ANNUAL REPORT 2023

DADEX

64th

Annual Report

For the year ended June 30, 2023

DADEX

Leader in Roofing and
Thermoplastic Piping Systems

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KASSIM DADA

(1919 - 2001)

KASSIM DADA

FOUNDER CHAIRMAN

CHAIRMAN

Brooke Bond Pakistan Ltd.

Berger Paints Pakistan ltd.

Dada Agencies Ltd.

Dadex Eternit Limited

Pakistan Welding Electrodes Ltd.

Sikander (Pvt) Ltd.

Smith Kline & French of Pakistan Ltd.

J&N Pakistan Ltd.

DIRECTOR

Adamjee Industries Ltd.

Adamjee Sugar Mills Ltd.

Adamjee Insurance Company Ltd.

Central Chemical's (Pvt) Ltd.

Dada (Pvt) Ltd.

First International Investment Bank Ltd.

First International Investment Fund Ltd.

Habib Insurance Company Ltd.

Mehran Jute Mills Ltd.

Metropolitan Bank Ltd.

State Bank of Pakistan

Kassim Dada was an individual of principles. An astute businessman, a philanthropist, an avid traveller 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.

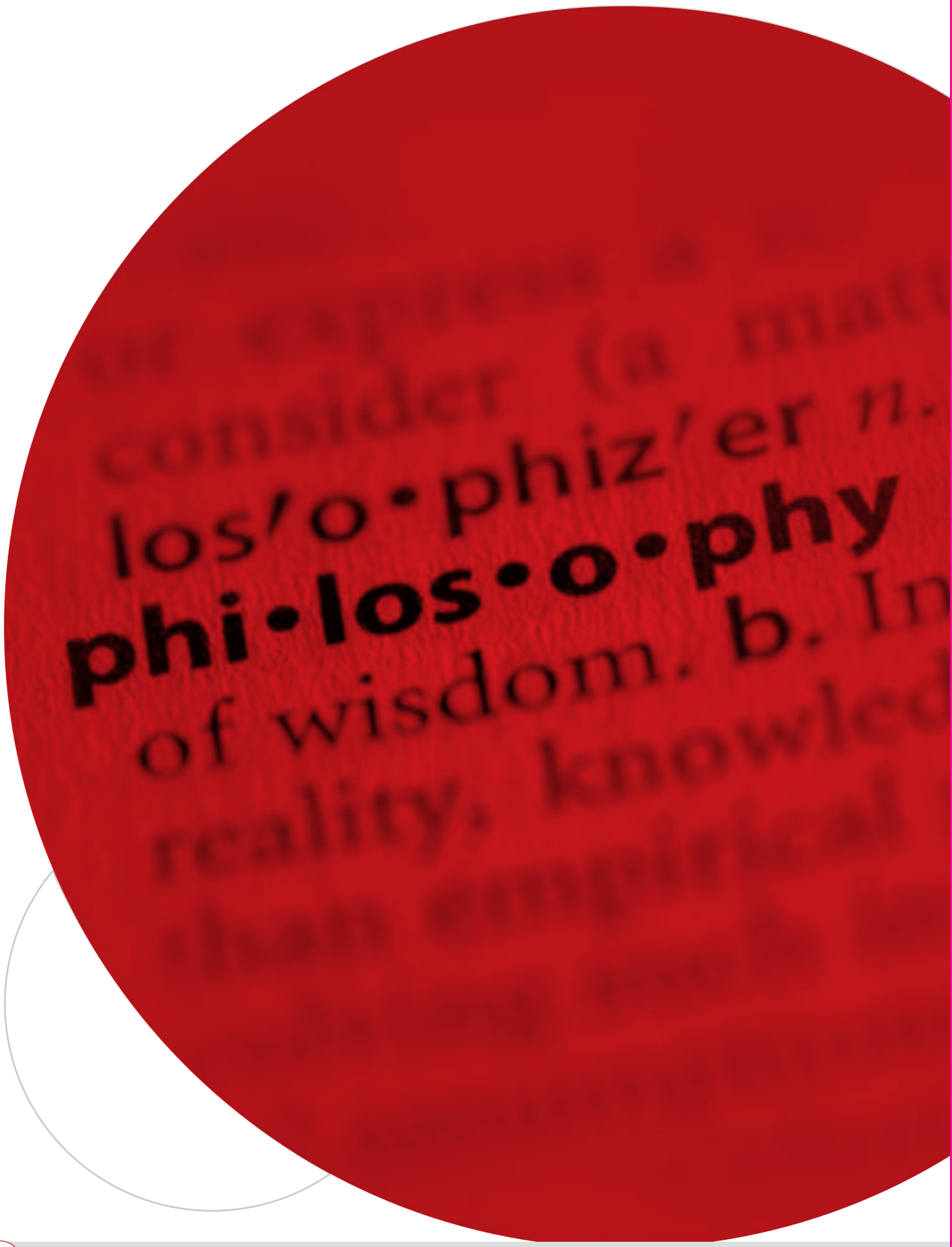
L-R: Late Mr. Kassim Dada, Mr. Abdul Kasem Khan, Minister of Industries, Works, Irrigation & Power during inauguration of Hyderabad Factory in 1959.

ABOUT DADEX

Dadex was established as a public limited company in 1959. We started with the manufacturing of FC roofing systems at our facilities in Hyderabad, and under the dynamic leadership of our Founder Chairman, Mr. Kassim Dada, later we ventured into manufacturing of FC pipe systems in 1966, setting up a dedicated manufacturing facility in Karachi. Being a forward-looking organization, we have kept up to date with the market, and now we produce a diverse number of products, which include thermoplastic pipe systems such as u-PVC, PPR and PE.

Headquartered in Karachi, our three manufacturing facilities based in Karachi (classified as non-current asset, held for sale), Hyderabad and Sunder Industrial Estate (near Lahore) are equipped with state of the art machinery. Our joint efforts have led Dadex to the ISO 9001, ISO 14001, ISO 45001 and PSQCA certifications Dadex today is a hallmark of trust and reliability.

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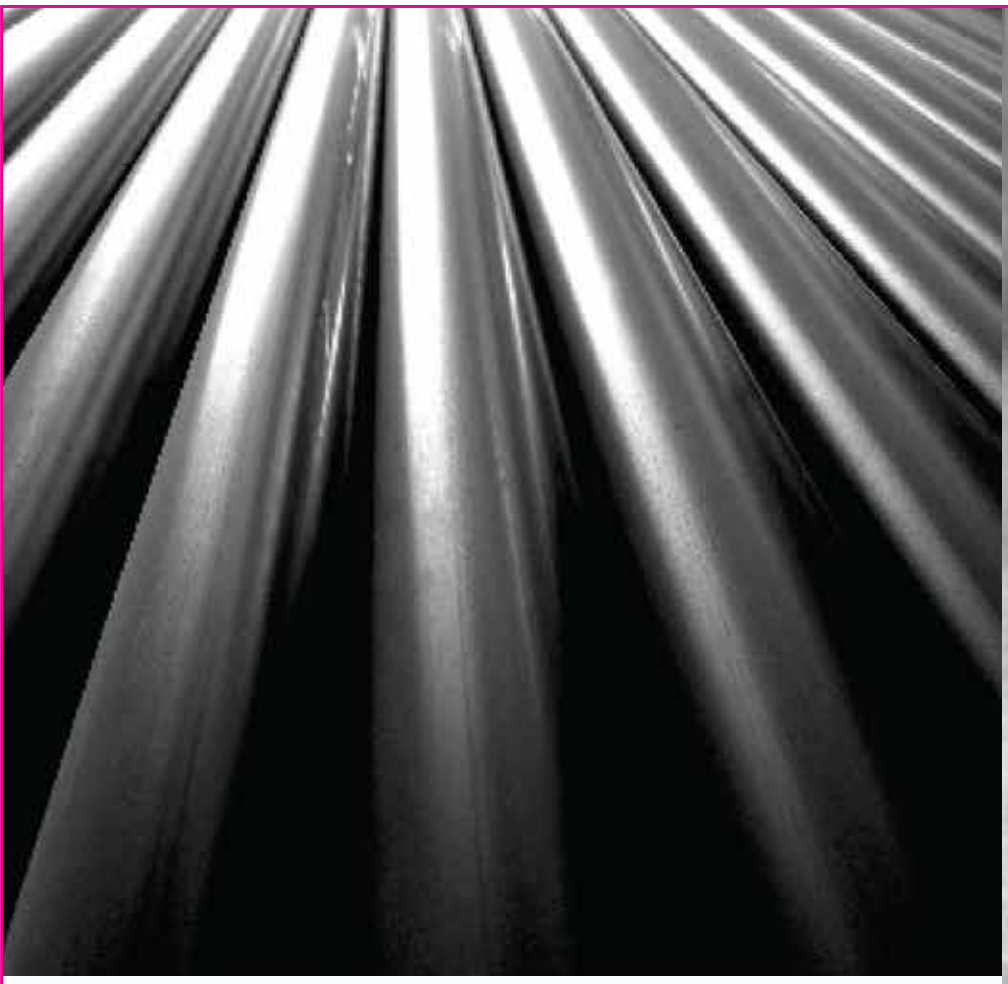
OUR PHILOSOPHY

Our forte has been and continues to be, to manufacture and market innovative customer-oriented products. Focusing on superiority, reliability and durability - we believe that these characteristics must embody not just our products but also our business practices. We believe in transparency; integrity, sound business practices and in presenting the best products and services to our customers at all times.

