

ANNUAL REPORT

2025-26

DADEX

67th

ANNUAL REPORT

for the year ended June 30, 2026

Welcome to Our ANNUAL REPORT 2025-26

We are pleased to present our 67th Annual Report for the year 2025–26, which reflects our progress, performance, and commitment to sustainable growth.

This report provides an overview of our business achievements, strategic direction, and initiatives that continue to create value for our stakeholders.

We invite you to explore these pages and discover how we are shaping a stronger and more responsible future.

INNOVATION | GROWTH | SUSTAINABILITY

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	Jamapunji	

FOUNDER CHAIRMAN



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

KASSIM DADA
(1919 - 2001)

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.

CHAIRMAN

- Sikander (Pvt) Ltd.
- Dadex Eternit Limited
- Brooke Bond Pakistan Ltd.
- Berger Paints Pakistan Ltd.
- Dada Agencies Ltd.
- J&N Pakistan Ltd.
- Pakistan Welding Electrodes 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 Inv. Bank Ltd.
- First International Inv. Fund Ltd.
- Habib Insurance Company Ltd.
- Mehran Jute Mills Ltd.

ABOUT DADEX

A LEGACY OF EXCELLENCE... SINCE 1959.

Dadex remains unchanged in its commitment to evolving, developing and offering the best in the industry.

Unleashing innovation and aligning forces is where our forte lies. Our aim maintains its path - to bring forth quality products backed by international standards and to uphold our levels of excellence and advancement, both in the product arena and customer service domain.

Dadex was established as a public limited company in 1959. We started with the manufacturing of FC roofing systems from our plant 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 into plastic piping systems. Presently, we produce various thermoplastic systems such as UPVC, PP-R, PP-RCT, PP, and 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 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 67 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 is the Dadex promise to all our valued customers.

AT A GLANCE

Established
1959

Founder Chairman
Mr. Kassim Dada

HeadOffice
Karachi

Manufacturing Facilities
Hyderabad & Sundar
Industrial Estate (Lahore)

Sales Offices
Karachi, Hyderabad, Lahore,
Multan, Faisalabad, Islamabad

Certifications
ISO 9001 - ISO 14001 - ISO 45001 -
PSQCA

Products
UPVC - PP-RCT - PP-R - PP - PE

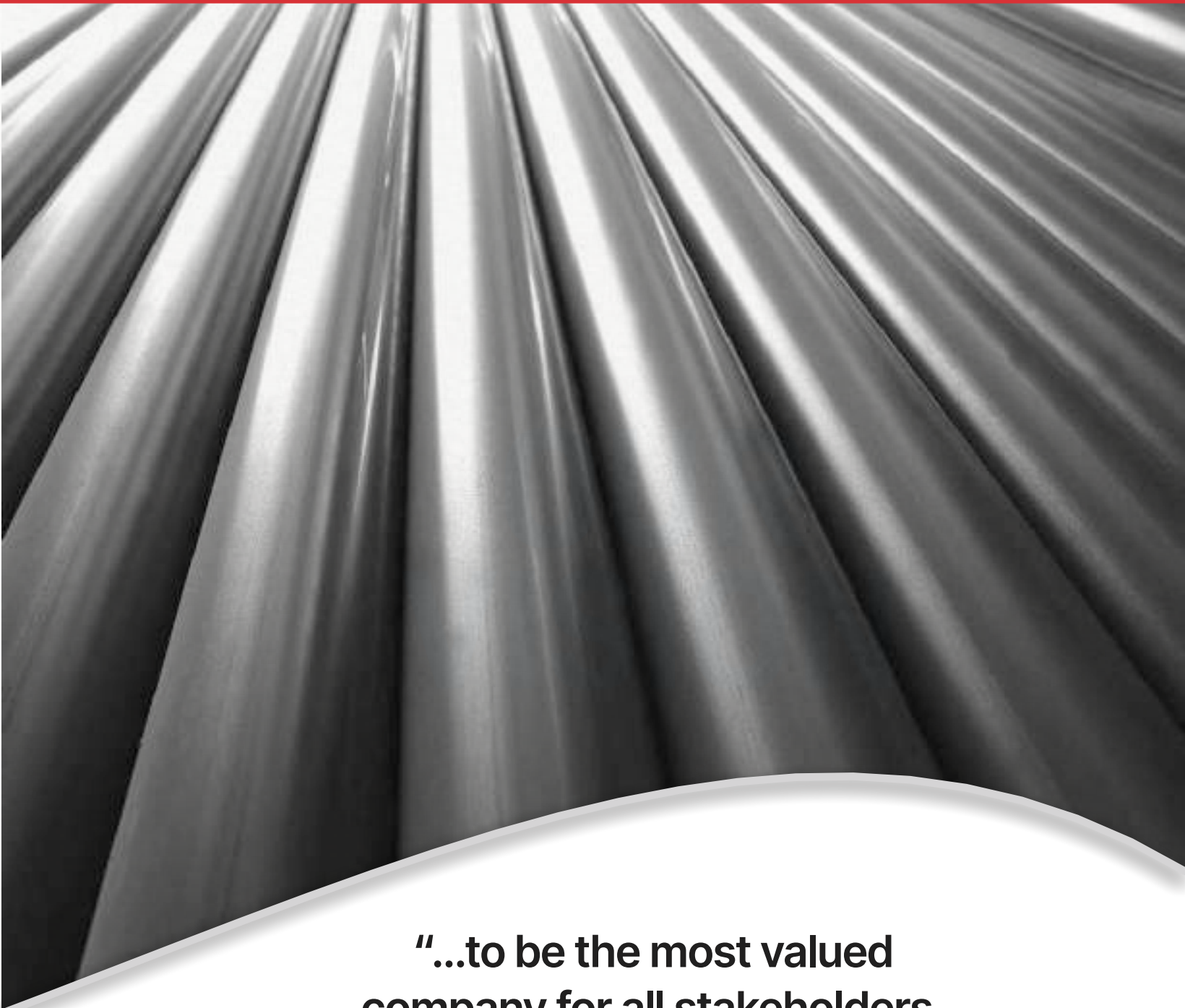
Leadership
Pioneer of Thermoplastic Piping
Systems in Pakistan

Product Partners:
Wavin (Netherlands) - Effast (Italy) -
Magnaplast (Poland)

OUR VISION

**IS BUILT ON INTEGRITY AND INNOVATION,
THE FOUNDATION OF OUR SUCCESS AND
THE PATH TO A SUSTAINABLE FUTURE**

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.



**"...to be the most valued
company for all stakeholders,
renowned for customer focus,
innovation, quality, reliability
& ethical practices."**

OUR MISSION

THE PATH OF PURPOSE AND PROGRESS

Our mission is more than just a goal; it is a path of purpose and progress. It defines our journey, guides our every action, and drives the impact we create for our stakeholders and the communities we serve.

Our Mission

- We shall provide **unparalleled service** and best value to our customers through a 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 this business.
- We are committed to follow **business ethics**, comply with SH&E 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 penetration in the piping systems market by **exploring new channels**.
- We shall continue to **set new trends** through innovative marketing and manufacturing.

BUILDING BLOCKS OF DADEX VALUES

FIVE PRINCIPLES - ONE CULTURE

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 serve as the foundation of all business practices.



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.

SOLUTIONS FOR THE SYSTEMS THAT MATTER

For over 67 years, Dadex has been a hallmark of trust and reliability in the building materials industry. Our commitment to quality, innovation, and customer focus is reflected in every product we offer.

As our founding product line, the Fiber Cement Corrugated Roofing Sheets have been a staple of the construction industry since our establishment in 1959. Their superiority, reliability, and durability have strengthened our commitment to excellence for more than six decades.

Dadex has always been leading the thermoplastic piping industry in Pakistan. 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.

A hallmark of trust and reliability for over 67 years.

Dadex offers solutions for Water Distribution, Hot & Cold Water Supply, SWV, Sewerage & Drainage, Conduits & Cable Ducting, Gas Supply, and Roofing. Serving Housing, Building, High-rise, Infrastructure, and Specialized Industrial Systems.



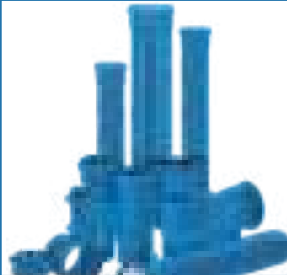
- 1 Electrical Conduits and Cable Ducting
- 2 Soil, Waste & Vent (SWV) Systems
- 3 Hot & Cold Water Supply
- 4 Water and Gas Distribution
- 5 Underground Sewerage & Drainage
- 6 Manhole and Inspection Chambers
- 7 Roofing and Cladding
- 8 Special & Industrial Applications
Low-noise • Chemical drainage • Fuel transmission • etc.



The Soil, Waste and Vent System in UPVC



The Hot & Cold Water System in PP-R / PP-RCT



The Low Noise Soil, Waste and Vent System



The Electrical Wiring System in UPVC



The Cold Water System in UPVC



The Hot & Cold Water System in PPR



The Cold Water Supply System in PE



The Gas Supply System in PE



The Underground Sewerage System in UPVC



Non-Return Valves



Inspection Chambers and Manholes



Catch Pits

BEYOND THE PRODUCT. A PARTNERSHIP - BUILT ON COMMITMENT

We go beyond supplying products. Our service and support ecosystem is designed to help at every stage - from planning to execution and beyond.



Design & Proposals
Design proposals, BOQ, estimates and product selection.



Tools Availability
Tools for jointing, laying and installation.



Demonstrations & Training
In-house, on-field and plumber training.



On-Site Support
Laying and testing support.

Support before, during and after the sale.

GEOGRAPHIC PRESENCE

CLOSE TO WHERE IT MATTERS.



Head Office
Karachi



Factories
Hyderabad · Sundar (Lahore)



Sales Offices
Karachi · Hyderabad · Lahore ·
Multan · Faisalabad · Islamabad



Supply Network
Nationwide distributors and
dealers network

From manufacturing to the market.

OUR GLORIOUS HISTORY

67 YEARS OF EXCELLENCE

A Journey of Trust from a Vision to the Industry Leader.

1959

Founded as a Public Limited Co.
Listed in Karachi Stock Exchange

FORMATIVE YEARS

Building foundations with resilience and vision.

1959 - 1975

RESILIENCE & RENEWAL

A period of resilience, progress and leadership transition.

1976 - 1989

● 1959

Plant Opening
1st fiber cement
(FC) plant
opened in
Hyderabad



● 1959

Product Launch
FC Corrugated
Sheets



● 1959

Product Launch
FC Decorative
Sheets



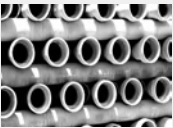
● 1962

Collaboration
with Eternit
group of
Belgium



● 1964

Product Launch
FC Building
Pipes



● 1965

Plant opening in
Chittagong, (East Pak.)^{*}



● 1966

Plant opening
in Karachi



● 1966

Product Launch
FC Pressure
and FC Sewer
Pipes



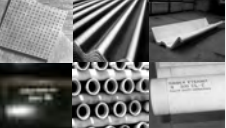
● 1967

ACIL Logo
creation



● 1981

ACIL Products
FC sheets and
FC pipes



● 1984

ACIL Cottage at
an international
exhibition



● 1987

Pakistan Standards
License for FC
Sheets received
from PSI



● 1989

Mr. Sikander Dada
appointed Chief
Executive and MD



^{*} (The Plant lost in 1971 with the loss of East Pakistan)

BUILDING LEADERSHIP

Expanding horizons, strengthening capabilities, and leading the market.

1990 - 2005

1990

New name, New Logo



1991

Technical Collaboration with Wavin-Netherlands, for the production of thermoplastic piping systems in Pakistan



1991

Product Launch UPVC Pressure piping system



1993

Product Launch PE pipes for Water & Gas applications



1997

Product Launch Nikasi, the UPVC (SWV) piping system



1998

ISO 9000 Certification



1999

Product Launch Polydex, PPR Hot & Cold water piping system



2001

Dadex House [Shahrah-e-Faisal, Karachi]



2002

Product Launch PE Cable Duct & UPVC Electrical Conduits



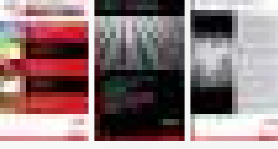
2003

New name, New identity



2003

Dadex Values, Vision & Mission statements



2004

Product Launch Zarkaasht, the high efficiency Irrigation system



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.



2005

Dadex certified as an Investor in People (IIP) company on meeting the best H.R. Practices and standards.



2005

Product Launch Aluminum Composite Panels (ACP)



FORGING THE FUTURE

Defining excellence through innovation, engineering and global standards.

2006 - Present

2006

Product Launch Flowline, the complete underground UPVC sewer pipe system



2006

Dadex embraces SAP solutions



2006

Product Launch Tubewell, UPVC Casing & Screen Pipes



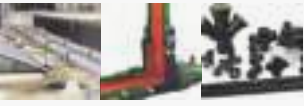
2007

Plant opening in Lahore



2008

Product Launch Speciality piping systems



2015

Product Launch ECO, the SWV piping system in UPVC



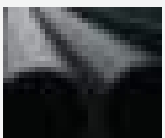
2015

Product Launch Thermoline, PPR Hot & Cold water piping system



2016

Launched large dia HDPE pipes upto 630mm



2017

Product Launch Pakistan's 1st Antimicrobial Pipes



2018

Technical Collaboration with Marley Plumbing and drainage, UK



2018

Collaboration with Effast, Italy



2021

Product Launch Polydex Premium, the PP-RCT, Hot & Cold water piping system



2022

Collaboration with Magnaplast, Poland



2023

Product Launch Low noise SWV piping system



2024

Product Launch Non-Return Valves



2025

Product Launch Catch Basins



"We look ahead with confidence — shaping the future through innovation and sustainability"

HEALTH, SAFETY & ENVIRONMENT

BUILDING RESPONSIBLY



At Dadex, our Health, Safety and Environment (HSE) commitment is integral to our sustainability journey. It reflects our progress and future vision: competing in dynamic markets with resilience, responsibility, and a continuous drive to set new industry standards.

Safeguarding our people and the environment is essential to long-term value for all stakeholders. The Company therefore prioritizes workplace safety, employee well-being, and environmental stewardship.

KEY FEATURES OF OUR HSE PRACTICES INCLUDE:

SUSTAINABLE OPERATIONS –

Maintain facilities in compliance with environmental standards

CAPACITY BUILDING –

Train employees and installers to identify and prevent harmful practices.

RESOURCE EFFICIENCY –

Waste recycling, dust control, and monitoring systems to ensure continuous improvement.

Through these measures, Dadex continues to embed sustainability into its operations, ensuring that growth is achieved responsibly and in alignment with global ESG principles.



COMPANY INFORMATION

Board of Directors	Mr. Shahzad M. Husain - Chairman	(Non - Executive Director)
	Mr. Sikander Dada - Chief Executive Officer	(Non - Executive Director)
	Mr. Abu Talib H.K. Dada	(Non - Executive Director)
	Mr. Khawaja Samiullah Askari	(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 Irfan	
Board Audit Committee	Syed Shahid Ali Bukhari	- Chairman
	Mr. Shahzad M. Husain	- Member
	Mr. Khawaja Samiullah Askari	- Member
	Mrs. Amber Ahmed Motiwala	- Member
Human Resource Remuneration Committee	Mrs. Ayesha Tariq Allawala	- Chairperson
	Mr. Abu Talib H.K. Dada	- Member
	Mr. Khawaja Samiullah Askari	- Member
Management Team	Mr. Sikander Dada	- Chief Executive Officer
	Mr. Asim M. Khan	- Chief Operating Officer
	Mr. Muhammad Yousuf	- Chief Financial Officer & Company Secretary
	Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR
	Mr. Muhammad Irfan	- Senior Manager Corporate & Head of Internal Audit

Auditors	BDO Ebrahim & Co., Chartered Accountants
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited Bank AlBaraka Sindh Bank Limited United Bank Limited (UBL Ameen) Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited
Legal Advisor	Abrar Hasan & Co. 9 Mezzanine Floor, Beaumont Plaza, near PIDC House, Karachi.
Registered Office	Dadex House, 34-A11, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400 Tel: (92-21) 111000789 Email: info@dadex.com.pk
Share Registrar	M/s. JWAFS Registrar Services (Private) Limited Office # 20, 5th Floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi. Phone: (92-21) 32440974-75 Email: jwaffsregistrar@gmail.com
Website	www.dadex.com

NOTICE OF THE 67TH ANNUAL GENERAL MEETING

Notice is hereby given that the 67th Annual General Meeting of the Dadex Eternit Limited will be held on Tuesday, October 27, 2026, at 03:30 p.m. at Dadex House, 34-A/1, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, to transact the following:

Ordinary Business:

Weblink: http://www.dadex.com/aboutdadex/pdfs/2025-26/Annual_Report_2026.pdf



Agenda Items

- To receive, consider and adopt the following documents for the year ended June 30, 2026:
 - Audited Financial Statements and the Auditors' Report thereon; and
 - The Report of the Board of Directors.
- To appoint auditors of the Company for the year ending June 30, 2027, 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.
- To elect seven (07) Directors of the Company for a period of three (03) years commencing from the date of Annual General Meeting, in accordance with the provisions of the Companies Act, 2017. The names of the retiring Directors are as follows:
 - Mr. Sikander Dada
 - Mr. Abu Talib H.K. Dada
 - Mr. Shahzad M. Husain
 - Syed Shahid Ali Bukhari
 - Mrs. Amber Ahmed Motiwala
 - Mrs. Ayesha Tariq Allawala
 - Khawaja Samiullah Askari

The retiring Directors are eligible for re-election.

