

65 YEARS
1959 - 2024

of
Innovation,
Quality,
Trust, and
Reliability

FINANCIAL STATEMENTS

Q1

FOR THE THREE (3) MONTHS
ENDED SEPTEMBER 30, 2024
(UNAUDITED)

DADEX



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

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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)
	To be appointed	(Non - Executive Director)
	Syed Shahid Ali Bukhari	(Independent Director)
	Mrs. Ayesha Tariq Allawala	(Independent Director)
	Mrs. Amber Ahmed Motiwala	(Female Director)
	Mr. Samad Dada	Chief Executive

Chief Financial Officer & Company Secretary	Mr. Muhammad Yousuf
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Head of Internal Audit	Mr. Muhammad Arif
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Board Audit Committee	Syed Shahid Ali Bukhari	- Chairman
	Mr. Shahzad M. Husain	- Member
	Mrs. Amber Ahmed Motiwala	- Member

Human Resource Remuneration Committee	Mrs. Ayesha Tariq Allawala	- Chairperson
	Mr. Abu Talib H.K. Dada	- Member
	Mrs. Amber Ahmed Motiwala	- 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
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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
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Legal Advisor

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

Registered Office

Dadex House, 34-AI1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi-75400
Tel: (92-21) 111000789
Fax: (92-21) 34315716
Email: info@dadex.com.pk

Share Registrar

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

Website

www.dadex.com

Directors' Review

On behalf of the Board of Directors we take pleasure in presenting the unaudited accounts of the Company for the first quarter ended September 30, 2024.

Pakistan's economic stability is paramount for fostering growth, employment, and improving living standards. Recent years have been marked by global challenges, including supply chain disruptions, inflation, and energy price hikes. The Company has taken proactive steps to mitigate risks and improve its financial position, including reducing costs and diversifying its market. We remain committed to adapting to the evolving business landscape.


The Company recorded a significant increase in net sales, reaching Rs. 222.869 million during the current period, reflecting a 53.95% growth compared to Rs. 144.766 million in the same period last year. However, despite this robust sales performance, gross profit dropped sharply by 95.83%, primarily due to increase in the cost of sales.

On a positive note, the Company's financial obligations reduced from Rs. 44.84 million to Rs. 36.899 million, driven by the SBP's reduction in interest rates, resulting in lower financial payments. This is expected to have a favorable impact on the Company's bottom-line profitability in the upcoming quarters.

Operating losses also improved, decreasing to Rs. 53.128 million from Rs. 62.65 million in September 2023, largely due to exchange gains from the devaluation of the Pak Rupee against the US Dollar. Additionally, financial costs decreased by 17.78% compared to the previous year. These factors contributed to a reduction in the net loss before taxation, which now stands at Rs. 90.02 million, down from Rs. 107.50 million in September 2023. As a result, the loss per share decreased to Rs. 8.88, compared to Rs. 10.36 reported in September 2023.

The Company's financial performance, while facing challenges, has demonstrated resilience and a promising trajectory. Our strategic initiatives, coupled with favorable market conditions, position us for sustainable growth and profitability. We are confident in our ability to navigate the complexities of the business environment and emerge stronger.

The Board is sincerely appreciate the dedication of our management team, employees, and the support of our stakeholders. Despite difficult times, we're committed to addressing the challenges and achieving profitability in the upcoming year. Your support is vital, and we remain optimistic about the company's future.