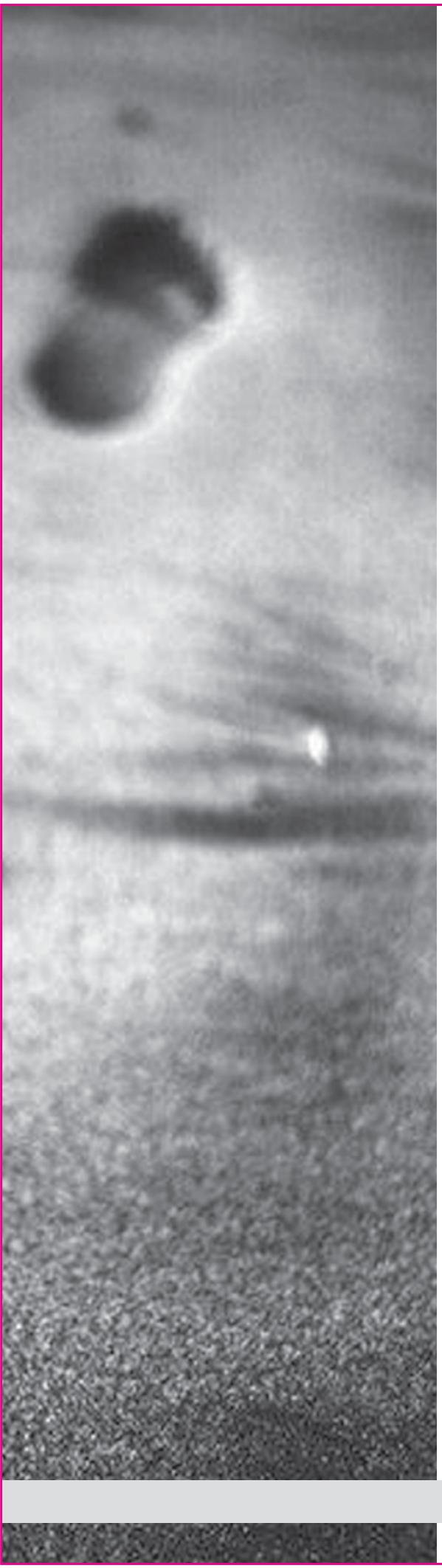
At Dadex, our aim is to continue to be an organization renowned for its principled approach in all spheres of work. Be it production of piping systems or roofing material or customer service - integrity is a force we believe in and reliability is the foundation of all that we do.

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



OUR VISION

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



OUR MISSION

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

Building Blocks of Dadex Values

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

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

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

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

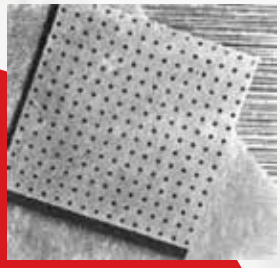
Solid Links to
Strong Principles.

Our Glorious Decades At A Glance

1959 1970 1980 1990

1959
Opening of Dadex fiber cement (FC) plant in Hyderabad

1959
Launched FC Decorative and Corrugated Sheets



A journey of a thousand miles begins with a single step

1962
Collaboration with Eternit group of Belgium

1964
Launched FC Building Pipes

1965
Plant opening in Chittagong, (EP).

(Plant lost in 1971 with the loss of East Pakistan)

1966
Plant opening in Karachi

1967
ACIL Logo creation

1981
ACIL sheets and pipes

1984
ACIL Cottage at an international exhibition

1987
1st Pakistan Standard License for FC Sheets received from PSI

1989
Mr. Sikander Dada was appointed Chief Executive and MD

1990
New name, New Logo

1991
Technical Collaboration with Wavin - Netherlands, for the production of thermoplastic pipe systems in Pakistan

1991
Launched uPVC Pressure Pipes

1993
Launched PE pipes for Water & Gas applications

1997
Launched Nikasi, uPVC SWV piping system

1998
ISO Certification

1999
Launched Polydex, PPR Hot & Cold water piping system

2000

2001
Dadex House [Shahrah-e-Faisal, Karachi]

2002
Launched PE Cable Duct & uPVC Electrical Conduits

2003
Dadex Values, Vision & Mission statements

2004
New name, New identity

DADEX

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.

2010

2005
Dadex certified as an Investor in People (IIP) company on meeting the best H.R. Practices and standards.

2005
Launched Aluminum Composite Panels (ACP)

2006
Launched Flowline, complete underground uPVC sewer pipe system

2006
Launched uPVC Tubewell Casing & Screen Pipes

2006
Dadex embraces SAP solutions

2007
Plant opening in Lahore

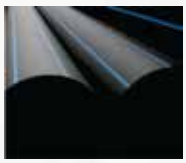
2008
Launched Speciality piping systems

2020

2015
Launched ECO, uPVC (SWV) piping system

2015
Launched Thermoline, PPR Hot & Cold water piping system

2016
Launched large dia PE pipes upto 630mm



2017
Launched Pakistan's 1st Antimicrobial Pipes

2018
Collaboration with Marley Plumbing and drainage, UK

MARLEY
Plumbing & Drainage Solutions

2018
Collaboration with AQUADEX, Italy

EFFAST

2021
Mr. Samad Dada was appointed Chief Executive Officer

2022
Mr. Sikander Dada was appointed Chief Executive Officer

PRODUCTS

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

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

Roofing

Chrysolite Cement
Corrugated Sheets

Water Supply

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

Hot & Cold Water Supply

Polydex, PPR Pipe System
Thermoline, PPR Pipe System

Waste Water Drainage

Nikasi, uPVC SWV Pipe system
ECO, uPVC SWV Pipe System
FlowLine, uPVC Underground Sewerage Pipe System

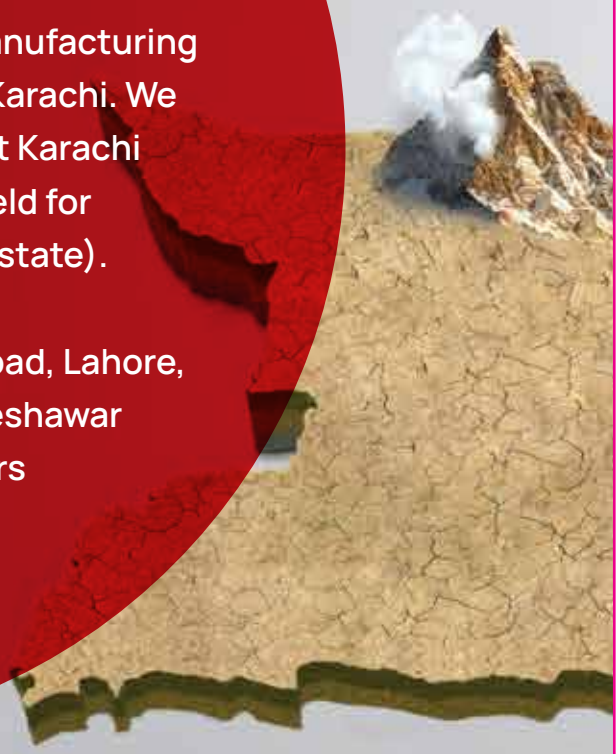
Conduit & Ducting

Electrical Conduits, uPVC Ducting Pipe System

GEOGRAPHIC PRESENCE

Dadex is the leading building products manufacturing company. Our head office is situated at Karachi. We have 3 manufacturing facilities each at Karachi (classified as non-current asset, held for sale),Hyderabad & Lahore (Sundar Estate).

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




Peshawar
Islamabad
Lahore
Faisalabad
Multan
Karachi
Hyderabad
Zonal Offices
Factories
Head Office

Company Information

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

Legal Advisor	Abrar Hasan & Co. 9 Mezzanine Floor, Beaumont Plaza, near PIDC House, Karachi.
Registered Office	Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi- 75400 Tel: (92-21) 111000789 Fax: (92-21) 34315716 Email: info@dadex.com.pk
Share Registrar	M/s. JWAFFS Registrar Services (Private) Limited 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi Phone: (92-21) 35662023-24 Fax: (92-21) 35221192 Email: jwaffs@live.com info@jwaffs.com
Website	www.dadex.com

Notice of 64TH Annual General Meeting

Notice is hereby given that the 64th Annual General Meeting of the Dadex Eternit Limited will be held on Thursday, October 26, 2023, at 11:30 a.m at Dadex House, 34-A/1, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, to transact the following:

Ordinary Business:

Agenda Items

1. To receive, consider and adopt the following documents for the year ended June 30, 2023:

   a) Audited Financial Statements and the Auditors' Report thereon; and

   b) The Report of the Board of Directors.

2. To appoint auditors of the Company for the year ending June 30, 2024, 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.

3. 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:

   1. Mr. Sikander Dada
   2. Mr. Abu Talib H.K. Dada
   3. Mr. Shahzad M. Husain
   4. Mr. Maqbool H.H. Rahimtoola
   5. Syed Shahid Ali Bukhari
   6. Mrs. Amber Ahmed Motiwala
   7. Mrs. Ayesha Tariq Allawala

   The retiring Directors are eligible for re-election.

Special Business:

Agenda Item

4. To consider, and if deem fit, to pass with or without any amendment/modification the following resolutions as special resolution, to obtain consent from the members for the transmission of annual audited account through QR enabled code and weblink, as allowed under S.R.O. 389 (I)/2023 issued by the Securities and Exchange Commission of Pakistan.

