



# **FINANCIAL STATEMENTS**

**Q1**

**FOR THE THREE (3) MONTHS  
ENDED SEPTEMBER 30, 2023  
(UNAUDITED)**

**DADEX**

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# Company Information

<b>Board of Directors</b>	Mr. Shahzad M. Husain - Chairman	(Non - Executive Director)
	Mr. Sikander Dada	(Chief Executive I Director)
	Mr. Abu Talib H.K. Dada	(Non - Executive Director)
	Mr. Maqbool H.H. Rahimtoola	(Non - Executive Director)
	Syed Shahid Ali Bukhari	(Independent Director)
	Mrs. Ayesha Tariq Allawala	(Independent Director)
	Mrs. Amber Ahmed Motiwala	(Female Director)

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<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Muhammad Yousuf
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<b>Board Audit Committee</b>	Syed Shahid Ali Bukhari	- Chairman
	Mr. Shahzad M. Husain	- Member
	Mr. Maqbool H.H. Rahimtoola	- Member
	Mrs. Amber Ahmed Motiwala	- Member

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<b>Human Resource Remuneration Committee</b>	Mrs. Ayesha Tariq Allawala	- Chairperson
	Mr. Maqbool H.H. Rahimtoola	- Member
	Mr. Abu Talib H.K. Dada	- Member

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<b>Management Team</b>	Mr. Sikander Dada	- Chief Executive Officer
	Mr. Tanveer Saleem	- Chief Operating Officer (Technical, Sales & Operations)
	Mr. Muhammad Hanif Idrees	- Chief Operating Officer (Finance, IT, SCM, & Corporate)
	Mr. Muhammad Yousuf	- Chief Financial Officer
	Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR
	Syed Munawwar Abbas Rizvi	- General Manager Hyd. Factory

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<b>Auditors</b>	BDO Ebrahim & Co., Chartered Accountants
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<b>Bankers</b>	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited Bank AlBaraka MCB Bank Limited Sindh Bank Limited The Bank of Punjab United Bank Limited (UBL Ameen) Standard Chartered Bank (Pakistan) Limited Faysal Bank Limited Habib Bank Limited Askari Bank Limited Meezan Bank Limited Dubai Islamic Bank Pakistan Limited
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**Legal Advisor**

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

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**Registered Office**

Dadex House, 34-A11, Block 6,  
P.E.C.H.S., Shahrah-e-Faisal,  
Karachi- 75400  
Tel: (92-21) 111000789  
Fax: (92-21) 34315716  
Email: info@dadex.com.pk

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**Share Registrar**

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

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**Website**

[www.dadex.com](http://www.dadex.com)



## Directors' Review

On behalf of the Board of Directors we take pleasure in presenting the unaudited accounts of the company for the first quarter ended September 30, 2023.

The period we are currently reviewing has presented with a multitude of significant challenges. The financial performance of our Company has been severely impacted by a confluence of domestic and external factors. The significant devaluation of the Pak Rupee has escalated import costs, leading to increased production cost and reduced profit margins. The economic slowdown in Pakistan, compounded by the tightening of monetary policy, has resulted in reduced consumer spending and limited investment opportunities.

Additionally, restrictions on opening letters of credit, has disrupted our supply chain and production schedules, further affecting our ability to meet customer demand. The mounting inflation and higher fuel prices have increased operational costs, while elevated electricity prices have added to our overheads, making it challenging to maintain competitive pricing.

On top of these domestic challenges, political instability in Pakistan has created uncertainty, hampering long-term strategic planning and eroding investor confidence. The Russian-Ukrainian war crises have had a global impact, raising energy costs and adding pressure to our operational expenses.

The company experienced a notable decline in net sales volume, which amounted to Rs. 144.766 million during the current period. This marks a significant decrease of Rs. 231.942 million when compared to the corresponding period in the previous year when net sales revenue stood at Rs. 376.708 million. Consequently, the gross profit witnessed a substantial decrease of 66.65 percent.