Shahzad M. Husain
Director



Samad Dada
Chief Executive Officer

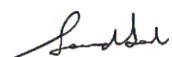
Karachi: October 28, 2024


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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT SEPTEMBER 30, 2024

		September 30, 2024 (Un-audited) (Rupees in '000')	June 30, 2024 (Audited)
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	1,140,239	1,148,639
Capital work in progress	8	1,932	1,932
		<u>1,142,171</u>	<u>1,150,571</u>
Intangible assets		-	-
Investment property		23,477	24,112
Long-term loans and advances		657	454
Long-term security deposits		14,715	14,715
Deferred tax asset		145,786	145,786
		<u>1,326,806</u>	<u>1,335,638</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		42,699	42,624
Stock in trade	9	171,168	192,153
Trade debts	10	49,280	48,635
Loans and advances		105,318	38,606
Trade deposits and short term prepayments		65,637	40,585
Other receivables		24,617	22,093
Income tax refund due from Government		163,637	243,816
Taxation - net		46,434	38,477
Cash and bank balances		5,475	49,098
		<u>674,265</u>	<u>716,087</u>
Non-current assets held for sale		723,205	723,205
TOTAL ASSETS		<u><u>2,724,276</u></u>	<u><u>2,774,930</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (June 30, 2024: 12000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2024: 8000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	11	107,640	107,640
Share premium		5,655	5,655
Reserves		113,295	113,295
Capital reserves			
Surplus on revaluation of property, plant and equipment		1,502,016	1,506,789
Revenue reserves			
Accumulated losses		(1,198,970)	(1,108,194)
		<u>303,046</u>	<u>398,595</u>
		416,341	511,890
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		2,568	3,875
GIDC payable		-	-
		2,568	3,875
CURRENT LIABILITIES			
Trade and other payables	12	1,568,400	1,469,714
Accrued markup		34,851	37,800
Short-term borrowings	13	658,269	669,111
Current portion of deferred income		-	-
Current portion of liabilities against assets subject to finance lease		2,630	1,323
Loan from directors		25,000	65,000
Unclaimed dividend		16,217	16,217
		<u>2,305,367</u>	<u>2,259,165</u>
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		<u><u>2,724,276</u></u>	<u><u>2,774,930</u></u>

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


Samad Dada
Chief Executive



Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Three months ended	
		September 30, 2024	September 30, 2023
		----- (Rupees in '000') -----	
Sales - gross		267,916	170,556
Sales tax		(45,047)	(25,790)
Sales - net	15	222,869	144,766
Cost of sales	16	(221,934)	(122,348)
Gross profit		935	22,418
Distribution cost		(18,626)	(32,489)
Administrative expenses		(47,930)	(40,019)
Other expenses		(17,489)	(31,960)
Other income		29,982	19,396
Operating (loss)/profit		(53,128)	(62,654)
Finance costs		(36,899)	(44,846)
Loss before income tax and minimum tax differential		(90,027)	(107,500)
Minimum tsx differential		-	-
Loss before income tax		(90,027)	(107,500)
Taxation			
Current		(5,522)	(3,972)
Deferred		-	-
		(5,522)	(3,972)
Net (loss) for the period		(95,549)	(111,472)
Earnings per share - basic and diluted (Rupees)	17	(8.88)	(10.36)

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


Samad Dada
Chief Executive



Shahzad M. Husain
Director

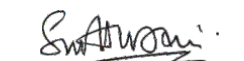

Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	<u>Three months ended</u>	
	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
	<u>----- (Rupees in '000') -----</u>	
(Loss) for the period	(95,549)	(111,472)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	<u>(95,549)</u>	<u>(111,472)</u>

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


Samad Dada
Chief Executive



Shahzad M. Husain
Director



Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

	Note	Three months ended	
		September 30, 2024	September 30, 2023
----- (Rupees in '000') -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	(14,234)	68,348
Finance cost paid		(39,848)	(40,491)
Taxes paid		66,700	(8,025)
Net cash generated from operating activities		12,618	19,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(5,769)	(16,245)
Addition to intangible assets		-	-
Proceeds from disposal of fixed assets		-	-
Long term security deposits		(203)	(79)
Interest received		573	4,981
Net cash used in investing activities		(5,399)	(11,343)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		-	(1,161)
Long-term financing - net		-	-
Repayment of long term Sponsors / Directors' loan		(40,000)	-
Short term borrowings - net		-	-
Dividend paid		-	-
Net cash used in financing activities		(40,000)	(1,161)
Net increase / (decrease) in cash and cash equivalents		(32,781)	7,328
Cash and cash equivalents at the beginning of the period		(620,013)	(654,834)
Cash and cash equivalents at the end of the period		(652,794)	(647,506)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,475	34,326
Short-term borrowings		(658,269)	(681,832)
		(652,794)	(647,506)