RESOLVED THAT, notice of meeting shall be dispatched to members as per requirements of the Act, on their registered address, containing the QR code and the weblink address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

RESOLVED THAT, the Company shall be considered compliant with the relevant requirements of section 223(6) of the Companies Act, 2017 by sending the Audited Financial Statements through e-mail and/or sending a notice of meeting containing a QR code and the weblink address. In case a hard copy of Audited Financial Statements and/or Notice of AGM of the Company is desired, a specific request for the same will be made.

FURTHER RESOLVED THAT the Company Secretary be and is hereby authorized to do all necessary acts, deeds and things in connection therewith and ancillary thereto as may be required or expedient to give effect to the spirit and intent of the above resolution.

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

By Order of the Board

(Muhammad Yousuf)
Company Secretary

Karachi: September 20, 2023,

NOTES:

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from **October 19, 2023, to October 26, 2023** (both days inclusive). Transfers received in order at the office of our Share Registrar, JWAFFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi by the close of business hours on **October 18, 2023**, will be treated in time for incorporating the change in the Register of Members.

2. The entitlement to attend, participate and vote at the 64th Annual General Meeting will be according to the Register of Members as on **October 18, 2023.**

3. The shareholders may send their comments & suggestions relating to the agenda items of the AGM at least two working days before the AGM, at the email address cs@dadex.com.pk. The financial statements of the Company for the year ended June 30, 2023, would have been placed on the website of the company (www.dadex.com.pk).

4. A member of the Company entitled to attend, and vote may appoint another member as his/her proxy to attend, speak and vote for him/her. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

5. The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity, certified true copy of the instrument authorizing the person to act as proxy shall be provided.

6. The Proxy Form, duly completed and signed, must be received at the Company Secretary Office, Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi at least 48 hours before the time of holding the meeting.

7. 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.

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

A. For Attending the Meeting:

i. In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.

ii. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of attending the meeting.

B. For Appointing Proxies:

i. In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.

ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii. Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

v. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy form to the Company.

C. 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. Consent to act as director on Form-28 under section 167 of the Companies Act, 2017 along with copy of attested 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 (applicable for person filing consent for the first time).

D. 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.

E. Categories for Election of Directors

In compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 Election of Directors will be held in the following three categories;

i. Female Director,
ii. Independent Directors
iii. Other Directors

Any member while submitting his/ her Notice of intention shall select any one of the above categories and clearly mention his / her intention for which category he / she seeks to contest the Election of Director.

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.

F. 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.

G. 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, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi. Corporate entities are requested to provide their National Tax Number (NTN) and Folio Number along with the authorized representative's CNIC copy.

H. 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, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/ participant/CDC account services.

I. 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, 2022, 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 2023, the same shall be provided free of cost within seven working days of receipt of such request.

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

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

J. 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, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government /SECP and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan (SECP).

K. Postal Ballot / E-voting

In accordance with the Companies (Postal Ballot) Regulations, 2018, and Section 143 and 144 of the Companies Act 2017, shareholders will be allowed to exercise their right of vote through postal ballot i.e., by post or e-voting, in the manner and subject to the conditions contained in the aforesaid regulations, which may amended time to time.

L. 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.

M. 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.

N. 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

Statement of Material Facts under section 134(3) of the Companies Act, 2017, pertaining to said Special business in respect of:

Agenda Item No. 04

Circulation of Annual Audited Financial Statements through QR enabled code and weblink:

The Securities and Exchange Commission of Pakistan ("SECP") through its Notification No. S.R.O 389(I)/2023 dated March 21, 2023, has allowed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and weblink.

The approval of the shareholders has to be obtained in the general meeting to circulate the annual audited financial statements to its members through the QR enabled code and weblink.

A shareholder may request the Company Secretary or Share Registrar of the Company to provide a hard copy of Annual Audited Accounts, and the same will be provided at shareholder's registered addresses, free of cost within one week of the demand. In this regard, the Company's designated email address / Share Registrar email address will be placed on website of the Company. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts.

In view of the above, it is proposed that the Special Resolution at Agenda 4 of the Notice of AGM be passed.

None of the Directors of the Company have any personal interest in the aforesaid Special Business except in their capacity as Shareholders or Directors of the Company.

The Chairman's Review

I am pleased to present the 64th Annual Report of your Company for the year ended June 30, 2023 together with the Auditors' Report.

Domestic Economy Overview

In the fiscal year 2023, the real GDP experienced a modest growth of 0.29%. However, the economy encountered significant challenges, including imbalances in key economic factors, disruptions in supply chains, and a global economic slowdown. These factors collectively slowed down the overall economic progress. Furthermore, extensive floods affected a considerable portion of agricultural land, causing disruptions in local supply networks. The rise in international prices, coupled with a decrease in the value of our currency, led to higher prices for goods within the country. As a result, the demand for goods decreased throughout the year.

More recently, unexpected floods have plunged Pakistan's economy into a serious crisis, impacting both its financial stability and the well-being of its people. This crisis adds to the existing difficulties posed by rising prices and pressures from external factors. The depreciation of our currency this year has made the cost of production increase notably. Importing necessary raw materials has strained our financial reserves. On top of these challenges, the cost of energy is on the rise, global financial conditions are becoming more stringent, there are political tensions, and some policy issues that could further exacerbate the existing economic imbalances.

Impact on the Company amidst Global Developments

Global trade remains under pressure due to geopolitical tensions, weakening global demand and tighter monetary and fiscal policies. The volume of global trade in goods and services is forecasted to grow by 2.3 percent in 2023, well below the pre-pandemic trend.

The Russian-Ukrainian war seriously aggravated the damage from the COVID-19 pandemic. The Company was hit by shortage of raw materials, dramatic increase in prices of imported raw materials, dramatic increase in shipping costs oil price increase, and energy costs.

Despite the existing challenges, the management is firmly committed to capitalizing on available opportunities and exerting every conceivable effort to steer the company out of this testing period. Our dedication to upholding exceptional quality standards and enhancing productivity remains unwavering. Additionally, we are strategically implementing cost reduction measures to bolster our competitive edge and further enhance our market presence.

Notably, the newly appointed management team has embarked on an initiative to delve into the realm of export markets for our products. This strategic move not only signifies a substantial boost for the company but also demonstrates our commitment to exploring diverse avenues for growth and sustainability. This endeavor aligns seamlessly with our overarching goal of achieving sustainable recovery and progress.

Acknowledgement to the Board

The board will complete its term in October 2023 and new Board will be elected in the 61th Annual general Meeting of the Company. I would like to record my appreciation to the outgoing Directors, who performed their duties and responsibilities effectively and contributed in guiding the Company's management team.

The Board's Performance

The Board of Directors of your organization is fully committed to upholding compliance with all relevant rules and regulations. A professional corporate atmosphere that fosters timely disclosures, accountability, and high ethical standards has been established by the Board through the formulation of policies and procedures. In a similar manner, the Audit Committee and the Human Resource and Remuneration Committee have effectively fulfilled their responsibilities in accordance with applicable laws.

Throughout the year, the Board convened for a total of six meetings, in line with the requirement of at least one meeting per quarter. These sessions were convened to review the Company's operational results. The contribution of the Board Committees significantly enhanced the overall functioning of the Board.

In adherence to the guidelines stipulated in the Code of Corporate Governance, an annual evaluation of the Company's Board of Directors was conducted. This evaluation aimed to ensure that the Company's performance and overall effectiveness remain aligned with the predetermined objectives.

Acknowledgement

I would like to express my gratitude to all stakeholders, including bankers, dealers, vendors, and shareholders. I also want to thank our customers for the trust they have placed in us, the Board of Directors for the direction they have provided, and the management team, which includes all employees, for the sincere efforts they have made and continuing to make to revive the company and the future promises to be much better.

Karachi: September 20, 2023

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, 2023.

Principal Activities & Business Performance of the Company

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

Business Environment

The global economy is currently struggling with the compounding impacts of multiple significant shocks. These include the persistent Russia-Ukraine conflict, the escalating consequences of climate change, and the enduring effects of the COVID-19 pandemic, tightening monetary policies, and growing policy challenges. Several economies are currently contending with historically high levels of inflation due to robust consumer demand, ongoing disruptions in supply chains, and surges in commodity prices.

The geopolitical landscape, challenging financial conditions, and elevated inflationary pressures collectively have substantial implications for global growth prospects. These same factors also pose notable economic risks for Pakistan's economy. Moreover, Pakistan has had to confront additional challenges such as devastating floods and political instability, worsening an already difficult situation. Consequently, the fiscal year 2023 has proven to be a testing period for Pakistan's economic landscape.

The overall cost of production is on the rise across all industries, with our own Company notably affected due to the continuous depreciation of the Pak Rupee against the US $ Dollar. In response to mounting current account deficits and dwindling foreign currency reserves, the government has found it necessary to implement a 100 percent import margin requirement prior to imports. For product like ours that heavily rely on imports, this policy places significant strain on the cash reserve management for the Company.

Operations

Overall production capacity at three manufacturing locations was severely affected during the year under review. During the year, investments were made in the Rs. 0.979 million for invertor of PE machine at SF. Decision was made to close the Karachi Factory and focus on Hyderabad and Sundar for the future.