The Company's operating loss has also seen a considerable increase, reaching Rs. 62.65 million (as compared to Rs. 14.69 million in September 2022). This increase can be primarily attributed to substantial exchange losses incurred due to the devaluation of the Pak Rupee against the US Dollar, coupled with rising energy prices. In addition, the financial cost experienced a notable uptick of 19.90 percent when compared to the previous year. These factors collectively contributed to a net loss before taxation amounting to Rs. 107.50 million (in contrast to Rs. 52.093 million in September 2022). This unfavorable financial performance resulted in a loss per share of Rs 10.36, a significant increase from the loss per share of Rs. 5.44 reported in September 2022.

In light of this complex business environment, we are focused on adapting to these challenges through measures such as diversifying our market presence, seeking cost-saving opportunities, and monitoring the evolving economic landscape. Our primary goal is to safeguard our company's financial stability and ensure our resilience in the face of these multifaceted challenges.

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

  
Director

  
Chief Executive

Karachi: October 26, 2023

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**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2023**

		September 30, 2023	June 30, 2023
		(Un-audited)	(Audited)
	Note	(Rupees in '000')	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	7	469,921	451,480
Capital work in progress	8	2,006	13,525
		<u>471,927</u>	<u>465,005</u>
Intangible assets		23	40
Investment property		0	0
Long-term loans and advances		780	701
Long-term security deposits		16,459	16,459
Deferred tax asset		<u>162,504</u>	<u>162,504</u>
		651,693	644,709
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		47,007	43,930
Stock in trade	9	255,250	198,998
Trade debts	10	54,220	60,626
Loans and advances		84,531	88,340
Trade deposits and short term prepayments		110,145	111,480
Other receivables		25,617	14,312
Income tax refund due from Government		218,405	218,405
Taxation - net		41,407	37,354
Cash and bank balances		<u>34,326</u>	<u>56,200</u>
		870,908	829,645
Non-current assets held for sale		<u>1,496,162</u>	<u>1,496,162</u>
<b>TOTAL ASSETS</b>		<u><u>3,018,763</u></u>	<u><u>2,970,516</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
12,000,000 (June 30, 2022: 12000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2022: 8000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	11	107,640	107,640
Reserves		(882,188)	(771,229)
Surplus on revaluation of property, plant and equipment		<u>1,525,369</u>	<u>1,525,882</u>
		750,821	862,293
<b>NON - CURRENT LIABILITIES</b>			
Long term financing		-	-
Liabilities against assets subject to finance lease		5,505	6,772
Deferred income		-	-
GIDC payable		-	-
		5,505	6,772
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,493,756	1,308,029
Accrued markup		43,998	39,643
Short-term borrowings	13	681,832	711,034
Current portion of deferred income		-	0
Current portion of liabilities against assets subject to finance lease		1,163	1,057
Current portion of long-term financing		0	0
Loan from directors		25,000	25,000
Unclaimed dividend		<u>16,688</u>	<u>16,688</u>
		2,262,437	2,101,451
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,018,763</u></u>	<u><u>2,970,516</u></u>

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**



**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	<u>Three months ended</u>	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2023</u>	<u>2022</u>
Note	<u>----- (Rupees in '000') -----</u>	
Sales - gross	170,556	443,341
Sales tax	(25,790)	(66,633)
Sales - net	144,766	376,708
Cost of sales	(122,348)	(309,491)
Gross profit	22,418	67,217
Distribution cost	(32,489)	(31,615)
Administrative expenses	(40,019)	(39,399)
Other expenses	(31,960)	(26,590)
Other income	19,396	15,697
Operating (loss)/profit	(62,654)	(14,690)
Finance costs	(44,846)	(37,403)
(loss) before taxation	(107,500)	(52,093)
Taxation		
Current	(3,972)	(6,451)
Deferred	-	-
	(3,972)	(6,451)
Net (loss) for the period	(111,472)	(58,544)
Earnings per share - basic and diluted (Rupees)	17 (10.36)	(5.44)

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**



**DADEX**

**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	<b>Three months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>---- (Rupees in '000') ----</b>	
(Loss) for the period	(111,472)	(58,544)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	<u>(111,472)</u>	<u>(58,544)</u>