By Order of the Board
(Muhammad Yousuf)
Company Secretary

Karachi: September 24, 2026

NOTES:

- The Register of Members and the Share Transfer Books of the Company shall remain closed from October 20, 2026, to October 27, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi by the close of business hours on October 19, 2026, will be treated in time for incorporating the change in the Register of Members.
- The entitlement to attend, participate and vote at the 67th Annual General Meeting will be according to the Register of Members as on October 19, 2026.
- 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, 2026, would have been placed on the website of the company (www.dadex.com.pk).
- 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.
- 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.
- 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.
- 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:

- 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:

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

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

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. Appointment of Scrutinizer

In accordance with regulation 11 of the Companies (Postal Ballot) Regulations, 2018 (the Regulations), for the purpose of conducting and supervising the voting process as defined in regulation 11A of the Regulation in connection with the election of Directors at the AGM. The Board of Directors has appointed M/s. S.M. Suhail & Co., Chartered Accountants, a QCR rated audit firm to act as Scrutinizer. The Scrutinizer possesses the necessary knowledge and experience to independently scrutinize the voting process in accordance with the applicable legal requirements.

E. Election of Directors:

Any person who seeks to contest the election for the office of Director shall, whether he/she is a retiring director or otherwise, file following documents / information with the Company at its registered office, no later than fourteen (14) days before the date of meeting:

- i. Notice of his/her intention to offer himself /herself for election of directors in terms of Section 159(3) of the Companies Act, 2017.
- ii. Duly completed and signed Appendix to Form-9 giving his / her consent to act as Director of the Company (under Section 167 of the Companies Act, 2017), along with valid copy of CNIC, NTN or Passport.
- iii. A detailed profile of the Candidate including his/her office address for placement onto the Company's website as required under SECP's SRO 1196(I) / 2019 dated October 03, 2019.
- iv. A declaration confirming that:
 - a. He/she is aware of his/her duties, liabilities and powers under the Companies Act 2017, the Securities Act 2015, Listed Companies (Code of Corporate Governance) Regulations, 2019, listing regulations of Pakistan Stock Exchange, Memorandum and Articles of Association and all other applicable laws/rules/regulations/codes etc.
 - b. He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.
 - c. He / she is not a minor neither of unsound mind nor an un-discharged insolvent.
 - d. He / she is borne on the register of National Taxpayers.
 - e. He / she has not been convicted by a court as defaulter in payment of loan to financial institutions, Development Financial Institution and Non-Banking Financial Institution.
 - f. He / she is not serving as director in more than seven listed companies simultaneously.
 - g. Neither he / she nor his / her spouse is engaged in the business of stock brokerage.
 - h. He / she is aware of "Closed Period", required prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of company's securities.
- v. Copy of valid CNIC (in case of Pakistani national)/ Passport (in case of foreign national), and NTC and Folio Number/CDC Investors Account No. /CDC Sub-Account No.

F. Independent Directors

Independent Directors shall be elected through a process of Election of Directors required under section 159 of the Companies Act, 2017. Independent Director(s) shall meet the criteria laid down in Section 166 of the Companies Act, 2017 as well as the Companies (Manner and Selection of Independent Directors) Regulations, 2018. Accordingly, the following additional documents are to be submitted by the candidates intending to contest election of Directors as an Independent Director:

- i. Declaration by Independent Director under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.
- ii. Undertaking on the appropriate denomination of non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Statement of Material Fact in respect of Appointment of Independent Directors Under Section 166 (3) of the Companies Act, 2017.

- i. Section 166 of the Companies Act, 2017 requires that a statement of material facts is annexed to the notice of the general meeting called for the purpose of election of directors which shall indicate the justification for choosing the appointee for appointment as independent director.
- ii. Accordingly, it will be ensured that the independent directors to be elected will meet the criteria set out for independence under Section 166 of the Companies Act, 2017 and Companies (Manner and Selection of Independent Directors) Regulations, 2018 and their names are listed on the data bank of independent directors maintained by Pakistan Institute of Corporate Governance duly authorized by SECP. Appropriate competency, diversity, skill set, knowledge and experience of the contestants shall also be assessed during the finalization of independent directors.
- iii. No directors have direct or indirect interest in the above said business, except as shareholders and that they may consent for election of directors accordingly.

G. Representation of Minority Shareholders

The Company shall:

- i) annex to the notice issued under sub-section (4) of section 159 of the Companies Act, 2017, a statement by a candidate from among the minority shareholders who seeks to contest election to the Board, including a profile of the candidate(s);
- ii) provide information regarding members and shareholding structure to the candidate(s); and
- iii) on a request by the candidate(s) and at the cost of the Company, annex to the notice issued under sub-section (4) of section 159 of the Companies Act, 2017, an additional copy of Proxy Form duly filled in by such candidate(s).

H. 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.

I. 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 JWAFFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

J. 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. JWAFFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, 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.

K. 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, 2026, 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 2026, 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).

L. Transmission of the Annual Audited Financial Statements through QR-Enabled Code QR Code

Annual Report 2026The Annual Report, including the Financial Statements of the Company, can be viewed using the following QR-enabled code. The same will be shared via email in case an email address is provided by the members. A printed copy of the above referred statements can be provided to members upon request. Karachi, to transact the following:

Weblink www.dadex.com



M. 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. JWAFFS Registrar Services (Pvt.) Limited, Office # 20, 5th floor, Arkay Square Extension, New Chali, Shahrah-e-Liaquat, 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).

N. 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.

O. 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.

P. Prohibition of distribution of gifts

In compliance with Section 185 of Companies Act, 2017 and SECP directives vide S.R.O 452 (I) /2025 dated March 17, 2025, NO GIFTS, CASH, COUPONS/ VOUCHERS OR ANY OTHER FORM OF GIFT WILL BE DISTRIBUTED at the EOGM of the Company.

Q. Postal Ballot / E-voting

Pursuant to the Companies (Postal Ballot) Regulations, 2018 and notified amendments, members will be allowed to exercise the right to vote through electronic voting facility and postal ballot for the purpose of election of directors, if the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 of the Companies Act, 2017, voting shall be conducted in the manner and as per the procedures contained in the Regulations.

R. 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

THE CHAIRMAN'S REVIEW

Dear Shareholders,

I am pleased to present the Chairman's Review of the Annual Report of the Company for the financial year ended June 30, 2026. The year under review was characterized by a challenging global and domestic economic environment, marked by geopolitical uncertainties, elevated energy and financing costs, and subdued business activity, which continued to impact the Company's overall performance and profitability. Despite these challenges, the Company remained focused on improving operational efficiency, optimizing resources and strengthening its business fundamentals through prudent management and targeted strategic initiatives, with the objective of supporting sustainable recovery and creating a stronger platform for long-term growth.

Global Economic Outlook

The year under review was shaped by continued geopolitical tensions, particularly the U.S.–Iran conflict and disruptions in the Strait of Hormuz, which affected global energy markets, petroleum supplies, shipping costs and supply-chain stability. Although inflationary pressures have moderated from previous peaks, elevated energy prices, trade uncertainties and geopolitical risks continue to influence the global economic outlook. At the same time, digital transformation, infrastructure development and the transition towards sustainable energy continue to present opportunities for long-term growth.

Domestic Economy Overview

Pakistan's economy continued its gradual path towards stabilization and recovery, supported by improving industrial activity and ongoing economic reforms. However, elevated energy and financing costs, currency pressures and external geopolitical developments continue to pose challenges for businesses. Disruptions in regional petroleum and shipping routes may further influence input costs and supply-chain dynamics. Nevertheless, improving construction and industrial activity provides opportunities for the pipes, building materials and allied sectors. With its diversified portfolio and operational focus, Dadex remains well-positioned to benefit from the emerging recovery and strengthen its market position.

Corporate Governance

Our governance framework continues to support transparency, accountability and ethical business practices in accordance with the Companies Act, 2017, the applicable Listed Companies (Code of Corporate Governance) Regulations and other regulatory requirements. The Board, along with its Audit Committee and Human Resource & Remuneration Committee, continues to discharge its responsibilities with due diligence and oversight, while maintaining a strong focus on sound governance practices.

Board's Performance

The Board remained focused on effective oversight, responsible decision-making and sustainable business performance. The Board and its Committees actively discharged their respective responsibilities in accordance with applicable statutory and regulatory requirements. The Board also remains committed to continuous improvement and strengthening its effectiveness through periodic performance evaluation and adoption of evolving governance practices.

Way Forward

Looking ahead, the Company remains cautiously optimistic about the improving economic and business environment. With disciplined financial management, operational efficiency and a continued focus on innovation and market opportunities, Dadex is well-positioned to navigate emerging challenges, capitalize on growth opportunities and create sustainable value for its stakeholders.

Acknowledgment

On behalf of the Board, I express my sincere appreciation to our shareholders, customers, bankers, regulators and employees for their continued trust, confidence and support. Their contribution remains integral to the Company's progress. With collective commitment, prudent management and a clear strategic direction, we look forward to building on our achievements and delivering sustainable long-term value.

Karachi:
September 24, 2026



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, 2026.

Principal Activities & Business Performance of the Company

The principal business of the Company is the manufacture and sale of building materials, including plastic piping systems and allied products manufactured from chrysotile fiber cement and plastics, as well as the merchandising of imported pipe fittings.

Business Environment

During the year, Pakistan's business environment remained challenging due to global economic uncertainty, geopolitical tensions and disruptions in international trade and supply chains. The U.S.–Iran conflict contributed to higher raw material, freight, logistics and energy costs, adding to inflationary pressures. The Company remained focused on operational efficiency, prudent resource management and risk mitigation.

Pakistan Economic Overview

During FY2025–26, Pakistan's economy continued its gradual recovery. However, subdued domestic demand, high energy and taxation costs, geopolitical tensions and volatility in global commodity and financial markets continued to constrain sustainable economic growth.

Operations

Production at the Company's two manufacturing locations was adversely affected during the year. The Company invested Rs. 172.967 million in its Hyderabad Factory to improve machine productivity.

Karachi Factory

The Company is in the final stages of completing the sale of its Karachi Factory land. All requisite corporate and legal formalities for the disposal of this asset have been completed, with only minor final documentation remaining.

Statement of Compliance

The Company remains committed to high standards of corporate governance and compliance with the applicable requirements of the Securities and Exchange Commission of Pakistan (SECP). The prescribed corporate governance requirements are disclosed in the Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and have been reviewed by the auditors.

Internal Controls and Risk Management

The Company maintains a system of internal controls covering operational efficiency, financial reporting and compliance with applicable laws and regulations. Management monitors these controls, while the Board Audit Committee reviews their adequacy and effectiveness and reports its findings to the Board.

Risk and Mitigation

The Company is exposed to various business risks and has implemented appropriate measures to mitigate them.

1) Commercial Risk

The Company faces risks from volatility in raw material prices, currency devaluation and rising energy costs. To mitigate these risks, the Company closely monitors price trends and takes strategic purchasing decisions to reduce the impact of increases in raw material and other input costs.

2) Financial Risk

The Company was exposed to financial risk arising from borrowings from financial institutions. This risk has been substantially reduced through a significant reduction in bank borrowings from the proceeds received towards the sale of the Karachi Factory land.

3) Compliance Risk

The Company maintains a zero-tolerance approach to non-compliance and has an effective compliance function to manage these risks.

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, 2025	(Rs.1,495,799)
- Surplus on revaluation of fixed assets on account of incremental Depreciation charged on related assets	Rs. 2,076
- Reversal of surplus on Revaluation of fixed assets due to disposal of non-current assets held for sale	Rs. 893,794
- Profit after taxation for the year ended June 30, 2026	Rs. 479,682
- Accumulated loss as at June 30, 2026	(Rs. 120,247)

The break-up value per share as at June 30, 2026, is Rs. 84.96 (2025: Rs.40.39).

Board of Directors and its Committees

The Board of Directors met seven times during the year ended June 30, 2026 and comprises experienced and skilled members.

The Board Audit Committee met four times and the Human Resource and Remuneration Committee met Nil during the year ended June 30, 2026. The Board Committees greatly facilitated the overall working of the Board.

Mr. Syed Shahid Ali Bukhari has completed his three consecutive terms as an Independent Director of the Company. However, he remains eligible to contest the forthcoming election of Directors as a Non-Executive Director of the Company, scheduled to be held at the Annual General Meeting (AGM) on October 27, 2026.

During his current term, Mr. Syed Shahid Ali Bukhari served as an Independent Director and Chairman of the Board Audit Committee. Mrs. Ayesha Tariq Allawala, Independent Director, served as Chairperson of the Board Human Resource and Remuneration Committee, in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Attendance of Meetings during the Year

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

Name of Director	Status	Board of Directors meeting		Board Audit Committee meeting	
		Held	Attended	Held	Attended
Mr. Shahzad M. Husain	Non- Executive Director	7	7	4	4
Mr. Sikander Dada	Non-Executive Director	7	7	-	-
Mr. Abu Talib H.K. Dada	Non-Executive Director	-	-	-	-
Syed Shahid Ali Bukhari	Independent Director	7	7	4	4
Mrs. Amber Ahmed Motiwala	Independent Director	7	7	4	4
Mrs. Tariq Ayesha Allawala	Independent Director	7	7	-	-
*Khawaja Samiullah Askari	Non-Executive Director	7	6	4	4

Board's Performance Evaluation and Directors' Training Program

The Board discharged its responsibilities with due care and diligence, providing effective oversight and strategic direction while monitoring Management's performance and key risks.

The Board remained committed to high standards of corporate governance and safeguarding stakeholder interests. All Directors actively participated in Board deliberations and decision-making.

The Company maintains an independent Internal Audit function to evaluate internal processes and identify areas for improvement.

The Board conducted a self-evaluation and identified areas for improvement, including strategic growth, business opportunities, risk management and effective oversight of Management.

The Company has obtained an exemption from the Securities and Exchange Commission of Pakistan (SECP) under Regulation 19 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, in respect of Mr. Sikander Dada, Mr. Abu Talib H. K. Dada and Mr. Shahzad M. Husain. Mr. Syed Shahid Ali Bukhari and Mr. Khawaja Samiullah Askari are Certified Directors. The remaining Directors intend to attend the Directors' Training Programme within the timeframe prescribed under the applicable regulatory requirements.

The Board comprises individuals with diverse experience, professional expertise and knowledge of Pakistan's legal and business environment, contributing to the Company's strategic direction and decision-making.

All Directors are aware of their roles, responsibilities and fiduciary duties as Directors of a listed company and discharge them accordingly.

Disposal of Properties and Restructuring Initiatives

During the year, the Company continued its restructuring initiatives aimed at strengthening liquidity, reducing financial obligations and improving operational performance. Shareholders had approved the disposal of certain non-core assets at the Extraordinary General Meeting held on June 03, 2025.

The sale of the Karachi Factory land is in its final stages. All requisite corporate and legal formalities have been completed, with only minor final documentation remaining. Proceeds received towards the sale have enabled the Company to significantly reduce its bank borrowings and strengthen its financial position.

The Company has complied with the applicable statutory and regulatory requirements relating to these transactions, including the relevant requirements of the Companies Act, 2017 and Pakistan Stock Exchange regulations.

Health, Safety, Environment, and Quality

Dadex recognizes its responsibility to protect the environment, safeguard employee health and safety and support the communities in which it operates. The Company continues initiatives to control pollution, promote occupational health and safety and reduce environmental impacts.

The Company accords the highest priority to Health, Safety and Environment (HSE) and has further strengthened its HSE programmes at its Lahore (Sunder) and Hyderabad manufacturing facilities. The Company maintains certification under ISO 45001:2018 for Occupational Health and Safety Management Systems and ISO 9001:2015 for Quality Management Systems. These certifications are maintained through stringent certification and surveillance audits to ensure effective implementation and continuous improvement of the respective management systems across the manufacturing facilities.

The Company's HSE initiatives comply with applicable local laws and regulations and, where applicable,

align with relevant international guidelines and best practices, including those of the ILO and WHO.

Sustainable environment and energy consumption

The Company remains committed to environmental protection and efficient use of resources. Recycling and rework of materials are promoted where feasible to reduce raw material costs, environmental impact and waste.

The Company promotes energy conservation by encouraging responsible use of electrical equipment and maintaining systems regularly to improve energy efficiency.

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 45 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

The Company continues to use Information and Communication Technology (ICT) to improve operational efficiency, connectivity and stakeholder services, while upgrading its IT infrastructure, applications, hardware, software and data communication systems.

The ICT Department provides IT and SAP support and continues to strengthen internal controls and SAP processes to improve efficiency, data integrity, system reliability and business performance.

Corporate Philanthropy and Community Welfare

The Company made a Rs. Nil contribution to its CSR activities during the year (2025: Rs. nil).

Business Ethics and Anti-Corruption Measures

The Company is committed to maintaining high standards of ethics, integrity and responsible business conduct. All employees are required to comply with the Company's Code of Ethics and Business Conduct, avoid conflicts of interest and ensure that business transactions are properly authorized and recorded. Employees are expected to comply with applicable laws, regulations and Company policies within their respective areas of responsibility.

The Company remains committed to sound corporate practices, protection of customers' interests and effective measures against bribery, corruption and other unethical practices.

Contribution to the National Exchequer and the Economy of the Country

The Company has contributed over Rs. 350 million (2025: Rs. 192 million) towards the National Exchequer in the form of income tax, sales tax, duties, levies, and other taxes.

Human Resources

Dadex recognizes its people as a key asset and remains committed to providing a safe and supportive working environment. Employee development and engagement initiatives support a motivated workforce and the attraction and retention of talent.

Gender Pay Gap

The mean gender pay gap and median gender pay gap for the year ended June 30, 2026 are 22.20% and 3.11%, respectively.

Employment of Special Persons

The Company maintains a policy of providing employment opportunities to special persons, enabling them to earn a respectable living and contribute as members of society.