Disposal of Company Assets

As per section 183(3)(a) of Companies Act 2017, the Company was required to convene an Extraordinary General Meeting (EOGM) for obtaining shareholders' approval, for disposal of its property located at 34-A/1, Block 6, PECHS, Shahrah-e-Faisal. Total area of Land and Building is 1,249.82 Sq., Yards. The Board of Directors had decided and recommended to the shareholders in its meeting held on April 26, 2023, for selling of Registered Office of the Company.

The Board recommended this owing to the promising market demand for the Company's products, while, the Company is in the process of restructuring its management, finance, and operations. Whereas, the proposed manner for selling of Registered Office were adopted through negotiations with the intended buyer. The proceeds were earmarked for restructuring the Company's financial obligations to help in reducing bank loans. Consequently, the financial cost will reduce which will improve the Company's performance and provides additional liquidity to the Company.

The Shareholders had approved the selling of the Registered Office of the Company, in its extra ordinary general meeting held on June 20, 2023.

Statement of Compliance

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

Internal controls and risk management

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

Risk and Mitigation

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

1) Commercial Risk

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

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

2) Financial Risk

The company can be exposed to financial risk through borrowing from financial institutions. To mitigate this risk, the Company will reduce the bank borrowing by selling the Karachi Factory & Registered Office of the Company's Land and Building.

3) Compliance Risk

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

Dividends and Appropriations

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

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

	(Rupees in '000')
- Accumulated Loss as of July 01, 2022	(Rs.361,295)
- Surplus on revaluation of fixed assets on account of incremental Depreciation charged on related assets	Rs. 10,095
- Loss after taxation for the year ended June 30, 2023	(Rs. 420,029)
- Accumulated loss as at June 30, 2023	(Rs. 771,229)

The break-up value per share as at June 30, 2023, is Rs. 80.11 (2022: Rs.74.44).

Board of Directors and its Committees

The Board of Directors met six times during the year ended June 30, 2023. The Board consists of a good mix of experienced and skilled members.

The Board Audit Committee met four times during the year ended June 30, 2023. The Board Committees greatly facilitated the overall working of the Board.

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

Attendance of Meetings during the Year

A number of meetings of the Board of Directors, and its Audit 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	6	6	4	4
Mr. Sikander Dada	Chief Executive Officer	6	6	-	-
Mr. Abu Talib H.K. Dada	Non-Executive Director	6	3	-	-
Mr. Maqbool H.H. Rahimtoola	Non- Executive Director	6	5	4	3
Syed Shahid Ali Bukhari	Independent Director	6	6	4	4
Mrs. Amber Ahmed Motiwala	Independent Director	6	6	4	4
Mrs. Tariq Ayesha Allawala	Independent Director	6	6	-	-

BOARD'S PERFORMANCE EVALUATION AND DIRECTORS' TRAINING PROGRAM

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

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

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

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

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

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

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

Health, Safety, Environment, and Quality

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

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

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

Sustainable environment and energy consumption

The Company is conscious of its responsibility and commitment to protect the environment and efficiently use resources. Pursuing our commitment, among other measures taken, we encourage recycling/rework, which accounts for significant raw material cost savings, along with environmental benefits. The Company also encourages its employees to conserve electricity by switching off lighting, computer systems, and electronics equipment when not in use and all electrical equipment is properly maintained to save energy.

Directors' Remuneration

The Board of Directors has approved the Directors' Remuneration. However, in terms of the Code of Corporate Governance, it is ensured that no Director takes part in deciding his remuneration. The Company shall not pay remuneration to its non-executive directors including independent directors. However, non-executive and independent directors are paid meeting fees for attending the Board of Directors and Board Committee Meetings. For information on the remuneration of Directors and CEO, please refer to note 44 of the Financial Statements.

Related Party Transactions

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

Information Communication Technology

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

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

Corporate Philanthropy and Community Welfare

The Company during the year has made a Rs. 0.214 contribution its CSR activities. (2022: Rs. nil).

Business Ethics and Anti-Corruption Measures

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

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

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

Contribution to the National Exchequer and the Economy of the Country

The Company has contributed over Rs. 348 million (2022: Rs. 429 million) towards the National Exchequer in the form of income tax, sales tax, duties, levies, and other taxes.

Human Resources

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

Employment of Special Persons

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

Compliance Statement

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

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

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

The Company incurred a net loss after tax for the year ended June 30, 2023, amounting to Rs. 420.029 million (2022: loss Rs. 142.938 million), and its accumulated losses as at June 30, 2023, amounting to Rs. 771.229 million (2022: Rs. 361.295 million). The Company's total current liabilities amounting to Rs. 2,101.451 million (2022: Rs. 2,102.405 million) exceeded the current assets by Rs. 1,271.806 million (2022: Rs. 931.101 million).

During the year, the Company vacated its charge registered with SECP of Bank of Punjab Ltd., on 22nd May 2023. To manage its current assets/liability position and availability of funds for operations, the Company is depending on successful negotiation renewal of credit facility with NBP, as disclosed in note 31.1 of these financial statements. Operations of one of the factories, as mentioned in note 1.3 have been closed down during last year because of a labor dispute.

The Company's financial statements for the year ended June 30, 2023, are being prepared on a going concern basis, as the Management has plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements.

The Company has already obtained approval of shareholders to dispose of the land and building of the Registered Office in its EOGM of the Company held on June 20, 2023. The objective was to ease financial obligations by reducing its bank loans and improve bottom line profitability which subsequently improves shareholders' value of the Company.

The Company carried out transactions with its related parties. Details of these transactions are disclosed in note 45 to financial statements.

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

Operating and Financial Data

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

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

The following is the value of investments, held by the Provident Fund based on the latest audited accounts as at June 30, 2023:

2023	2022
(Rupees in '000')	
175,248	147,294

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 64th 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, 2024, 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 its shareholding including shares held by directors and executives, if any, are annexed to the Annual Report.

Material Changes

There have been no material changes and commitments affecting the financial position since June 30, 2023, to the date of this report, which has an impact on the financial statements of the Company.

Future Prospects and Challenges

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

The Company maintains a cautious outlook for 2024, due to the persistence of external impediments, such as import limitations, restricted foreign exchange availability, pressure on the local currency, macroeconomic uncertainties that might impact consumer demand, and an upswing in taxation. Notwithstanding, these multifaceted challenges, the Company stands unwavering in its commitment to achieving profitable growth in the upcoming year. This determination is underpinned by leveraging robust brand equity and a highly dedicated workforce, reinforced by ongoing initiatives aimed at operational excellence.

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

Acknowledgements

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

Karachi: September 20, 2023

On behalf of the Board of Directors

Sikander Dada
Chief Executive Officer

Shahzad M. Husain
Director

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

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

اظہار تشکر

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

منجانب بورڈ آف ڈائریکٹرز

کراچی: 20 ستمبر، 2023

سکندر دادا
چیف ایگزیکٹو آفیسر

شہزاد ایم حسین
ڈائریکٹر

کمپنی نے متعلقہ پارٹیوں کے ساتھ لین دین کیا جن کی تفصیل مالی گوشواروں کے نوٹ 45 میں بیان کی گئی ہے۔

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

آپریٹنگ اور مالی اعداد شمار

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

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

ذیل میں پروویڈنٹ فنڈ کے ذریعے 30 جون، 2023 تک سرمایہ کاری مالیت ہے، جو تازہ ترین آڈٹ شدہ اکاؤنٹس پر مبنی ہے۔

2023	2022
(روپے 000 میں)	
175,248	147,294

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

ہولڈنگ کمپنی

میسرز سکندر (پرائیویٹ) لمیٹڈ ڈاڈیکس ایٹرنٹ لمیٹڈ کی 63.18 فیصد شیئر ہولڈنگ کی بدولت اس کی ہولڈنگ کمپنی ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز BDO ابراہم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 64 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی بناد پر انہوں نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کا تقاضا ہے، بورڈ آڈٹ کمیٹی نے 30 جون، 2024 کو ختم ہونے والے مالی سال کیلئے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوباری تقرری کی سفارش کی ہے اور بورڈ آڈٹ کمیٹی کی سفارش سے اتفاق کرتا ہے لہذا اس نے کمپنی کے شیئر ہولڈرز سے ان کی دوبارہ تقرری کی سفارش کی ہے۔

پیٹرن آف شیئر ہولڈنگ

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

مادی تبدیلیاں

مالی سال 30 جون، 2023 کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی ٹھوس تبدیلیاں اور معاہدے نہیں ہوئے ہیں۔

مستقبل کے امکانات اور چیلنجز

پاکستان کو بلند افراط زر، بلند خارجی خسارے، کرنسی کی بے قدری، غیر ملکی زرمبادلہ کے ذخائر میں کمی اور بڑھتی ہوئی غیر یقینی صورتحال کے باعث متعدد سنگین اور پیچیدہ چیلنجز کا سامنا ہے۔ روس یوکرین تنازعہ کی وجہ سے بین الاقوامی اجناس اور تیل کی قیمتوں میں اضافے کے اثرات کو دور کرنے کے اقدامات نے محصولات اور اخراجات پر نمایاں اثر ڈالا۔