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**





**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	Note	Three months ended	
		September 30, 2023	September 30, 2022
----- (Rupees in '000') -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	18	68,348	157,409
Finance cost paid		(40,491)	(34,542)
Taxes paid		(8,025)	(22,216)
Net cash generated from operating activities		19,832	100,651
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(16,245)	(1,101)
Addition to intangible assets		-	-
Proceeds from disposal of fixed assets		-	1,067
Long term security deposits		(79)	(405)
Interest received		4,981	-
Net cash used in investing activities		(11,343)	(439)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of liabilities against assets subject to finance lease		(1,161)	(3,921)
Long-term financing - net		-	(8,015)
Repayment of long term Sponsors / Directors' loan		-	-
Short term borrowings - net		(29,202)	(60,191)
Dividend paid		-	-
Net cash used in financing activities		(30,363)	(72,127)
Net increase / (decrease) in cash and cash equivalents		(21,874)	28,085
Cash and cash equivalents at the beginning of the period		(393,560)	(439,310)
Cash and cash equivalents at the end of the period		(415,434)	(411,225)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		34,326	48,535
Short-term borrowings		(449,760)	(459,760)
		(415,434)	(411,225)

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**



**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

	Reserves					Total	Grand total
	Capital reserve		Revenue reserve				
	General reserve	Revaluation surplus	General	Unappropriated profit / (accumulated losses)			
<b>(Rupees in '000')</b>							
Balance as at July 1, 2022	107,640	5,655	1,054,892	-	(366,950)	693,597	801,237
Transferred from general reserve to unappropriated profit			-	-	-	-	-
Total comprehensive (loss) for the three months ended September 30, 2022							
Net (loss) for the period	-	-	-	-	(58,544)	(58,544)	(58,544)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(58,544)	(58,544)	(58,544)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(6,196)	-	6,196	-	-
Balance as at September 30, 2022	107,640	5,655	1,048,696	-	(419,298)	635,053	742,693
Balance as at July 1, 2023	107,640	5,655	1,525,882	-	(776,884)	754,653	862,293
Total comprehensive (loss) for the three months ended September 30, 2023							
Net (loss) for the period	-	-	-	-	(111,472)	#####	(111,472)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(111,472)	#####	(111,472)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(513)	-	513	-	-
Balance as at September 30, 2023	107,640	5,655	1,525,369	-	(887,843)	643,181	750,821

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

**CHIEF EXECUTIVE**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**



**DADEX ETERNIT LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023**

**1 THE COMPANY AND ITS OPERATIONS**

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

**2 GEOGRAPHICAL LOCATION AND ADDRESS OF BUSINESS UNITS**

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

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

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

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



This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2023, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the Three months ended September 30, 2023.

### **3.2 Basis of measurement**

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

### **3.3 Functional and presentation currency**

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

## **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2023.

## **5 ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2023.

## **6 TAXATION**

The provisions for taxation for the three months ended September 30, 2023, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2024 as stipulated through Finance Act 2023.

		September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
		(Rupees in '000')	
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	469,921	451,480
	Capital work-in-progress	2,006	13,525
		<u>471,927</u>	<u>465,005</u>
<b>7.1</b>	<b>Operating fixed assets</b>		
	Opening net book value (NBV)	451,480	760,674
	Revaluation surplus	-	481,085
	Transfer to non-current assets held for sale	-	(746,305)
	Disposal	-	(315)
	Additions / transfers during the period at cost	27,764	14,866
		<u>479,244</u>	<u>510,005</u>
	Depreciation charge for the period / year	<u>(9,323)</u>	<u>(58,525)</u>
		<u>(9,323)</u>	<u>(58,525)</u>
	Closing net book value NBV	<u>469,921</u>	<u>451,480</u>
7.1.1	Detail of additions (at cost) during the period / year are as follows:		
	Owned		
	Factory building on freehold and leasehold land	-	3,818
	Plant and machinery	28,764	59,497
	Office and factory equipment	135	1,601
	Right-of-use-assets		
	Building	(1,135)	8,468
	Plant and machinery	-	(58,518)
		<u>27,764</u>	<u>14,866</u>
<b>8</b>	<b>Capital work in progress</b>		
	Plant and machinery	2,006	13,525
		<u>2,006</u>	<u>13,525</u>
8.1	Movement of carrying amount is as follows:		
	Opening balance	13,525	1,932
	Additions (at cost) during the period / year	17,380	17,990
		<u>30,905</u>	<u>19,922</u>
	Transfer to operating fixed assets during the period / year	<u>(28,899)</u>	<u>(6,397)</u>
	Closing balance	<u>2,006</u>	<u>13,525</u>

