں اضافہ کے تناظر میں فوڈ چین سپلائی میں تعطل سمیت نمایاں واقعات کا بھی سامنا رہا۔ قرضوں کی بہت زیادہ شرح اور محدود مالی سہولیات ان عالمی مسائل سے نمٹنے اور پائیدار اور جامع معاشی ترقی کیلئے مربوط اور جامع اقدامات اور کوششوں کو اجاگر کرتی ہے۔ ترقی کے محرک کے طور پر عالمی تجارت کی رفتار بطور کم ہو رہی ہے جس کا ثبوت 2023 میں عالمی تجارتی نمو کی سست رفتاری سے ملتا ہے جو کہ 0.3 فیصد تک محدود رہی۔ تاہم توقع کی جا رہی ہے کہ 2024 میں بحالی ہوگی اور تجارتی نمو 3.0 فیصد تک پہنچنے کی توقع ہے۔ جغرافیائی سیاسی تناؤ عالمی اقتصادی منظر نامے کے لیے سب سے بڑا خطرہ بن کر ابھر رہا ہے۔

میکرو اکنامک استحکام کی بحالی ایک ایسے پلیٹ فارم کی تشکیل کیلئے ضروری ہے جو ترقی کا محرک بنے، جس سے ملازمتیں پیدا ہوں اور لوگوں کی مجموعی زندگی میں بہتری آئے۔ حالیہ سال بہت زیادہ چیلنجز کا شکار رہا جو مالی سال 2022 سے جاری ہے۔ پاکستان کو بھی بہت سارے عالمی اثرات سے گزرنا پڑا جس میں روس اور یوکرین جنگ کے باعث سپلائی چین میں تعطل، افراط زر کا بڑھتا ہوا دباؤ جو سخت مالی اقدامات کا باعث بنا اور مشرق وسطیٰ میں علاقائی تناؤ کی وجہ سے تیل کی قیمتوں میں شامل ہے۔

گزشتہ سال یعنی مالی سال 2023-2024 کے دوران حکومت کو چار اہم چیلنجز سے نمٹنا تھا جس نے پاکستان کی سماجی معاشی ترقی کو خطرے سے دوچار کیا۔ ان چیلنجز میں پائیدار میکرو اکنامک استحکام کا حصول، غربت کا خاتمہ، مالیاتی استحکام اور بیرونی حسابات کے خطرات سے نبرد آزما ہونا شامل ہے۔

پاکستان کے تعمیراتی شعبہ کی کارکردگی

پاکستان کی تعمیراتی انڈسٹری کو 2023 میں حقیقی معنوں میں نمو میں 5.2 فیصد کمی کا مشاہدہ رہا جس کی وجہ کمزور معیشت، ملک میں سیاسی اور مالی حالات کی وجہ سے پیدا ہونے والے مشکل صورتحال ہے۔

پاکستان میں افراط زر کی بلند شرح اور توانائی اور تعمیراتی میٹریل کی قیمتوں میں اضافہ سے رواں سال تعمیراتی سرگرمیوں پر دباؤ پڑنے کی توقع ہے۔ ٹرانسپورٹ، پاور، ہاؤسنگ، ٹیلی کمیونیکیشن اور انڈسٹری انفراسٹرکچر کے منصوبوں میں سرمایہ کاری کی وجہ سے پاکستانی تعمیراتی انڈسٹری کی سالانہ اوسط نمو 5.5 فیصد رہنے کا امکان ہے

Key Operating and Financial Data

	2024	2023	2022	2021	2020	2019
----- (Rupees in 000') -----						
Summary of Profit or Loss						
Sales - gross	1,348,479	1,660,325	2,011,487	2,880,728	2,806,696	3,339,398
Sales tax	-229,215	-259,154	-314,640	-436,189	-432,586	-525,878
Sales - net	1,119,264	1,401,171	1,696,847	2,444,539	2,374,110	2,813,520
Cost of Goods Sold	-1,062,590	-1,271,588	-1,449,027	-2,133,655	-2,139,045	-2,492,215
Gross Profit	56,674	129,583	247,820	310,873	235,065	321,305
Operating (Loss)/Profit	-145,402	-196,233	-21,208	152,008	-158,738	-16,821
Finance Cost	-167,558	-169,578	-135,973	-155,763	-213,533	-178,715
Profit / (loss) before tax	-312,960	-365,811	-157,181	-3,755	-372,271	-195,536
Profit / (loss) after tax	-350,403	-420,029	-142,938	-39,009	-361,519	-195,528
Financial Position						
Share Capital	107,640	107,640	107,640	107,640	107,640	107,640
Reserves	-1,108,194	-776,884	-361,295	-393,089	-378,866	-42,131
Surplus on revaluation of Fixed Assets	1,506,789	1,525,882	1,054,892	1,169,490	1,194,276	1,041,382
Total Non- Current Liabilities	3,875	6,772	2,915	56,913	141,932	75,006
Total Current Liabilities	2,259,165	2,101,451	2,102,405	2,178,362	2,341,817	2,194,357
Total Non- Current Assets	1,335,638	644,709	1,011,958	1,721,641	1,799,906	1,964,533
Total Current Assets	716,087	829,645	1,171,394	1,038,875	1,606,893	1,411,721
Key Ratios						
Gross profit margin ratio	5.64%	9.25%	14.60%	12.72%	990%	11.42%
Operating profit margin (EBIT)	-12.99%	-14.00%	-1.25%	6.22%	-6.69%	-0.60%
Pre Tax Profit Margin	-28.06%	-26.42%	-9.26%	-0.15%	-15.68%	-6.96%
Net profit margin ratio	-31.30%	-29.98%	-8.42%	-1.60%	-15.23%	-6.96%
Return on Equity Gross	-68.45%	-48.71%	-17.84%	-4.41%	-39.17%	-6.95%
Current Ratio	0.32	0.40	0.56	0.48	0.69	0.64
Quick Ratio	0.21	0.28	0.35	0.45	0.56	0.48
Receivables collection period	18	23	27	23	35	30
Inventory turn-over Days	67	84	105	89	105	108
Payables payment period	226	176	155	113	96	100
Debt equity ratio	-0.01	-0.01	-0.01	-0.2	-0.52	1.14
Interest coverage ratio	-0.86	-1.16	-0.16	0.98	-0.74	-0.09
Earning per share - in Rupees	-32.55	-39.02	-13.28	-3.62	-33.59	-18.16
Share Price - in Rupees	47.56	80.11	74.44	43.8	29.3	29.3
P/E Ratio	-1.17	-0.92	-5.81	-12.1	-0.9	-1.6

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DADEX ETERNIT LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN 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 DADEX ETERNIT LIMITED 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which 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 instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No	Paragraph Reference	Description
(i)	24	Contrary to the provisions of the Regulations, Mr. Muhammad Yousuf, the current Chief Financial Officer of the Company, has been appointed as the Company Secretary in place of outgoing Company Secretary, effective from June 21, 2023, for an interim duration.
ii)	10 (4)(xvi)	The Board does not have a devised anti-harassment policy at the reporting date.
iii)	10 (A)(5)	The Board does not have the policies and procedure to address sustainability risk and opportunities nor does it has a dedicated sustainability committee at the reporting date.

KARACHI

DATED: OCTOBER 3, 2024

UDIN: CR2024100674DOZEPhBr


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

1. The total number of directors are 07 as per the following: -

- a. Male: 05
- b. Female: 02

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Syed Shahid Ali Bukhari Mrs. Ayesha Tariq Allawala
Non-Executive Directors	Mr. Shahzad M. Husain Mr. Abu Talib H.K. Dada Mr. Maqbool H.H. Rahimtoola Mr. Sikander Dada
Female Director	Mrs. Amber Ahmed Motiwala
Chief Executive Officer	Mr. Samad Dada

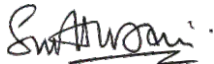
- 3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company.
- 4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the 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 and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Four out of Seven Directors have confirmed that they possess requisite educational and directorship experience on the board of listed companies and hence are exempted from the requirement of attending Directors' Training Program. One Director has already attended Directors' Training Program. Remaining two directors will attend Directors' Training in coming fiscal year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below. -
 - a) **Audit Committee**
Chairman: Mr. Syed Shahid Ali Bukhari
Members: Mr. Shehzad M. Husain
Mr. Maqbool H.H. Rahimtoola
Mrs. Amber Ahmed Motiwala
 - b) **HR and Remuneration Committee**
Chairperson: Mrs. Ayesha Tariq Allawala
Members: Mr. Maqbool H.H. Rahimtoola
Mr. Abu Talib H.K. Dada
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 committee were as per following: -
 - a) Audit Committee Four meetings (Quarterly)
 - b) HR and Remuneration Committee One meeting
15. The Board has set up an effective internal audit function comprising of personnel who are considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Requirement	Explanation	Regulation No.
The same person shall not simultaneously hold office of Chief Financial Officer (CFO) and the Company Secretary of a listed company. However, contrary to the regulation of the Code of Corporate Governance, Mr. Muhammad Yousuf, the current Company Chief Financial Officer, has been appointed as the Company Secretary, replacing Mohammad Irfan, effective from June 21, 2023, for an interim duration.	The Company is well aware of this and intent to complete the appointment of a new Company Secretary.	24
The significant policies may include but not limited to the anti-harassment policy to safeguard the rights and well-being of employees, incorporating the mechanism as prescribed under the Protection Against Harassment of Women at the Workplace Act 2010 and the respective provincial laws on the protection against harassment of women at workplace for the time being in force.	The Company's Code of Conduct covers the element of workplace harassment. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024, are being incorporated in an independent anti-harassment policy.	10(4)(xvi)
The Board is responsible for setting the Company's sustainability strategies, priorities and targets to create long term corporate value. The Board may establish a dedicated sustainability committee having at least one female director.	Board provides governance and oversight in relation to the Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)(5)

KARACHI: September 24, 2024


 SHAHZAD M. HUSAIN
 CHAIRMAN

..

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DADEX ETERNIT LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **DADEX ETERNIT LIMITED**, (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information 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.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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 (the Code) 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 opinion.

Material Uncertainty relating to Going Concern

The Company incurred net loss after tax for the year ended June 30, 2024 amounting to Rs. 350.403 million and its accumulated losses as at June 30, 2024 amounted to Rs. 1,108.194 million. The Company's current liabilities aggregating to Rs. 2,259.165 million exceeded the current assets by Rs. 1,543.078 million. Moreover, during the previous year, the Company received demand notice from National Bank of Pakistan (NBP) for repayment / settlement of their liabilities / credit facility. To manage its liquidity position and availability of funds for operations, the Company is depending on successful negotiation/renewal/repayment of credit facility with NBP besides, the firm commitment by sponsors for any required financial support. Hence, these conditions as set forth in note 1.3 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter paragraph

We draw attention to note 12 to the financial statements where management has disclosed that the management has recognized deferred tax asset based on management’s best estimate of probable benefit expected to be realized in the foreseeable future and / or adjustment of taxable and deductible temporary differences in future years. Our opinion is not modified in this respect.

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.

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Provision for obsolescence in stock-in-trade</p> <p>As disclosed in note 13 and 14 to the financial statements, the Company has net inventories of Rs. 42.624 million and Rs. 192.153 million as at June 30, 2024 for stores, spares and loose tools and stock in trade, respectively.</p> <p>The total inventories represented significant portion of the Company’s total assets.</p> <p>The Company estimates the provision for slow moving and obsolete inventory of stock in trade based on the inventory ageing and sales performance of individual stock categories and make specific provisions by individual stock categories. The Company also writes down the value of such inventories based on the net realizable value of inventories.</p> <p>Further, the provision for all slow moving and obsolete inventories of stores, spares and loose tools are based on the inventory days and specific identification of inventories through verification by management.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories. • We compared the ageing and provisioning percentages used by management in the current year to those applied in prior years and checked the reasonableness of provisioning basis using our understanding of industry practices. • We reviewed the year to year movement in provision for each category of inventory considering subsequent write offs, reversals on re-use and disposals. We also compared the cost of inventories as at June 30, 2024 to their net realisable value subsequent to year end.