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 profit after tax for the year ended June 30, 2026, amounting to Rs. 479.682

million (2025: loss Rs. 407.047 million), and its accumulated losses as at June 30, 2026, amounting to Rs. 120.247 million (2025: Rs. 1,,495,799 million). The Company's total current liabilities amounting to Rs. 1,888.54 million (2025: Rs. 2,437.004 million) exceeded the current assets by Rs. 438.201 million (2025: Rs.1,906.935 million).

During the year, the Company vacated its charge registered with SECP of National Bank of Pakistan Ltd., on 09-06-2026 and Bank Islami Pakistan Limited on 07-05-2026.

The Company's financial statements for the year ended June 30, 2026, have been prepared on a going concern basis. Management continues to focus on improving profitability through marketing initiatives, operational efficiencies and cost management to support working capital requirements.

Shareholders approved the disposal of the land and building of the Registered Office at the EOGM held on June 03, 2025. The sale of the Karachi Factory land is in its final stages, and proceeds received towards the sale have significantly reduced bank borrowings and strengthened the Company's financial position.

The Company carried out transactions with its related parties. Details of these transactions are disclosed in note 46 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

A summary of the Company's key operating and financial data for the last six years is annexed to 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 audited accounts as at June 30, 2026:

2026	2025
(Rupees in '000')	
226,109	189,997

A 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 67th 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, 2027, 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.

Pattern of Shareholding

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

Material Changes

There have been no material changes or commitments affecting the financial position of the Company since June 30, 2026, to the date of this report, that have an impact on the financial statements of the Company.

Future Prospects and Challenges

The Company remains focused on strengthening its core business through improved operational efficiency, prudent cost management and effective use of resources. As construction and infrastructure activity recovers, opportunities are expected for pipes and allied building-material products, particularly in water supply, drainage, housing and infrastructure. The Company will continue to improve production capabilities, product quality, market reach and customer relationships.

The Company continues to face high energy and raw-material costs, input-price volatility, taxation pressures, financing constraints, intense competition and subdued purchasing power. Management remains focused on disciplined financial management and operational improvements to support sustainable growth and long-term stakeholder value.

Acknowledgements

The Directors appreciate the dedication and resilience of the Dadex team and thank the Company's shareholders, suppliers, service providers, banks, financial institutions, insurers and other stakeholders for their continued trust, cooperation and support.

Karachi: September 24, 2026

On behalf of the Board of Directors


Sikander Dada
Chief Executive Officer


Shahzad M. Husain
Director

مستقبل کے امکانات اور چیلنجز

کمپنی اپنے بنیادی کاروبار کو بہتر آپریشنل کارکردگی، محتاط لاگت کے انتظام اور وسائل کے موثر استعمال کے ذریعے مضبوط بنانے پر مرکوز ہے۔ جیسے جیسے تعمیراتی اور انفراسٹرکچر کی سرگرمیاں بحال ہوں گی، پائپوں اور متعلقہ تعمیراتی مصنوعات کے لیے مواقع متوقع ہیں، خاص طور پر پانی کی فراہمی، نکاسی آب، رہائش اور انفراسٹرکچر میں۔ کمپنی پیداواری صلاحیتوں، مصنوعات کے معیار، مارکیٹ تک رسائی اور صارفین کے تعلقات کو بہتر بنانا جاری رکھے گی۔

کمپنی اب بھی توانائی اور خام مال کی بلند لاگتوں، ان پٹ قیمت میں اتار چڑھاؤ، ٹیکس کے دباؤ، مالی رکاوٹیں، شدید مقابلہ اور کم خریداری کی طاقت کا سامنا کر رہی ہے۔ انتظامیہ منظم مالی انتظام اور آپریشنل بہتری پر مرکوز ہے تاکہ پائیدار ترقی اور طویل مدتی اسٹیک ہولڈرز کی قدر کو سپورٹ کیا جاسکے۔

اظہار تشکر

ڈائریکٹرز ڈیڈیکس ٹیم کی لگن اور ثابت قدمی کو سراہتے ہیں اور کمپنی کے شیئر ہولڈرز، سپلائرز، سروس فراہم کنندگان، بینکوں، مالیاتی اداروں، انشورنس کمپنیوں اور دیگر اسٹیک ہولڈرز کا ان کے مسلسل اعتماد، تعاون اور حمایت پر شکریہ ادا کرتے ہیں۔

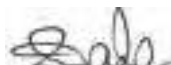
منجانب: بورڈ آف ڈائریکٹرز

کراچی: ۲۴ ستمبر ۲۰۲۶



شہزاد ایم حسین

ڈائریکٹر



سکندر دادا

چیف ایگزیکٹو آفیسر

آپریٹنگ اور مالی اعداد و شمار

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

ٹیکس اور محصولات جیسا کہ اکاؤنٹس کے نوٹس میں ظاہر کیا گیا ہے۔

۳۰ جون ۲۰۲۵ تک تازہ ترین آڈٹ شدہ کھاتوں کی بنیاد پر پروویڈنٹ فنڈ کے ذریعہ رکھی گئی سرمایہ کاری کی قیمت درج ذیل ہے:

2026		2025
(روپے '000 میں)		
226,109		189,997

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

ہولڈنگ کمپنی

میسرز سکندر (پرائیویٹ) لمیٹڈ، کمپنی میں ۶۳.۱۸٪ شیئر ہولڈنگ کے تحت ڈیڈیکس ایئر ٹائمز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

آڈیٹرز

ابراہیم اینڈ کو، چارٹرڈ اکاؤنٹنٹس، ۶۷ ویں سالانہ جنرل میٹنگ کے بعد سبکدوش ہو جائیں گے۔ اہل ہونے کے BDO موجودہ آڈیٹرز میسرز ناطے، انہوں نے دوبارہ تقرری کی پیشکش کی ہے۔ کارپوریٹ گورننس کوڈ کے تقاضوں کے مطابق، بورڈ آڈٹ کمیٹی نے مالی سال ۳۰ جون ۲۰۲۷ کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی سفارش کی ہے، اور بورڈ نے بورڈ آڈٹ کمیٹی کی سفارش سے اتفاق کیا ہے اور اس لیے شیئر ہولڈرز کو ان کی دوبارہ تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا نمونہ

شیئر ہولڈنگ کے تفصیلی پیٹرن اور اقسام، بشمول ڈائریکٹرز اور ایگزیکٹوز کے حصص (اگر کوئی ہوں)، سالانہ رپورٹ میں شامل ہیں۔

مادی تبدیلیاں

۳۰ جون ۲۰۲۶ کے بعد سے اس رپورٹ کی تاریخ تک کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں جو مالی پوزیشن کو متاثر کرتے ہوں اور کمپنی کے مالی گوشواروں پر اثر انداز ہوتے ہوں۔

* بورڈ نے ایک مؤثر داخلی آڈٹ فنکشن قائم کیا ہے، جس میں ایک ماہر اور اہل سربراہ انٹرئل آڈٹ مقرر کیا گیا ہے جو کمپنی کی پالیسیوں اور طریقہ کار سے اچھی طرح واقف ہے۔ اندرونی کنٹرولز کا نظام اور دیگر طریقہ کار، جو نافذ ہیں، بورڈ کی آڈٹ کمیٹی کے ذریعہ مسلسل جائزہ لیا جا رہا ہے۔

بورڈ کے پاس ڈائریکٹرز کے لیے ایک باقاعدہ معاوضہ پالیسی موجود ہے۔ اہم خصوصیات میں یہ شامل ہے کہ ہر غیر ایگزیکٹو ڈائریکٹر، بشمول آزاد ڈائریکٹرز، بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت کے لیے ایک مقررہ فیس کے طور پر معاوضے کا حقدار ہے، جن میں ذیلی کمیٹیوں کی میٹنگ بھی شامل ہے۔

کمپنی نے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے لیے ٹیکس کے بعد خالص منافع ۶۸۲ء ۴۷۹ ملین روپے (۲۰۲۵: ۷۰۴ء ۴۰۷ ملین روپے) حاصل کیا، اور ۳۰ جون ۲۰۲۶ تک اس کے مجموعی نقصانات ۱۲۰ء ۲۴۷ ملین روپے (۲۰۲۵: ۷۹۹ء ۱۴۹۵ ملین روپے) تھے۔ کمپنی کی کل موجودہ واجبات ۸۸۸ء ۵۵۲ ملین روپے (۲۰۲۵: ۷۰۴ء ۷۰۳ ملین روپے) موجودہ اثاثوں سے ۲۰۱ء ۳۸۸ ملین روپے (۲۰۲۵: ۹۰۶ء ۹۳۵ ملین روپے) سے زیادہ تھیں۔

سال کے دوران، کمپنی نے ۹ جون ۲۰۲۶ کو نیشنل بینک آف پاکستان لمیٹڈ کے حق میں اور ۷ مئی ۲۰۲۶ کو بینک اسلامی پاکستان لمیٹڈ کے حق میں، ایس ای سی پی (سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان) کے پاس رجسٹرڈ اپنا چارج ختم کروالیا۔

کمپنی کے مالی گوشوارے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے لیے گونگ کنسرن کی بنیاد پر تیار کیے جا رہے ہیں، کیونکہ انتظامیہ نے نئی مارکیٹنگ حکمت عملیوں کو متعارف کروا کر اور آپریشنل اخراجات کو کم کر کے منافع کو بڑھانے کا منصوبہ بنایا ہے جس سے منافع میں بہتری آئے گی اور ورکنگ کیپیٹل کی ضروریات پوری ہوں گی۔

کمپنی نے پہلے ہی ۰۳ جون ۲۰۲۵ کو منعقدہ کمپنی کے اپنے ای او جی ایم میں رجسٹرڈ دفتر کی زمین اور عمارت کو ٹھکانے لگانے کے لیے شیئر ہولڈرز کی منظوری حاصل کر لی ہے۔ اس کا مقصد اپنے بینک قرضوں کو کم کر کے اور نجلی سطح کے منافع کو بہتر بنا کر مالی ذمہ داریوں کو کم کرنا تھا جس کے نتیجے میں کمپنی کے حصص یافتگان کی قدر میں بہتری آتی ہے۔

کمپنی نے اپنی متعلقہ پارٹیوں کے ساتھ لین دین کیا۔ ان لین دین کی تفصیلات مالی گوشواروں کے نوٹ ۴۶ میں ظاہر کی گئی ہیں۔

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

کے لیے پر عزم ہے۔

قومی خزانے اور ملک کی معیشت میں حصہ

کمپنی نے انکم ٹیکس، سیلز ٹیکس، ڈیوٹیز، لیویز اور دیگر ٹیکسوں کی صورت میں قومی خزانے میں ۳۵۰ ملین روپے (۲۰۲۵: ۱۹۲ ملین روپے) سے زیادہ جمع کرائے

انسانی وسائل

ڈیڈیکس اپنے لوگوں کو ایک اہم اثاثہ سمجھتا ہے اور ایک محفوظ اور معاون کام کا ماحول فراہم کرنے کے لیے پر عزم ہے۔ ملازمین کی ترقی اور شمولیت کی پہل کاری ایک متحرک ورک فورس اور ٹیلنٹ کو متوجہ کرنے اور برقرار رکھنے کی حمایت کرتی ہے۔

صنعتی اجرت کا فرق

۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے لیے اوسط صنعتی اجرت کا فرق اور درمیانی صنعتی اجرت کا فرق بالترتیب ۲۰ء ۲۲٪ اور ۱۱ء ۳۳٪ ہے۔

خصوصی افراد کی ملازمت

کمپنی خصوصی افراد کو روزگار کے مواقع فراہم کرنے کی پالیسی برقرار رکھتی ہے، جس سے وہ باعزت روزگار کما سکیں اور معاشرے کے رکن کے طور پر حصہ ڈال سکیں۔

تعمیل کا بیانیہ

کمپنی نے قابل اطلاق قواعد و ضوابط کی مندرجہ ذیل طریقے سے باقاعدہ تعمیل کی ہے:

- * کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالی گوشوارے اس کی مالی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- * کمپنی کے اکاؤنٹس کی مناسب کتابیں رکھی گئی ہیں۔
- * مالی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے، اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

* پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) پر مالی بیانات کی تیاری میں عمل کیا گیا ہے اور اس سے کسی بھی رواں گی کو مناسب طریقے سے ظاہر کیا گیا ہے اور اس کی وضاحت کی گئی ہے۔

کمپنی توانائی کی بچت کو فروغ دیتی ہے، برقی آلات کے ذمہ دارانہ استعمال کی حوصلہ افزائی کر کے اور نظام کی باقاعدگی سے دیکھ بھال کر کے توانائی کی بچت کو فروغ دیتی ہے تاکہ توانائی کی کارکردگی بہتر ہو سکے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی اجرت کی منظوری دے دی ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے تحت، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنی اجرت کا فیصلہ کرنے میں حصہ نہ لے۔ کمپنی اپنے غیر ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو کوئی اجرت ادا نہیں کرے گی۔ تاہم، غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ آف ڈائریکٹرز اور بورڈ کمیٹی کے اجلاسوں میں شرکت کے لیے میٹنگ فیس ادا کی جاتی ہے۔ ڈائریکٹرز اور سی ای او کی اجرت کے بارے میں معلومات کے لیے، مالی گوشواروں کے نوٹ ۴۵ سے رجوع کریں۔

متعلقہ پارٹی کے ساتھ لین دین

کمپنی نے اپنے متعلقہ پارٹیوں کے ساتھ تمام لین دین معمول کی قیمت پر انجام دیے ہیں سوائے اس کے جن کا اظہار مالی گوشواروں میں کیا گیا ہے۔ تمام پارٹیوں کے ساتھ لین دین کی تفصیلات آڈٹ کمیٹی کے سامنے پیش کی گئیں اور اس کی سفارش پر انہیں بورڈ آف ڈائریکٹرز نے منظوری دے دی۔

انفارمیشن کمیونیکیشن ٹیکنالوجی

کا استعمال (ICT) کمپنی آپریشنل کارکردگی، کنیکٹیویٹی اور اسٹیک ہولڈر سروسز کو بہتر بنانے کے لیے انفارمیشن اینڈ کمیونیکیشن ٹیکنالوجی جاری رکھے ہوئے ہے، جبکہ اپنے آئی ٹی انفراسٹرکچر، سیکیورٹیز، ہارڈویئر، سافٹ ویئر اور ڈیٹا کمیونیکیشن سسٹمز کو اپ گریڈ کر رہی ہے۔

ICT ڈیپارٹمنٹ IT اور SAP کی سپورٹ فراہم کرتا ہے اور اندرونی کنٹرولز اور SAP عمل کو مضبوط کرتا ہے تاکہ کارکردگی، ڈیٹا کی سالمیت، نظام کی قابل اعتماد اور کاروباری کارکردگی کو بہتر بنایا جاسکے۔

کارپوریٹ فلاح و بہبود اور سماجی بہبود

کمپنی نے سال کے دوران اپنی سی ایس آر سرگرمیوں کے لیے صفر روپے خرچ کیے (۲۰۲۵: صفر روپے)

کاروباری اخلاقیات اور انسداد بد عنوانی کے اقدامات

کمپنی اخلاقیات، دیانت داری اور ذمہ دارانہ کاروباری رویے کے اعلیٰ معیار کو برقرار رکھنے کے لیے پرعزم ہے۔ تمام ملازمین پر لازم ہے کہ وہ کمپنی کے کوڈ آف اینتھکس اینڈ بزنس کنڈکٹ کی پابندی کریں، مفادات کے تصادم سے بچیں اور کاروباری لین دین کو مناسب طور پر مجاز اور ریکارڈ کریں۔ ملازمین سے توقع کی جاتی ہے کہ وہ اپنے متعلقہ دائرہ کار میں متعلقہ قوانین، ضوابط اور کمپنی کی پالیسیوں کی پابندی کریں۔

کمپنی مضبوط کارپوریٹ طریقوں، صارفین کے مفادات کے تحفظ اور رشوت، بد عنوانی اور دیگر غیر اخلاقی طریقوں کے خلاف مؤثر اقدامات

تمام ڈائریکٹرز اپنے کردار، ذمہ داریوں اور فدوشری فرائض سے مکمل طور پر آگاہ ہوتے ہیں اور اپنی ذمہ داریاں اسی کے مطابق انجام دیتے ہیں۔

جائیدادوں کی خرید و فروخت اور تنظیم نو کے اقدامات

سال کے دوران، کمپنی نے لیکویڈیٹی کو مضبوط بنانے، مالی ذمہ داریوں میں کمی اور آپریشنل کارکردگی کو بہتر بنانے کے لیے اپنی تنظیم نو کی کوششیں جاری رکھیں۔ شیئر ہولڈرز نے ۳ جون ۲۰۲۵ کو ہونے والی غیر معمولی جنرل میٹنگ میں کچھ غیر بنیادی اثاثوں کی فروخت کی منظوری دی تھی۔

کراچی فیکٹری کی زمین کی فروخت اپنے آخری مراحل میں ہے۔ تمام ضروری کارپوریٹ اور قانونی کارروائیاں مکمل ہو چکی ہیں، صرف معمولی حتمی دستاویزات باقی ہیں۔ فروخت سے حاصل ہونے والی آمدنی نے کمپنی کو بینک کے قرضوں میں نمایاں کمی اور مالی حیثیت مضبوط کرنے میں مدد دی ہے۔

کمپنی نے ان لین دین سے متعلق متعلقہ قانونی اور ریگولیٹری تقاضوں کی پابندی کی ہے، جن میں کمپنیز ایکٹ ۲۰۱۷ اور پاکستان اسٹاک ایکسچینج کے ضوابط کے متعلقہ تقاضے شامل ہیں۔

صحت، حفاظت، ماحول اور کوالٹی

ڈیڈیکس اپنی ذمہ داری کو تسلیم کرتا ہے کہ وہ ماحول کی حفاظت، ملازمین کی صحت و حفاظت کا تحفظ کرے اور ان کمیونٹیز کی حمایت کرے جہاں وہ کام کرتا ہے۔ کمپنی آلودگی پر قابو پانے، پیشہ ورانہ صحت و حفاظت کو فروغ دینے اور ماحولیاتی اثرات کو کم کرنے کے اقدامات جاری رکھے ہوئے ہے۔