تعمیل کا بیانیہ

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

- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے امور کار، اس کی سرگرمیوں کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے حساب کتاب کے کھاتے مناسب انداز میں برقرار رکھے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی گئی ہے اور شماریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- ان مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس)، جہاں تک وہ پاکستان میں قابل اطلاق ہیں پیروی کی گئی ہے اور ان سے کسی بھی انحراف کو مناسب انداز میں ظاہر اور واضح کیا گیا ہے۔
- بورڈ نے کوالیفائیڈ اور تجربہ کار ہیڈ آف انٹرنل آڈٹ مقرر کر کے جو کمپنی کی پالیسیوں اور طریقہ کار کو بخوبی سمجھتے ہیں، ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے۔ انٹرنل کنٹرولز کیسسٹم اور اس قسم کے دیگر پروسیجرز کا، جو بخوبی کر رہے ہیں، بورڈ کی آڈٹ کمیٹی کی طرف سے مسلسل جائزہ لیا جاتا ہے۔
- بورڈ کے پاس ڈائریکٹرز کیلئے باضابطہ معاوضہ کی پالیسی ہے۔ اہم خصوصیات میں یہ بھی شامل ہے کہ آزاد ڈائریکٹر سمیت ہر نان ایگزیکٹو ڈائریکٹر ذیلی کمیٹیوں کے اجلاس سمیت بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت کرنے کے معاوضے کے طور پر ایک مقررہ فیس کے مستحق ہیں۔ بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کیلئے ڈائریکٹرز کی فیس کے علاوہ بورڈ کا چیئرمین ماہانہ معاوضہ اور دیگر فوائد حاصل کرنے کا حق دار ہوگا جو بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

کمپنی کو 30 جون، 2023 کو ختم ہونے والے سال کیلئے بعد از ٹیکس خالص نقصان ہوا جس کی مالیت 420.029 ملین روپے ہے (2022: 142.938 ملین روپے کا نقصان) اور 30 جون، 2023 تک اس کے جمع شدہ نقصانات کی مالیت 771.229 ملین روپے تھی (2022: 361.295 ملین روپے)۔ کمپنی کے موجودہ واجبات مجموعی طور پر 2101.451 ملین روپے ہیں (2022: 2102.405 ملین روپے) جو موجودہ اثاثوں سے 1,271.806 ملین روپے سے زائد ہیں (2022: 931.101 ملین روپے)

سال کے دوران کمپنی کی 22 مئی، 2023 کو ایس ای سی پی کے ساتھ رجسٹرڈ بینک آف پنجاب لمیٹڈ کے چارج سے خلاصی ہوئی۔ کمپنی اپنے کرنٹ اثاثوں / واجبات کو سنبھالا دینے اور کمپنی کے آپریشنل معاملات کے لئے فنڈز کی فراہمی کیلئے کمپنی کا انحصار نیشنل بینک کے ساتھ کامیاب مذاکرات اور قرض کی سہولیات کی بحالی پر منحصر ہے جس کی تفصیل مالیاتی گوشواروں کے نوٹ نمبر 31.1 بیان کی گئی ہے۔ گزشتہ سال کے دوران لیبر تنازیہ کے باعث ایک فیکٹری کا آپریشنز بند کر دیا گیا جس کی تفصیل نوٹ 1.3 میں درج ہے۔

30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کو خدشات کی بنیاد پر تیار کیا جا رہا ہے، کیونکہ انتظامیہ نے مارکیٹنگ کی نئی حکمت عملیوں کو متعارف کراتے ہوئے اور آپریشنل اخراجات کو کم کر کے منافع میں اضافہ کرنے کا منصوبہ بنایا ہے جس سے منافع میں بہتری آئے گی اور ورکنگ کیپیٹل کی ضروریات پوری ہوں گی۔

کمپنی نے 20 مئی 2023 کو ہونے والے غیر معمولی اجلاس عام میں کمپنی کے رجسٹرڈ آفس کی زمین اور عمارت کو فروخت کرنے کیلئے حصص یافتگان کی منظوری پہلے ہی حاصل کر لی ہے۔ اس کا مقصد نچلے درجے کے منافع کو بہتر بنانا جو بعد میں کمپنی کے شیئر ہولڈرز کی قدر کو بہتر بناتا ہے۔ اس کا مقصد بینک کے قرضوں کو کم کر کے مالیاتی ذمہ داریوں کو کم کرنا اور باٹم لائن منافع کو بہتر بنانا تھا جو بعد میں کمپنی کے حصص یافتگان کی قدر کو بہتر بناتا ہے۔

انفارمیشن کمیونیکیشن ٹیکنالوجی

آئی سی ٹی کی مسلسل بڑھتی ہوئی ضروریات کو پورا کرنے کے لیے خود کو انفارمیشن اور کمیونیکیشن ٹیکنالوجیز کے متحرک دور کے مطابق ڈھالنے کیلئے ڈاڈیکس کا آئی سی ٹی کا شعبہ اپنے تمام موجودہ سافٹ ویئرز /ہارڈ ویئر کو اپ ڈیٹ کرے گا۔ کمپنی مارکیٹ میں زبردست مقابلے میں سبقت کو برقرار رکھنے کیلئے انفارمیشن اور کمیونیکیشن ٹیکنالوجیز کو بطور آلا استعمال کرتی ہے تاکہ کاروبار حل میں بہتری اور داخلی اور خارجہ اسٹیک ہولڈرز کے مابین مسلسل رابطے فراہم کیا جاسکیں۔

آئی سی ٹی ڈیپارٹمنٹ اپنے صارفین کو جدید ترین اور مسلسل آئی ٹی اور ایس اے پی سپورٹ سروسز کرنے کیلئے پرعزم ہے۔ کمپنی بہتر کنٹرولز اور موجودہ SAP پراسسز تیار کرنے کے لیے کام کررہی ہے، کاروباری اہداف حاصل کرنے کے لیے ایپلی کیشنز/ سافٹ ویئر/ ہارڈ ویئر/ ڈیٹا کمیونیکیشن کو اپ ڈیٹ کررہی ہے۔

کاروباری مخیّر سرگرمیاں اور کمیونٹی کی فلاح و بہبود

کمپنی نے سال کے دوران اپنے سی ایس آر سرگرمیوں کیلئے 0.214 ملین روپے خرچ کئے (2022:صفر)

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

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

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

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

قومی خزانے اور ملکی معیشت میں حصہ

کمپنی نے انکم ٹیکس، سیلز ٹیکس، ڈیوٹیز، محصولات اور دیگر ٹیکسوں کی مد میں قومی خزانے میں 348 ملین روپے سے زائد جمع کرائے (2022:429 ملین روپے)۔

انسانی وسائل

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

خصوصی افراد کی ملازمت

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

صحت، حفاظت، ماحول اور کوالٹی

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

کمپنی صحت، حفاظت اور ماحول (ایچ ایس ای) کو بہت زیادہ ترجیح دیتی ہے۔ ایچ ایس ای پروگرام کو لاہور (سندر) اور حیدرآباد فیکٹریوں میں مزید مربوط بنایا گیا ہے۔ ڈاڈیکس نے OHSAS 18001 سے تازہ ترین ISO 45001:2018 میں کامیابی کے ساتھ کوالیفائی کیا ہے۔ ڈاڈیکس نے ISO 9001:2008 سے تازہ ترین ISO 9001:2015 میں کامیابی کے ساتھ کوالیفائی کیا ہے۔

ہم نے یہ سرٹیفکیشنز تصدیق کنندہ ایجنسیوں اور نگران آڈٹس کی طرف سے سخت آڈٹ کے بعد حاصل کی ہیں جن پر سسٹم کو تمام مینوفیکچرنگ سائٹس میں موثر طریقے سے نافذ کرنے کیلئے عمل درآمد کیا جا رہا ہے۔

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

پائیدار ماحول اور توانائی کا استعمال

کمپنی ماحول کی حفاظت اور وسائل کو موثر انداز سے استعمال کرنے کیلئے اپنی ذمہ داری اور عزم سے آگاہ ہے۔ ہم اپنے عزم پر عمل پیرا ہوتے ہوئے باقی اقدامات کے علاوہ ری سائیکلنگ / ری ورکنگ کی حوصلہ افزائی کرتے ہیں۔ جو ماحولیاتی فوائد کے ساتھ اہم خام مال کی لاگت میں بچت کا بھی ذریعہ بنتا ہے۔
کمپنی اپنے ملازمین کو ترغیب دیتی ہے کہ استعمال میں نہ ہونے والی بتیاں، کمپیوٹر سسٹم، برقی آلات کو بند رکھ کر بجلی بچائیں اور توانائی کی بچت کیلئے تمام برقی آلات کو ٹھیک حالت میں رکھا جائے۔

ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضہ کی منظوری دی ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے تناظر میں اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹرز اپنے معاوضہ کے فیصلہ میں شریک نہیں ہوگا۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کو معاوضہ ادا نہیں کرے گی۔ تاہم نان ایگزیکٹو اور آزاد ڈائریکٹرز کو بورڈ آف ڈائریکٹرز اور بورڈ کمیٹی کے اجلاسوں میں شرکت کی فیس ادا کی جاتی ہے۔ ڈائریکٹرز اور سی ای او کے مشاہیر کی معلومات کیلئے مالی گوشواروں کا نوٹ 44 ملاحظہ فرمائیں۔

متعلقہ پارٹی کے ساتھ لین دین

کمپنی نے متعلقہ پارٹیوں کے ساتھ تمام لین دین معمول کی قیمت پر انجام دیا سوائے اس کے جن کا اظہار مالی گوشواروں میں کیا گیا۔ متعلقہ پارٹیوں کے ساتھ تمام لین دین آڈٹ کمیٹی کے سامنے پیش کیا گیا اور کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے اس کی منظوری دی۔