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


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director


Muhammad Yousuf
 Chief Financial Officer

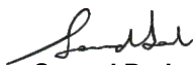
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024


Issued, subscribed and paid up capital		Reserves			
		Capital Reserve	Revenue reserve	Total reserves	Total
Ordinary shares	Share Premium	Revaluation surplus	Accumulated losses		

(Rupees in '000')

Balance as at July 1, 2023	107,640	5,655	1,525,882	(776,884)	748,998	862,293
Total comprehensive (loss) for the three months ended September 30, 2023						
Net (loss) for the period	-	-		(111,472)	(111,472)	(111,472)
Other comprehensive income	-	-		-	-	-
	-	-	-	(111,472)	(111,472)	(111,472)
Transferred from Surplus on revaluation of fixed assets on account of incremental	-	-	(513)	513	-	-
Balance as at September 30, 2023	107,640	5,655	1,525,369	(887,843)	637,526	750,821
Balance as at July 1, 2024	107,640	5,655	1,506,789	(1,108,194)	398,595	511,890
Total comprehensive (loss) for the three months ended September 30, 2024						
Net (loss) for the period	-	-		(95,549)	(95,549)	(95,549)
Other comprehensive income	-	-		-	-	-
	-	-	-	(95,549)	(95,549)	(95,549)
Transferred from Surplus on revaluation of fixed assets on account of incremental	-	-	(4,773)	4,773	-	-
Balance as at September 30, 2024	107,640	5,655	1,502,016	(1,198,970)	303,046	416,341

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


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director


Muhammad Yousuf
 Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**

1 THE COMPANY AND ITS OPERATIONS

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

2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS

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

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2024, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2024, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the Three months ended September 30, 2024.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2024.

5 ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2024.

6 TAXATION

The provisions for taxation for the three months ended September 30, 2024, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2025 as stipulated through Finance Act 2024.

	Note	September 30, 2024 (Un-audited) (Rupees in '000')	June 30, 2024 (Audited)
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	1,140,239	1,148,639
Capital work-in-progress	8	<u>1,932</u>	<u>1,932</u>
		<u>1,142,171</u>	<u>1,150,571</u>
7.1 Operating fixed assets			
Opening net book value (NBV)		1,148,639	451,480
Revaluation surplus		-	-
Transfer from non-current assets held for sale		-	746,307
Disposal		-	(28,588)
Additions / transfers during the period at cost	7.1.1	<u>5,769</u>	<u>43,220</u>
		1,154,408	1,212,419
Depreciation charge for the period / year		<u>(14,169)</u>	<u>(63,780)</u>
		(14,169)	(63,780)
Closing net book value NBV		<u>1,140,239</u>	<u>1,148,639</u>
7.1.1 Detail of additions (at cost) during the period / year are as follows:			
Owned			
Factory building on freehold and leasehold land		4,944	213
Plant and machinery		-	37,736
Office and factory equipment		825	1,417
Right-of-use-assets			
Building		-	3,854
Plant and machinery		-	-
		<u>5,769</u>	<u>43,220</u>

	Note	September 30, 2024 (Un-audited) (Rupees in '000')	June 30, 2024 (Audited)
8 Capital work in progress			
Plant and machinery		1,932	1,932
		<u>1,932</u>	<u>1,932</u>
8.1 Movement of carrying amount is as follows:			
Opening balance		1,932	13,525
Additions (at cost) during the period / year		5,769	27,772
		<u>7,701</u>	<u>41,297</u>
Transfer to operating fixed assets during the period / year		(5,769)	(39,365)
Closing balance		<u>1,932</u>	<u>1,932</u>