کمپنی صحت، حفاظت اور ماحولیات (HSE) کو سب سے زیادہ ترجیح دیتی ہے اور لاہور (سندر) اور حیدر آباد مینوفیکچرنگ سہولیات میں اپنے HSE پروگرامز کو مزید مضبوط کیا ہے۔ کمپنی کو پیشہ ورانہ صحت اور حفاظت کے انتظامی نظاموں کے لیے ۲۰۱۸: ۴۵۰۰۱: ISO اور کوالٹی مینجمنٹ سسٹمز کے لیے ۲۰۱۵: ۹۰۰۱: ISO کے تحت سرٹیفیکیشن برقرار رکھا گیا ہے۔ یہ سرٹیفیکیشنز سخت سرٹیفیکیشن اور نگرانی آڈٹس کے ذریعے برقرار رکھی جاتی ہیں تاکہ مینوفیکچرنگ سہولیات میں متعلقہ انتظامی نظاموں کے مؤثر نفاذ اور مسلسل بہتری کو یقینی بنایا جاسکے۔

کمپنی کے HSE اقدامات قابل اطلاق مقامی قوانین اور ضوابط کی تعمیل کرتے ہیں اور جہاں قابل اطلاق ہو، متعلقہ بین الاقوامی رہنما اصولوں اور بہترین طریقہ کار کے مطابق ہوتے ہیں، جن میں ILO اور WHO کے اقدامات بھی شامل ہیں۔

پائیدار ماحول اور توانائی کا استعمال

کمپنی ماحولیاتی تحفظ اور وسائل کے مؤثر استعمال کے لیے پرعزم ہے۔ جہاں ممکن ہو، مواد کی ری سائیکلنگ اور دوبارہ کام کو فروغ دیا جاتا ہے تاکہ خام مال کی قیمت، ماحولیاتی اثرات اور فضلہ کم کیا جاسکے۔

ڈائریکٹر کا نام	حیثیت	بورڈ آف ڈائریکٹرز کا اجلاس		بورڈ آڈٹ کمیٹی کا اجلاس	
		منعقدہ	شرکت	منعقدہ	شرکت
جناب شہزاد ایم حسین	نان ایگزیکٹو ڈائریکٹر	7	7	4	4
جناب سکندر دادا	نان ایگزیکٹو ڈائریکٹر	7	7	-	-
جناب ابوطالب ایچ کے دادا	نان ایگزیکٹو ڈائریکٹر	-	-	-	-
سید شاہد علی بخاری	آزاد ڈائریکٹر	7	7	4	4
محترمہ امبر احمد موتی والا	آزاد ڈائریکٹر	7	7	4	4
محترمہ عائشہ طارق اللہ والہ	آزاد ڈائریکٹر	7	7	-	-
*خواجہ سمیع اللہ عسکری	نان ایگزیکٹو ڈائریکٹر	7	6	-	-

بورڈ کی کارکردگی کا جائزہ اور ڈائریکٹرز کا تربیتی پروگرام

بورڈ نے اپنی ذمہ داریاں احتیاط اور محنت کے ساتھ نبھائے، مؤثر نگرانی اور حکمت عملی کی رہنمائی فراہم کی جبکہ انتظامیہ کی کارکردگی اور اہم خطرات کی نگرانی کی۔

بورڈ کا رپورٹ گورننس کے اعلیٰ معیار اور اسٹیک ہولڈر مفادات کے تحفظ کے لیے پرعزم رہا۔ تمام ڈائریکٹرز بورڈ کی مشاورت اور فیصلہ سازی میں فعال طور پر حصہ لیتے رہے۔

کمپنی ایک آزاد انٹرئل آڈٹ فنکشن برقرار رکھتی ہے تاکہ اندرونی عمل کا جائزہ لے سکے اور بہتری کے مواقع کی نشاندہی کی جاسکے۔

بورڈ نے خود جائزہ لیا اور بہتری کے شعبوں کی نشاندہی کی، جن میں اسٹریٹجک ترقی، کاروباری مواقع، رسک مینجمنٹ اور انتظامیہ کی مؤثر نگرانی شامل ہیں۔

کمپنی نے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے ریگولیشن ۱۹ کے تحت مسٹر سکندر دادا، جناب ابوطالب ایچ کے دادا اور جناب شہزاد ایم حسین کے حوالے سے اسٹنی حاصل کیا ہے۔ جناب سید شاہد علی بخاری اور جناب خواجہ سمیع اللہ عسکری سرٹیفائیڈ ڈائریکٹرز ہیں۔ باقی ڈائریکٹرز متعلقہ ریگولیٹری تقاضوں کے تحت مقررہ وقت کے اندر ڈائریکٹرز ٹریننگ پروگرام میں شرکت کرنے کا ارادہ رکھتے ہیں۔

بورڈ ایسے افراد پر مشتمل ہے جن کے پاس متنوع تجربہ، پیشہ ورانہ مہارت اور پاکستان کے قانونی و کاروباری ماحول کا علم ہے، جو کمپنی کی اسٹریٹجک سمت اور فیصلہ سازی میں حصہ ڈالتے ہیں۔

تمام ڈائریکٹرز اپنے کردار، ذمہ داریوں اور فندوشری فرائض سے آگاہ ہوتے ہیں جو کسی لسٹڈ کمپنی کے ڈائریکٹر ہوتے ہیں اور انہیں مناسب طریقے سے انجام دیتے ہیں۔

بورڈ ایسے افراد پر مشتمل ہے جن کے پاس متنوع تجربہ، پیشہ ورانہ مہارت اور پاکستان کے قانونی و کاروباری ماحول کا گہرا علم ہے۔ مختلف شعبوں میں ان کا وسیع تجربہ کمپنی کی اسٹریٹجک سمت اور فیصلہ سازی میں اہم کردار ادا کرتا ہے۔

ڈیویڈنڈ اور مختص کردہ رقم

کمپنی نے جائزہ سال کے لیے فی شیئر فی شیئر صفر روپے یعنی فی شیئر صفر فیصد کا حتمی نقد ڈیویڈنڈ اعلان کیا۔ منافع/(نقصان) کا خلاصہ جو مختص کرنے کے لیے دستیاب ہے، درج ذیل ہے:

(روپے ۱۰۰۰ میں)

۱,۴۹۵,۷۹۹

یکم جولائی ۲۰۲۵ تک جمع شدہ نقصان

2,۲۰,۰۷۶076

مقررہ اثاثوں کی دوبارہ تشخیص پر زائد رقم بابت متعلقہ اثاثوں پر عائد کردہ اضافی فرسودگی

893,794

فروخت کے لیے غیر جاری اثاثوں کے تصرف سے مقررہ اثاثوں کے دوبارہ تشخیصی سرپلس کی منسوخی

(۱۲۰,۲۳۷)

۳۰ جون ۲۰۲۶ تک جمع ہونے والا نقصان

بمطابق ۳۰ جون ۲۰۲۶ فی حصہ۔ بریک اپ ویلیو ۸۲ء ۹۶ روپے (۲۰۲۵: ۳۹ء ۴۰ روپے) ہے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے دوران سات بار اجلاس کیے اور اس میں تجربہ کار اور ماہر ارکان شامل تھے۔

بورڈ آڈٹ کمیٹی نے چار بار اجلاس کیا اور ہیومن ریسورس اینڈ ریہنڈریشن کمیٹی نے ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال میں نیل سے ملاقات کی۔ بورڈ کمیٹیوں نے بورڈ کے مجموعی کام کو بہت آسان بنایا۔

جناب سید شاہد علی بخاری نے کمپنی کے آزاد ڈائریکٹر کے طور پر مسلسل تین مدتیں مکمل کر لی ہیں۔ تاہم، وہ کمپنی کے آئندہ غیر ایگزیکٹو ڈائریکٹر کے طور پر ڈائریکٹرز کے انتخاب میں حصہ لینے کے اہل ہیں، جو ۱۲ اکتوبر ۲۰۲۶ کو سالانہ جنرل میٹنگ (AGM) میں منعقد ہونے والی ہے۔

اپنے موجودہ دور میں، جناب سید شاہد علی بخاری نے آزاد ڈائریکٹر اور بورڈ آڈٹ کمیٹی کے چیئرمین کے طور پر خدمات انجام دیں۔ محترمہ عائشہ طارق الاولاء، آزاد ڈائریکٹر، نے بورڈ ہیومن ریسورس اور معاوضہ کمیٹی کی چیئر پرسن کے طور پر خدمات انجام دیں، جو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کی شرائط کے مطابق ہیں۔

سال کے دوران اجلاسوں میں حاضری

بورڈ آف ڈائریکٹرز اور اس کی آڈٹ کمیٹیوں کے اجلاسوں کی تعداد، اور ان میں حاضری، درج ذیل ہے:

بورڈ آف ڈائریکٹرز رپورٹ

تعمیل کا اعلامیہ

کی قابل اطلاق ضروریات کی پابندی کے لیے (SECP) کمپنی کارپوریٹ گورننس کے اعلیٰ معیار اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان پر عزم ہے۔ تجویز کردہ کارپوریٹ گورننس کی ضروریات درج شدہ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے بیان میں ظاہر کی گئی ہیں اور آڈیٹرز نے ان کا جائزہ لیا ہے۔

اندرونی کنٹرول اور رسک مینجمنٹ

کمپنی اندرونی کنٹرولز کا ایک نظام برقرار رکھتی ہے جس میں آپریشنل کارکردگی، مالی رپورٹنگ اور متعلقہ قوانین و ضوابط کی تعمیل شامل ہے۔ انتظامیہ ان کنٹرولز کی نگرانی کرتی ہے، جبکہ بورڈ آڈٹ کمیٹی ان کی مناسبت اور موثریت کا جائزہ لیتی ہے اور اپنے نتائج بورڈ کو رپورٹ کرتی ہے۔

کمپنی کو درپیش خطرات اور کمی کے اقدامات

کمپنی مختلف کاروباری خطرات سے دوچار ہے اور انہیں کم کرنے کے لیے مناسب اقدامات کر چکی ہے۔

۱) تجارتی خطرہ

کمپنی کو خام مال کی قیمتوں میں اتار چڑھاؤ، کرنسی کی قدر میں کمی اور توانائی کی بڑھتی ہوئی لاگت جیسے خطرات کا سامنا ہے۔ ان خطرات کو کم کرنے کے لیے، کمپنی قیمتوں کے رجحانات پر قریبی نظر رکھتی ہے اور خام مال اور دیگر ان پٹ لاگت میں اضافے کے اثرات کو کم کرنے کے لیے اسٹریٹجک خریداری کے فیصلے کرتی ہے۔

۲) مالیاتی خطرہ

کمپنی مالیاتی اداروں سے قرض لینے سے پیدا ہونے والے مالی خطرے سے دوچار تھی۔ کراچی فیکٹری کی زمین کی فروخت سے حاصل ہونے والی آمدنی سے بینک کی قرضوں میں نمایاں کمی کے باعث یہ خطرہ نمایاں طور پر کم ہو گیا ہے۔

۳) تعمیل سے متعلق خطرات

کمپنی عدم تعمیل کے لیے زیرو ٹالرنس اپروچ اپناتی ہے اور ان خطرات کو منظم کرنے کے لیے موثر کمپلائنس فنکشن رکھتی ہے۔

کمپنی کے ڈائریکٹرز ۳۰ جون ۲۰۲۶ کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالی گوشواروں کے ساتھ یہ رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

کمپنی کا بنیادی کاروبار تعمیراتی سامان تیار کرنا اور فروخت کرنا ہے، جس میں پائپنگ سسٹم اور دیگر متعلقہ مصنوعات شامل ہیں جو کراؤن سٹائل فابریک سیمینٹ، ربر اور پلاسٹک سے تیار کی جاتی ہیں۔ اس کے علاوہ درآمد شدہ پائپ فٹنگز، لوازمات اور دیگر تعمیراتی مصنوعات کی تجارت بھی کمپنی کے کاروبار کا حصہ ہے۔

کاروباری ماحول

سال کے دوران، پاکستان کا کاروباری ماحول عالمی اقتصادی غیر یقینی صورتحال، جغرافیائی سیاسی کشیدگیوں اور بین الاقوامی تجارت و سپلائی چینز میں خلل کی وجہ سے چیلنجنگ رہا۔ امریکہ-ایران تنازعہ نے خام مال، مال برداری، لاجسٹکس اور توانائی کی قیمتوں میں اضافہ کیا، جس سے افراط زر کے دباؤ میں اضافہ ہوا۔ کمپنی نے آپریشنل کارکردگی، محتاط وسائل کے انتظام اور خطرات کی کمی پر توجہ مرکوز رکھی۔

پاکستان کا معاشی جائزہ

مالی سال ۲۰۲۵-۲۶ کے دوران، پاکستان کی معیشت نے بتدریج بحالی جاری رکھی۔ تاہم، کم گھریلو طلب، توانائی اور ٹیکس کی بلند لاگتیں، جغرافیائی سیاسی کشیدگی اور عالمی اجناس و مالیاتی منڈیوں میں اتار چڑھاؤ پائیدار اقتصادی ترقی کو محدود کرتے رہے۔

آپریشنز

زیر جائزہ سال کے دوران دو مینوفیکچرنگ مقامات پر مجموعی پیداواری صلاحیت شدید متاثر ہوئی۔ سال کے دوران، حیدرآباد فیکٹری میں ہماری سی سی شیٹس کے معیار کو بہتر بنانے اور ان کی ظاہری شکل کو بہتر بنانے کے لیے ۱۷۲،۹۹۷ ملین روپے کی سرمایہ کاری کی گئی۔

کراچی فیکٹری

کمپنی اپنی کراچی فیکٹری کی زمین کی فروخت مکمل کرنے کے آخری مراحل میں ہے۔ اس اثاثے کی فروخت کے لیے تمام ضروری کارپوریٹ اور قانونی امور مکمل ہو چکے ہیں، صرف معمولی حتمی دستاویزات باقی ہیں۔

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE)
REGULATIONS, 2019

Dadex Eternit Limited (the Company) has complied with the requirements of the Regulations in the following manner: -

1.

The total number of directors are seven as per the following: -

a.

Male:

Five

b.

Female:

Two
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. Abu Talib H.K. Dada
Mr. Shahzad M. Husain
Mr. Khawaja Samiullah Askari |
| Executive Director | Mr. Sikander Dada |
| Female Director | Mrs. Amber Ahmed Motiwala |
- Note: In accordance with Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the requirement is to have at least two or one-third of the members of the Board, whichever is higher, as independent directors. The current Board of Directors of the Company comprises seven members, one-third of which equates to 2.33. As the fractional value falls below 0.5, rounding up to one is not warranted, as two independent directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 possess the requisite competencies, knowledge, skills, and diversified experience essential for rendering independent decisions in the best interest of the Company.
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. Shahzad M. Husain

Mrs. Amber Ahmed Motiwala

Mr. Khwaja Samiullah Askari

b)

HR and Remuneration Committee

Chairperson:

Mrs. Ayesha Tariq Allawala

Members:

Mr. Abu Talib H.K. Dada

Mr. Kawaja Samiullah Askari
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 was as per following: -

a)

Audit Committee

Four meetings (Quarterly)

b)

HR and Remuneration Committee

None
15.

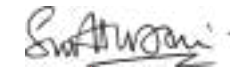
The Board has set up an effective internal audit function comprising of personnel who are considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company;

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 Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Since the constitution of the Committee is non-mandatory, therefore the responsibilities prescribed for the nomination Committee are being taken care of by the Board of Directors	29 (1)
The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted a separate Risk Management Committee and the functions are being performed by the Board.	30 (1)
The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.	The Board will ensure that the Company has addressed sustainability-related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related policies are established, strategies are periodically reviewed and monitored in future.	10A (1)(2) (3) (4)
Disclosure of significant policies on website The company may post on its website key elements of its significant policies including but not limited to the following: Communication and disclosure policy Risk management policy Internal control policy Director's remuneration policy	As the Regulation does not require mandatory disclosure of key elements of its significant policies on the website, the Company has not made updates to the website.	35(1)(4)

The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.	The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee.	10A (5)
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
It is encouraged to the company that all the directors on its board have acquired the prescribed certification under any Director Training Program (DTP) offered by institutions;	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.	19 (1,2)
It is required that Human Resource committee shall meet at least once in a financial year.	The management determined that this is a non-mandatory requirement, the committee did not meet as there were no revisions or revised assessments needed or requested. The meetings are held and called as and when needed.	28(3)

Karachi: September 24, 2026



SHAHZAD M. HUSAIN
CHAIRMAN

SIX-YEAR FINANCIAL & BUSINESS HIGHLIGHTS

A six-year view of Dadex Eternit Limited’s financial performance and financial position, highlighting key financial indicators from 2021 to 2026.