ڈائریکٹر کا نام	حیثیت	بورڈ آف ڈائریکٹرز کا اجلاس		بورڈ آڈٹ کمیٹی کا اجلاس	
		منعقدہ	شرکت	منعقدہ	شرکت
شہزاد ایم حسین	نان ایگزیکٹو ڈائریکٹر	6	6	4	4
سکندر دادا	چیف ایگزیکٹو آفیسر	6	6	-	-
ابوطالب ایچ کے دادا	نان ایگزیکٹو ڈائریکٹر	6	3	-	-
مقبول ایچ ایچ رحیم تولہ	نان ایگزیکٹو ڈائریکٹر	6	5	4	3
سید شاہد علی بخاری	آزاد ڈائریکٹر	6	6	4	4
مسز امبر احمد موتی والا	آزاد ڈائریکٹر	6	6	4	4
مسز طارق عائشہ اللہ والا	آزاد ڈائریکٹر	6	6	-	-

بورڈ کی کارکردگی کا تجزیہ اور ڈائریکٹرز کا ٹریننگ پروگرام

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

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

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

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

کمپنی نے سکندر دادا، ابوطالب ایچ کے دادا، مقبول ایچ ایچ رحمت اللہ اور شہزاد ایم حسین کے لئے سی سی جی کی ریگولیشن 19 کی پیروی میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے پہلے ہی استثنیٰ کیلئے منظوری حاصل کر رکھی ہے۔ سید شاہد علی بخاری ایک سرٹیفائیڈ ڈائریکٹر ہیں۔ باقی ڈائریکٹرز لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے تحت دیے گئے وقت میں، اگر درکار ہے، ڈائریکٹر کی ٹریننگ میں شرکت کا ارادہ رکھتے ہیں۔

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

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

(2) مالی خطرہ

کمپنی مالیاتی اداروں سے قرضوں کے حصول کے ذریعے مالی خطرے کا شکار ہوسکتی ہے اس لئے اس خطرے کو کم کرنے کیلئے کراچی فیکٹری اور کمپنی رجسٹرڈ آفس کو فروخت کرکے بینکوں کے قرضوں کے حصول کو کم کرے گی۔

(3) ضوابط کی تعمیل سے متعلق خطرات

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

ڈیویڈنڈ اور مختص کردہ رقوم

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

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

	(روپے '000 میں)
بمطابق یکم جولائی، 2022 مجموعی خسارہ	(361,295) روپے
متعلقہ اثاثہ جات پر چارج کئے گئے تدریجی فرسودگی کی مد میں فکسڈ اثاثوں کی از سر نو تعین شدہ مالیت میں اضافہ	10,095 روپے
30 جون 2023 کو ختم ہونے والے سال کے بعد از ٹیکس خسارہ	(420,029) روپے
30 جون، 2023 کو جمع شدہ خسارہ	(771,229) روپے

بمطابق 30 جون، 2023 فی حصص بریک اپ ویلیو 80.11 روپے ہے (30 جون، 2022 فی حصص بریک اپ ویلیو 74.44 روپے)

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

30 جون، 2023 کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ بورڈ تجربہ کار اور ماہر اراکین پر مشتمل ہے۔

30 جون، 2023 کو ختم ہونے والے سال کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔

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

سال کے دوران اجلاسوں کی حاضری

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

کمپنی کے اثاثوں کی فروخت

کمپنیز ایکٹ 2017 کے سیکشن 183(3)(a) کے مطابق کمپنی کیلئے 32-A/1، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی میں واقع اپنی اراضی فروخت کرنے کی غرض سے حصص یافتگان کی منظوری حاصل کرنے کیلئے غیر معمولی اجلاس عام (ای او جی ایم) بلانا ضروری ہے۔ اراضی کا کل رقبہ 1,249.82 اسکوائر فٹ ہے۔ بورڈ آف ڈائریکٹرز نے 26 اپریل، 2023 کو منعقدہ اجلاس میں کمپنی کے رجسٹرڈ آفس کو فروخت کرنے کا فیصلہ اور اس حوالے سے حصص یافتگان کو سفارش کی۔ بورڈ نے کمپنی کی مصنوعات کی امید افزاء مارکیٹ طلب کے باعث اس کی سفارش کی، کمپنی اپنی انتظامیہ، فنانس اور آپریشن کی از سر تشکیل کے مرحلہ میں ہے جبکہ رجسٹرڈ آفس فروخت کا مجوزہ طریقہ دلچسپی رکھنے والے خریدار سے گفت وشنید کے ذریعے اختیار کیا گیا۔ یہ رقم بینک کے قرضوں کو کم کرنے میں مدد کے لیے کمپنی کی مالی ذمہ داریوں کی تنظیم نو کے لیے مختص کی گئی تھی۔ نتیجتاً، مالیاتی لاگت کم ہو جائے گی جس سے کمپنی کی کارکردگی بہتر ہوگی اور کمپنی کو اضافی لیکویڈیٹی ملے گی۔

حصص یافتگان نے 20 جون، 2023 کو منعقدہ غیر معمولی اجلاس میں کمپنی کے رجسٹرڈ آفس کو فروخت کرنے کی منظوری دی۔

تعمیل کا اعلامیہ

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

انٹرنل کنٹرولز اور رسک مینجمنٹ

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

کمپنی کو درپیش خطرات اور کمی کے اقدامات

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

(1) تجارتی خطرہ

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

کمپنی کو خام مال کی قیمتوں میں اضافہ کے خطرے کا بھی سامنا ہے۔ اس خطرے کو کم کرنے کیلئے کمپنی قیمتوں کے رجحان کی مانٹرنگ کر رہی ہے اور خریداری کے حوالے سے تذویراتی فیصلے لے رہی ہے تاکہ ریزن (Resins) اور دیگر خام مال کی بڑھتی ہوئی قیمتوں کے اثر کو کم کیا جا سکے۔

ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کیلئے 30 جون، 2023 کو ختم ہونے والے سال کیلئے رپورٹ مع پڑتال شدہ مالی گوشوارے پیش کرنا باعث مسرت ہے۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

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

کاروباری ماحول

عالمی معیشت اس وقت عالمی سطح پر جاری مختلف تنازعات کے باعث پیدا ہونے والے جامع اثرات سے نمٹنے کیلئے کوشاں ہے جن میں روس اور یوکرین کے مابین جنگ، موسمیاتی تبدیلی کے بڑھتے ہوئے نقصانات، کووڈ 19 کے مستقل اثرات، سخت زری پالیسیاں اور پالیسیوں میں تبدیلیاں شامل ہیں۔ اس وقت متعدد معیشتیں صارف کی بڑھتی ہوئی طلب، سپلائی چینز میں جاری خلل اور اجناس کی قیمتوں میں اضافہ کی بدولت افراط زر کی تاریخ کی بلند ترین سطح کا مقابلہ کر رہی ہیں۔

سیاسی جغرافیائی منظر نامہ، مشکل مالی حالات اور افراط زر کے دباؤ سے عالمی ترقی کے امکانات پر نمایاں اثرات مرتب کئے ہیں۔ انہی عوامل نے پاکستان کی معیشت کیلئے نمایاں خطرات پیدا کئے ہیں تاہم پاکستان کو اضافی چیلنجوں تباہ کن سیلاب اور سیاسی عدم استحکام کا بھی سامنا کرنا پڑا جس نے پہلے مشکل صورتحال کو اور مشکل بنا دیا۔ نتیجتاً مالی سال 2023 پاکستان کی معیشت کیلئے ایک آزمائشی مدت ثابت ہوا۔

پوری صنعت میں پیداوار کی مجموعی لاگت بہت زیادہ رہی یہاں تک ہماری کمپنی امریکی ڈالر کے مقابلے میں پاکستان روپے کی مسلسل بے قدری سے متاثر ہوئی۔ بڑھتے ہوئے موجودہ کرنٹ اکاؤنٹ خسارے اور غیر ملکی زرمبادلہ کے معدوم ہوتے ذخائر سے نمٹنے کیلئے حکومت نے 100 فیصد درآمدی مارجن نافذ کرنا ضروری سمجھا جو درآمدات سے قبل درکار ہوتا ہے۔ ہماری طرح کی مصنوعات جن کا زیادہ تر انحصار درآمدات پر ہوتا ہے، مذکورہ پالیسی نے کمپنی کے کیش ریزرو مینجمنٹ پر دباؤ ڈالا۔

آپریشنز

زیر جائزہ سال کے دوران تین فیکٹریوں میں مجموعی پیداواری صلاحیت بری طرح متاثر ہوئی۔ سال کے دوران سندر فیکٹری پر پی ای مشین کے انورٹر کیلئے 0.979 ملین روپے کی سرمایہ کاری کی گئی۔ کراچی فیکٹری کو بند کر کے حیدرآباد اور سندر کی فیکٹریوں پر مستقبل میں توجہ مرکوز کرنے کا فیصلہ کیا گیا۔