S. No	Key audit matters	How the matter was addressed in our audit
	<p>We focused on this area as the estimation for provisioning involve a high level of management judgement which could result in measurement uncertainty and possibility for management bias.</p>	<ul style="list-style-type: none"> We performed a recalculation of the inventory provision made to an individual inventory category based on the system generated inventory ageing report. Further, we checked for damaged and obsolete inventory that were physically identifiable during stock count observation.
2.	<p>Valuation of trade debts</p> <p>As disclosed in note 15 to the financial statements of the Company for the year ended June 30, 2024, the Company has a trade debt balance amounting to Rs. 48.635 million, which represents a significant element of Statement of financial position.</p> <p>A discrepancy in the valuation or existence of trade debt could cause the assets to be materially misstated, which would impact the Company's reported financial position as the valuation of aforesaid head is one of the main driver of movements in the assets of the Company.</p> <p>Management considers certain specific factors including the age of the balance, recent payment patterns, historical defaults and forward-looking information on macro-economic factors and other available information with respect to credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level.</p> <p>In view of the significance of trade debts in relation to the total assets of the Company, we considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the allowance for expected credit losses and that the existence and carrying amount of trade receivables could be material to the financial position of the company.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We tested the design and effectiveness of internal controls implemented by the Company through the trade receivables cycle. We examined on a sample basis, evidence related to post year-end cash receipts and performed invoice testing for post year-end non cash receipt samples. We circulated confirmations to the sample of debtors along with the outstanding balance at the year-end. We obtained an understanding of the requirements of IFRS 9 included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates. We evaluated the relevance, completeness, and accuracy of the source data used for computation of ECL.

S. No	Key audit matters	How the matter was addressed in our audit
		<ul style="list-style-type: none"> We checked the mathematical accuracy of the ECL model by performing recalculation on test basis. The adequacy of the disclosures presented in the financial statements regarding allowance for ECL was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.
3.	<p>Borrowings and financing facilities</p> <p>As disclosed in note 28 to the accompanying financial statements for the year ended June 30, 2024, the Company has short term borrowings amounting to 669.111 million, which represents a significant element of the statement of financial position.</p> <p>We focused on this area as the Company is heavily relying on borrowings and related facilities to finance its operations and managing working capital.</p> <p>At the reporting date, the Company has adverse net current liability position and having difficulty in managing its credit facilities and prone to a higher risk premium.</p> <p>The Company has a finite cash resource to fund operational activities and access to short term borrowings and their renewal is challenging due to a significant gap in working capital requirements and operational cash flows to maintain sufficient liquidity.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> Discussed with management and obtained an understanding of requirements of borrowings and financing facilities. Reviewed correspondence with the bankers discussed with management on continuity of currently available credit facilities; Reviewed the terms associated with the financing agreements and the amount of the facilities available for drawdown; Reviewed management's assessment of the cash flow requirements of the Company over the next 12 months, based on budgets and forecasts; Reviewed minutes of the Board of Directors to note discussion made by management on funding the operations and managing credit facilities; and Obtained representations from the Sponsors for assurance to finance the business and to fill the gap in working capital requirements.

S. No	Key audit matters	How the matter was addressed in our audit
4.	Control environment relating to the financial reporting process and related IT systems	
	<p>The IT control environment relating to the financial reporting process and the application controls of individual IT systems have an impact on the selected audit approach.</p> <p>As the financial statements are based on extensive number of data flows from multiple IT systems, consequently the financial reporting control environment is determined as a key audit matter.</p>	<p>Our audit procedures included evaluation of the financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights.</p> <p>Our audit procedures extensively consisted of several substantive procedures as well as data analysis relating to the most significant balances on the statement of profit or loss account and statement of financial position.</p>

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 auditor's 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 in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 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 on the basis of these financial statements.

As part of an audit in accordance with 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 expressing 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 that we identify 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, 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);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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, expenditure 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).

The engagement partner on the audit resulting in this independent auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: 03 OCT 2024

UDIN: AR202410067QHiesmo93



BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FINANCIAL STATEMENTS



1.80%

11.0%

1.80%

11.0%

14,814

537,829

5.31%

767



- Totals
- North
- Central
- South
- West


Region	Balance	Avg. Age
North	\$13,088,807.28	1.04
Central	\$1,246,855.84	1.04
South	\$2,414,396.79	1.04
West	\$1,482,578.62	1.04

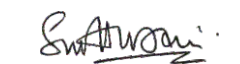
Statement of Financial Position


As at June 30, 2024

		2024	2023
	Note	----- (Rupees in thousands) -----	
			(Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,148,639	451,480
Operating fixed assets	7	1,932	13,525
Capital work in progress		<u>1,150,571</u>	<u>465,005</u>
Intangible assets	8	-	40
Investment property	9	24,112	-
Long-term loans	10	454	453
Long-term deposits	11	14,715	16,459
Deferred tax asset	12	<u>145,786</u>	<u>162,504</u>
		<u>1,335,638</u>	<u>644,461</u>
CURRENT ASSETS			
Stores, spares and loose tools	13	42,624	43,930
Stock-in-trade	14	192,153	198,998
Trade debts	15	48,635	60,626
Loans and advances	16	38,606	88,588
Trade deposits and short term prepayments	17	40,585	115,941
Other receivables	18	22,093	14,312
Income tax refund due from Government		243,816	218,405
Taxation - net	19	38,477	32,893
Cash and bank balances	20	<u>49,098</u>	<u>56,200</u>
		716,087	829,893
Non-current assets held for sale	21	<u>723,205</u>	<u>1,496,162</u>
TOTAL ASSETS		<u><u>2,774,930</u></u>	<u><u>2,970,517</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2023: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (2023: 8,000,000) 'B' class ordinary shares of Rs. 10 each		<u>80,000</u>	<u>80,000</u>
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	22	107,640	107,640
Share premium		<u>5,655</u>	<u>5,655</u>
		113,295	113,295
Reserve			
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,506,789	1,525,882
Revenue reserves			
Accumulated losses		<u>(1,108,194)</u>	<u>(776,884)</u>
	23	<u>398,595</u>	<u>748,998</u>
		511,890	862,293
NON-CURRENT LIABILITIES			
Lease liabilities	24	3,875	6,772
GIDC Payable	26	-	-
		3,875	6,772
CURRENT LIABILITIES			
Trade and other payables	27	1,469,714	1,308,029
Short-term borrowings	28	669,111	711,034
Accrued markup	29	37,800	39,643
Current portion of lease liabilities	24	1,323	1,057
Loan from directors	25	65,000	25,000
Unclaimed dividend		<u>16,217</u>	<u>16,688</u>
		2,259,165	2,101,451
TOTAL EQUITY AND LIABILITIES		<u><u>2,774,930</u></u>	<u><u>2,970,517</u></u>
CONTINGENCIES AND COMMITMENTS			
	30	<u><u>2,774,930</u></u>	<u><u>2,970,517</u></u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director



Muhammad Yousuf
 Chief Financial Officer


Statement of Profit or Loss


For the Year Ended June 30, 2024

		2024	2023
	Note	---- (Rupees in thousands) ----	
			(Restated)
Sales - gross		1,348,479	1,660,325
Sales tax		<u>(229,215)</u>	<u>(259,154)</u>
Sales - net	31	1,119,264	1,401,171
Cost of sales	32	<u>(1,062,590)</u>	<u>(1,271,588)</u>
Gross profit		56,674	129,583
Distribution costs	33	(96,950)	(119,848)
Administrative expenses	34	(176,067)	(169,197)
Other expenses	35	(22,214)	(154,211)
Other income	36	<u>93,155</u>	<u>117,439</u>
Operating loss		(145,402)	(196,233)
Finance cost	37	<u>(167,558)</u>	<u>(169,578)</u>
Loss before income tax and minimum tax differential		(312,960)	(365,811)
Minimum tax differential	38	<u>(1,161)</u>	<u>(4,461)</u>
Loss before income tax		(314,121)	(370,272)
Taxation	39	<u>(36,282)</u>	<u>(49,757)</u>
Net loss for the year		<u><u>(350,403)</u></u>	<u><u>(420,029)</u></u>
Loss per share - basic and diluted (Rupees)	40	<u><u>(32.55)</u></u>	<u><u>(39.02)</u></u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


Samad Dada
Chief Executive


Shahzad M. Husain
Director

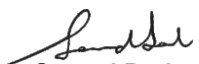

Muhammad Yousuf
Chief Financial Officer

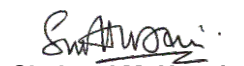
Statement of Comprehensive Income


For the Year Ended June 30, 2024

	2024	2023
Note	---- (Rupees in thousands) ----	
Net loss for the year	(350,403)	(420,029)
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Revaluation of property, plant and equipment	-	481,085
Total comprehensive (loss) / income for the year	<u>(350,403)</u>	<u>61,056</u>

The annexed notes from 1 to 52 form an integral part of these financial statements.


Samad Dada
Chief Executive


Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended June 30, 2024

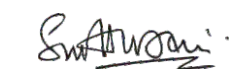
Issued, subscribed and paid-up capital		Reserves			
		Capital Reserve	Revenue Reserve	Total Reserves	Total
Ordinary shares	Share premium	Revaluation surplus	Accumulated losses		


(Rupees in thousands)

Balance as at July 1, 2022	107,640	5,655	1,054,892	(366,950)	687,942	801,237
Total comprehensive income						
Loss for the year	-	-	-	(420,029)	(420,029)	(420,029)
Other comprehensive income	-	-	481,085	-	481,085	481,085
	-	-	481,085	(420,029)	61,056	61,056
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(10,095)	10,095	-	-
Balance as at June 30, 2023	107,640	5,655	1,525,882	(776,884)	748,998	862,293
Balance as at July 1, 2023	107,640	5,655	1,525,882	(776,884)	748,998	862,293
Total comprehensive income						
Loss for the year	-	-	-	(350,403)	(350,403)	(350,403)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(350,403)	(350,403)	(350,403)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(19,093)	19,093	-	-
Balance as at June 30, 2024	107,640	5,655	1,506,789	(1,108,194)	398,595	511,890

The annexed notes from 1 to 52 form an integral part of these financial statements.


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director



Muhammad Yousuf
 Chief Financial Officer

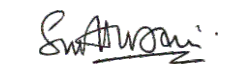
Statement of Cash Flow


For the Year Ended June 30, 2024

		2024	2023
	Note	----- (Rupees in thousands) ----- (Restated)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	41	254,302	457,673
Finance cost paid		(169,401)	(156,310)
Taxes paid		(52,880)	(59,281)
Net cash flows generated from operating activities		32,021	242,082
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(27,772)	(17,995)
Addition of right to use assets		(3,854)	-
Disposal of right to use assets		4,594	-
Proceeds from sale of property, plant and equipment		20,424	16,817
Long term security deposits		1,744	3,622
Interest received		10,766	5,179
Net cash flows generated from investing activities		5,902	7,623
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(2,631)	(16,453)
Repayment of long term loans		-	(22,965)
Dividend paid during the year		(471)	(4)
Net cash used in financing activities		(3,103)	(39,422)
Net increase in cash and cash equivalents		34,820	210,283
Cash and cash equivalents at the beginning of the year		(654,834)	(865,117)
Cash and cash equivalents at the end of the year	42	(620,014)	(654,834)

The annexed notes from 1 to 52 form an integral part of these financial statements.


Samad Dada
Chief Executive


Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer

Notes to the Financial Statements

For the Year Ended June 30, 2024

1 STATUS AND NATURE OF BUSINESS

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 the reporting date, Sikander (Private) Limited (the Holding Company) holds 6,800,648 ordinary shares representing 63.18% shareholding (2023: 63.18%).