		September 30, 2024 (Un-audited) (Rupees in '000')	June 30, 2024 (Audited)
9 STOCK-IN-TRADE			
Raw material			
in hand		71,357	60,932
in transit		-	-
		<u>71,357</u>	<u>60,932</u>
Work-in-process		5,216	20,224
Finished goods			
Manufactured		77,236	91,967
Trading		17,359	19,030
		<u>94,595</u>	<u>110,997</u>
		<u>171,168</u>	<u>192,153</u>

9.1 Finished goods are net off provision of Rs. 74.667 million (June 30, 2024: Rs.74.669 million).

		September 30, 2024 (Un-audited) (Rupees in '000')	June 30, 2024 (Audited)
10 TRADE DEBTS			
(Unsecured - considered good)		49,280	48,635
(Unsecured - considered doubtful)			
Due from Turnkey project		17,414	17,414
Due from others		174,419	174,419
		<u>191,833</u>	<u>191,833</u>
		241,113	240,468
Allowance for expected credit loss			
Turnkey project		(17,414)	(17,414)
Others		(174,419)	(174,419)
		<u>(191,833)</u>	<u>(191,833)</u>
		<u>49,280</u>	<u>48,635</u>

11	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Note	September 30,	June 30,	
			2024 (Un-audited)	2024 (Audited)	
			(Rupees in '000')		
			September 30, 2024	June 30, 2024	
Number of Shares					
	1,714,264	1,714,264	Ordinary shares of Rs.10/-each issued for cash	17,143	17,143
	476,386	476,386	Issued for consideration other than cash	4,764	4,764
	8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733
	<u>10,763,959</u>	<u>10,763,959</u>		<u>107,640</u>	<u>107,640</u>

- 11.1 Ordinary shares include 4,090,536 shares of B class of Rs.10/- each converted into and deemed to be ordinary shares on disposal by a foreign shareholder, in prior years, in accordance with the Articles of Association of the Company.
- 11.2 The Holding Company holds 6,800,648 (June 30, 2024: 6,800,648) ordinary shares representing 63.18 percent (June 30, 2024: 63.18 percent) shareholding as at the balance sheet date.
- 11.3 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.

12 TRADE AND OTHER PAYABLES

Trade creditors	783,310	675,698
Accrued liabilities	111,280	89,997
Advance from customers	555,195	595,563
Advance from tenants	9,047	6,260
Security deposits from distributors and others	27,595	19,792
Workers' Profit Participation Fund payable	932	932
Workers' Welfare Fund	7,557	7,557
Provident fund payable	-	1,243
Payables to employees	776	776
Infrastructure cess payable	40,913	40,913
Current portion of GIDC payable	29,344	29,344
With holding tax	455	455
Others	1,996	1,184
	<u>1,568,400</u>	<u>1,469,714</u>

13	SHORT TERM BORROWINGS	Note	September 30,	June 30,
			2024 (Un-audited)	2024 (Audited)
			(Rupees in '000')	
Secured				
	Karobar finance	13.1	64,800	70,000
	Running finance-I	13.2	448,460	449,760
	Tijarah finance	13.3	-	-
	Istisna finance	13.4	145,009	149,351
			<u>658,269</u>	<u>669,111</u>

- 13.1 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 80 million (June 30, 2024: Rs. 80 million) out of which Rs. 15.200 million (June 30, 2024: Rs. 70 million) remains unutilized as at the balance sheet 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, 2024: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up 21% to 21.46% (June 30, 2024: 21% to 25%) per annum.
- 13.2 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2024: Rs. 500 million). These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock in trade and trade debts of Rs. 1,448 million (June 30, 2024: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 million (June 30, 2024: Rs. 934 million) overland 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, 2024: 3 months KIBOR+2.75%) per annum.
- 13.3 The facility of Rs. NIL million (June 30, 2024: Rs. NIL million) has been obtained from Al-Baraka Bank Limited under Tijarah financing. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment (Sunder factory) located at Lahore and Company's stock in trade. Both of the financing facility carries markup at 6 months KIBOR+3% (June 30, 2024: 6 months KIBOR+3%) per annum.
- 13.4 The facility of Rs. 150 million (June 30, 2024: 150 million) has been obtained from Habib Metropolitan Bank out of which Rs. 4.991 million (June 30, 2024: Rs. 0.649 million) remains unutilized as at the reporting date. 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. This facility carries mark-up rates ranging from 6 months KIBOR + 2% (June 30, 2024: 6 months KIBOR + 2%) per annum.