Key Operating and Financial Data

	2023	2022	2021	2020	2019	2018
	----------(Rupees in 000') ----------					
Summary of Profit or Loss						
Sales - gross	**1,672,603**	2,011,487	2,880,728	2,806,696	3,339,398	3,456,206
Sales tax	**-259,154**	-314,640	-436,189	-432,586	-525,878	-534,491
Sales - net	**1,413,449**	1,696,847	2,444,539	2,374,110	2,813,520	2,921,715
Cost of Goods Sold	**-1,271,588**	-1,449,027	-2,133,655	-2,139,045	-2,492,215	-2,462,941
Gross Profit	**141,861**	247,820	310,873	235,065	321,305	458,774
Operating (Loss)/Profit	**-196,233**	-21,208	152,008	-158,738	-16,821	180,116
Finance Cost	**-169,578**	-135,973	-155,763	-213,533	-178,715	-121,530
Share of profit / (loss) on investment in an associate	**-**	-	-	-	-	-
Profit / (loss) before tax	**-365,811**	-157,181	-3,755	-372,271	-195,536	58586
Profit / (loss) after tax	**-420,029**	-142,938	-39,009	-361,519	-195,528	5,283
Financial Popsition						
Share Capital	**107,640**	107,640	107,640	107,640	107,640	107,640
Reserves	**-771,229**	-361,295	-393,089	-378,866	-42,131	131,205
Surplus on revaluation of Fixed Assets	**1,525,882**	1,054,892	1,169,490	1,194,276	1,041,382	1,039,885
Total Non- Current Liabilities	**6,772**	2,915	56,913	141,932	75,006	64,724
Total Current Liabilities	**2,101,451**	2,102,405	2,178,362	2,341,817	2,194,357	1,987,066
Total Non- Current Assets	**644,709**	1,011,958	1,721,641	1,799,906	1,964,533	1,876,896
Total Current Assets	**829,645**	1,171,394	1,038,875	1,606,893	1,411,721	1,453,623
Key Ratios						
Gross profit margin ratio	**10.04%**	14.60%	12.72%	990%	11.42%	15.70%
Operating profit margin (EBIT)	**-13.88%**	-1.25%	6.22%	-6.69%	-0.60%	6.16%
Pre Tax Profit Margin	**-25.88%**	-9.26%	-0.15%	-15.68%	-6.96%	2.01%
Net profit margin ratio	**-29.72%**	-8.42%	-1.60%	-15.23%	-6.96%	0.18%
Return on Equity Gross	**-48.71%**	-17.84%	-4.41%	-39.17%	-6.95%	5.41%
Current Ratio	**0.40**	0.56	0.48	0.69	0.64	0.73
Quick Ratio	**0.28**	0.35	0.45	0.56	0.48	0.46
Receivables collection period	**23**	27	23	35	30	20
Inventory turn-over Days	**84**	105	89	105	108	113
Payables payment period	**176**	155	113	96	100	86
Debt equity ratio	**-0.01**	-0.01	-0.2	-0.52	1.14	0.27
Interest coverage ratio	**-1.16**	-0.16	0.98	-0.74	-0.09	1.5
Earning per share - in Rupees	**-39.02**	-13.28	-3.62	-33.59	-18.16	0.49
Share Price - in Rupees	**80.11**	74.44	43.8	29.3	29.3	44.7
P/E Ratio	**-0.92**	-5.81	-12.1	-0.9	-1.6	91

BDO

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DADEX ETERNIT LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of DADEX ETERNIT LIMITED for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

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

S. No.	Paragraph Reference	Description
(i)	31(7) & (8)	All Companies shall ensure that internal audit reports are provided for the review of external auditors. The auditors shall discuss any major findings in relation to the reports with the audit committee, which shall report matters of significance to the Board. However, the internal audit reports have not been shared with external auditors.
(ii)	24	The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company. However, it has been noted that contrary to the regulation of the Code of Corporate Governance, the current Company CFO, has been appointed as the Company Secretary, during the year, effective from June 21, 2023, for an interim duration.

KARACHI
DATED: 20 September, 2023

UDIN: CR2023100675jgxYv81o

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants
BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

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

1. The total number of directors are 07 as per the following:-
   a. Male: 05
   b. Female: 02

2. The composition of the Board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed Companies, including this Company;

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. Four out of Seven Directors have confirmed that they possess requisite educational and directorship experience on the board of listed companies and hence are exempted from the requirement of attending Directors' Training Program. One Director has already attended Directors' Training Program. Remaining two directors will attend Directors' Training in coming fiscal year.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a) Audit Committee

Chairman:	Mr. Syed Shahid Ali Bukhari
Members:	Mr. Shehzad M. Husain
	Mr. Maqbool H.H. Rahimtoola
	Mrs. Amber Ahmed Motiwala

b) HR and Remuneration Committee

Chairperson:	Mrs. Ayesha Tariq Allawala
Members:	Mr. Maqbool H.H. Rahimtoola
	Mr. Abu Talib H.K. Dada

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committee were as per following:-

a) Audit Committee	Four meetings (Quarterly)
b) HR and Remuneration Committee	One meeting

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No.	Requirement	Explanation	Reg. No.
(i)	All Companies shall ensure that internal audit reports are provided for the review of external auditors. The auditors shall discuss any major findings in relation to the reports with the Audit Committee, which shall report matters of significance to the Board. However, the internal audit reports have not been shared with external auditors.	The Company is reorganizing its Management and improving its internal audit function. Due to constraints of financial and human resource, an internal audit reporting deficiency has been identified and will be remedied during the current fiscal year.	31(7), 31(8)
(ii)	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 has initiated the hiring process and is in due course of interviewing shortlisted candidates for the post of Company Secretary.	24

KARACHI: SEPTEMBER 20, 2023

SHAHZAD M. HUSAIN
CHAIRMAN

BDO

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, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 cash flows and the statement of changes in equity 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, 2023 and of the loss and its other comprehensive loss, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

The Company incurred net loss after tax for the year ended June 30, 2023 amounting to Rs. 420.029 million and its accumulated losses as at June 30, 2023 amounted to Rs. 771.229 million. The Company's current liabilities aggregating to Rs. 2,101.451 million exceeded the current assets by Rs. 1271.806 million. Moreover, during the previous year, the Company received demand notice from National Bank of Pakistan (NBP) for repayment / settlement of their liabilities / credit facility. To manage its liquidity position and availability of funds for operations, the Company is depending on successful negotiation/renewal/repayment of credit facility with NBP besides, the firm commitment by directors for any required financial support. Hence, these conditions as set forth in note 1.3 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter paragraph

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

BDO

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	**Provision for obsolescence in stock-in-trade**	
	As disclosed in note 13 and 14 to the financial statements, the Company has net inventories of Rs. 43.930 million and Rs. 198.998 million as at June 30, 2023 for stores, spares and loose tools and stock in trade, respectively. The total inventories represented significant portion of the Company's total assets. The Company estimates the provision for slow moving and obsolete inventory of stock in trade based on the inventory ageing and sales performance of individual stock categories and make specific provisions by individual stock categories. The Company also writes down the value of such inventories based on the net realizable value of inventories. Further, the provision for all slow moving and obsolete inventories of stores, spares and loose tools are based on the inventory days and specific identification of inventories through verification by management. We focused on this area as the estimation for provisioning involve a high level of management judgement which could result in measurement uncertainty and possibility for management bias.	We performed the following audit procedures: • We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories. • We compared the ageing and provisioning percentages used by management in the current year to those applied in prior years and checked the reasonableness of provisioning basis using our understanding of industry practices. • We reviewed the year to year movement in provision for each category of inventory considering subsequent write offs, reversals on re-use and disposals. We also compared the cost of inventories as at June 30, 2023 to their net realisable value subsequent to year end. • We performed a recalculation of the inventory provision made to an individual inventory category based on the system generated inventory ageing report. Further, we checked for damaged and obsolete inventory that were physically identifiable during stock count observation.
2.	**Valuation of trade debts**	
	As disclosed in note 15 to the financial statements of the Company for the year ended June 30, 2023, the Company has a trade debt balance amounting to Rs. 60.626 million, which represents a significant element of Statement of financial position.	Our procedures included the following: • We tested the design and effectiveness of internal controls implemented by the Company through the trade receivables cycle.

S. No	Key audit matters	How the matter was addressed in our audit
	A discrepancy in the valuation or existence of trade debt could cause the assets to be materially misstated, which would impact the Company's reported financial position as the valuation of aforesaid head is one of the main driver of movements in the assets of the Company. Management considers certain specific factors including the age of the balance, recent payment patterns, historical defaults and forward-looking information on macro-economic factors and other available information with respect to credit worthiness and reliability of the counterparties. Management uses this information to determine whether a provision for impairment is a required at a specific or overall balance level. In view of the significance of trade debts in relation to the total assets of the Company, we considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the allowance for expected credit losses and that the existence and carrying amount of trade receivables could be material to the financial position of the company.	• We examined on a sample basis, evidence related to post year-end cash receipts and performed invoice testing for post year-end non cash receipt samples. • We circulated confirmations to the sample of debtors along with the outstanding balance at the year-end. • We obtained an understanding of the requirements of IFRS 9 included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. • We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates. • We evaluated the relevance, completeness, and accuracy of the source data used for computation of ECL. • We checked the mathematical accuracy of the ECL model by performing recalculation on test basis. The adequacy of the disclosures presented in the financial statements regarding allowance for ECL was also assessed, based on the applicable accounting standards and requirements of Companies Act, 2017.
3.	**Borrowings and financing facilities**	
	As disclosed in note 31 to the accompanying financial statements for the year ended June 30, 2023, the Company has short term borrowings amounting to 711.034 million, which represents a significant element of the statement of financial position. We focused on this area as the Company is heavily relying on borrowings and related facilities to finance its operations and managing working capital.	We have performed the following procedures: • Discussed with management and obtained an understanding of requirements of borrowings and financing facilities. • Reviewed correspondence with the bankers discussed with management on