1.3 The Company has incurred net loss after tax for the year ended June 30, 2024 amounting to Rs. 350.403 million (2023: Rs. 420.029 million) and its accumulated losses as at June 30, 2024 are amounting to Rs. 1,108.194 million (2023: Rs. 776.884 million). The Company's total current liabilities amounting to Rs. 2,259.165 million (2023: Rs. 2,101.451 million) exceeded the current assets by Rs. 1,543.078 million (2023: Rs. 1,271.558 million) at the reporting date. The Company's financial statements for the year ended June 30, 2024 are being prepared on a going concern basis. Management has represented to us that they have plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements of the Company. In the intervening period, the Company has access to sponsor support to meet any liquidity constraints. In the opinion of the management, future profits shall wipe out the accumulated losses and the Company shall be able to meet all its obligations.

During 2021, the Company received demand notices from National Bank of Pakistan (NBP) for repayment/settlement of their liabilities/credit facility. As per the above developments, the Company had classified the property amounting to Rs. 723.205 million as held for sale in 2022 to settle the demand of NBP loan repayment and to meet the working capital requirements. In 2023, the Company entered into negotiations for these financing facilities and had several rounds of discussions with NBP and submitted various plans for enhancing product lines and improvement in business profitability, while the Company has paid 50 million to NBP in line with undergoing discussions with NBP. During current year, negotiations with NBP have reached at an advanced level however, formal letter pertaining to renewal / re-positioning of financing facilities are awaited.

During 2021, one of the Company's factory, which is located at Deh-22, Manghopir, Karachi, has been closed since March 30, 2021. The factory was closed down as dispute had arisen between management and labor union regarding retrenchment of some labor working at chrysotile cement roofing and pipe plant which was used to manufacture chrysotile cement roofing and pipes. The labor union went on strike as a result whole factory was closed down.

The Company has filed a case in the High Court of Sindh in 2021. Subject to some conditions of High Court Order, which resultantly led the Company to remove raw materials, moveable assets and finished goods lying at the factory to sell and the proceeds thereof shall be utilized for paying the legitimate dues of the workers. An agreement has reached between both parties and as a result management has paid Rs. 36.06 million and recorded provision amounting to Rs. 9.581 million in 2023. During the reporting period, the Company has settled the above obligation and has made further provision amounting to Rs. 0.776 million (2023: 9.581 million), which is payable at reporting date.

The Company planned to sell the factory's property and therefore, had classified the leasehold land and building of "Karachi Factory" as held for sale in 2022 represented carrying amounts of Rs. 659.866 million and Rs. 3.203 million respectively. M/s. Oceanic Surveyors limited assessed market value of leasehold land at amount of Rs.720 million at the time classification.

The factory's property has not been sold off yet as the Company is still in the procedure of finding and negotiating with potential buyers. The management is confident to sell the factory's property within the annual reporting period ending on June 30, 2025. Furthermore, there is no material change in the assessed market value of the above property as at the reporting date.

In 2023, in order to meet working capital requirement and to settled its liabilities the Company had classified its head office land and building having carrying amount of Rs. 739.539 million. M/s. Oceanic Surveyors limited assessed market value of leasehold land at amount of Rs 943.637 at the time of classification.

During the reporting period, on the basis of extended financial support from Sikander (Private) Limited (the Holding Company) to meet the working capital requirement, the Company has changed its plan to sell the its head office land and building and re-classified the same property at last year assessed market value in fixed assets.

The above stated events or conditions cast doubt about the Company's ability to continue as a going concern, however, based on available financial support from its sponsors and the management plans for the coming year, these financial statements have been prepared on going concern basis.

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

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

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated. These financial statements have been prepared following accrual basis of accounting except for cash flows information.

The preparation of these financial statements in conformity with approved accounting standards requires the management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are discussed in note 5.27.

3.3 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.') which is the Company's functional and presentation currency.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after January 01, 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 5 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

4.2 New accounting standards, amendments and interpretations that are not yet effective

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

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).	
IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.	
IFRS 18 'Presentation and Disclosures 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.	

5 MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

5.1 Property, plant and equipment

a) Operating fixed assets

Owned

These are stated at cost less accumulated depreciation and impairment except for land. Freehold land are stated at revalued amounts less accumulated impairment and leasehold land is stated at revalued amount less accumulated depreciation and impairment.

Depreciation is charged to statement of profit or loss using the straight-line method over their estimated useful lives at the rates disclosed in note 6 to these financial statements, whereby the cost of an asset less residual value is written-off over its estimated useful life. A full month's depreciation is charged for assets in the month of purchase and no depreciation is charged in the month of disposal.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset are calculated as the difference between the net disposal proceeds and the carrying amount of the item.

Gains and losses on disposal of assets are taken to the statement of profit or loss in the year the assets are derecognised. When revalued assets are sold, the remaining surplus is transferred directly to retained earnings.

Assets residual values, useful lives and method of depreciation are reviewed, and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised.

Right-of-use asset

The right-of-use asset is initially measured at the amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using straight line method from the commencement date to the earlier of the end of useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

b) Capital work-in-progress

Capital work-in-progress are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

5.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment. Amortisation is charged to the statement of profit or loss using the straight-line method over their estimated useful lives.

5.3 Investment property

These are assets held for capital appreciation and for rental earnings and are measured under the cost model. These are stated at cost less accumulated depreciation and impairment.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposals and carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers are made to or from the investment property only when there is a change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment upto the date of change in use.

Depreciation is charged to the statement of profit or loss using the straight-line method over their estimated useful lives at the rates disclosed in note 9 to these financial statements, whereby the cost of an asset less residual value is written-off over its estimated useful life. A full month's depreciation is charged for assets in the month of purchase and no depreciation is charged in the month of disposal.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised.

5.4 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognized as expense in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Impaired assets are reviewed for possible reversal of the impairment at each reporting date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the statement of profit and loss.

5.5 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost less provision for slow moving and obsolete items. Cost is determined by using the weighted average cost method. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

The Company reviews the carrying amount of stores, spares and loose tools on a periodic basis and provision is made for slow moving and obsolescence on periodic basis.

5.6 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of net realizable values and cost determined as follows:

Raw and packing materials - Moving average basis.

Work-in-process - Cost of direct materials plus conversion cost is valued on the basis of equivalent production units.

Finished goods - Cost of direct materials plus conversion cost is valued on time proportion basis.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Stock-in-trade is regularly reviewed by the management and any obsolete items are brought down to their net realizable values.

5.7 Trade debts and other receivables

Trade debts are recognized initially at the amount of the consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest method. Impairment of trade debts is disclosed in note 5.16.1.

5.8 Taxation

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

The Institute of Chartered Accountants of Pakistan has issued IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes and defined two approaches for bifurcation of tax between current and minimum taxes. The Company has adopted an approach to account for current tax calculated on taxable income using the notified tax rate as an income tax and minimum tax any amount over the current tax calculated on taxable income is accounted for as excess over the current tax and is recognised as a levy as per IFRIC 21/IAS37.

a) Current

Current tax is the expected tax payable on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date after taking into account tax credits and tax rebates. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the Balance Sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future years to utilize deductible temporary differences, unused tax losses and tax credits. Deferred tax is not recognized

on temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The carrying amount of deferred tax asset is reviewed at each statement of financial position date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is calculated based on tax rates that have been enacted or substantively enacted up to the statement of financial position date and are expected to apply to the periods when the differences reverse.

The Company takes into account decisions taken by the taxation authorities. For instance where the Company's view differs from the income tax department at the assessment stage, the disputed amounts are shown as contingent liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The Company takes into account decisions taken by the taxation authorities. For instance where the Company's view differs from the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the disputed amounts are shown as contingent liabilities.

5.9 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

5.10 Non current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

5.11 Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of land is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

Any decrease in carrying amount arising on the revaluation of land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

5.12 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.13 Borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Borrowing cost are subsequently carried at amortised cost. Any difference between the proceeds received net of transaction cost and the redemption value is recognised in the Statement of profit or loss over the period of the borrowings using the effective interest method.

Finance cost are accounted for on accrual basis and are shown as interest and markup is accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing cost on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit or loss in the period in which these are incurred.

5.14 Provisions

A provision is recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of that obligation can be measured reliably. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

5.15 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

5.16 Financial instruments

5.16.1 Financial assets

Financial assets are recognized at the time when the Company becomes the party to the contractual provisions of the instruments.

Recognition and measurement

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at reporting date are carried at amortized cost.

Derecognition

Derecognized when the Company loses control of the contractual rights that comprises the financial assets. Any gain or loss on derecognition of financial assets are recognized in statement of profit or loss.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.16.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

5.16.3 Recognition and measurement

All financial liabilities are initially measured at cost, which is the fair value of the consideration received and subsequently measured at amortised cost.

5.16.4 Derecognition

The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain / loss on the recognition and derecognition of the liabilities is included in the statement of profit or loss for the period in which it arises.

5.16.5 Offsetting of financial assets and financial liabilities

Financial asset and financial liability are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

5.17 Foreign currency translation

Transactions in foreign currencies are converted into Pakistani Rupees at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

5.18 Retirement benefits

The Company contributes to an approved contributory provident fund scheme for all its permanent employees. Equal monthly contributions, both by the Company and the employees are made to the fund, at the rate of 11% of the basic salary plus cost of living allowance. All regular employees are eligible for provident fund upon their confirmation. Obligation for contributions to defined contribution plan by the Company is recognized as an expense in the statement of profit or loss. Prepaid contribution are recognized as an asset to the extent that cash refund or reduction in future payment is available.

5.19 Revenue recognition

Sale of goods

Sale of goods is recognized when the Company has transferred control of the products to the customers and there is no unfulfilled performance obligation that could affect the customer's acceptance of the products.

Others

- Scrap sales are recorded on receipt basis.
- Profit on bank accounts is recorded using effective interest rate.
- Rental income is recorded on accrual basis.
- Dividend income is recognised when the right to receive the dividend is established.

5.20 Cash and cash equivalents

Cash and cash equivalents comprise of cash, cheques in hand and balances with banks. Short-term borrowing facilities which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

5.21 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs, net of tax, directly attributable to the issue of new shares are shown as a deduction in equity.

5.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

5.23 Dividend and appropriation to reserves

Dividend is recognized as a liability in the period in which it is declared by Board of Directors. Appropriations to reserves are recognized in the year in which these are approved by the Company's shareholders at the Annual General Meeting.

5.24 Related party transactions

Transactions with related parties are based at arm's length at normal commercial rates on the same terms and conditions as applicable to third party transactions.

5.25 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5.26 Change in accounting policy

Previously, sum of current tax expense calculated as per applicable tax laws, prior year tax expense and deferred tax was recorded as income tax expense.

During the year the Institute of Chartered Accountant of Pakistan has issued the guidance for accounting of minimum and final taxes through circular No. 7/2024 dated May 15, 2024 and defined following two approaches:

Approach 1: Designate the amount calculated as tax on gross amount of revenue or other basis as a levy within the scope of IFRIC 21/IAS 37 and recognize it as an operating expense. Any excess over the amount designated as a levy is then recognized as current income tax expense falling under the scope of IAS 12.

Approach 2: Designate the amount of tax calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognize it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

During the year ended June 30, 2024, the Company has revised its accounting policy. This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been restated. Details of impact are as follows:

For the year ended June 30, 2023				
	Note	As previously reported	Restatement	As restated
		-----	(Rupees in thousands)	-----
Effect on statement of financial position				
Trade deposits and short term prepayments	17	111,480	4,461	115,941
Taxation - net	19	37,354	(4,461)	32,893
Effect on statement of profit or loss				
Minimum tax differential		-	4,461	4,461
Loss before income tax and minimum tax differential		365,811	370,272	370,272
Taxation	39	17,668	13,207	13,207

The change has been applied retrospectively resulting in reclassifications in the statement of financial position, statement of profit or loss and statement of cash flows.