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 During the year ended June 30, 2010, the Environmental Protection Tribunal (EPT) initiated proceedings against the Company, containing allegations of pollution, under the Pakistan Environmental Protection Act, 1997 based on a complaint filed by the brother of an ex-employee of the Company. The Company submitted a plea before the EPT raising the issue of the maintainability of the complaint and its lack of jurisdiction to hear the same which was dismissed vide an order dated June 29, 2010. The Company filed a constitutional petition before the Honourable High Court of Sindh (HCS) seeking reliefs that the proceedings before EPT vis-a-vis the compliant 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.

- 14.1.2 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 15.666 million (June 30, 2024 : 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.

14.2 Commitments

Outstanding letters of credit	-	-
Outstanding letter of guarantee	70,824	70,824
Postdated cheques	48,488	48,488
Outstanding contracts	785,011	703,450
Duties payable on goods in transit	1,280	-
	<u>905,603</u>	<u>822,762</u>

Three months ended

15 SALES

	September 30, 2024	September 30, 2023
	----- (Rupees in '000') -----	
Local sales	267,916	160,344
Export sales	-	10,212
Gross sales	<u>267,916</u>	<u>170,556</u>
Sales tax	<u>(45,047)</u>	<u>(25,790)</u>
	<u>222,869</u>	<u>144,766</u>

16 COST OF SALES

Manufactured goods		
Raw materials consumed		
Opening stock	60,932	110,864
Purchase	98,194	112,272
Closing stock	<u>(71,357)</u>	<u>(133,152)</u>
Raw materials consumed	87,769	89,984
Manufacturing overheads		
Stores and spares consumed	3,114	792
Salaries, wages and other benefits	16,793	13,278
Procured services	4,384	8,679
Fuel, water and power	16,942	15,750
Insurance	869	1,186
Travelling	3	65
Communication	131	157
Depreciation	7,275	8,585
Rent, rates and taxes	530	634
Repairs and maintenance	5,098	10,342
Printing and stationary	28	221
Other expenses	435	447
	<u>55,602</u>	<u>60,136</u>
	143,371	150,120
Work-in-process		
Opening stock	20,224	11,565
Closing stock	<u>(5,216)</u>	<u>(13,075)</u>
Cost of goods manufactured	158,379	148,610
Finished goods		
Opening stock	91,967	58,272
Closing stock	<u>(77,236)</u>	<u>(88,034)</u>
	173,110	118,848
Trading goods		
Opening stock	19,030	18,297
Purchase	47,153	6,192
Closing stock	<u>(17,359)</u>	<u>(20,989)</u>
	48,824	3,500
	<u>221,934</u>	<u>122,348</u>

	Three months ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000') -----	
17 EARNING PER SHARE - BASIC AND DILUTED		
The basic earning per share as required under "IAS 33 Earning per share" is given below:		
Net profit for the year (in thousands)	(95,549)	(111,472)
Weighted average number of ordinary shares (in thousands)	10,764	10,764
Earnings per share - basic and diluted	(8.88)	(10.36)

	Three months ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000') -----	
18 CASH GENERATED FROM OPERATIONS		
Profit before taxation	(90,027)	(107,500)
Adjustment for non-cash and other items		
Depreciation		
Property, plant and equipment	13,720	8,887
Right to use assets	449	436
Investment property	635	-
Amortization	-	17
Gain on disposal of property, plant and equipment	-	-
Interest income	(573)	(4,981)
Finance costs	36,899	44,846
Amortization of deferred income	-	-
Working capital changes	18.1 24,663	126,643
	<u>(14,234)</u>	<u>68,348</u>