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
<b>9 STOCK-IN-TRADE</b>	<b>Note</b>	<b>(Rupees in '000')</b>
Raw material in hand	133,152	110,864
in transit	-	-
	<u>133,152</u>	<u>110,864</u>
Work-in-process	13,075	11,565
Finished goods		
Manufactured	88,034	58,272
Trading	20,989	18,297
	<u>109,023</u>	<u>76,569</u>
	<u>255,250</u>	<u>198,998</u>

9.1 Finished goods are net off provision of Rs. 78.711 million (June 30, 2023: Rs.91.002 million).

	September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
<b>10 TRADE DEBTS</b>	<b>Note</b>	<b>(Rupees in '000')</b>
(Unsecured - considered good)	54,220	60,626
(Unsecured - considered doubtful)		
Due from Turnkey project	17,414	17,414
Due from others	174,419	174,419
	<u>191,833</u>	<u>191,833</u>
	246,053	252,459
Allowance for expected credit loss		
Turnkey project	(17,414)	(17,414)
Others	(174,419)	(174,419)
	<u>(191,833)</u>	<u>(191,833)</u>
	<u>54,220</u>	<u>60,626</u>



			September 30, 2023 (Un-audited)	June 30, 2023 (Audited)
	Note		(Rupees in '000')	
<b>11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>				
September 30, 2023    June 30, 2023				
Number of Shares				
1,714,264	1,714,264	Ordinary shares of Rs.10/-each issued for cash	17,143	17,143
476,386	476,386	Issued for consideration other than cash	4,764	4,764
8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733
<u>10,763,959</u>	<u>10,763,959</u>		<u>107,640</u>	<u>107,640</u>
11.1 Ordinary shares include 4,090,536 shares of B class of Rs.10/- each converted into and deemed to be ordinary shares on disposal by a foreign shareholder, in prior years, in accordance with the Articles of Association of the Company.				
11.2 The Holding Company holds 6,800,648 (June 30, 2023: 6,800,648) ordinary shares representing 63.18 percent (June 30, 2022: 63.18 percent) shareholding as at the balance sheet date.				
11.3 The Company has more than one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.				
<b>12 TRADE AND OTHER PAYABLES</b>				
Trade creditors			693,816	642,285
Accrued liabilities			83,602	87,781
Advance from customers			600,566	461,492
Advance from tenants			5,103	8,689
Security deposits from distributors and others			17,903	16,903
Workers' Profit Participation Fund payable			932	932
Workers' Welfare Fund			7,557	7,557
Sales tax and excise duty payable			-	-
Payables to employees			9,581	9,581
Infrastructure cess payable			40,913	40,913
Current portion of GIDC payable			29,344	29,344
With holding tax			452	452
Others			3,987	2,100
			<u>1,493,756</u>	<u>1,308,029</u>



	Note	September 30, 2023 (Un-audited) (Rupees in '000')	June 30, 2023 (Audited)
<b>13 SHORT TERM BORROWINGS</b>			
Secured			
Karobar finance	13.1	110,727	89,929
Running finance-I	13.2	449,760	449,760
Tijarah finance	13.3	-	50,000
Istisna finance	13.4	121,345	121,345
		681,832	711,034
<p>13.1 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 216 million (June 30, 2023: Rs. 216 million) out of which Rs. 105.273 million (June 30, 2023: Rs. 126.071 million) remains unutilized as at the balance sheet date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2023: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rate 6 months KIBOR+3% (June 30, 2023: 6 months KIBOR+3%) per annum.</p> <p>13.2 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2023: Rs. 500 million). These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock in trade and trade debts of Rs. 1,448 million (June 30, 2023: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 million (June 30, 2023: Rs. 934 million ) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. these facilities carry mark-up rate 3 months KIBOR+2.75% (June 30, 2023: 3 months KIBOR+2.75%) per annum.</p> <p>13.3 The facility of Rs. NIL million (June 30, 2023: Rs. 100 million) has been obtained from Al-Baraka Bank Limited under Tijarah financing. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment (Sunder factory) located at Lahore and Company's stock in trade. Both of the financing facility carries markup at 6 months KIBOR+3% (June 30, 2023: 6 months KIBOR+3%) per annum.</p> <p>13.4 The facility of Rs. 150 million (June 30, 2023: 150 million) has been obtained from Habib Metropolitan Bank out of which Rs. 28.655 million (June 30, 2023: Rs. 28.655 million) remains unutilized as at the reporting date. This facility is secured by creation of 100% cash collateralized of lien on Islamic Naya Pakistan certificate (INPC) placed by three Share holders of the company, of equivalent amount as proposed. This facility carries mark-up rates ranging from 6 months KIBOR + 2% (June 30, 2023: 6 months KIBOR + 2%) per annum.</p>			





## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

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

The said constitutional petition was dismissed by HCS vide its judgment dated March 9, 2011. The Company filed petition for leave to appeal against the judgment of HCS before the Honorable Supreme Court of Pakistan (SCP) which granted leave to appeal to the Company vide its order dated June 23, 2011 and converted the petition into an appeal. Thereafter, after the partial hearing of the civil appeal, the SCP vide its order dated October 25, 2011 directed a commission constituted by the EPT to submit the report of environmental audit of the Company's factory and surrounding premises. Pursuant to the direction of SCP, a report was filed ostensibly on behalf of a commission constituted by the EPT to which objections have been filed by the Company before SCP. The hearing of civil appeal on merits is now pending. Based on the opinion of the legal counsel of the Company, the management expects a favorable outcome of the case. Accordingly, no provision for any potential demand in respect of the above has been made in these financial statements.

14.1.2 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 15.666 million (June 30, 2023 : Rs. 15.666 million). However, in view of a legal advice, the Company's management is confident that these suits will be decided in its favor, and accordingly, no provision has been made in this respect.

### 14.2 Commitments

Outstanding letters of credit	-	-
Outstanding letter of guarantee	78,516	78,516
Postdated cheques	9,280	15,961
Outstanding contracts	771,653	546,308
Duties payable on goods in transit	-	-
	<u>859,449</u>	<u>640,785</u>



**15 SALES**

	<b>Three months ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>---- (Rupees in '000') ----</b>	
Local sales	160,344	411,934
Export sales	10,212	31,407
Gross sales	<u>170,556</u>	<u>443,341</u>
Sales tax	<u>(25,790)</u>	<u>(66,633)</u>
	<u><u>144,766</u></u>	<u><u>376,708</u></u>

**16 COST OF SALES**

Manufactured goods		
Raw materials consumed		
Opening stock	110,864	139,714
Purchase	112,272	130,541
Closing stock	<u>(133,152)</u>	<u>(81,204)</u>
Raw materials consumed	89,984	189,051
Manufacturing overheads		
Stores and spares consumed	792	5,782
Salaries, wages and other benefits	13,278	12,709
Procured services	8,679	17,492
Fuel, water and power	15,750	21,848
Insurance	1,186	1,422
Travelling	65	50
Communication	157	153
Depreciation	8,585	8,825
Rent, rates and taxes	634	690
Repairs and maintenance	10,342	2,735
Printing and stationary	221	48
Other expenses	447	369
	<u>60,136</u>	<u>72,123</u>
	150,120	261,174
Work-in-process		
Opening stock	11,565	25,728
Closing stock	<u>(13,075)</u>	<u>(28,373)</u>
Cost of goods manufactured	<u>148,610</u>	<u>258,529</u>
Finished goods		
Opening stock	58,272	179,474
Closing stock	<u>(88,034)</u>	<u>(133,763)</u>
	<u>118,848</u>	<u>304,240</u>
Trading goods		
Opening stock	18,297	41,205
Purchase	6,192	2,970
Closing stock	<u>(20,989)</u>	<u>(38,924)</u>
	<u>3,500</u>	<u>5,251</u>
	<u><u>122,348</u></u>	<u><u>309,491</u></u>