The change do not have any impact on statement of other comprehensive income and statement of changes in equity.

5.27 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to consider industry practices and exercise its judgments in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

b) Stock-in-trade

The Company reviews the net realisable values of stock in trade to assess any diminution in the respective carrying values. Net realisable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

c) Trade debts

The Company uses a provision matrix to calculate ECLs for trade receivables and other receivables.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

d) Income taxes

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. With regard to deferred taxation, the Company applies various assumptions on future projections and applicability of different tax regime, as well as recoverability of various deferred tax assets.

e) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information estimates the value of contingent assets and liabilities which may differ on the occurrence /non-occurrence of the uncertain future events.

6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Owned							Right-of-use-assets (note 6.5)			Total
	Freehold land	Leasehold land	Factory building on freehold and leasehold land	Buildings on leasehold land other than factory	Plant and machinery	Furniture and fixtures	Vehicles and transportation equipment	Office and factory equipment	Building	Plant and machinery	

(Rupees in thousands)

Year ended June 30, 2024

Net carrying value basis

Opening book value	221,936	64,451	851	4,520	147,609	170	426	3,665	7,851	-	-	451,480
Additions	6.1	-	213	-	37,736	-	-	1,417	3,854	-	-	43,219
Transfer from non-current asset held for sale	-	722,500	-	17,039	6,693	-	-	75	-	-	-	746,307
Disposal	-	-	-	-	(23,994)	-	-	-	(4,594)	-	-	(28,588)
Depreciation charge	-	(23,721)	(332)	(2,256)	(34,425)	(74)	(145)	(1,287)	(1,540)	-	-	(63,780)
Closing net book value	221,936	763,230	732	19,303	133,619	96	281	3,870	5,571	-	-	1,148,639

Gross carrying value basis

Cost/Revalued amount	221,936	801,675	143,412	27,333	975,460	11,217	21,722	36,566	10,989	-	-	2,250,310
Accumulated depreciation	-	(38,445)	(142,680)	(8,030)	(841,841)	(11,121)	(21,441)	(32,696)	(5,418)	-	-	(1,101,671)
Net book value	221,936	763,230	732	19,303	133,619	96	281	3,870	5,571	-	-	1,148,639

Year ended June 30, 2023

Net carrying value basis

Opening net book value	62,101	480,425	1,727	19,742	128,697	296	1,958	3,313	1,226	61,189	-	760,674
Additions	6.1	-	-	3,818	979	-	-	1,601	8,468	-	-	14,866
Transfer from ROUA	-	-	-	-	58,518	-	-	-	-	(58,518)	-	-
Revaluation surplus	159,835	321,250	-	-	-	-	-	-	-	-	-	481,085
Transfer to non-current asset held for sale	-	(722,500)	-	(17,039)	(6,693)	-	-	(75)	-	-	-	(746,306)
Disposal	-	-	-	-	(281)	-	(16)	(18)	-	-	-	(315)
Depreciation charge	-	(14,724)	(876)	(2,001)	(33,611)	(126)	(1,516)	(1,156)	(1,843)	(2,671)	-	(58,524)
Closing net book value	221,936	64,451	851	4,520	147,609	170	426	3,665	7,851	-	-	451,480

Gross carrying value basis

Cost/Revalued amount	221,936	79,175	143,199	10,294	955,026	11,217	21,722	35,074	11,729	81,368	-	1,570,740
Accumulated depreciation	-	(14,724)	(142,348)	(5,774)	(807,417)	(11,047)	(21,296)	(31,409)	(3,878)	(81,368)	-	(1,119,260)
Net book value	221,936	64,451	851	4,520	147,609	170	426	3,665	7,851	-	-	451,480

Depreciation rate % per annum

0%	1% to 2.5%	10%	5%	10%	10%	20%	10% to 33.3%	33.3% to 50%	10% to 33.3%	10% to 33.3%
----	------------	-----	----	-----	-----	-----	--------------	--------------	--------------	--------------

6.1 This addition includes amount transferred from capital work in progress.

6.2 Particulars of immovable property in the name of Company are as follows:

Details	Location	Total area
Free hold land	Plot No: 561-561A, Sunder Industrial Estate, Multan Road, Raiwind, Distt. Lahore	26,111 Sq-yard
Lease hold land	34-A/1, Block-6, P.E.C.H.S. Shahrah-e-Faisal, Karachi-75400,	1249 Sq-yard
Lease hold land	DEH # 21-22, Manghopir, Karachi 75890	125,840 Sq-yard
Lease hold land	P.O. Box No. 10, Badin Road, Hyderabad.	48,932 Sq-yard

6.3 The cost of fully depreciated assets which are still in use as at June 30, 2024 is Rs. 1,081.439 million (2023: Rs. 1,003.924 million).

6.4 The following operating fixed assets were disposed off during the year:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Relationship with buyers	Particulars of buyers
(Rupees in thousands)								
Items having book value exceeding Rs. 500,000								
Plant and equipments:								
Generator and Overhead Crane	122,817	98,823	23,994	20,000	(3,994)	As per Company policy	Negotiation	Sun Steel Industries
Moulds	12,448	12,448	-	424	424			Vision Trade Business
	<u>135,265</u>	<u>111,271</u>	<u>23,994</u>	<u>20,424</u>	<u>(3,570)</u>			

6.5 The Company has lease contracts for the various office buildings used in its operations. The lease of office buildings generally have lease term between 3 years and 5 years. The Company's obligation under its leases are secured by the lessor's title to the leased assets.

	2024	2023
Amounts recognised in the statement of profit or loss:		
Depreciation charge of right-of-use assets	<u>1,540</u>	<u>1,843</u>

6.6 The depreciation charge for the year has been allocated as follows: **Note**

	2024	2023
Cost of sales	34,554	34,107
Selling and distribution expenses	1,937	3,451
General and administrative expenses	29,867	20,966
	<u>66,358</u>	<u>58,524</u>

6.7 The Company has been revaluing its freehold and leasehold land since January 23, 2012, with the most latest being done in the year 2023, by independent valuers M/s. Iqbal A.Nanjee and Co, KG Traders (Private) Limited, Oceanic Surveyors (Private) Limited and Fairwater Property Valuers and Surveyors (Private) Limited on the basis of market value. The incremental value of the leasehold land so revalued are being depreciated over the remaining useful lives of these assets at the date of revaluation.

6.8 Had there been no revaluation, the carrying amount of freehold land, leasehold land at June 30, 2024 would have been as under:

	2024			2023		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
(Rupees in thousands)						
Free-hold land	62,101	-	62,101	62,101	-	62,101
Lease-hold land	465,701	(14,724)	450,977	480,425	(14,724)	465,701
	<u>527,802</u>	<u>(14,724)</u>	<u>513,078</u>	<u>542,526</u>	<u>(14,724)</u>	<u>527,802</u>

6.9 The forced sales value of leasehold land, which was subject to revaluation by Fairwater Property Valuers and Surveyors (Private) Limited, is Rs. 481.085 million (2023: Rs. 481.085 million).

Details of Company's free-hold and lease-hold land and information about the fair value hierarchy as at the end of the reporting period are as follows:

June 30, 2024			
	Level 2	Level 3	Total
	-----Rupees in thousands-----		
Free-hold land	261,100	-	261,100
Lease-hold land	1,725,825	-	1,725,825
	1,986,925	-	1,986,925

June 30, 2023			
	Level 2	Level 3	Total
	-----Rupees in thousands-----		
Free-hold land	261,100	-	261,100
Lease-hold land	1,725,825	-	1,725,825
	1,986,925	-	1,986,925

6.10 Fair value measurement

6.10.1 Fair value of property, plant and equipment are based on the valuations carried out by an independent valuer M/s Fairwater Property Valuers and Surveyors (Private) Limited on the basis of market value.

6.10.2 Fair value of freehold land and leasehold land are based on assumptions considered to be level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.

Valuation techniques used to derive level 2 fair values - freehold land and leasehold land

Fair values have been derived using a sales comparison approach. Sale prices of comparable lands in close proximity are adjusted for differences in key attributes such as location and size of the land. The most significant input in this valuation approach is price / rate per square foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

6.10.3 There were no transfers between level 2 and 3 for recurring fair value measurements during the year (2023: none).

	Note	2024	2023
		----- (Rupees in thousands) -----	
7 CAPITAL WORK IN PROGRESS			
Plant and machinery		<u>1,932</u>	<u>13,525</u>
7.1 Movement of carrying amount is as follows:			
Opening balance		13,525	1,932
Additions (at cost) during the year		<u>27,772</u>	<u>17,990</u>
		41,297	19,922
Transfer to operating fixed assets during the year		<u>(39,365)</u>	<u>(6,397)</u>
Closing balance		<u>1,932</u>	<u>13,525</u>

		Note	2024	2023
----- (Rupees in thousands) -----				
8	INTANGIBLE ASSETS			
	Intangible assets - Software	8.1	-	40
8.1	Net carrying value basis			
	Opening net book value		40	117
	Additions		-	-
	Amortization charge	34	(40)	(77)
	Closing net book value		-	40
	Gross carrying value basis			
	Cost		21,520	21,520
	Accumulated amortization		(21,520)	(21,481)
	Net book value		-	40
	Amortization rate % per annum		33.33	33.33

9 INVESTMENT PROPERTY

	COST			DEPRECIATION			NET BOOK VALUE		Rate %
	As at July 1, 2023	Transfer	As at June 30, 2024	As at July 1, 2023	Depreciation for the year	As at June 30, 2024	Transfer to NCA held for sale	Net book value As at June 30, 2024	
----- (Rupees in thousands) -----									
Building on lease hold land									
2024	-	50,762	50,762	24,112	2,538	26,650	-	24,112	5
2023	50,762	(50,762)	-	21,576	2,536	24,112	26,650	-	5

9.1 The investment property comprises of 61% of Karachi head office building which was transferred to non-current assets held for sale at net book value in last year. Current year, this property is transferred back to investment property.

		Note	2024	2023
----- (Rupees in thousands) -----				
10	LONG-TERM LOANS			
	(Secured - considered good)			
	Long-term loans to employees	10.1	454	453
10.1	Long-term loans to employees			
	Due from employees	10.3	732	701
	Current portion shown under current assets	16	(278)	(248)
		10.2	454	453

10.2 Chief Executive Officer and Directors of the Company have not taken any loans and advances from the Company.

10.3 This represents loan provided to employees by the Company for the purchase of motor vehicles (cars and motorcycle). These are repayable over the period ranging from 4 months to 5 years and are secured by way of registration of vehicles purchased in the name of the Company.

11	LONG-TERM DEPOSITS	Note	2024	2023
			----- (Rupees in thousands) -----	
	Long term security deposit		<u>14,715</u>	<u>16,459</u>

11.1 This includes deposits that do not carry any interest or mark-up and are not recoverable within one year. IFRS 9 requires long-term non-interest bearing financial assets to be discounted at average borrowing rate of the Company. Majority of the long-term deposits are not financial instrument as per IFRS 9 and other relates to deposits given to government utility departments with undetermined life period for the impact of discounting hence these are not remeasured.

12	DEFERRED TAXATION	Note	2024	2023
			----- (Rupees in thousands) -----	
	Tax effects of temporary differences relating to:			
	Accelerated tax depreciation		(19,295)	(36,945)
	Lease liabilities		(108)	(6)
	Provisions		(5,351)	19,029
	Unabsorbed tax losses		<u>165,186</u>	<u>199,454</u>
			<u>140,432</u>	<u>181,533</u>
	Minimum tax		<u>62,640</u>	<u>69,605</u>
		12.1	<u>203,072</u>	<u>251,138</u>
	Less:			
	Deferred tax asset not expected to be recovered with reasonable certainty	12.1	<u>(57,286)</u>	<u>(88,634)</u>
			<u>145,786</u>	<u>162,504</u>

12.1 Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at the reporting date amounted to Rs. 203.074 million (2023: Rs. 251.138 million). Out of this, deferred tax asset of Rs. 57.289 million (2023: Rs. 88.634 million) has not been recognized in these financial statements based on management's best estimate of probable benefit expected to be realized in the foreseeable future and / or adjustment of taxable and deductible temporary differences in future years.