	Three months ended	
	September 30, 2024	September 30, 2023
	----- (Rupees in '000') -----	
18.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(75)	(3,077)
Stock in trade	20,985	(56,252)
Trade debts	(645)	6,406
Loans and advances	(66,712)	3,809
Trade deposits and short-term prepayment	(25,052)	1,335
Other receivable	(2,524)	(11,305)
	<u>(74,023)</u>	<u>(59,084)</u>
Increase / (decrease) in current liabilities		
Trade and other payable	98,686	185,727
	<u>24,663</u>	<u>126,643</u>

19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

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

Relation with the company	Nature of transaction	Note	Three months ended	
			September 30, 2024	September 30, 2023
			----- (Rupees in '000') -----	
Sikander (Private) Limited (Holding Company)	Rent paid		1,725	-
Berger Paints Pakistan Ltd. (Associated Company)	Purchase of goods		-	-
Provident fund	Contribution to staff retirement benefit plans		1,421	1,751
Key management personnel	Remuneration and other benefits		8,896	5,004
Loan from Ayesha Allahwala			20,000	20,000
Loan from Sikander Dada			5,000	5,000

	September 30, 2024 (Un-audited)	June 30, 2024 (Audited)
	(Rupees in '000')	
19.2 Period / year end balances Payable to related parties	(1,725)	-
19.3 The above transactions with related parties are at arm's length based on normal commercial		

20 OPERATING SEGMENTS

20.1 Segment Analysis	Chrysolite Cement	Plastic	Others	Total
Three months ended September 30, 2024 (Un-audited)	----- (Rupees '000) -----			
Turnover	<u>87,309</u>	<u>135,560</u>	<u> </u>	222,869
Segment result	<u>(39,219)</u>	<u>(26,402)</u>	<u> </u>	(65,621)
Unallocated expenses				
Other operating expenses				(17,489)
Other income				29,982
Finance costs				(36,899)
Taxation				<u>(5,522)</u>
Net profit for the period				<u>(95,549)</u>
Three months ended September 30, 2023 (Un-audited)				
Turnover	<u>2,681</u>	<u>142,085</u>	<u> </u>	144,766
Segment result	<u>(10,294)</u>	<u>(39,796)</u>	<u> </u>	(50,090)
Unallocated expenses				
Other operating expenses				(31,960)
Other income				19,396
Finance costs				(44,846)
Taxation				<u>(3,972)</u>
Net profit for the period				<u>(111,472)</u>

20.2 Segment assets and liabilities	Chrysotile Cement	Plastic	Others	Total
<u>September 30, 2024 (Un-audited)</u>	------(Rupees '000)-----			
Segment assets	<u>391,710</u>	<u>550,066</u>	<u>116,446</u>	1,058,222
Unallocated corporate assets				<u>1,666,054</u>
Total assets				<u>2,724,276</u>
Segment liabilities	<u>454,290</u>	<u>445,369</u>	<u>26,680</u>	926,339
Unallocated corporate liabilities				<u>1,381,596</u>
Total liabilities				<u>2,307,935</u>
 <u>June 30, 2024 (Audited)</u>				
Segment assets	<u>393,465</u>	<u>521,483</u>	<u>122,404</u>	1,037,352
Unallocated corporate assets				<u>1,737,578</u>
Total assets				<u>2,774,930</u>
Segment liabilities	<u>411,290</u>	<u>427,369</u>	<u>23,026</u>	861,685
Unallocated corporate liabilities				<u>1,401,355</u>
Total liabilities				<u>2,263,040</u>

21 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2024.

22 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 value 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.

23 DATE OF AUTHORIZATION FOR ISSUE


This condensed interim financial information was authorized for issue on October 28, 2024 by the Board of Directors of the Company.

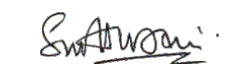
24 CORRESPONDING FIGURES

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

25 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

Dadex Eternit Limited

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