Net Sales Rs. 959.9M +22.9% YoY	Operating Profit Rs. 592.7M 2025: (Rs. 259.7M)	Profit After Tax Rs. 479.7M 2025: (Rs. 407.0M)	EPS Rs. 44.56 2025: (33.25%)
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Financial Performance

Rs. in million	2026	2025	2024	2023	2022	2021
Sales - gross	1,156.8	936.6	1,348.5	1,660.3	2,011.5	2,880.7
Sales tax	(196.8)	(155.7)	(229.2)	(259.2)	(314.6)	(436.2)
Sales - net	959.9	780.9	1,119.3	1,401.2	1,696.8	2,444.5
Cost of Goods Sold	(964.0)	(826.6)	(1,062.6)	(1,271.6)	(1,449.0)	(2,133.7)
Gross Profit	(4.1)	(45.7)	56.7	129.6	247.8	310.9
Operating Profit / (Loss)	592.7	(259.7)	(145.4)	(196.2)	(21.2)	152.0
Finance Cost	(64.0)	(120.4)	(167.6)	(169.6)	(136.0)	(155.8)
Profit / (loss) before tax	528.7	(380.1)	(313.0)	(365.8)	(157.2)	(3.8)
Profit / (loss) after tax	479.7	(407.0)	(350.4)	(420.0)	(142.9)	(39.0)

Financial Position

Rs. in million	2026	2025	2024	2023	2022	2021
Share Capital	107.6	107.6	107.6	107.6	107.6	107.6
Reserves	(120.2)	(1,495.8)	(1,108.2)	(776.9)	(361.3)	(393.1)
Surplus on revaluation of Fixed Assets	921.4	1,817.3	1,506.8	1,525.9	1,054.9	1,169.5
Total Non- Current Liabilities	170.1	1.5	3.9	6.8	2.9	56.9
Total Current Liabilities	1,888.5	2,437.0	2,259.2	2,101.5	2,102.4	2,178.4
Total Non- Current Assets	799.6	572.1	1,335.6	644.7	1,012.0	1,721.6
Total Current Assets	1,450.3	530.1	716.1	829.6	1,171.4	1,038.9

Financial Position - Key Indicators

Share Capital Rs. 107.6M	Reserves Rs. (120.2M)	Current Assets Rs. 1450.3M	Non-Current Assets Rs. 799.6M
------------------------------------	---------------------------------	--------------------------------------	---

KEY PERFORMANCE INDICATORS

Profitability

Gross Margin (0.42%) 2025: (5.85%)	Operating Margin 61.74% 2025: (33.25%)	Pre-Tax Margin 55.08% 2025: (48.67%)	Net Profit Margin 49.97% 2025: (52.12%)	ROE (Gross) 52.45% 2025: (93.62%)
---	---	---	--	--

Liquidity & Working Capital

Liquidity Ratios		Working Capital Cycle		
Current Ratio	Quick Ratio	Receivables Collection Period	Inventory Turnover Days	Payables Payment Period
0.77x 2025: 0.22x	0.66x 2025: 0.13x	5 days 2025: 14 days	65 days 2025: 81 days	141 days 2025: 135 days

Capital & Shareholder Indicators

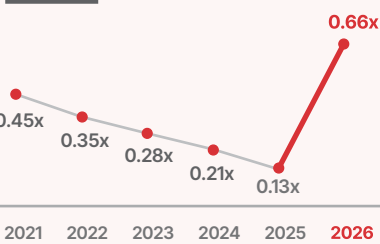
Debt / Equity 0.69x 2025: 0.85x	Interest Coverage 9.27x 2025: (2.16x)	Share Price Rs. 96.5 2025: Rs. 40.4	EPS Rs. 44.56 2025: (Rs. 37.82)	P/E 2.17x 2025: (1.07x)
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Ten-Year Financial Perspective | 2017–2026

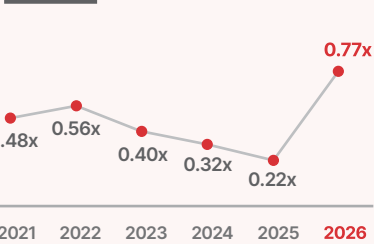
Particulars	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net Sales (Rs. m)	2,391.6	2,921.7	2,813.5	2,374.1	2,444.5	1,696.8	1,401.2	1,119.3	780.9	959.9
PAT / (Loss) (Rs. m)	16.8	5.3	(195.5)	(361.5)	(39.0)	(142.9)	(420.0)	(350.4)	(407.0)	479.7
EPS (Rupees)	1.56	0.49	(18.16)	(33.59)	(3.62)	(13.28)	(39.02)	(32.55)	(37.82)	44.56

KEY PERFORMANCE INDICATORS

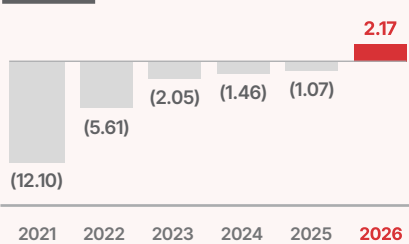
Current Ratio



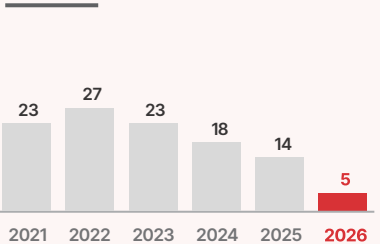
Quick Ratio



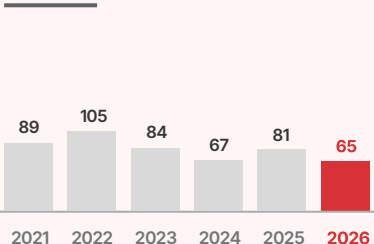
Price-to-Earnings Ratio (P/E)



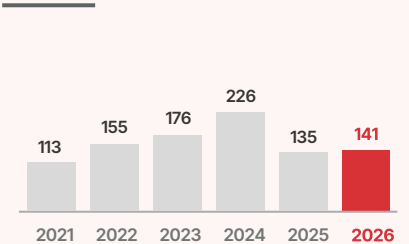
Receivables Collection Period



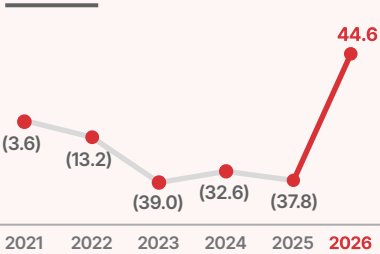
Inventory Turnover Days



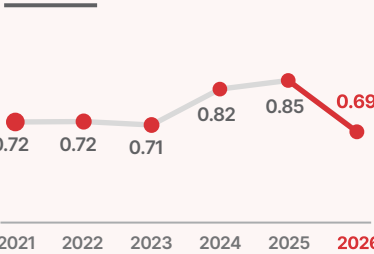
Payables Payment Period



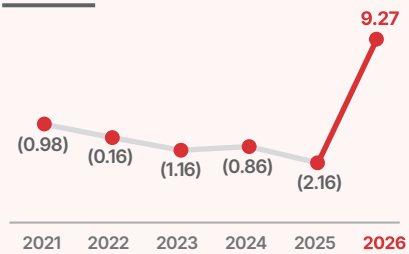
Earnings Per Share (Rs.)



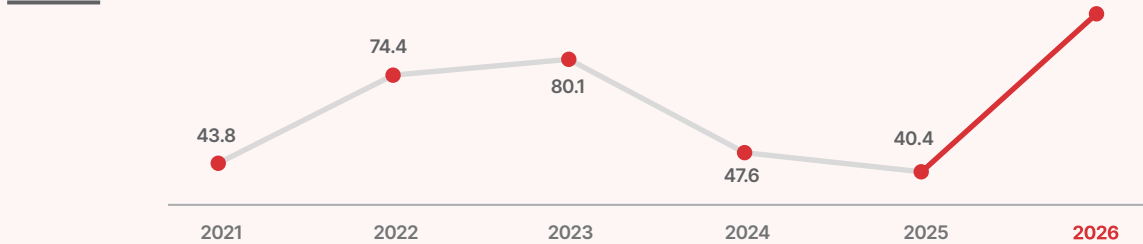
Debt Equity Ratio



Interest Coverage Ratio



Share Price (Rs.)



AUDITORS REPORT



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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 (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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, 2026.

Further, we highlight below instance of non-compliances with the requirement(s) of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

Regulations reference	Nature of Requirement	Requirement	Non-Compliance
24	Mandatory	Regulation 24 mandatorily requires that same person shall not simultaneously hold office of chief financial officer and the company secretary.	The current Chief Financial Officer is also serving as the Company Secretary on an interim basis.
28(3)	Mandatory	Regulation 28(3) mandatorily requires that the Human Resource committee shall meet at least once in a financial year.	The current Human Resource Committee did not hold a single meeting in a financial year, which is not in accordance with Code of Corporate Governance.

KARACHI
DATED: OCTOBER 05, 2026
UDIN: CR202610166jsYxdQ0am


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan

BDO Ebrahim & Co. Chartered Accountants
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Pakistan

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, 2026, 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, 2026 and of the profit and other comprehensive income, 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

We draw attention to note 2 of the financial statements which describes that that the Company has sustained a gross loss of Rs. 4.051 million (2025 gross loss: Rs. 45.67 million) during the year ended June 30, 2026. As of that date, the Company's accumulated losses stood at Rs. 120.246 million (2025: Rs. 1,495.799 million). Further, the Company's current liabilities exceeded its current assets by Rs. 438.201 million (2025: Rs. 1,906.935 million) at the reporting date. These events or conditions along with other factors disclosed in the said note indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

BDO Ebrahim & Co. Chartered Accountants
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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 respect of this matter.

Key Audit Matter

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 matter	How the matter was addressed in our audit
1.	Existence and valuation of stores and spares and stock in trade As at June 30, 2026, the Company held stores and spares and stock in trade amounting to Rs. 35.287 million and Rs. 170.364 million. As described in notes 13 and 14 to the financial statements, stores and spares and stock in trade is measured at lower of cost and net realizable value. Cost of work in process and finished goods is determined at average manufacturing cost including the proportion of production overheads. There is an element of judgement involved in determining an appropriate costing basis, assessing its valuation including assessment of provision of slow moving and obsolete stores and spares and stock in trade. We considered existence and valuation of stores and spares and stock in trade as key audit matter due to significance of management's judgments and estimations involved therein.	Our audit procedures, amongst others, included the following: - Assessed the design, implementation and operating effectiveness of the relevant key controls over valuation of stock in trade; - Assessed the appropriateness of the Company's accounting policy for valuation of stock in trade and compliance of the policy with International Accounting Standard (IAS-2) "Inventories"; - Observed physical inventory counts for raw material, finished goods manufactured and trading, and stores and spares performed by the Company and assessed the reasonableness of the management's process of measurement of raw materials, finished goods and stores and spares; - Tested the valuation on sample basis of specific items of store and spares, raw materials, work in progress and finish goods at year end;



S. No	Key audit matter	How the matter was addressed in our audit
		- Assessed net realizable value (NRV) by comparing management's estimation of future selling prices for the products with the selling prices achieved subsequent to the reporting period; - Assessed the appropriateness of the disclosures made in financial statements in accordance with the requirements of the accounting and reporting standards as applicable in Pakistan.

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 is 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 (XII 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 (XII 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 Tariq Feroz.

KARACHI

DATED: 05 OCT 2026

UDR: AR202610T166A26DH10PJ

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

		2026	2025
		----- (Rupees in thousands) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	596,188	405,275
Operating fixed assets	9	59,686	13,177
Capital work in progress		655,874	418,452
Investment property	10	-	-
Long-term loans		239	232
Long-term deposits	11	14,752	14,715
Deferred tax asset	12	128,700	138,700
		799,565	572,099
CURRENT ASSETS			
Stores, spares and loose tools	13	35,287	41,752
Stock-in-trade	14	170,364	175,353
Trade debts	15	15,214	10,386
Loans and advances	16	170,792	58,532
Trade deposits and short term prepayments	17	58,936	36,621
Other receivables	18	219,683	35,379
Income tax refund due from Government		103,984	131,807
Taxation - net	19	105,369	17,222
Short term investments	20	513,701	-
Cash and bank	21	57,009	23,017
		1,450,339	530,069
Non-current assets held for sale	22	723,205	1,771,136
		2,973,109	2,873,304
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2025: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (2025: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		200,000	200,000
Issued, subscribed and paid-up capital	23	107,640	107,640
Reserve			
Capital reserve		5,655	5,655
Share premium		921,438	1,817,308
Surplus on revaluation of property, plant and equipment			
Revenue reserves		(120,248)	(1,495,799)
Accumulated losses	24	806,845	327,164
		914,485	434,804
NON-CURRENT LIABILITIES			
Lease liabilities	25	170,083	1,496
CURRENT LIABILITIES			
GIDC Payable	27	29,344	29,344
Trade and other payables	28	1,812,018	1,659,074
Short-term borrowings	29	-	651,426
Accrued markup	30	-	27,410
Current portion of lease liabilities	25	5,964	1,534
Loan from directors	26	25,000	52,000
Unclaimed dividend		16,214	16,217
		1,888,540	2,437,004
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	31	2,973,108	2,873,304

The annexed notes from 1 to 55 form an integral part of these financial statements.


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman

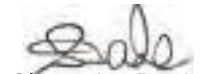

Muhammad Yousuf
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the Year Ended June 30, 2026

		2026	2025
	Note	---- (Rupees in thousands) ----	
Sales - gross		1,156,759	936,616
Sales tax		(196,849)	(155,673)
Sales - net	32	959,910	780,943
Cost of sales	33	(963,962)	(826,617)
Gross loss		(4,052)	(45,674)
Distribution costs	34	(76,872)	(70,256)
Administrative expenses	35	(223,196)	(201,671)
Other expenses	36	(54,861)	(60,143)
Other income	37	951,660	118,067
Operating profit / (loss)		592,679	(259,677)
Finance cost	38	(63,957)	(120,423)
Profit/ (loss) before income tax and levy		528,722	(380,100)
Levy	39	(11,999)	(10,187)
Profit/ (loss) before income tax		516,723	(390,287)
Taxation	40	(37,041)	(16,760)
Net profit/ (loss) for the year		479,682	(407,047)
Profit/ (loss) per share - basic and diluted (Rupees)	41	44.56	(37.82)

The annexed notes from 1 to 55 form an integral part of these financial statements.


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman


Muhammad Yousuf
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended June 30, 2026

		2026	2025
	Note	---- (Rupees in thousands) ----	
Net profit/ (loss) for the year		479,682	(407,047)
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss:			
Revaluation of property, plant and equipment		-	329,961
Total comprehensive income/ (loss) for the year		479,682	(77,086)

The annexed notes from 1 to 55 form an integral part of these financial statements.


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman


Muhammad Yousuf
Chief Financial Officer

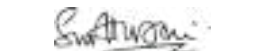
STATEMENT OF CHANGES IN EQUITY

For the Year Ended June 30, 2026

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital Reserve		Revenue Reserve	Total Reserves	
	Ordinary shares	Share premium	Revaluation surplus	Accumulated losses		
(Rupees in thousands)						
Balance as at July 01, 2024	107,640	5,655	1,506,789	(1,108,194)	404,250	511,890
Total comprehensive income						
Loss for the year	-	-	-	(407,047)	(407,047)	(407,047)
Other comprehensive income	-	-	329,961	-	329,961	329,961
	-	-	329,961	(407,047)	(77,086)	(77,086)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(19,442)	19,442	-	-
Balance as at June 30, 2025	107,640	5,655	1,817,308	(1,495,799)	327,164	434,804
Total comprehensive income						
Profit for the year	-	-	-	479,682	479,682	479,682
Other comprehensive income	-	-	-	-	-	-
	-	-	-	479,682	479,682	479,682
Reversal of surplus on revaluation of fixed assets due to disposal from general reserve to accumulated losses - net of tax	-	-	(893,794)	893,794	-	-
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(2,076)	2,076	-	-
Balance as at June 30, 2026	107,640	5,655	921,438	(120,247)	806,846	914,486

The annexed notes from 1 to 55 form an integral part of these financial statements.


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman


Muhammad Yousuf
Chief Financial Officer

STATEMENT OF CASH FLOW

For the Year Ended June 30, 2026

		2026	2025
	Note	---- (Rupees in thousands) ----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/ generated from operations	42	(533,370)	39,395
Taxes (paid)/ received		(99,426)	114,562
Net cash flows (used in) /generated from operating activities		(632,796)	153,957
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to capital work in progress		(111,962)	(27,051)
Proceeds from sale of property, plant and equipment		34,040	8,993
Investment in term deposit receipts		180,000	-
Proceeds from disposal of investments		528,077	-
Additions to investments		(786,052)	-
Proceeds from sale of assets held for sale		1,850,000	-
Long term security deposits		(37)	-
Interest received		492	633
Net cash inflows generated from/ (used in) investing activities		1,694,557	(17,425)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(7,973)	(1,854)
Accrued markup		(91,367)	(130,073)
Loan form Directors		(27,000)	(13,000)
Dividend paid during the year		(3)	-
Net cash (used in) financing activities		(126,343)	(144,927)
Net increase/ (decrease) in cash and cash equivalents		935,418	(8,395)
Cash and cash equivalents at the beginning of the year		(628,409)	(620,014)
Cash and cash equivalents at the end of the year	44	307,009	(628,409)

The annexed notes from 1 to 55 form an integral part of these financial statements.


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman


Muhammad Yousuf
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2026

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, Sikandar (Private) Limited (the Holding Company) holds 6,800,648 ordinary shares representing 63.18% shareholding (2025: 63.18%).

2 MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Company has been facing various operational and financial challenges for the past several years, including, but not limited to, a decline in export sales, difficulties in procurement of raw materials, high inflation, exorbitant energy costs, domestic debt burdens, labor union conflicts and stringent conditions associated with International Monetary Fund (IMF) support. These unprecedented internal and external factors have placed considerable pressure on the manufacturing sector, resulting in reduced demand and capacity utilization and consequently, significant losses and financial instability of the Company.

The Company has sustained a gross loss of Rs. 4.051 million (2025 gross loss: Rs. 45.67 million) during the year ended June 30, 2026. As of that date, the Company's accumulated losses stood at Rs. 120.246 million (2025: Rs. 1,495.799 million). Further, the Company's current liabilities exceeded its current assets by Rs. 438.201 million (2025: Rs. 1,906.935 million) at the reporting date and has generated negative operational cash flows amounting to Rs. 533.369 million. The Company has reported net profit after tax amounting to Rs. 479.683 million during the year which is primarily on account of the gain realized on disposal of assets held for sale. Had the assets not been disposed-off, the Company would have incurred a net loss after tax of Rs. 322.386 million (2025: Rs. 407.047 million). These financial conditions indicate that the Company continues to face significant liquidity and profitability challenges. These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

However, the Company's financial statements for the year ended June 30, 2026 have been prepared on a going concern basis based on management's plans and actions to improve its operating position and mitigate its operational costs and liquidity constraints, including the following:

- 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 of the Company.