13	STORES, SPARES AND LOOSE TOOLS	Note	2024	2023
			----- (Rupees in thousands) -----	
	Stores			
	in hand		3,547	5,971
	Spares		39,041	38,106
	Loose tools		<u>10,191</u>	<u>12,126</u>
			<u>52,779</u>	<u>56,203</u>
	Less: provision for slow moving stores and spares	13.1	<u>(10,155)</u>	<u>(12,273)</u>
		13.2	<u>42,624</u>	<u>43,930</u>

13.1	Provision for slow moving stores and spares comprises:	2024	2023
		----- (Rupees in thousands) -----	
	Balance at the beginning of the year	12,273	12,310
	Reversals during the year	<u>(2,118)</u>	<u>(37)</u>
	Balance at the end of the year	<u>10,155</u>	<u>12,273</u>

13.2 Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.

14	STOCK-IN-TRADE	Note	2024		2023	
			----- (Rupees in thousands) -----			
	Raw materials					
	- in hand		60,932		110,864	
	Work-in-process	14.1	20,224		11,565	
	Finished goods					
	- manufactured	14.2	91,967		58,272	
	- trading	14.3	19,030		18,297	
			110,997		76,569	
			192,153		198,998	
14.1	These are stated at cost less provision for slow moving stock.					
14.2	Finished goods - manufactured					
	Manufactured goods - at cost		104,995		77,258	
	Less: provision for slow moving stock	14.2.1	(13,028)		(18,986)	
			91,967		58,272	
14.2.1	Provision for slow moving and obsolete - finished goods:					
	Balance at beginning of the year		18,986		27,900	
	Provision for the year		-		-	
	Reversal for the year		(5,958)		(8,914)	
	Balance at end of the year		13,028		18,986	
14.3	Finished goods - trading goods					
	Trading goods - at cost		80,671		90,313	
	Less: provision for slow moving stock	14.3.1	(61,641)		(72,016)	
			19,030		18,297	
14.3.1	Provision for slow moving and obsolete - trading goods:					
	Balance at beginning of the year		72,016		72,509	
	Provision for the year		-		-	
	Reversal for the year		(10,375)		(493)	
	Balance at end of the year		61,641		72,016	
15	TRADE DEBTS					
	(Unsecured - considered good)					
	Export		-		244	
	Local		4,483		3,490	
			4,483		3,734	
	(Unsecured - considered doubtful)					
	Due from Turnkey project	15.1	17,414		17,414	
	Due from Others		218,571		231,311	
			235,985		248,725	
			240,468		252,459	
	Allowance for expected credit loss					
	Turnkey project	15.2	(17,414)		(17,414)	
	Others	15.3	(174,419)		(174,419)	
			(191,833)		(191,833)	
			48,635		60,626	

15.1 Turnkey projects refer to the Company undertaking projects relating to laying down water lines for various government projects. The Company was not only responsible for providing pipes for that project but also was responsible for excavation and installation of said pipes. The amount receivable from turnkey projects comprises majorly of retention money to be received after checking was performed on their installed pipes. The said amount is fully provided as it has been outstanding for more than 16 years. Moreover, the Company has discontinued its practice of undertaking project based works.

	Note	2024	2023
----- (Rupees in thousands) -----			
15.2 Allowance for expected credit losses- Turnkey			
Allowance for turnkey projects		<u>17,414</u>	<u>17,414</u>
15.3 Allowance for expected credit losses- Other than Turnkey			
Balance at beginning of the year		174,419	155,969
Provision for the year	36	-	18,450
Balance at end of the year		<u>174,419</u>	<u>174,419</u>

15.4 Aging of receivable

Trade debts are normally on 30 days term. Aging analysis of trade debts is as follows:

	Aging days					Total Amount
	Neither past due nor impaired	30 days upto 90 days	90 days upto 180 days	180 days upto 360 days	Above 360 days	
----- Rupees in thousands -----						
2024	4,483	268	502	3,411	231,804	240,468
2023	3,734	8,954	946	7,008	231,817	252,459

15.5 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. nil million (2023: Rs. nil million).

16 LOANS AND ADVANCES

	Note	2024	2023
----- (Rupees in thousands) -----			
(Secured - considered good)			
Loans to employees			
Current portion of long-term loans to employees	10	278	248
(Unsecured - considered good)			
Advances			
to employees	16.1	228	554
to suppliers / contractors	16.2	37,900	87,586
others		200	200
		<u>38,328</u>	<u>88,340</u>
(Unsecured - considered doubtful)			
Advances			
to suppliers / contractors		500	500
Provision for doubtful advances		(500)	(500)
	16.3	<u>-</u>	<u>-</u>
		<u>38,606</u>	<u>88,588</u>

- 16.1** This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.
- 16.2** This represents advances to suppliers in the normal course of business and does not carry any interest or mark-up.
- 16.3** Chief Executive Officer and Directors of the Company have not taken any loans and advances from the Company.

17 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Note	2024	2023
		----- (Rupees in thousands) -----	
Trade deposits - (considered good)			(Restated)
Tender deposits		24,543	85,987
Margin deposits		14,378	25,098
		<u>38,921</u>	<u>111,085</u>
Short term prepayments		503	395
		<u>39,424</u>	<u>111,480</u>
Considered doubtful			
Trade deposits		5,182	5,182
Allowance for expected credit losses		(5,182)	(5,182)
		-	-
Minimum tax - levy	38	1,161	4,461
	17.1	<u>40,585</u>	<u>115,941</u>

- 17.1** This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

18 OTHER RECEIVABLES

	Note	2024	2023
		----- (Rupees in thousands) -----	
(Considered good)			
Provident fund	18.1	-	400
Rent receivable from tenants		20,129	4,914
Sales tax receivable		1,964	8,998
		<u>22,093</u>	<u>14,312</u>
(Considered doubtful)			
Receivable from K-Electric Limited		10,227	10,227
Allowance for expected credit losses		(10,227)	(10,227)
		-	-
		<u>22,093</u>	<u>14,312</u>

18.1 Provident fund

The Company has contributory provident fund scheme for benefit of all its permanent employees. The fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees.

The Trustees have intimated that the size of the Fund as at June 30, 2024 was Rs. 199.910 million (2023: Rs. 177.046 million). Details are as follows:

	Note	(Un-audited)	(audited)
Size of the fund		199,910	177,046
Cost of investment made	18.1.1	173,176	165,404
Fair value of investment		198,192	175,248
Percentage of investment made		87%	94%

As intimated by the Trustees, the cost of the investment made as at June 30, 2024 was Rs. 173.176 million (2023: Rs. 165.404 million) which is equal to 87% (2023: 94%) of the total fund size. The fair value of the investment was Rs. 198.192 million at that date. The category wise break up of investment is given below:

18.1.1 Category wise breakup

	2024	2023
	----- (Rupees in thousands) -----	
Mutual funds	20,000	23,697
Term finance certificates	50,000	50,000
Bank deposits	103,176	91,707
	<u>173,176</u>	<u>165,404</u>

18.1.2 According to the Trustees, investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules made thereunder.

19 TAXATION - NET

	2024	2023
	----- (Rupees in thousands) -----	
		(Restated)
Advance tax	751,649	732,001
Provision for taxation	(713,171)	(699,108)
	<u>38,477</u>	<u>32,893</u>

20 CASH AND BANK BALANCES

Note

	2024	2023
	----- (Rupees in thousands) -----	
Cash in hand	276	358
Local currency		
Bank balances - conventional		
Current account	40,232	37,722
PLS Savings account	8,590	18,120
	<u>48,822</u>	<u>55,842</u>
	<u>49,098</u>	<u>56,200</u>

20.1 These carry profit rate ranging from 15% to 20.50% (2023: 14.5% to 19.50%) per annum.

21 NON-CURRENT ASSETS HELD FOR SALE

Head office-Karachi		
Leasehold land	-	722,500
Buildings on leasehold land	-	43,689
Plant and machinery	-	6,693
Office and other equipment	-	75
	<u>-</u>	<u>772,957</u>
Factory-Karachi		
Leasehold land	720,000	720,000
Buildings on leasehold land	3,205	3,205
	<u>723,205</u>	<u>723,205</u>
	<u>723,205</u>	<u>1,496,162</u>

21.1 In 2023, in order to meet working capital requirement and to settled its liabilities the Company had classified its head office land and building having carrying amount of Rs. 739.539 million. Oceanic Surveyors Ltd assessed market value of leasehold land at amount of Rs 943.637at the time of classification.

During the reporting period, on the basis of Sikander (Private) Limited (the Holding Company) extended support to meet the working capital requirement, the management changed its plan to sell the its head office land and building and re-classified the same property at last year assessed market value in fixed assets.

21.2 In 2023, the Company initiated a process of disposal of Company's land and building on leasehold land located in Karachi. The Company is still in the process of finding and negotiating with potential buyers.

22 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2024		2023		2024		2023	
---(Number of Shares)---				---(Rupees in thousands)---			
914,264	914,264	Ordinary shares of Rs.10/- each fully paid in cash		9,143	9,143		
476,386	476,386	Ordinary shares of Rs.10/- each issued as fully paid for consideration other than cash		4,764	4,764		
800,000	800,000	B' class ordinary shares of 10/- each fully paid in cash		8,000	8,000		
<u>8,573,309</u>	<u>8,573,309</u>	Issued as fully paid bonus shares		<u>85,733</u>	<u>85,733</u>		
<u>10,763,959</u>	<u>10,763,959</u>			<u>107,640</u>	<u>107,640</u>		

22.1 Ordinary shares include 4,090,536 shares (2023: 4,090,536) 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.

22.2 The Holding Company holds 6,800,648 (2023: 6,800,648) ordinary shares representing 63.18 percent (2023: 63.18 percent) shareholding at the reporting date.

22.3 The Company has more than one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

23 RESERVES

	Note	2024	2023
----- (Rupees in thousands) -----			
Capital reserve			
Surplus on revaluation of property, plant and equipment	23.1	1,506,789	1,525,882
Revenue reserve			
Accumulated losses		(1,108,194)	(776,884)
		<u>398,595</u>	<u>748,998</u>
23.1 Surplus on revaluation of property, plant and equipment			
Opening revaluation surplus		1,525,882	1,054,892
Surplus/(deficit) arising on revaluation:			
Land		-	481,085
		<u>1,525,882</u>	<u>1,535,977</u>
Net amount transferred to unappropriated profit account of :			
Incremental depreciation	23.1.1	(19,093)	(10,095)
		<u>1,506,789</u>	<u>1,525,882</u>

23.1.1 Movement of reserves have been reflected in the statement of changes in equity.

23.1.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

	Note	2024	2023
----- (Rupees in thousands) -----			
24 LEASE LIABILITIES			
Balance at July 01		7,829	15,814
Addition		3,854	8,468
		<u>11,683</u>	<u>24,282</u>
Interest expense during the year		368	1,919
Payments / adjustments during the year		(6,853)	(18,372)
		<u>5,198</u>	<u>7,829</u>
Less: Payable within one year shown under current liabilities		(1,323)	(1,057)
	24.2	<u>3,875</u>	<u>6,772</u>
Current portion of lease liabilities		1,323	1,057
Non-current portion of lease liabilities		3,875	6,772
		<u>5,198</u>	<u>7,829</u>
24.1 Maturity analysis-contractual undiscounted cash flows:			
Less than one year		1,323	1,057
One to five year		3,875	6,772
Total undiscounted lease liability		<u>5,198</u>	<u>7,829</u>

24.2 This pertains to office premises of company occupied in various cities as a tenant. The discount rate use to calculate is 23% (2023: 22.5%).