Three months ended	
September 30, 2023	September 30, 2022

----- (Rupees in '000') -----

**17 EARNING PER SHARE - BASIC AND DILUTED**

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

Net profit for the year (in thousands)	(111,472)	(58,544)
Weighted average number of ordinary shares (in thousands)	10,764	10,764
Earnings per share - basic and diluted	(10.36)	(5.44)

Three months ended	
September 30, 2023	September 30, 2022

----- (Rupees in '000') -----

**18 CASH GENERATED FROM OPERATIONS**

Profit before taxation	(107,500)	(52,093)
Adjustment for non-cash and other items		
Depreciation		
Property, plant and equipment	8,887	12,981
Right to use assets	436	1,640
Investment property	-	634
Amortization	17	22
Gain on disposal of property, plant and equipment	-	(1,051)
Interest income	(4,981)	-
Finance costs	44,846	37,403
Amortization of deferred income	-	(421)
Working capital changes	18.1 126,643	158,294
	<u>68,348</u>	<u>157,409</u>

Three months ended	
September 30, 2023	September 30, 2022

----- (Rupees in '000') -----

**18.1 Working capital changes**

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(3,077)	(1,159)
Stock in trade	(56,252)	103,857
Trade debts	6,406	(49,574)
Loans and advances	3,809	8,610
Trade deposits and short-term prepayment	1,335	(16,265)
Other receivable	(11,305)	190,101
	<u>(59,084)</u>	<u>235,570</u>
Increase / (decrease) in current liabilities		
Trade and other payable	185,727	(77,276)
	<u>126,643</u>	<u>158,294</u>



**19 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.**

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

Relation with the company	Nature of transaction	Note	Three months ended	
			September 30, 2023	September 30, 2022
			---- (Rupees in '000') ----	
Sikander (Private) Limited (Holding Company)	Rent paid		-	1,425
Berger Paints Pakistan Limited (Associated Company)	Purchase of goods		-	-
Provident fund	Contribution to staff retirement benefit plans		1,751	1,464
Key management personnel	Remuneration and other benefits		5,004	3,408
Loan from Ayesha Allahwala			20,000	20,000
Loan from Sikander Dada			5,000	5,000
			<b>September 30, 2023</b>	<b>June 30, 2023</b>
			<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>(Rupees in '000')</b>	
19.2	Period / year end balances			
	Payable to related parties		-	(1,425)

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



**20 OPERATING SEGMENTS**

**20.1 Segment Analysis**

	Chrysotile Cement	Plastic	Others	Total
	------(Rupees '000)-----			
<b>Three months ended September 30, 2023</b>				
<b>(Un-audited)</b>				
Turnover	2,681	142,085		144,766
Segment result	(10,294)	(39,796)		(50,090)
Unallocated expenses				
Other operating expenses				(31,960)
Other income				19,396
Finance costs				(44,846)
Taxation				(3,972)
Net profit for the period				(111,472)
<b>Three months ended September 30, 2022</b>				
<b>(Un-audited)</b>				
Turnover	178,703	198,005		376,708
Segment result	1,424	(5,221)		(3,797)
Unallocated expenses				
Other operating expenses				(26,590)
Other income				15,697
Finance costs				(37,403)
Taxation				(6,451)
Net profit for the period				(58,544)

**20.2 Segment assets and liabilities**

**September 30, 2023 (Un-audited)**

Segment assets	397,944	544,066	119,686	1,061,696
Unallocated corporate assets				1,957,067
Total assets				3,018,763
Segment liabilities	397,588	514,066	119,686	1,031,340
Unallocated corporate liabilities				1,236,602
Total liabilities				2,267,942

**June 30, 2023 (Audited)**

Segment assets	397,588	514,066	119,686	1,031,340
Unallocated corporate assets				1,939,176
				2,970,516
Segment liabilities	404,356	421,325	12,070	837,751
Unallocated corporate liabilities				1,270,472
Total liabilities				2,108,223

**21 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2023.

**22 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

**23 DATE OF AUTHORIZATION FOR ISSUE**

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

**24 CORRESPONDING FIGURES**

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

**25 GENERAL**

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

**CHIEF EXECUTIVE****DIRECTOR****CHIEF FINANCIAL OFFICER**

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