- During the year, the company disposed off its Head Office which was held for sale previously that assisted the company in paying off its borrowing and reduce the related costs creating a fiscal space. Further, during the year, the Company entered into an agreement dated October 18, 2025 with AKD Group Holdings (Private) Limited for a consideration of Rs. 800 million for the sale of the leasehold land and building of the "Karachi Factory" currently held for sale having carrying amounts of Rs. 720 million and Rs. 3.205 million, respectively. In accordance with the agreement, the Company has received Rs. 180 million as advance against the sale consideration, as disclosed in Note 28 to these financial statements. The transfer of legal ownership of the property is expected to be completed in 2027. The current liabilities include an amount of Rs. 554.573 million payable to a foreign vendor which the company plans to pay off from the proceeds to be realized on the disposal of Karachi Factory currently held for sale. The proceeds from the disposal are expected to assist the Company in improving its operating position and mitigating its liquidity constraints, including settlement of its current liabilities.-the Company sponsors support to meet any liquidity constraints and discharge its obligation as and when arises.

3 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
- Shopping Centre No. 1, Gulistan Colony No. 1, Faisalabad
- Royal Plaza, Azmat Wasti Road, Multan
- Phase-VII, Defence Officers Housing Authority, Karachi
- Burhani Traders, PWD Road, Islamabad
- Sunder Industrial Estate, Multan Road, Raiwind, District, Lahore

4 BASIS OF PREPARATION

4.1 Statement of compliance

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

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

4.2 Basis of measurement

These financial statements have been prepared under the historical cost basis, unless otherwise stated.

4.3 Functional and presentation currency
The financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.') which is the Company's functional and presentation currency.

Effective date
(annual periods
beginning on or after)

5 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO ACCOUNTING AND REPORTING STANDARDS AS APPLICABLE IN PAKISTAN

5.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2026
The following standards, amendments and interpretations are effective for the year ended June 30, 2026. 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 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability
January 01, 2025

The IASB issued Disclosures about Uncertainties in the Financial Statements - Illustrative examples, which amended multiple IFRS Accounting Standards to include illustrative examples demonstrating how companies can apply IFRS Accounting Standards when reporting the effects of uncertainties in their financial statements.

5.2 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.

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 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)
January 01, 2026

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)
January 01, 2026

Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Amendments regarding translations to a hyperinflationary presentation currency
January 01, 2027

Amendments to IAS 28 'Investments in Associates' - Amendments to the Fair Value Option for Investments in Associates and Joint Ventures
January 01, 2027

IFRS 17 Insurance Contracts
January 01, 2027

IFRS 18 Presentation and Disclosures in Financial Statements
January 01, 2027

IFRS 19 Subsidiaries without Public Accountability: Disclosures
January 01, 2027

Certain annual improvements have also been made to a number of IFRSs and IASs.

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, 2027.

IFRS 20 'Regulatory Assets and Regulatory Liabilities' has been issued by IASB effective from January 01, 2029. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.

6.1 Property, plant and equipment

a) Operating fixed assets

i) Owned

These are initially stated at cost. Subsequently, these are stated at cost less accumulated depreciation and impairment except for land. Freehold and Leasehold 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 8 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 capitalized.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of an asset is recognized in the profit or loss in the period of disposal.

The assets residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date.

The carrying values of property, plant and equipment are reviewed at each reporting date for impairment when events or changes in circumstances indicate that carrying values may not be recoverable. If such indication exists where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Surplus on revaluation of freehold and leasehold land is credited to the surplus on revaluation of property, plant and equipment account and is shown in the statement of changes in equity. The revaluation reserve is not available for distribution to the Company's shareholders. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Cost / revalued amount at the date of the revaluation is adjusted / eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment is transferred directly to retained earnings. If carrying amount is increased as a result of a revaluation, the increase shall be recognized in statement of comprehensive income and accumulated in equity under the heading of surplus on revaluation of property plant and equipment.

If the carrying amount is decreased as a result of a revaluation, the decrease shall be recognized in profit or loss. However, the decrease shall be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in statement of comprehensive income reduces the amount accumulated in equity under

the heading of revaluation surplus. However, the increase shall be recognized in statement of profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in statement of profit or loss. When revalued assets are sold ,their remaining revaluation is transferred directly to retained earnings."

ii) 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.

6.2 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 derecognized 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 recognized 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 up to 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 capitalized.

6.3 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.

6.4 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.

6.5 Stock-in-trade

Stock-in-trade, except goods-in-transit, are valued at 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 up to the reporting date.

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

6.6 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 recognized 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 amortized cost using the effective interest method. Impairment of trade debts is disclosed in note 7.

6.7 Taxation-levy and taxes

6.7.1 Levy

The Company accounted for current tax calculated on taxable income using the notified tax rate as an income tax and any tax charged under the income tax laws which is not based on the taxable income recorded as a levy in accordance with the Guidance on Accounting for Minimum Taxes and Final taxes issued by the Institute of Chartered Accountants of Pakistan. The minimum tax and final taxes which are not calculated on the 'taxable profit' but calculated on turnover or other basis are recognized as a levy in the Statement of profit or loss under the scope of IFRIC 21/IAS37.

6.7.2 Income Tax

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.

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 recognized using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss and statement of comprehensive income.

6.8 Short term investments

Short-term investments in money market mutual funds are initially recognised at fair value and subsequently measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9 Financial Instruments. Changes in fair value and income from such investments are recognised in profit or loss.

6.9 Cash and cash equivalents

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

6.10 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.

The gain or loss on disposal of an asset held for sale represented by the difference between the sale proceeds and the carrying amount of an asset is recognized in the profit or loss in the period of disposal.

6.11 Finance lease - lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable (if any), variable lease payments that depend on an index or a rate (if any), and amounts expected to be paid under residual value guarantees (if any). The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company (if any) and payments of penalties for terminating the lease (if any), if the termination option is reasonably certain to be exercised. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments at the lease commencement date, the Company uses the interest rate implicit in the lease. In case where the interest rate implicit in the lease is not readily determinable, the Company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The gain or loss on disposal or retirement of a lease liability represented by the difference between the right of use asset and the amount of a lease liability is recognized in the profit or loss in the period of disposal.

6.12 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. 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 amortized 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.

6.13 Borrowing

Borrowing are recognized initially at fair value net of transaction cost incurred. Borrowing cost are subsequently carried at amortized cost. Any difference between the proceeds received net of transaction cost and the redemption value is recognized in the Statement of profit or loss over the period of the borrowing 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 borrowing 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 borrowing 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.

6.14 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 recognized for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

6.15 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.

6.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

6.16.1 Financial assets

a) Initial Recognition and Measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15 'Revenue from Contract with Customers'.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets designated at fair value through OCI (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL)

i) Financial assets at amortized cost (debt instruments)

Financial assets are measured at amortized cost if both of the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

ii) Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, equity investments can be classified as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

iii) Financial assets at FVPL

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

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognized in statement of profit or loss and other comprehensive income.

This category also includes derivative instruments and listed equity investments. Dividends on equity investments are also recognized as other income in profit or loss when the right of payment has been established.

c) Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the

Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

6.16.2 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

b) Subsequent measurement

i) Financial liabilities at FVPL

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

ii) Financial liabilities at amortized cost

After initial recognition, borrowings and payables are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of the borrowing.

c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

6.16.3 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.

6.17 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.

6.18 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.

6.19 Revenue recognition

Revenue is recognized at amounts that reflect the consideration that the Company expects to be entitled to in exchange for transferring goods or services to a customer. Revenue is measured at the fair value of the consideration received or receivable, and is recognized when performance obligation

is satisfied, at a point in time, when control of goods have been transferred to a customer. Generally, the normal credit term is 30 to 60 days upon delivery.

6.20 Other Income

- a) Scrap sales are recorded on receipt basis.
- b) Profit on bank accounts is recorded using effective interest rate.
- c) Rental income is recorded on accrual basis.

6.21 Cash and cash equivalents

Cash and cash equivalents comprise of cash, cheques in hand, bank deposits, term deposit receipts 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.

6.22 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.

6.23 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.

6.24 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.

6.25 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.

6.26 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.

7 SIGNIFICANT ACCOUNTING JUDGEMENTS ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with 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) Residual value and useful life of 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) Surplus on revaluation of property, plant and equipment

The Company reviews the appropriateness of the revaluation of freehold and leasehold land after every 3 years for the purpose of ensuring that the carrying amount of the same does not differ materially from its fair value. In making this assessment, the Company uses the technical resources available with the Company. Any change in assessment in future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on revaluation surplus of property, plant and equipment.

c) Stock in trade and stores and spares

The Company reviews the Net Realizable Value (NRV) of stock-in-trade to assess any diminution in the respective carrying values. NRV 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.

Provision for obsolete and slow moving stores, spares and loose tools is determined based on management's estimate regarding their future usability.

d) Impairment financial assets

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Company's various customer that have similar loss patterns.

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 analyzed.

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.

e) **Determination of the lease term for lease contracts with extension and termination options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate.

f) **Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

g) **Taxation**

Significant judgment is required in determining the provision for income taxes and deferred tax asset and liability. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due taking into account decisions/judgement of appellate authorities on similar tax issues in the past. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made. The recognition of deferred tax is also made taking into these judgements and the best estimate of future results of the Company.

h) **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.

8 **OPERATING FIXED ASSETS**

The following is the statement of operating fixed assets:

Description	Owned								Right-of-use-assets (note 8.4)	
	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	Total
	(Rupees in thousands)									

Year ended June 30, 2026

Net carrying value basis

Opening book value	221,936	60,318	9,667	3,321	104,678	1,346	140	813	3,056	405,275
Additions 9.1	-	-	543	-	62,029	-	-	2,881	176,662	242,115
Revaluation surplus	-	-	-	-	-	-	-	-	-	-
Disposal 8.3	-	-	-	-	(7,722)	-	-	(54)	(1,209)	(8,985)
Depreciation charge	-	(2,079)	(1,116)	(423)	(29,425)	(211)	(140)	(2,020)	(6,803)	(42,217)
Closing net book value	221,936	58,239	9,094	2,898	129,560	1,135	-	1,621	171,705	596,189

Gross carrying value basis

Cost/Revalued amount	221,936	79,175	153,712	10,294	1,022,293	10,010	15,377	31,314	185,389	1,729,501
Accumulated depreciation	-	(20,936)	(144,618)	(7,396)	(892,733)	(8,875)	(15,377)	(29,693)	(13,684)	(1,133,312)
Net book value	221,936	58,239	9,094	2,898	129,560	1,135	-	1,621	171,705	596,189

Year ended June 30, 2025

Net carrying value basis

Opening net book value	221,936	763,230	732	19,303	133,618	96	281	3,870	5,571	1,148,637
Additions 9.1	-	-	9,757	549	1,560	1,370	-	2,570	-	15,806
Transfer to non-current asset held for sale	-	(1,009,230)	-	(14,328)	-	-	-	(2,799)	-	(1,026,356)
Reassessment against right of use asset	-	-	-	-	-	-	-	-	(1,052)	(1,052)
Revaluation surplus	-	329,961	-	-	-	-	-	-	-	329,961
Disposal	-	-	-	-	-	-	-	(226)	-	(227)
Depreciation charge	-	(23,643)	(822)	(2,203)	(30,500)	(120)	(141)	(2,602)	(1,463)	(61,495)
Closing net book value	221,936	60,318	9,667	3,321	104,678	1,346	140	813	3,056	405,275

Gross carrying value basis

Cost/Revalued amount	221,936	79,175	153,169	10,294	967,986	10,010	15,377	28,433	9,937	1,496,317
Accumulated depreciation	-	(18,857)	(143,502)	(6,973)	(863,308)	(8,664)	(15,237)	(27,620)	(6,881)	(1,091,043)
Net book value	221,936	60,318	9,667	3,321	104,678	1,346	140	813	3,056	405,275

Depreciation rate % per annum	0%	1% to 2.5%	10%	5%	10%	10%	20%	10% to 33.3%	33.3% to 50%	
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8.1 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.	26,111 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

8.2 The cost of fully depreciated assets which are still in use as at June 30, 2026 is Rs. 654 million (2025: 860 million).

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

Description	Cost	Accumulated depreciation	Net book value	Gross sale proceeds	Sales tax	Net sale proceeds	Gain / (Loss)	Mode of disposal	Relationship with buyer	Particulars of buyers
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----- Rs. in 000 -----

Items having book value exceeding Rs. 500,000

Plant and machinery:

High intensity mixer TR-200	6,141	5,527	614	393	71	322	(292)	Negotiation	Scrap dealer	M/s. Mohammad Nazeer
Water cooled screw chiller with compressor KF	9,478	6,951	2,527	515	93	422	(2,105)	Negotiation	Scrap dealer	M/s. Mohammad Nazeer
Extruder	10,883	10,338	544	706	127	579	35	Negotiation	Scrap dealer	M/s. Afaque Ahmed Scrap Traders
Screw barrel parallel 90 mm for PVC-3 KF	1,930	1,126	804	1,043	188	855	51	Negotiation	Scrap dealer	M/s. Afaque Ahmed Scrap Traders

Others

Plant and machinery	276,556	273,325	3,231	24,733	4,460	20,273	17,042
Office & factory equipment	742	688	54	89	2	87	33
Vehicles and transportation equipment	5,390	5,390	-	6,561	14	6,547	6,547
	311,120	303,345	7,775	34,040	4,955	29,085	21,310

8.4 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 to 10 years. The Company's obligation under its leases are secured by the lessor's title to the leased assets.

8.5 The depreciation charge for the year has been allocated as follows:

	Note	2026 (Rupees in thousands)	2025 (Rupees in thousands)
Cost of sales	33	32,975	33,837
Selling and distribution expenses	34	2,862	1,977
General and administrative expenses	35	6,380	28,218
		42,217	64,032

8.6 The Company has been revaluing its freehold and leasehold land since January 23, 2012, with the freehold land latest being done in the year 2023 and leasehold land latest being done in the year 2025, by independent valuers 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 lease term of these assets at the date of revaluation.

8.7 Had there been no revaluation, the carrying amount of freehold land, leasehold land at June 30, 2026 would have been as under:

	2026			2025		
	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	200	(123)	77	200	(121)	79
	62,301	(123)	62,178	62,301	(121)	62,180

8.8 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 (2025: 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, 2026			
	Level 1	Level 2	Level 3	Total
	----- Rupees in thousands -----			
Free-hold land	-	221,936	-	221,936
Lease-hold land	-	79,175	-	79,175
		301,111	-	301,111

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
	----- Rupees in thousands -----			
Free-hold land	-	221,936	-	221,936
Lease-hold land	-	79,175	-	79,175
		301,111	-	301,111

8.9 Fair value measurement

8.9.1 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.

8.9.2 There were no transfers between level 2 and 3 for recurring fair value measurements during the year (2025: Nil).

9 CAPITAL WORK IN PROGRESS

9.1 Movement of carrying amount is as follows:

				2026	2025
		Note	(Rupees in thousands)		
9	CAPITAL WORK IN PROGRESS				
	Plant and machinery	9.1	59,686	13,177	
9.1	Movement of carrying amount is as follows:				
	Opening balance		13,177	1,932	
	Additions (at cost) during the year		111,962	27,051	
			125,139	28,983	
	Transfer to operating fixed assets during the year	8	(65,453)	(15,806)	
	Closing balance		59,686	13,177	

10 INVESTMENT PROPERTY

		Cost			Accumulated depreciation			Net book value			
		As at July 1, 2025	Transfer	As at June 30, 2026	As at July 1, 2025	Depreciation for the year	As at June 30, 2026	Net book value before the transfer to NCA held for sale	Transfer to NCA held for sale	Net book value As at June 30, 2026	Rate %
------(Rupees in thousands)-----											
Building on lease hold land											
2026		-	-	-	-	-	-	-	-	-	-
2025		50,762	-	50,762	26,650	2,538	29,188	21,574	(21,574)	-	5

11 LONG-TERM DEPOSITS

11.1 Most of the long-term deposits do not meet the definition of a financial instrument under IFRS 9. The remaining deposits, placed with government utility departments, have an indeterminate maturity period; therefore, the impact of discounting is not determinable, and these deposits are not remeasured.