	Note	2024	2023
25 LOAN FROM DIRECTORS			
	25.1	<u>65,000</u>	<u>25,000</u>

25.1 This represents interest free loan obtained from Ms. Ayesha Allahwala, Mr. Sikandar Dada and from director of Holding Company amounting to Rs. 20 million, Rs. 5 million and 40 million respectively. The loan was repayable on demand which has been settled in full subsequent to the year end. The maximum aggregate amount due to directors at the end of any month during the year amounting to Rs. 65 million (2023: Rs. 25 million).

	Note	2024	2023
----- (Rupees in thousands) -----			
26 GIDC PAYABLE			
GIDC payable	26.1	29,344	29,344
Less: Current portion shown under current liability		(29,344)	(29,344)
		<u>-</u>	<u>-</u>

26.1 An amount of Rs. 87.349 million was contingent in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. Previously, based on appeal filed by the Government, the Supreme Court of Pakistan in its judgement dismissed all the petition filed against the aforesaid matter and decided in favour of Federal Government. Accordingly, as per the direction given in the said judgement, Company would be required to pay the amount of levy payable upto July 2020 in forty eight equal monthly installment commenced from August, 2020.

In October 2022, number of monthly installment is reduced from forty eight to twenty four equal monthly installments resulting in Loss on restructuring of GIDC liability Rs. 4.695 million and GIDC fee was also reduced by SSGC resulting in extinguishment of liability amounting to Rs. 43.497 million. The component of late payment surcharge is no more payable as per the aforesaid judgment.

27	TRADE AND OTHER PAYABLES	Note	2024	2023
			----- (Rupees in thousands) -----	
	Trade creditors		675,698	642,285
	Accrued liabilities		89,997	87,781
	Advance from customers		595,563	461,492
	Advance from tenants		6,260	8,689
	Infrastructure cess payable		40,913	40,913
	Security deposits from distributors and others	27.1	19,792	16,903
	Workers' Profit Participation Fund	27.2	932	932
	Workers' Welfare Fund		7,557	7,557
	Provident fund payable	18.1	1,243	-
	Payables to employees		776	9,581
	Current portion of GIDC payable	26	29,344	29,344
	Withholding tax	30.1.4	455	452
	Other payables		1,184	2,100
			<u>1,469,714</u>	<u>1,308,029</u>

27.1	Security deposits from distributors and others	Note	2024	2023
			----- (Rupees in thousands) ----- (Restated)	
	Deposits received from supplier		6	6
	Deposits received from dealers		6,164	6,164
	Deposits received from tenants		13,621	10,733
			<u>19,792</u>	<u>16,903</u>
27.2	Workers' Profit Participation Fund			
	Balance at July 01		932	932
	Interest on funds utilized in Company's business		-	-
	Balance at June 30		<u>932</u>	<u>932</u>

28	SHORT TERM BORROWINGS	Note	2024	2023
			(Secured)	
	Conventional mode			
	Running finance	28.1	449,760	449,760
			<u>449,760</u>	<u>449,760</u>
	Islamic mode			
	Karobar finance	28.2	70,000	89,929
	Tijarah finance	28.3	-	50,000
	Istisna finance	28.4	149,351	121,345
			<u>219,351</u>	<u>261,274</u>
			<u>669,111</u>	<u>711,034</u>

28.1 These financing facilities have been obtained from National Bank of Pakistan (NBP) amounting to Rs. 500 million (June 30, 2023: 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, 2023: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 (June 30, 2023: 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, 2023: 3 months KIBOR+2.75%) per annum.

In 2023, the Company entered into negotiations for these financing facilities and had several rounds of discussions with NBP and submitted various plans for enhancing product lines and improvement in business profitability, while the Company has paid Rs. 50 million to NBP in line with undergoing discussions with NBP.

During current year, negotiations with NBP have reached at an advanced level however, formal letter pertaining to renewal / re-positioning of financing facilities are awaited.

28.2 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 80 million (June 30, 2023: Rs. 216 million) out of which Rs. 70 million (June 30, 2023: 126.071 million) remains unutilized as at the reporting date. 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, 2023: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 21% to 25% (June 30, 2023: 19.5% to 24.09%) per annum.

28.3 The facility of Rs. 100 million was obtained from Al-Baraka Bank Limited under Tijarah financing out of which the Company utilised Rs. 50 million. During the year, the outstanding amount has been fully paid. The facility was 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 carried markup at 6 months KIBOR+3% which is yet to be released by Bank.

28.4 This facility of Rs. 150 million has been obtained from Habib Metropolitan Bank which has been fully utilized as at the reporting date (June 30, 2023: 28.655 million unutilized facilities). This facility is secured by creation of 100% cash collateralized of lien on Islamic Naya Pakistan certificate (INPC) placed by three Share holders of the Company, of equivalent amount as proposed. The facility carries mark-up rates ranging from 6 months KIBOR+2% (June 30, 2023: KIBOR+2%) per annum.

29 ACCRUED MARKUP

Mark-up accrued on short term borrowing

Conventional mode

Running finance

Islamic mode

Karobar finance

Istisna

Tijarah Finance

	2024	2023
	----- (Rupees in thousands) -----	
	26,864	27,831
	4,010	3,360
	4,927	5,197
	1,999	3,255
	10,936	11,812
	37,800	39,643

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 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 judge 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 these financial statements.

30.1.2 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 15.666 million (June 30, 2023: 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.

30.1.3 In 2023, the Company has created a provision amounting to Rs. 9.581 million in respect of compensation to the retrenched labor which might arise as a result of Complaint to Directorate of Labor (West Division) by Labor of the Company. During the reporting period, company has settled the outstanding amount and amount Rs. 0.776 million is still payable.

30.1.4 During year 2020, the Company received notices for tax demand under section 161(1) - "Monitoring" of the Income Tax Ordinance, 2001 amounting to Rs. 24.279 million and Rs. 29.635 million for tax year 2014 and 2017 respectively. In 2023 the cases was settled and the liability was reduced to 0.452 million which is still outstanding at reporting date.

	Note	2024	2023
----- (Rupees in thousands) -----			
30.2	Commitments		
	Outstanding letter of guarantee	70,824	78,516
	Post dated cheques	48,488	15,961
	Outstanding contracts	703,450	546,308
31	SALES-NET		(Restated)
	Local sales	1,335,011	1,583,201
	Export sales	13,468	77,124
	Gross sales	1,348,479	1,660,325
	Less:		
	Sales tax	229,215	259,154
		<u>1,119,264</u>	<u>1,401,171</u>

- 31.1** These represents export sales of PVC pipes to Polyplastic Limited, a Company listed on the stock exchange of Singapore situated at 150, Orchard plaza, Orchard road. Sales of PVC pipes is made against receipt of advance.

32 COST OF SALES

	Note	2024	2023
----- (Rupees in thousands) -----			
Manufactured goods			
Raw materials consumed			
Opening stock		110,864	139,714
Purchase		637,150	723,033
Closing stock		(60,932)	(110,864)
Raw materials consumed		<u>687,082</u>	<u>751,883</u>
Manufacturing overheads			
Stores, spares and loose tools consumed	32.1	32,399	34,619
Salaries, wages and benefits	32.2	71,096	78,448
Procured services		24,245	66,678
Fuel, water and power		102,390	82,167
Insurance		4,054	5,088
Travelling		78	517
Communication		851	645
Depreciation	6.6	34,554	34,107
Rent, rates and taxes		3,084	3,550
Repair and maintenance		26,621	29,590
Printing and stationary		807	245
Reversal of provision for stores, spares and loose tools written back	13.1	(2,118)	(37)
Other expenses		1,813	1,771
		<u>299,874</u>	<u>337,388</u>
		<u>986,956</u>	<u>1,089,271</u>
Work-in-process			
Opening stock		11,565	25,728
Closing stock		(20,224)	(11,565)
Cost of goods manufactured		<u>978,297</u>	<u>1,103,434</u>
Finished goods			
Opening stock		58,272	179,474
Closing stock		(91,967)	(58,272)
		<u>944,602</u>	<u>1,224,636</u>
Trading goods			
Opening stock		18,297	41,205
Purchase		118,721	24,044
Closing stock		(19,030)	(18,297)
		<u>117,988</u>	<u>46,952</u>
		<u>1,062,590</u>	<u>1,271,588</u>
32.1 Stores spares and loose tools consumed			
Opening stock		56,203	55,276
Purchases		28,974	35,546
Closing stock		(52,779)	(56,203)
		<u>32,399</u>	<u>34,619</u>

32.2 This includes Rs. 1.659 million (2023: Rs. 1.338 million) in respect of provident fund.

33 DISTRIBUTION COSTS	Note	2024	2023
----- (Rupees in thousands) -----			
Salaries, wages and benefits	33.1	56,873	60,555
Repair and maintenance		4,182	4,202
Depreciation	6.6	1,937	3,451
Printing, Stationery & Subscription		160	321
Advertising and sales promotion		870	2,335
Communication		1,021	1,423
Travelling		2,545	1,456
Legal and professional charges		1,163	-
Transportation and other charges	33.2	14,476	30,415
Electricity, gas and water		13,257	14,367
Insurance		359	341
Rent, rates and taxes		-	324
Sundry expenses		107	658
		96,950	119,848

33.1 This include Rs. 1.911 million (2023: Rs. 3.169 million) in respect of provident fund.

33.2 This includes Rs. 2.914 million (2023: Rs. 19.512 million) related to transportation and other charges against export sales.

34 ADMINISTRATIVE EXPENSES	Note	2024	2023
----- (Rupees in thousands) -----			
Salaries, wages and benefits	34.1	61,910	63,071
Repair and maintenance		7,124	9,774
Depreciation on property, plant and equipment	6.6	29,867	20,966
Depreciation on investment property	9	-	2,536
Amortisation of intangible asset	8.1	-	77
Procured services		4,163	5,868
Auditor's remuneration	34.2	1,920	1,920
Communication		7,279	5,792
Travelling		17,101	6,628
Professional charges		6,203	13,041
Electricity, gas and water		30,008	24,030
Insurance		1,197	1,494
Printing stationary and subscription		2,991	3,804
Rent, rates and taxes		3,246	3,005
Brokerage Commission		-	3,720
Sundry expenses		3,058	3,470
		176,067	169,197

34.1 This include Rs. 2.762 million (2023: Rs. 1.918 million) in respect of provident fund.

34.2 Auditor's remuneration	Note	2024	2023
----- (Rupees in thousands) -----			
Audit fee		1,200	1,200
Fee for half yearly review		475	475
Other services		125	125
Out of pocket expenses		120	120
		1,920	1,920

35	OTHER EXPENSES	Note	2024	2023
			----- (Rupees in thousands) -----	
	Non-executive director's fee		645	705
	Security Services		-	419
	Donations		-	214
	Exchange loss		-	134,424
	Fines and penalties	35.1	17,999	-
	Loss on disposal of property, plant and equipment		3,570	-
	Allowance for expected credit losses		-	18,450
			<u>22,214</u>	<u>154,211</u>

35.1 The penalties of Rs. 0.01 million was imposed by SECP due to late filling of annual return for the year ended June 30, 2021. The Company has also paid penalty to SNGPL against non performance of performance obligation.

36	OTHER INCOME	Note	2024	2023
			----- (Rupees in thousands) ----- (Restated)	
	Rental income		55,617	57,000
	Service income		-	1,347
	Gain on disposal of property, plant and equipment		-	16,501
	Interest income		10,766	5,179
	Exchange gain		20,681	662
	Sale of raw material		252	225
	Sale of scrape material		5,839	12,277
	Amortisation of deferred income		-	420
	Liabilities no longer required written back	30.1.4	-	23,827
			<u>93,155</u>	<u>117,439</u>

37	FINANCE COST	Note	2024	2023
			----- (Rupees in thousands) -----	
	Short-term borrowings		166,031	165,520
	Finance charges on leases		368	1,919
	Bank and other charges		1,159	1,941
	Long term financing		-	198
			<u>167,558</u>	<u>169,578</u>

38	MINIMUM TAX DIFFERENTIAL	Note	2024	2023
			----- (Rupees in thousands) -----	
	Income tax levy under IFRIC 21/IAS 37	39.1	<u>1,161</u>	<u>4,461</u>

This represents portion of minimum tax paid under section 113 of Income Tax Ordinance (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. (Note 5.26).

	Note	2024	2023
----- (Rupees in thousands) -----			
(Restated)			
39	TAXATION		
	For the year		
	Current	12,902	13,207
	Prior year	6,662	-
	Deferred	16,718	36,550
		<u>36,282</u>	<u>49,757</u>

39.1 Reconciliation of current tax charge charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

Income tax under IAS 12		12,902	13,207
Income tax levy under IFRIC 21/IAS 37		1,161	4,461
Current tax liability as per Income Tax Ordinance		<u>14,063</u>	<u>17,668</u>

The provision of current tax liability for the year contains minimum tax at 1.25% of the net turnover for the year and final tax regime at 1% of export proceeds. It also includes super tax provided at 10% under Section 4(c) of Income Tax Ordinance, 2001 in accordance with the new slab rates for super tax as introduced through Finance Act 2023.

40 LOSS PER SHARE - BASIC AND DILUTED

The basic loss per share as required under "IAS 33. Earnings per share" is given below:

Net loss for the year (Rupees)		<u>(350,403)</u>	<u>(420,029)</u>
Weighted average number of ordinary shares		<u>10,764</u>	<u>10,764</u>
Loss per share - basic and diluted (Rupees)		<u>(32.55)</u>	<u>(39.02)</u>

There is no dilutive effect on the basic earnings per share of the Company.

	Note	2024	2023
----- (Rupees in thousands) -----			
41	CASH GENERATED FROM OPERATIONS		
	Loss before income tax and minimum tax differential	(312,960)	(365,811)
	Adjustment for non-cash and other items:		
	Depreciation		
	Property, plant and equipment	6	63,780
	Investment property	9	2,538
	Amortization	8.1	40
	Loss / (gain) on disposal of property, plant and equipment	35	3,570
	Amortization of deferred income		-
	Interest income	36	(10,766)
	Finance costs	37	167,558
	Working capital changes	41.1	340,542
		<u>254,302</u>	<u>457,673</u>

41.1 Working capital changes

	Note	2024	2023
----- (Rupees in thousands) -----			
Increase in current assets			
Stores, spare parts and loose tools		1,306	(964)
Stock in trade		6,845	187,123
Trade debts		11,991	52,781
Loans and advances		49,981	9,106
Trade deposits and short-term prepayment		76,515	(52,860)
Other receivable		(7,781)	184,140
		138,857	379,326
Increase in current liabilities			
Trade and other payable		161,685	235,543
Loan from directors		40,000	-
		340,542	614,869

41.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 1, 2023 Rs. In '000'	Non-cash changes	Cash flows		June 30, 2024 Rs. In '000'
			Obtained	Repaid	
Lease liabilities	7,829	4,222	-	(6,853)	5,198
Dividend (paid) / reversed	16,687	-	-	(471)	16,217
Total	24,517	4,222	-	(7,324)	21,416

	July 1, 2022 Rs. In '000'	Non-cash changes	Cash flows		June 30, 2023 Rs. In '000'
			Obtained	Repaid	
Long-term financing	22,965	-	-	(22,965)	-
Lease liabilities	15,814	10,387	-	(18,372)	7,829
Dividend (paid) / reversed	16,691	-	-	(4)	16,687
Total	55,470	10,387	-	(41,341)	24,516

42 CASH AND CASH EQUIVALENTS

	Note	2024	2023
----- (Rupees in thousands) -----			
Cash and bank balances	20	49,098	56,200
Short term borrowing	28	(669,111)	(711,034)
		(620,014)	(654,834)

43 REMUNERATION TO THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	Chief Executive Officer		Executives		Total	
	2024	2023	2024	2023	2024	2023
	Rupees in thousands					
Managerial remuneration	3,000	3,000	21,655	20,232	24,655	23,232
Housing						
-Rent	-	-	9,745	9,104	9,745	9,104
-Utilities	501	764	2,165	2,023	2,666	2,787
-Other items	1,997	1,907	673	554	2,670	2,461
Bonus	-	-	-	-	-	-
Retirement Benefits	-	-	2,385	1,898	2,385	1,898
Insurance	-	-	400	388	400	388
Medical and other reimbursable expenses	14,943	10,531	-	-	14,943	10,531
	<u>20,441</u>	<u>16,202</u>	<u>37,023</u>	<u>34,199</u>	<u>57,464</u>	<u>50,401</u>
Number of persons	<u>1</u>	<u>1</u>	<u>9</u>	<u>8</u>	<u>10</u>	<u>9</u>

- b) Aggregate amount charged in these financial statements in respect of Directors' fee for attending Board of Directors (BoD), Board Audit Committee (BAC), and Board Human Resource & Remuneration (BHR&RC) Committee meetings amounted to Rs. 0.360 million (2023: Rs. 0.480 million), Rs. 0.240 million (2023: Rs. 0.240 million) and Rs. 0.045 million (2023: Rs. nil) respectively. The Directors fees for attending BoD, BAC, and BHR&RC meetings were paid as prescribed in Articles of Association.
- c) The current and corresponding year figures include remunerations of Company's Executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.
- d) The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Company car scheme.

44 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

Related parties comprise of the Holding Company, Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

Name of related party	Nature of Relation	Basis of Relation
Sikander (Private) Limited	Holding company	63.18% shares
Ray Shipping Enterprise Limited	Associate company	Common Director
Berger Paints Pakistan Limited	Associate company	Common Director
THK Solutions (Private) Limited	Associate company	Common Director
Muznash (Private) Limited	Associate company	Common Director
Bandenawaz (Private) Limited	Associate company	Common Director
Provident fund	Employees Fund	Trustees
Ms. Ayesha Allahwala	Key management personnel	Director
Mr. Sikander Dada	Key management personnel	CEO

Name of related party	Nature of transaction	2024	2023
		----- (Rupees in thousands) -----	
Sikander (Private) Limited (Holding Company)	Rent paid	1,568	1,425
Provident fund	Contribution to staff retirement plans	6,334	6,425
Ms. Ayesha Allahwala	Loan received	-	20,000
Mr. Sikander Dada	Loan received	-	5,000
Director of Holding Company	Loan received	40,000	-

	2024	2023
44.1 Year end balances	----- (Rupees in thousands) -----	
Receivable from related parties	1,568	1,425
Loan from directors	65,000	25,000

44.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 42). There are no transactions with key management personnel other than under their terms of employment.

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

45 OPERATING SEGMENTS

45.1 The activities of the Company are organised into business units based on their products and have the following operating segments:

- The 'Chysotile Cement' segment relates to manufacturing and supply of corrugated sheets and pipes and manufacturing and supply of rubber rings.
- 'Plastic' products segments includes PVC, Polydex and Polyethylene pipes.
- All other segments include merchandising of imported building products and services.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross profit and reduction in operating cost.

45.2 Operating results

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in thousands) -----			
2024				
Sales - net	538,861	580,403	-	1,119,264
Segment Result	(144,190)	(66,316)	-	(210,506)
Unallocated expense				
Other expenses				(28,051)
Other income				93,155
Finance cost				(167,558)
Minimum tax differential				(1,161)
Taxation				(36,282)
Loss for the year				(350,403)
Other information				
Capital expenditure	1,156	36,692	1,518	39,365
Unallocated corporate capital expenditure				-
Total capital expenditure				39,365
Depreciation	5,279	29,275	-	34,554
Unallocated corporate depreciation and amortization				31,804
Total depreciation and amortization				66,358

	Chrysotile Cement	Plastic	Re-classification (note 50)	Total
	----- (Rupees in thousands) -----			
				(Restated)
2023				
Sales - net	616,791	796,658	(12,277)	1,401,171
Segment Result	(64,227)	(82,957)	-	(147,184)
Unallocated expense				
Other expenses				(166,488)
Other income				117,439
Finance cost				(169,578)
Minimum tax differential				(4,461)
Taxation				(49,757)
Loss for the year				(420,029)
Other information				
Capital expenditure	3,818	979	1,601	6,398
Unallocated corporate capital expenditure				
Total capital expenditure				6,398
Depreciation	4,070	13,437	-	17,507
Unallocated corporate depreciation and amortization			-	41,938
Total depreciation and amortization				59,445

45.3 Segment assets and liabilities

	Note	Chrysotile Cement	Plastic	Others	Total
		----- (Rupees in thousands) -----			
2024					
Segment assets	21.1	393,465	521,483	122,404	1,037,352
Unallocated corporate assets					1,737,578
Total assets					2,774,930
Segment liabilities		411,290	427,369	23,026	861,685
Unallocated corporate liabilities					1,401,355
Total liabilities					2,263,040
2023					
Segment assets		397,588	514,066	119,686	1,031,340
Unallocated corporate assets					1,939,177
Total assets					2,970,517
Segment liabilities		403,886	421,169	18,890	843,945
Unallocated corporate liabilities					1,264,278
Total liabilities					2,108,223

45.4 Segment assets and liabilities

Segment assets includes all operating assets by a segment and consist principally of property, plant and equipment, stores and spares and loose tools, stock-in-trade, trade debts and loans and advances net of impairment and provisions, if any. Segment liabilities include all operating liabilities and consist principally of trade and other payable.

45.5 Geographical Information

All non current assets of the Company are located in Pakistan.

Sales of the Company were mainly made to customers in Pakistan. Further there are no export sales other than those disclosed in note 31.1.

46 CAPACITY AND PRODUCTION

The production capacities of the plants depend on product mix. The name plate capacities are determined on a certain product mix whereas actual product mix is different and varies from year to year depending upon the order from customers. Therefore, production is subject to annual variations and actual capacity of the plant is indeterminable.

47 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets	2024	2023
Non-interest bearing	----- (Rupees in thousands) -----	
Amortized cost		
Trade debts	48,635	60,626
Long-term deposits	14,715	16,459
Other receivables	22,093	14,312
Interest bearing		
Amortized cost		
Cash and bank balances	49,098	56,200
	<u>134,541</u>	<u>147,597</u>
Financial liabilities		
Amortized cost		
Non-interest bearing		
Trade and other payables	1,419,857	1,258,175
Unclaimed dividend	16,217	16,688
Loan from directors	65,000	25,000
Interest bearing		
Short term borrowings	669,111	711,034
Accrued markup	37,800	39,643
Lease liabilities	1,323	1,057
	<u>2,209,307</u>	<u>2,051,597</u>

48 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk. The Company's finance and treasury departments oversee the management of these risks and provide assurance to the Company's senior management that the Company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The policies for managing each of these risks are summarised below.

48.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices mainly comprises of interest rate risk and foreign currency risk.

48.1.1 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company enters into various type of financing arrangements for financing its capital expenditure and to meet working capital requirements at variable rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant on the Company's profit before tax.