12 DEFERRED TAXATION

		2026		
		Balance as at July 01, 2025	Charge/(reversal) to profit or loss	Balance as at June 30, 2026
		------(Rupees in '000)-----		
Taxable temporary differences				
Accelerated tax depreciation		12,345	13,168	25,513
Right of use asset		886	48,908	49,794
Deductible temporary differences		13,231	62,076	75,307
Provision against impaired debts		(11,586)	(50,582)	(62,168)
Provision against slow-moving store and spares		(2,894)	(278)	(3,172)
Provision against slow-moving finished goods		(9,364)	(12,375)	(21,739)
Provision against impaired trade deposits		(1,503)	-	(1,503)
Provision against impaired other receivables		(2,966)	-	(2,966)
Lease liabilities		(879)	(50,174)	(51,053)
Carry forward of business losses		(336,337)	(95,767)	(432,104)
Carry forward of unabsorbed depreciation		(107,395)	(29,545)	(136,940)
Minimum income tax		(40,733)	(655)	(41,388)
Sub total		(513,657)	(239,376)	(753,033)
Deferred tax asset not recognized	12.1	361,726	187,300	549,026
Total		(138,700)	10,000	(128,700)

		2025		
		Balance as at July 01, 2024	Charge/(reversal) to profit or loss	Balance as at June 30, 2025
		------(Rupees in '000)-----		
Taxable temporary differences				
Accelerated tax depreciation		19,295	(6,950)	12,345
Right of use asset		1,616	(730)	886
		20,911	(7,680)	13,231
Deductible temporary differences				
Provision against impaired debts		-	(11,586)	(11,586)
Provision against slow-moving store and spares		614	(3,508)	(2,894)
Provision against slow-moving finished goods		4,736	(14,100)	(9,364)
Provision against impaired trade deposits		-	(1,503)	(1,503)
Provision against impaired other receivables		-	(2,966)	(2,966)
Lease liabilities		(1,508)	629	(879)
Carry forward of business losses		(117,734)	(218,603)	(336,337)
Carry forward of unabsorbed depreciation		(47,452)	(59,943)	(107,395)
Minimum income tax		(62,639)	21,906	(40,733)
Sub total		(223,983)	(289,674)	(513,657)
Deferred tax asset not recognized	12.1	57,286	304,440	361,726
Total		(145,786)	7,086	(138,700)

12.1 Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at the reporting date amounted to Rs. 636.339 million (2025: Rs. 500.426 million). Out of this, deferred tax asset of Rs. 549.028 million (2025: Rs. 361.726 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.

		2026	2025
		(Rupees in thousands)	
13	STORES, SPARES AND LOOSE TOOLS	Note	
	Stores in hand	3,360	3,059
	Spares	37,312	37,511
	Loose tools	5,552	11,161
		46,225	51,731
	Less: provision for slow moving stores and spares	13.1 (10,938)	(9,979)
		13.2 35,287	41,752
13.1	Provision for slow moving stores and spares comprises:		
	Balance at the beginning of the year	9,979	10,155
	Provision/ (reversal) during the year	959	(176)
	Balance at the end of the year	10,938	9,979
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		
	Raw materials		
	- in hand	83,170	94,778
	Work-in-process	14.1 6,426	6,116
	Finished goods		
	- manufactured	14.2 77,378	66,634
	- trading	14.3 3,390	7,825
		80,768	74,459
		170,364	175,353
14.1	These are stated at cost less provision for slow moving stock.		
14.2	Finished goods - manufactured		
	Manufactured goods - at cost	93,189	98,922
	Less: provision for slow moving stock	14.2.1 (15,811)	(32,288)
		77,378	66,634

		2026	2025		
		(Rupees in thousands)			
	Note				
14.2.1 Provision for slow moving and obsolete - finished goods:					
Balance at beginning of the year		32,288	13,028		
Provision for the year		-	19,260		
Reversal for the year		(16,477)	-		
Balance at end of the year		15,811	32,288		
14.3 Finished goods - trading goods					
Trading goods - at cost		62,540	77,554		
Less: provision for slow moving stock	14.3.1	(59,150)	(69,729)		
		3,390	7,825		
14.3.1 Provision for slow moving and obsolete - trading goods:					
Balance at beginning of the year		69,729	61,641		
(Reversal)/ Provision for the year		(10,579)	8,088		
Balance at end of the year		59,150	69,729		
15 TRADE DEBTS					
Unsecured - considered good					
Local		15,214	10,386		
Unsecured - considered doubtful					
Due from others		214,373	214,373		
		229,587	224,759		
Allowance for expected credit loss					
Others	15.2	(214,373)	(214,373)		
		15,214	10,386		
15.2 Allowance for expected credit losses- Others					
Balance at beginning of the year		214,373	174,419		
Provision for the year	36	-	39,954		
Balance at end of the year		214,373	214,373		
15.3 Ageing of receivable					
Trade debts are normally on 30 days term. Ageing analysis of trade debts is as follows:					
Ageing days					
Neither past due nor impaired	30 days upto 90 days	90 days upto 180 days	180 days upto 360 days	Above 360 days	Total Amount
-----Rupees in thousands-----					
2026	2,282	8,011	5,829	4,207	209,257
2025	3,142	478	5,731	1,051	214,357

16	LOANS AND ADVANCES	Note	2026	2025
			(Rupees in thousands)	
	Secured - considered good			
	Loans to employees			
	Current portion of long-term loans to employees		240	200
	Unsecured - considered good			
	Advances			
	to employees	16.1	49	316
	to suppliers / contractors	16.2	170,504	58,016
			170,552	58,332
		16.3	170,792	58,532

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

	Trade deposits(secured -considered good)			
	Tender deposits		21,827	21,797
	Margin deposits		36,491	14,378
			58,318	36,175
	Short term prepayments		618	446
	Considered doubtful			
	Trade deposits		5,182	5,182
	Allowance for expected credit losses		(5,182)	(5,182)
			-	-
	Minimum tax - levy	39	-	-
		17.1	58,936	36,621

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	2026	2025
			(Rupees in thousands)	
	Secured -considered good			
	Rent receivable from tenants		100	2,101
	Sales tax receivable		34,583	33,278
	Receivable from disposal of assets held for sale		185,000	-
			219,683	35,378
	Unsecured -considered doubtful			
	Receivable from K-Electric Limited		10,227	10,227
	Allowance for expected credit losses		(10,227)	(10,227)
			-	-
			219,683	35,378

19

TAXATION - NET

Advance tax

Provision for taxation

1,087,421

(982,052)

909,988

(892,766)

105,369

17,222

20

SHORT TERM INVESTMENTS

Note

Investment at fair value through profit and loss

Money market fund

1-month TDRs

20.2

Cost

Unrealised gain on revaluation

Carrying value

263,057

644

263,701

250,000

-

250,000

513,057

644

513,701

Cost

Unrealised gain on revaluation

Carrying value

-

-

-

-

-

-

20.1

This represents 25,860,853 units held in the NBP Islamic Money Market Fund, an Islamic money market mutual fund managed by NBP Fund Management Limited. As at the reporting date, the units had a net asset value of Rs. 10.1969 per unit.

20.2

These carry profit rate of 10% per annum (2025: Nil) and have been included in cash and cash equivalents as disclosed in note 44 to the Financial Statements.

Details of Company's short term investments and information about the fair value hierarchy as at the end of the reporting period are as follows:

June 30,2026

Level 1

Level 2

Level 3

Total

Rupees in thousands

-

263,701

-

263,701

June 30,2025

Level 1

Level 2

Level 3

Total

Rupees in thousands

-

-

-

-

Fair values of investment in money market fund have been measured using inputs that are observable for the asset or liability either directly or indirectly.

The Company has not disclosed the fair values for financial assets and financial liabilities that are not carried at fair value, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are reasonable approximation of fair value.

21	CASH AND BANK	Note	2026	2025
			(Rupees in thousands)	
	Cash in hand		68	99
	Local currency			
	Bank balances			
	Current account		52,771	10,766
	PLS Savings account	21.1	4,170	12,152
			56,941	22,918
			57,009	23,017

21.1 These carry profit rate ranging from 0.48% to 12% (2025: 9.5% to 19%) per annum.

22 NON-CURRENT ASSETS HELD FOR SALE

Head office-Karachi			
		-	1,009,230
		-	14,328
		-	2,744
		-	55
		-	21,574
	22.1	-	1,047,930
Factory-Karachi			
		720,000	720,000
		3,205	3,205
	22.2	723,205	723,205
		723,205	1,771,135

22.1 In 2025, to meet its working capital requirements and settle outstanding liabilities, the Company had decided to dispose of its head office located in Karachi, comprising leasehold land, building, machinery installed therein, and investment property, with carrying amounts of Rs. 679.269 million, Rs. 14.328 million, Rs. 2.744 million, and Rs. 21.574 million, respectively and classified it as Non-Current Asset Held for Sale accordingly.

Based on an independent valuation by Fairwater Property Valuers & Surveyors, the assessed market value of the leasehold land was Rs. 1,009.230 million.

During the year, the Company disposed of its above property to M/s. Sherjan Mosakhail & Sons, a registered firm, pursuant to an agreement entered into during the year with a total sale consideration of Rs. 1,850 million. The resulting gain on disposal amounting to Rs. 802.069 million has been recognized in other income, as disclosed in note 37 to these financial statements.

22.2 The Company had classified the leasehold land and building of the “Karachi Factory” as held for sale in 2022, having carrying amounts of Rs. 720 million and Rs. 3.205 million, respectively. The assessed market value and forced sale value of the property amounted to Rs. 800 million and Rs. 723.205 million, respectively, based on the latest valuation carried out by “Oceanic Surveyors (Pvt.) Limited” in September 2021.

During the year, the Company entered into an agreement to sell the above property to AKD Group Holdings (Private) Limited for a consideration of Rs. 800 million dated October 18, 2025. The company has received an amount of Rs. 180 million as advance as disclosed in note 28 to the Financial Statements in accordance with the agreement . The transfer of ownership of the property is expected to be completed within the next few months.

23 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026		2025	2026		2025
(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	
8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733	
10,763,959	10,763,959		107,640	107,640	

23.1 Ordinary shares include 4,090,536 shares (2025: 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.

23.2 The Holding Company, Sikander (Private) Limited holds 6,800,648 (2025: 6,800,648) ordinary shares representing 63.18% (2025: 63.18%) shareholding at the reporting date.

- 23.3** 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 pari passu with regard to the Company's residual assets.

24	RESERVES	Note	2026	2025
			(Rupees in thousands)	
	Capital reserve			
	Share premium		5,655	5,655
	Surplus on revaluation of property, plant and equipment		921,438	1,817,308
	Revenue reserve			
	Accumulated losses		(117,572)	(1,495,799)
			<u>809,521</u>	<u>327,164</u>

- 24.1** 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.

25	LEASE LIABILITIES		Note	2026	2025
				(Rupees in thousands)	
	Balance at July 01			3,030	5,198
	Addition	8		176,662	-
	Reassessment			-	(1,052)
				<u>179,692</u>	<u>4,146</u>
	Disposals during the year			(1,569)	-
	Interest expense during the year			5,897	738
	Payments / adjustments during the year			(7,973)	(1,854)
				<u>176,047</u>	<u>3,030</u>
	Less: Payable within one year shown				
	Under current liabilities			(5,964)	(1,534)
		25.2		<u>170,083</u>	<u>1,496</u>

25.1	Maturity analysis-contractual undiscounted cash flows:				
	Less than one year			28,297	1,992
	One to five year			283,747	1,612
	Total undiscounted lease liability			<u>312,044</u>	<u>3,604</u>
	Future finance charge			(135,997)	(574)
	Present value of finance lease liabilities			<u>176,047</u>	<u>3,030</u>

- 25.2** This pertains to office premises of company occupied in various cities as a tenant. The weighted average discount rate used to calculate is 13.5% (2025: 22.5%).

26	LOAN FROM DIRECTORS	Note	2026	2025
			(Rupees in thousands)	
	Ms. Ayesha Allahwala		20,000	20,000
	Mr. Sikandar Dada		5,000	5,000
	Directors of Holding Company		-	27,000
		26.1	<u>25,000</u>	<u>52,000</u>
26.1	This represents interest free loan obtained from Ms. Ayesha Allahwala and Mr.Sikandar Dada amounting to Rs. 20 million and Rs. 5 million respectively. The loan was repayable on demand. The maximum aggregate amount due to directors at the end of any month during the year amounting to Rs. 25 million (2025: Rs. 52 million).			
27	GIDC PAYABLE			
	GIDC payable	27.1	<u>29,344</u>	<u>29,344</u>
27.1	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, the 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.			
28	TRADE AND OTHER PAYABLES			
	Trade creditors		935,318	801,370
	Advance for the sale of property	22.2	180,000	-
	Accrued liabilities		86,083	83,847
	Advance from customers	28.1	519,351	677,556
	Advance from tenants		-	6,205
	Infrastructure cess payable	28.2	40,913	40,913
	Security deposits	28.3	5,506	30,970
	Workers' Profit Participation Fund	28.4	26,054	932
	Workers' Welfare Fund		10,497	-
	Provident fund payable	28.5	-	14,374
	Payables to employees		776	776
	Withholding tax		-	35
	Rent payable		5,207	-
	Other payables		2,313	2,096
			<u>1,812,018</u>	<u>1,659,074</u>

			2026	2025
		Note	(Rupees in thousands)	
28.1	Movement in advances from customers during the year is as follows:			
	Opening balance		677,556	595,563
	Additions during the year		1,455,234	1,006,364
			2,132,790	1,601,927
	Adjusted against revenue		(1,613,439)	(924,371)
	Closing balance		519,351	677,556
28.2	The amount represents bank guarantees issued by the Company against infrastructure cess levied by the Government of Sindh on manufacturing companies in respect of imported materials. Under the levy, companies were required to pay a cess to the provincial government for the maintenance and development of infrastructure related to road carriage and the smooth and safe movement of goods within the Province, upon entering or leaving through air or sea. The Company has challenged the levy in court on the grounds that imposition of cess on imported goods does not fall within the ambit of the provincial government. The matter is currently pending adjudication.			
28.3	Security deposits			
	Deposits received from:			
	Suppliers		6	6
	Dealers		5,500	6,164
	Tenants		-	24,800
			5,506	30,970
28.4	Workers' Profit Participation Fund			
	Balance at July 01		932	932
	Interest on funds utilized in Company's business	38	130	-
	Allocation for the year	36	24,992	
	Balance at June 30		26,054	932
28.5	All investments out of the provident fund in mutual funds, term finance certificates, and bank deposits have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules made thereunder.			
29	SHORT TERM BORROWINGS			
	(Secured)			
	Conventional mode			
	Running finance	29.1	-	448,460
	Islamic mode			
	Karobar finance	29.2	-	57,960
	Istisna finance	29.3	-	145,006
			-	202,966
			-	651,426

- 29.1
- The Company had obtained financing facilities from National Bank of Pakistan (NBP) amounting to Rs. Nil (June 30, 2025: Rs. 450 million). These facilities were secured by a first pari-passu charge through hypothecation of the Company's stock and trade debts amounting to Rs. Nil (2025: Rs. 666.67 million), and by a first exclusive mortgage charge of Rs. Nil (June 30, 2025: Rs. 934 million) over the Company's land and building situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi.
- 29.2
- These facilities were obtained from Bank Islami Pakistan Limited aggregating to Rs. Nil (June 30, 2025: Rs. 57.9 million) out of which all has been utilized 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. Nil (June 30, 2025: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from Nil (June 30, 2025: 13.33 % to 23.23%) per annum.
- 29.3
- This facility was obtained from Habib Metropolitan Bank which has been fully utilized as at the reporting date (June 30, 2025: 150 million fully utilized facilities). This facility was 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 carried mark-up rates ranging from KIBOR+2% (June 30, 2025: KIBOR+2%) per annum.

		2026	2025
30	ACCRUED MARKUP		
	Mark-up accrued on short term borrowing	Note	(Rupees in thousands)
	Conventional mode		
	Running finance	-	17,253
	Islamic mode		
	Karobar finance	-	2,221
	Istisna	-	7,936
		-	10,157
		-	27,410
31	CONTINGENCIES AND COMMITMENTS		

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.

The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 17.709 million (2025: Rs. 17.027 million). The breakup of these suits and their estimated provision is as follows:

		2026	2025
	Note	(Rupees in thousands)	
Provision for property tax		10,338	9,796
Sewerage & fire conservancy		4,038	4,038
Trade License Fee		3,334	3,194
		17,709	17,027
31.1.2 Commitments			
Outstanding letter of guarantee		70,824	70,824
Post dated cheques		84,300	69,723
Outstanding contracts		682,648	720,159
Letter of credit		20,099	-
Duties payable on goods in transit		10,873	9,210
Bank guarantees issued	28.2	40,913	40,913
32 SALES-NET			
Local sales		1,156,759	931,788
Export sales	32.1	-	4,828
Gross sales		1,156,759	936,616
Less:			
Sales tax		196,849	155,673
		959,910	780,943

32.1 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 was made against receipt of advance.

		2026	2025
33	COST OF SALES	(Rupees in thousands)	
	Note		
Manufactured goods			
Raw materials consumed			
Opening stock		94,778	60,932
Purchase		653,135	514,805
Closing stock		(83,170)	(94,778)
Raw materials consumed		664,743	480,959
Manufacturing overheads			
Stores, spares and loose tools consumed	33.1	36,009	20,990
Salaries, wages and benefits	33.2	99,255	74,725
Procured services		10,683	7,691
Fuel, water and power		81,475	68,466
Insurance		3,345	4,498
Traveling		238	93
Communication		678	655
Depreciation	8.5	32,975	33,837
Rent, rates and taxes		4,662	1,978
Repair and maintenance		16,879	20,307
Printing and stationary		141	133
Charge /(Reversal) of provision for stores, spares and loose tools	13.1	959	(176)
Other expenses		1,436	1,864
		288,735	235,061
		953,478	716,020
Work-in-process			
Opening stock	14	6,116	20,224
Closing stock	14	(6,426)	(6,116)
Cost of goods manufactured		953,168	730,128
Finished goods			
Opening stock	14	66,634	91,967
Closing stock	14	(77,378)	(66,634)
		942,424	755,461
Trading goods			
Opening stock	14	7,825	19,030
Purchase		17,103	59,951
Closing stock	14	(3,390)	(7,825)
		21,538	71,156
		963,962	826,617

		2026	2025
		(Rupees in thousands)	
33.1	Stores spares and loose tools consumed	Note	
	Opening stock	51,731	52,779
	Purchases	30,503	19,943
	Closing stock	(46,225)	(51,731)
		36,009	20,990
33.2	This includes Company's contribution of Rs. 2.196 million (2025: Rs. 1.681 million) in respect of staff provident fund.		
34	DISTRIBUTION COSTS		
	Salaries, wages and benefits	34.1	49,563
	Repair and maintenance		3,833
	Depreciation	8.5	2,862
	Rent, rates & taxes		495
	Printing, stationery & subscription		136
	Advertising and sales promotion		291
	Communication		1,110
	Travelling		1,472
	Legal and professional charges		1,072
	Transportation and other charges	34.2	3,397
	Fuel and other charges		11,675
	Insurance		571
	Sundry expenses		395
		76,872	70,256
34.1	This includes Company's contribution of Rs. 2.302 million (2025: Rs. 2.284 million) in respect of staff provident fund.		
34.2	This includes Rs. Nil (2025: Rs. 0.869 million) related to transportation and other charges against export sales.		
35	ADMINISTRATIVE EXPENSES		
	Salaries, wages and benefits	35.1	70,373
	Repair and maintenance		9,367
	Depreciation on property, plant and equipment	8.5	6,380
	Depreciation on investment property	10	-
	Procured services		13,286
	Auditor's remuneration	35.2	1,974
	Communication		6,199
	Travelling		5,220
	Professional charges		4,070
	Electricity, gas and water		36,086
	Insurance		1,619
	Printing stationery and subscription		2,578
	Rent, rates and taxes		64,559
	Sundry expenses		1,485
		223,196	201,671
35.1	This includes Company's contribution of Rs. 1.949 million (2025: Rs. 1.778 million) in respect of staff provident fund.		