	Increase / decrease in basis points	Effect on loss before tax (Rupees in thousands)
2024	+100	3,130
	-100	(3,130)
2023	+100	3,658
	-100	(3,658)

48.1.2 Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The following table demonstrates the sensitivity to a reasonably possible change in the USD exchange rate. As at June 30, 2024, if the Pakistani Rupee (Pak Rupee) had weakened / strengthened by 5% against the USD and Euro, with all other variables held constant, the effect on the Company's profit before tax is as follows:

	Increase / decrease in US\$ and Euro to Pak rupee	Effect on loss before tax (Rupees in thousands)
2024	5%	15,648
	-5%	(15,648)
2023	5%	18,291
	-5%	(18,291)

48.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring and cause the other party to incur a financial loss. The Company attempts to a control credit risk by monitoring credit risk, limiting transactions with specific counter parties and continually assessing the creditworthiness of a counterparties Concentrations of credit risk arise when a number of counterparties are engaged in similar activities or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	2024	2023
	----- (Rupees in thousands) -----	
Long term deposits	14,715	16,459
Trade debts	48,635	60,626
Other receivable	22,093	14,312
Bank balances	48,822	55,842
	134,265	147,239

The credit quality of the Company's financial assets can be assessed with reference to external credit rating as follows:

Trade debts	Neither past due nor impaired	4,483	3,734
	Past due but not impaired	44,152	56,892
	Past due and impaired	191,833	191,833
		240,468	252,459
Bank balances	AAA	9,874	26,090
	AA+	23,779	1,789
	AA	19	9
	AA-	8,516	27,460
		48,823	55,842

48.3 Liquidity risk

Liquidity risk represents the risk that a company will encounter difficulties in meeting obligations with the financial liabilities. The Company manage its risk to shortage of funds by maintaining a balance between continuity of funding and flexibility through the use of financing. As of June 30, 2024, The Company's current liabilities exceed its current assets by Rs. 1,543.077 million but the Company is confident that it will have sufficient cash flows to meet its financial obligations in the foreseeable future.

The table below summaries the maturity profile of the Company's financial liabilities based on contractual undiscounted payment dates:

	2024				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousands)				
Lease liabilities	-	-	1,323	3,875	5,198
Long term financing	-	-	-	-	-
Trade and other payable	-	1,419,857	-	-	1,419,857
Accrued markup	-	-	37,800	-	37,800
Short term borrowing	669,111	-	-	-	669,111
Unclaimed dividend	16,217	-	-	-	16,217
	685,328	1,419,857	39,123	3,875	2,148,183
	2023				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousands)				
Lease liabilities	-	-	1,057	6,772	7,829
Long term financing	-	-	-	-	-
Trade and other payable	-	1,258,175	-	-	1,258,175
Accrued markup	-	-	39,643	-	39,643
Short term borrowing	711,034	-	-	-	711,034
Unclaimed dividend	16,688	-	-	-	16,688
	727,722	1,258,175	40,700	6,772	2,033,370

48.4 Capital management

The Company finances its operation through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, Sustain future development of the business and maximize the shareholder value. The Company monitors capital using a debt to equity ratios as follows:

	2024	2023
	----- (Rupees in thousands) -----	
Accrued markup	37,800	39,644
Short term borrowings	669,111	711,034
Total debt	706,911	750,678
Cash and bank balances	(49,098)	(56,200)
Net debt	657,813	694,477
Excluding surplus on revaluation of property, plant and equipment		
Total equity	(994,899)	(663,589)
Total equity and net debt	(337,087)	30,889
Gearing ratio	-195%	2248%
Including surplus on revaluation of property, plant and equipment		
Total equity and net debt	511,890	862,293
Total equity and net debt	1,169,702	1,556,771
Gearing ratio	44%	55%

48.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms-length transaction other than in a forced or liquidation sale. The carrying amount of all financial assets and liabilities reflected in the financial statements approximate their fair values. None of the financial instruments of the Company are carried at fair value as of the reporting date.

49 NUMBER OF EMPLOYEES

	2024	2023
Number of employees	134	151
Average number of employees	144	160

50 CORRESPONDING FIGURES

Corresponding figures have been rearranged or reclassified, where necessary, for the purpose of better presentation. There have also been certain changes in the nomenclature of various elements of the financial statements. These changes do not have any financial impact on the financial statements. Some of the key changes have been summarized below:

Statement of financial position

			2023
Note	Reclassified from	Reclassified to	(Rupees in thousands)
16	Long-term loans	Loans and advances (current portion)	248
17	Taxation - net	Trade deposits and short term prepayments	4,461

Statement of profit or loss

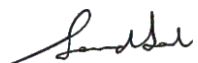
36	Sales - gross	Other income	12,277
39	Taxation	Minimum tax differential	4,461


51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 03, 2024 by the Board of Directors of the Company.

52 GENERAL

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


Samad Dada
Chief Executive


Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer

Pattern of Shareholding

As of June 30, 2024

Categories of Share Holders	Number of Shares Held	Percentage of Issued Capital
Associated Companies, Undertakings & Related Parties	6,800,648	63.18%
Sikander (Private) Limited	6,800,648	63.18%
Directors, CEO & their Spouses	1,644,961	15.28%
Mr. Shahzad M. Husain - Chairman	4	0.00%
Mr. Sikander Dada - Chief Executive Officer	1,298,335	12.06%
Mr. Abu Talib H. K. Dada - Director	310,469	2.88%
Mrs. Halima w/o Abu Talib H.K. Dada	29,847	0.28%
Mr. Maqbool H.H. Rahimtoola *	5,300	0.05%
Syed Shahid Ali Bukhari - Director	1	0.00%
Mrs. Amber Ahmed Motiwala - Director	1,000	0.01%
Mrs. Ayesha Tariq Allawala - Director	5	0.00%
Executives	81	0.00%
Banks, Insurance Company & Others	30,064	0.28%
General Public	2,288,205	21.26%
Total Shareholding	10,763,959	100.00%
SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST		
Sikander (Private) Limited	6,800,648	63.18%
Mr. Sikander Dada	1,298,335	12.06%

* Resigned on September 24, 2024.

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, THEIR SPOUSES AND MINORS

No transaction was carried out during the year.

Pattern of Shareholding

As of June 30, 2024

COMBINED PATTERN OF CDC & PHYSICAL SHARE HOLDINGS AS AT JUNE 30,2024

NUMBER OF SHARE HOLDERS	SHAREHOLDINGS			TOTAL SHARES HELD
2,891	1	-	100	50,045
499	101	-	500	116,601
131	501	-	1,000	93,810
85	1,001	-	5,000	164,949
15	5,001	-	10,000	108,279
4	10,001	-	15,000	50,392
1	15,001	-	20,000	20,000
1	25,001	-	30,000	29,751
4	45,001	-	50,000	186,292
1	60,001	-	65,000	62,000
1	85,001	-	90,000	88,668
3	90,001	-	95,000	277,358
1	290,001	-	295,000	293,067
1	295,001	-	300,000	298,067
2	300,001	-	305,000	608,134
1	310,001	-	315,000	310,469
1	1,205,001	-	1,210,000	1,205,429
1	6,800,001	-	6,805,000	6,800,648
3,643				10,763,959

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
Directors, CEO, Sponsors and Family Members	25	3,245,658	30.15%
General Public	3,597	687,589	6.39%
Banks, DFI, NBFI and Insurance Companies	5	833	0.01%
Joint Stock Companies	12	28,739	0.27%
Associate Company	1	6,800,648	63.18%
Others	3	492	0.00%
TOTAL	3,643	10,763,959	100.00%

Form of Proxy

The Company Secretary

Dadex Eternit Limited
Dadex House, 34-A/1, Block 6, PECHS,
Shahrah-e-Faisal, Karachi-75400

I/We, _____ (son/daughter/wife of _____)
of _____ (full address)
being a member(s) of Dadex Eternit Limited holding _____ ordinary shares
hereby appoint _____
of _____ (full address)
or failing him _____
of _____ (full address)
who is/are also member(s) of Dadex Eternit Limited as my/our proxy in my/our absence to attend and
vote for me/us and on my/our behalf at the 65th Annual General Meeting of the Dadex Eternit Limited
will be held on Monday October 28, 2024, at 03:30 p.m at Dadex House, 34-A/1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi and or at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2024.

Signed by the said _____
in the presence of

1. _____

2. _____

Folio/CDC Account No

Signature on
Revenue Stamp
of Rs. 5/-

Important:

1. This proxy duly completed and signed, must be received at the Registered Office of the Company, Dadex House, 34-A/1, Block 6, PECHS, Shahrah-e-Faisal, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member. If a member appoints more than one proxy and more than one instrument of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders/Corporate Entities:
 - i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - ii) Attested copies of CNIC or of the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iii) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
 - iv) In the case of a corporate entity, the Board of Directors resolution/power of attorney with the specimen signature should be submitted (unless it has been provided earlier) along with the proxy form to the Company.

مختار نامہ

کمپنی سیکریٹری

ڈاؤنکیس ایئرٹ لمیٹڈ

ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS،

شارع فیصل، کراچی - 75400

میں / ہم _____ ولد / بنت ازوجہ _____ سکٹہ _____

(مکمل پتہ) بحیثیت رکن ڈاؤنکیس ایئرٹ لمیٹڈ، اور _____

حالیہ _____ عام حصص، مسمی / مسماہ _____

سکٹہ _____ (مکمل پتہ) _____

کو یا ان کی غیر حاضری کی صورت میں مسمی / مسماہ _____

سکٹہ _____ (مکمل پتہ) _____

جو کہ ڈاؤنکیس ایئرٹ لمیٹڈ کے حصص دار ہیں کو میری / ہماری غیر حاضری کی صورت میں اپنا / ہمارا مختار مقرر کرتا / کرتی / کرتے ہیں۔ انھیں ہمارے ایما پر، بروز **پیر**، **28** اکتوبر، **2024** بوقت

3:30 بجے، ڈاؤنکیس ایئرٹ لمیٹڈ، ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS، شارع فیصل، کراچی میں منعقد ہونے والے کمپنی کے **65** واں سالانہ اجلاس عام یا کسی بھی التواء کی صورت میں

حق رائے دہی استعمال کرنے کی اجازت دینا / دینی ادیتے ہیں۔

یہ مختار نامہ آج بروز _____ تاریخ _____ کو مندرجہ ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

_____ ۱۔

_____ ۲۔

_____ ۳۔

فولیو / سی ڈی سی اکاؤنٹ نمبر

۵ روپے مالیت کے
ریونیوٹکٹ پر دستخط کریں

ضروری ہدایات:

۱۔ یہ مختار نامہ اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل مکمل کوائف اور دستخط کے ہمراہ کمپنی کے رجسٹرڈ آفس ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS، شارع

فیصل، کراچی میں جمع کرانا ضروری ہے۔

۲۔ کسی ایسے شخص کو مختار مقرر نہیں کیا جاسکتا جو کہ خود کمپنی کا رکن نہ ہو البتہ کوئی دوسری کمپنی یا ادارہ غیر رکن کو اپنا مختار مقرر کر سکتا ہے۔

۳۔ اگر کسی رکن نے ایک سے زائد مختار مقرر کیے یا مختار نامے کمپنی میں جمع کرائے تو ایسی صورت میں تمام مختار نامے منسوخ کر دیے جائینگے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے مذکورہ بالا ہدایات کے علاوہ درج ذیل ضروری شرائط بھی پوری کرنا لازمی ہیں:

۱۔ مختار نامہ پر ۲ گواہان کے دستخط بمعہ نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج کرنا لازمی ہیں۔

۲۔ مختار نامہ کے ہمراہ اصل مالکان اور مختار کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنا ہوں گی۔

۳۔ مختار کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔








۴۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت رکن، بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد / پاور آف اٹارنی بمعہ نمونہ دستخط ہمراہ مختار نامہ کمپنی میں جمع کرنا ہوگا۔



**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from PSX)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Dadex Eternit Limited

**Dadex House, 34-A/1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi-75400.**

Tel: (92-21) 111-000-789, 34313860-79

- **Dadex Karachi Factory:**
Deh-22, Mangopir, Karachi-75890
Tel: (92-21) 36770155-58,
- **Dadex Hyderabad Factory:**
P.O. Box No. 10, Badin Road Hyderabad.
Tel: (92-22) 3886534, 3886536
- **Sundar Factory Lahore:**
Plot No. 561-561/A Sundar Industrial Estate,
43-KM, Sundar Raiwind Road, Lahore.
Tel: (92-42) 38370386-90