		2026	2025
		(Rupees in thousands)	
35.2	Auditor's remuneration	Note	
	Audit fee	1,200	1,200
	Fee for half yearly review	475	475
	Other services	125	125
	Out of pocket expenses	120	120
	Certification on payment of provident Fund	54	-
		1,974	1,920
36	OTHER EXPENSES		
	Non-executive directors' fee	750	795
	Exchange loss	18,622	19,394
	Workers' profit participation fund	28.4	24,992
	Workers' welfare fund		10,497
	Provision for expected credit loss	15.2	-
		54,861	60,143
37	OTHER INCOME		
	Rental income	61,524	74,647
	Service income	44,708	20,887
	Gain on disposal of property, plant and equipment	8.3	21,310
	Gain on disposal of assets held for sale	22.1	802,069
	Gain on termination of lease		359
	Interest income		492
	Exchange gain		1,494
	Sale of scrap material		14,984
	Net realised gain on investments		4,076
	Net unrealised gain on investments	20	644
		951,660	118,067
38	FINANCE COST		
	Short-term borrowings	55,323	118,557
	Finance charges on leases	5,897	738
	Workers' Profit Participation Fund	28.4	130
	Interest on provident fund		1,539
	Bank charges		1,069
		63,957	120,423
39	LEVY		
	Income tax levy under IFRIC 21/IAS 37	39.1	11,999
39.1	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.		

		2026	2025
40	TAXATION		
	Note	(Rupees in thousands)	
	For the year		
	Current	7,059	7,131
	Prior year	19,982	2,544
	Deferred	10,000	7,085
		37,041	16,760

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

Income tax under IAS 12	7,059	7,131
Income tax levy under IFRIC 21/IAS 37	11,999	10,187
Current tax liability as per Income Tax Ordinance	19,058	17,318

The provision of current tax liability for the year contains minimum tax at 1.25% of the net local turnover for the year.

Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate and numerical reconciliation between the average tax rate and the applicable tax rate is not provided due to the applicability of alternate corporate tax.

41 **PROFIT/ (LOSS) PER SHARE - BASIC AND DILUTED**

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

Net profit/ (loss) for the year (Rupees)	479,683	(407,047)
Weighted average number of ordinary shares	10,764	10,764
Profit/ (loss) per share - basic and diluted (Rupees)	44.56	(37.82)

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

42 **CASH (USED IN)/ GENERATED FROM OPERATIONS**

Profit/ (loss) before income tax and levy		528,722	(380,100)
Adjustment for non-cash and other items:			
Depreciation			
Property, plant and equipment	8	42,217	61,494
Investment property	10	-	2,538
Gain on disposal of property, plant and equipment	37	(21,310)	(8,766)
Gain on disposal of assets held for sale		(802,069)	-
Gain on termination of lease		(359)	-
Net realised gain on investments		(4,076)	-
Net unrealised gain on investments		(644)	-
Interest income	37	(492)	(633)
Finance costs	38	63,957	120,424
Working capital changes	42.1	(339,316)	244,438
		(533,370)	39,395

		2026	2025
42.1	Working capital changes		
	Note	(Rupees in thousands)	
	(Increase)/Decrease in current assets		
	Stores, spare parts and loose tools	6,465	872
	Stock in trade	4,989	16,800
	Trade debts	(4,828)	38,249
	Loans and advances	(112,267)	(19,703)
	Trade deposits and short-term prepayment	(22,315)	3,964
	Other receivable	(184,304)	(14,446)
		(312,260)	25,736
	(Decrease)/ Increase in current liabilities		
	Trade and other payable	(27,056)	218,702
		(339,316)	244,438

43 **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, 2025	Non-cash changes	Cash flows		June 30, 2026
	Rs. In '000'		Obtained	Repaid	Rs. In '000'
Lease liabilities	3,030	180,990	-	(7,973)	176,047
Accrued markup	27,410	63,957	-	(91,367)	-
Dividend (paid) / reversed	16,217	-	-	(3)	16,215
Loans from director	52,000	-	-	(27,000)	25,000
Total	98,657	244,947	-	(126,343)	217,261

	July 1, 2024	Non-cash changes	Cash flows		June 30, 2025
	Rs. In '000'		Obtained	Repaid	Rs. In '000'
Lease liabilities	5,198	(314)	-	(1,854)	3,030
Accrued markup	37,800	119,683	-	(130,073)	27,410
Dividend (paid) / reversed	16,217	-	-	-	16,217
Loans from director	65,000	-	34,500	(47,500)	52,000
Total	124,216	119,369	34,500	(179,427)	98,658

44	CASH AND CASH EQUIVALENTS	Note	2026	2025
			(Rupees in thousands)	
	Cash and bank balances	21	57,009	23,017
	Short term borrowings	29	-	(651,426)
	Term deposit receipts	20	250,000	-
			307,009	(628,409)

45 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	
	2026	2025	2026	2025	2026	2025
	Rupees in thousands					
Managerial remuneration	600	16,733	23,176	17,505	23,776	34,238
Housing						
-Rent	-	-	10,366	7,877	10,366	7,877
-Utilities	407	1,063	2,304	1,750	2,711	2,813
-Other items	2,564	2,662	1,590	50	4,154	2,712
Bonus	-	-	3,164	-	3,164	-
Retirement Benefits	-	-	2,538	1,929	2,538	1,929
Medical and other reimbursable expenses	22,609	16,707	612	478	23,221	17,185
	26,180	37,165	43,750	29,589	69,930	66,754
Number of persons	1	1	10	10	11	11

- 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. 0.510 million (2025 Rs. 0.585 million), Rs. 0.240 million (2025: Rs. 0.210 million) and Rs. nil (2025: 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 Company’s cars for business and personal use in accordance with the Company car scheme.

46 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 arranged or 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
Berger Paints Pakistan Limited	Associate company	Common Director
THK Solutions (Private) Limited	Associate company	Common Director
Muznash (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
Syed Shahid Ali Bukhari	Key management personnel	Director
Mr. Abu Talib H.K. Dada	Key management personnel	Director
Mr. Shahzad M. Hussain	Key management personnel	Director
Mr. Khawaja Samiullah Askari	Key management personnel	Director
Mrs. Amber Ahmed Motiwala	Key management personnel	Director

Name of related party	Nature of transaction	2026	2025
		(Rupees in thousands)	
Sikander (Private) Limited (Holding Company)	Rent paid	1,897	1,725
Provident fund	Contribution to staff retirement plans	6,448	5,744
Mr. Sikander Dada	Salaries and other employment benefits	26,180	37,165
Directors of Holding Company	Loan received	-	34,500
Directors of Holding Company	Loan paid	27,000	47,500
46.1 Year end balances	Loan from directors	25,000	52,000

- 46.2 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.
- 46.3 The above transactions with related parties are at arm's length based or on agreed terms as approved by the Board of Directors.

47 OPERATING SEGMENTS

- 47.1 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.

47.2 Operating results

2026

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in thousands) -----			
Sales - net	430,515	529,395	-	959,910
Segment Result	(166,633)	(137,486)	-	(304,119)
Unallocated expense				
Other expenses				(54,861)
Other income				951,660
Finance cost				(63,957)
Minimum tax differential				(11,999)
Taxation				(37,041)
Loss for the year				479,683
Other information				
Capital expenditure	543	62,029	-	62,572
Unallocated corporate capital expenditure				179,543
Total capital expenditure				242,115
Depreciation	16,483	16,493	-	32,976
Unallocated corporate depreciation and amortization				9,241
Total depreciation and amortization				42,217

2025

Sales - net	254,321	526,622	-	780,943
Segment Result	(157,386)	(160,216)	-	(317,602)
Unallocated expense				
Other expenses				(60,143)
Other income				118,067
Finance cost				(120,423)
Minimum tax differential				(10,187)
Taxation				(16,760)
Loss for the year				(407,047)
Other information				
Capital expenditure	1,602	9,757	-	11,359
Unallocated corporate capital expenditure				4,447
Total capital expenditure				15,806
Depreciation	5,290	33,837	-	39,127
Unallocated corporate depreciation and amortization				24,905
Total depreciation and amortization				64,032

47.3 Segment assets and liabilities

	Note	Chrysotile Cement	Plastic	Others	Total
		----- (Rupees in thousands) -----			
2026					
Segment assets	22.1	494,969	550,740	-	1,045,709
Unallocated corporate assets					1,927,401
Total assets					2,973,110
Segment liabilities		569,588	513,160	-	1,082,748
Unallocated corporate liabilities					975,875
Total liabilities					2,058,623
2025					
Segment assets		438,971	574,820	-	1,013,791
Unallocated corporate assets					1,859,513
Total assets					2,873,304
Segment liabilities		509,902	486,160	-	996,062
Unallocated corporate liabilities					1,442,438
Total liabilities					2,438,500

47.4 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.

47.5 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 33.1.

48 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.

49 FINANCIAL INSTRUMENTS BY CATEGORY

		2026	2025
Financial assets	Note	(Rupees in thousands)	
Non-interest bearing			
Amortized cost			
Trade debts		15,214	10,386
Long-term deposits		14,752	14,715
Receivable from disposal of assets held for sale		-	-
Long-term loans		479	432
Trade deposits and short term prepayments		58,936	36,621
Loans and advances		170,792	58,532
Other receivables		185,100	2,101
Non-interest bearing			
Fair value			
Short term investments		263,701	-
Interest bearing			
Amortized cost			
Cash and cash equivalents		307,009	23,017
		1,015,984	145,805
Financial liabilities			
Amortized cost			
Non-interest bearing			
GIDC Payable		29,344	29,344
Trade and Other Payables (excluding statutory payables)		1,734,554	1,617,193
Unclaimed dividend		16,214	16,217
Loan from directors		25,000	52,000
Interest bearing			
Short term borrowings		-	651,426
Lease liabilities		176,047	3,030
		1,981,159	2,396,619

50 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.

50.1 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.

50.1.1 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)
2026	+100	(5,287)
	-100	5,287
2025	+100	3,801
	-100	(3,801)

50.1.2 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, 2026, 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)
2026	5%	(26,436)
	-5%	26,436
2025	5%	19,005
	-5%	(19,005)

50.2 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:

	Note	2026	2025
		(Rupees in thousands)	
Long term loans		239	232
Long term deposits		14,752	14,715
Trade debts		15,214	10,386
Receivable from disposal of assets held for sale		-	-
Short term investments		513,701	-
Other receivable		185,100	2,101
Bank balances		56,941	22,918
		<u>785,947</u>	<u>50,353</u>

The credit quality of the Company’s bank balances can be assessed with reference to external credit rating as follows:

Trade debts			
Neither past due nor impaired		2,282	3,142
Past due but not impaired		18,048	7,260
Past due and impaired		209,257	214,357
		<u>229,587</u>	<u>224,759</u>

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

Bank balances	AAA	52,669	14,876
	AA+	-	7,981
	AA	19	19
	AA-	4,253	42
		<u>56,941</u>	<u>22,918</u>
Term deposit receipts	AAA	250,000	-
		<u></u>	<u></u>

50.3 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, 2026, The Company's

current liabilities exceed its current assets by Rs. 434.162 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:

	2026				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousands)				
Lease liabilities	-	5,965	22,332	283,747	312,044
Director loan	25,000	-	-	-	25,000
Unclaimed dividend	16,214	-	-	-	16,214
	<u>41,214</u>	<u>5,965</u>	<u>22,332</u>	<u>283,747</u>	<u>353,258</u>

	2025				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousands)				
Lease liabilities	-	325	1,667	1,612	3,604
Director loan	52,000	-	-	-	52,000
Accrued markup	-	-	27,410	-	27,410
Short term borrowing	651,426	-	-	-	651,426
Unclaimed dividend	16,217	-	-	-	16,217
	<u>719,643</u>	<u>325</u>	<u>29,077</u>	<u>1,612</u>	<u>750,657</u>

50.4 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:

	2026	2025
	(Rupees in thousands)	
Accrued markup	-	27,410
Short term borrowings	-	651,426
Total debt	-	678,836
Cash and cash equivalents	(307,009)	(23,017)
Net (surplus)/ debt	<u>(307,009)</u>	<u>655,819</u>
Excluding surplus on revaluation of property, plant and equipment		
Total equity	(6,952)	(1,382,504)
Total equity and net debt	<u>(313,961)</u>	<u>(726,685)</u>
Gearing ratio	<u>-</u>	<u>(90%)</u>

The gearing ratio has not been calculated at June 2026 as the company has net surplus and no external debt.

	2026	2025
Including surplus on revaluation of property, plant and equipment	914,486	434,804
Total equity and net debt	607,477	1,090,623
Gearing ratio	-	40%

The gearing ratio has not been calculated at June 2026 as the company has net surplus and no external debt.

50.5 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. Short term investments in mutual funds and term deposit receipts are carried at fair value as of the reporting date.

51	NUMBER OF EMPLOYEES	2026	2025
	Number of employees	115	129
	Average number of employees	122	132

52 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and better presentation.

53 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24th September 2026 by the Board of Directors of the Company.

54 GENERAL

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


Sikander Dada
Chief Executive


Shahzad M. Husain
Chairman


Muhammad Yousuf
Chief Financial Officer

PATTERN OF SHAREHOLDINGS
As of June 30,2026

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	1,705,426	15.84%
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. Khawaja Samiullah Askari - Director	19	0.00%
Syed Shahid Ali Bukhari - Director	1	0.00%
Mrs. Amber Ahmed Motiwala - Director	66,746	0.62%
Mrs. Ayesha Tariq Allawala - Director	5	0.00%
Executives	81	0.00%
Banks, Insurance Company & Others	56,065	0.52%
General Public	2,201,739	20.45%
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%

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 SHAREHOLDINGS

As of June 30,2026

COMBINED PATTERN OF CDC & PHYSICAL SHARE HOLDINGS AS AT JUNE 30,2026

NUMBER OF SHARE HOLDERS	SHAREHOLDINGS			TOTAL SHARES HELD
2,990	1	-	100	52,433
515	101	-	500	119,007
127	501	-	1,000	89,865
88	1,001	-	5,000	180,151
12	5,001	-	10,000	78,249
6	10,001	-	15,000	71,481
1	20,001	-	25,000	22,166
2	25,001	-	30,000	59,751
2	30,001	-	35,000	70,000
1	40,001	-	45,000	41,267
2	65,001	-	70,000	131,492
1	85,001	-	90,000	87,759
2	90,001	-	95,000	184,452
1	130,001	-	135,000	131,514
1	310,001	-	315,000	310,469
1	335,001	-	340,000	339,640
1	340,001	-	345,000	344,640
1	350,001	-	355,000	350,640
1	1,295,001	-	1,300,000	1,298,335
1	6,800,001	-	6,805,000	6,800,648
3,756				10,763,959

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
Directors, CEO, Sponsors and Family Members	22	3,240,477	30.10%
General Public	3,714	666,769	6.19%
Banks, DFI, NBFI and Insurance Companies	5	833	0.01%
Joint Stock Companies	11	54,740	0.51%
Associate Company	1	6,800,648	63.18%
Others	3	492	0.00%
TOTAL	3,756	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 67th Annual General Meeting of the Dadex Eternit Limited will be held on Tuesday
October 27, 2026, 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 _____ 2026.

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 / زوجہ _____ سنہ _____

(مکمل پتہ) بحیثیت رکن ڈاؤنکیس ایئرٹ لمیٹڈ، اور

حامل _____ عام حصص، مسمی / مسما

سنہ _____ (مکمل پتہ)

کو یا ان کی غیر حاضری کی صورت میں مسمی / مسما

سنہ _____ (مکمل پتہ)

جو کہ ڈاؤنکیس ایئرٹ لمیٹڈ کے حصص دار ہیں / ہماری غیر حاضری کی صورت میں اپنا / ہمارا مختار مقرر کرتا / کرتی / کرتے ہیں۔ انہیں ہمارے ایماء پر بروز _____، 27 اکتوبر، 2026 بوقت

3:30 بجے، ڈاؤنکیس ایئرٹ لمیٹڈ، ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS، شارع فیصل، کراچی میں منعقد ہونے والے کمپنی کے 67 واں سالانہ اجلاس عام یا کسی بھی التواء کی صورت میں

حق رائے دہی استعمال کرنے کی اجازت دینا / دیتی / دیتے ہیں۔

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

۱۔ _____

۲۔ _____

فولیو / سی ڈی سی اکاؤنٹ نمبر

۵ روپے مالیت کے
ریونیونٹ 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 جائیں گے۔

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 بعد نام، پتہ اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر درج کرنا لازمی ہیں۔

۲۔ مختار نامہ کے ہمراہ اصل ماکان 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۔

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DADEX