S. No	Key audit matters	How the matter was addressed in our audit
	At the reporting date, the Company has adverse net current liability position and having difficulty in managing its credit facilities and prone to a higher risk premium. The Company has a finite cash resource to fund operational activities and access to short term borrowings and their renewal is challenging due to a significant gap in working capital requirements and operational cash flows to maintain sufficient liquidity.	continuity of currently available credit facilities; • Reviewed the terms associated with the financing agreements and the amount of the facilities available for drawdown; • Reviewed management's assessment of the cash flow requirements of the Company over the next 12 months, based on budgets and forecasts; • Reviewed minutes of the Board of Directors to note discussion made by management on funding the operations and managing credit facilities; and • Obtained representations from the Sponsors for assurance to finance the business and to fill the gap in working capital requirements.
4.	**Control environment relating to the financial reporting process and related IT systems**	
	The IT control environment relating to the financial reporting process and the application controls of individual IT systems have an impact on the selected audit approach. As the financial statements are based on extensive number of data flows from multiple IT systems, consequently the financial reporting control environment is determined as a key audit matter.	Our audit procedures included evaluation of the financial reporting process and related control environment, as well as testing of the effectiveness of controls including general IT controls. Our audit procedures focused on testing the reconciliation and approval controls as well as on evaluating the administration of access rights. Our audit procedures extensively consisted of several substantive procedures as well as data analysis relating to the most significant balances on the statement of profit or loss account and statement of financial position.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KARACHI

DATED: 20 September, 2023

UDIN: AR2023100670xwfPAMzD

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

FINANCIAL STATEMENTS

Statement of Financial Position

As at June 30, 2023

ASSETS	Note	2023	2022
		------ Rupees in thousand -----	
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	451,480	760,674
Capital work in progress	7	13,525	1,932
		465,005	762,606
Intangible assets	8	40	117
Investment property	9	-	29,186
Long-term loans	10	701	915
Long-term deposits	11	16,459	20,081
Deferred tax asset	12	162,504	199,053
		644,709	1,011,958
CURRENT ASSETS			
Stores, spares and loose tools	13	43,930	42,966
Stock-in-trade	14	198,998	386,121
Trade debts	15	60,626	113,407
Loans and advances	16	88,340	97,232
Trade deposits and short term prepayments	17	111,480	58,620
Other receivables	18	14,312	198,452
Income tax refund due from Government		218,405	129,838
Taxation - net	19	37,354	84,308
Cash and bank balances	20	56,200	60,450
		829,645	1,171,394
Non-current assets held for sale	21	1,496,162	723,205
TOTAL ASSETS		2,970,516	2,906,557
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2022: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (2022: 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	22	107,640	107,640
Reserves	23	(771,229)	(361,295)
Surplus on revaluation of property, plant and equipment	24	1,525,882	1,054,892
		862,293	801,237
NON-CURRENT LIABILITIES			
Long term financing	25	-	-
Lease liabilities	26	6,772	2,915
Deferred income	28	-	-
GIDC Payable	29	-	-
		6,772	2,915
CURRENT LIABILITIES			
Trade and other payables	30	1,308,029	1,072,486
Short-term borrowings	31	711,034	925,567
Accrued markup	32	39,643	26,375
Current portion of deferred income	28	-	421
Current portion of long-term financing	24	-	22,965
Current portion of lease liabilities	26	1,057	12,899
Loan from directors	27	25,000	25,000
Dividend payable		16,688	16,692
		2,101,451	2,102,405
TOTAL EQUITY AND LIABILITIES		2,970,516	2,906,557
CONTINGENCIES AND COMMITMENTS	33		

The annexed notes from 1 to 53 form an integral part of these financial statements.

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Profit or Loss

For the Year Ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousand -----	
Sales - gross		**1,672,603**	2,011,487
Sales tax		**(259,154)**	(314,640)
Sales - net	34	**1,413,449**	1,696,847
Cost of sales	35	**(1,271,588)**	(1,449,027)
Gross profit		**141,861**	247,820
Distribution costs	36	**(119,848)**	(103,294)
Administrative expenses	37	**(169,197)**	(131,924)
Other expenses	38	**(154,211)**	(114,417)
Other income	39	**105,162**	80,607
Operating loss		**(196,233)**	(21,208)
Finance cost	40	**(169,578)**	(135,973)
Loss before taxation		**(365,811)**	(157,181)
Taxation			
Prior		**-**	-
Current	41	**(17,668)**	(21,213)
Deferred		**(36,550)**	35,456
		(54,218)	14,243
Net loss for the year		**(420,029)**	(142,938)
Loss per share - basic and diluted (Rupees)	42	**(39.02)**	(13.28)

The annexed notes from 1 to 53 form an integral part of these financial statements.

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Comprehensive Income

For the Year Ended June 30, 2023

	2023	2022
	------ Rupees in thousand -----	
Net loss for the year	**(420,029)**	(142,938)
Other comprehensive income		
Items that will not be reclassified subsequently to statement of profit or loss:		
Revaluation of property, plant and equipment	**481,085**	60,134
Total comprehensive income / (loss) for the year	**61,056**	(82,804)

The annexed notes from 1 to 53 form an integral part of these financial statements.

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Cash Flows

For the Year Ended June 30, 2023

	Note	2023	2022
		------ Rupees in thousand -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	43	**457,673**	3,141
Finance cost paid		**(156,310)**	(163,050)
Taxes paid		**(59,281)**	(56,514)
Net cash generated from / (used in) operating activities		**242,082**	(216,423)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		**(17,995)**	579
Proceeds from sale of property, plant and equipment		**16,817**	345
Proceeds from disposal of non-current assets held for disposal		**-**	340,000
Long term security deposits		**3,622**	2,930
Interest received		**5,179**	44
Net cash flows from investing activities		**7,623**	343,898
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		**(16,453)**	(22,607)
Repayment of long term loans		**(22,965)**	(22,277)
Short term borrowings	31	**(164,533)**	113,004
Loan form Directors		**-**	25,000
Dividend (paid) / reversed		**(4)**	(75)
Net cash (used in) / flows from financing activities		**(203,955)**	93,045
Net increase in cash and cash equivalents		**45,750**	220,520
Cash and cash equivalents at the beginning of the year		**(439,310)**	(659,830)
Cash and cash equivalents at the end of the year		**(393,560)**	(439,310)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	**56,200**	60,450
Running finance	31	**(449,760)**	(499,760)
		(393,560)	(439,310)

The annexed notes from 1 to 53 form an integral part of these financial statements.

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Changes in Equity

For the Year Ended June 30, 2023

	Issued, subscribed and paid-up capital	Reserves		Total	Capital reserve	Grand total
		Capital reserve				
		Share premium	Accumulated losses		Revaluation surplus	
	---------- Rupees in thousand ----------					
Balance as at July 1, 2021	107,640	5,655	(398,744)	(393,089)	1,169,490	884,041
Total comprehensive income						
Loss for the year	-	-	(142,938)	(142,938)	-	(142,938)
Other comprehensive income	-	-	-	-	60,134	60,134
	-	-	(142,938)	(142,938)	60,134	(82,804)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	24,786	24,786	(24,786)	-
Reversal of surplus on revaluation of fixed assets due to disposal of non current asset held for sale	-	-	149,946	149,946	(149,946)	-
Balance as at June 30, 2022	107,640	5,655	(366,950)	(361,295)	1,054,892	801,237
Balance as at July 1, 2022	107,640	5,655	(366,950)	(361,295)	1,054,892	801,237
Total comprehensive income						
Loss for the year	-	-	(420,029)	(420,029)	-	(420,029)
Other comprehensive income	-	-	-	-	481,085	481,085
	-	-	(420,029)	(420,029)	481,085	61,056
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	10,095	10,095	(10,095)	-
Balance as at June 30, 2023	**107,640**	**5,655**	**(776,884)**	**(771,229)**	**1,525,882**	**862,293**

The annexed notes from 1 to 53 form an integral part of these financial statements.

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

Muhammad Yousuf
Chief Financial Officer

1 STATUS AND NATURE OF BUSINESS

1.1 Dadex Eternit Limited ("the Company") was incorporated in Pakistan as a public limited company on April 13, 1959 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and its ordinary shares are listed on Pakistan Stock Exchange. The principle business of the Company is to manufacture and sell construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building product.

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

1.3 The Company has incurred net loss after tax for the year ended June 30, 2023 amounting to Rs. 420.029 million (2022: Rs. 142.938 million) and its accumulated losses as at June 30, 2023 are amounting to Rs. 771.229 million (2022: Rs. 361.295 million). The Company's total current liabilities amounting to Rs. 2,101.451 million (2022: Rs. 2,102.405 million) exceeded the current assets by Rs. 1,271.806 million (2022: Rs. 931.011 million) at the reporting date. The Company's financial statements for the year ended June 30, 2023 are being prepared on a going concern basis. Management has represented to us that they have plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements of the Company. The Company is also considering debt reprofiling and in the intervening period, the Company has access to Sponsor support to meet any liquidity constraints. In the opinion of the management, future profits shall wipe out the accumulated losses and the Company shall be able to meet all its obligations.

During 2021, the Company received demand notices from National Bank of Pakistan (NBP) for repayment/settlement of their liabilities/credit facility. As per the above developments, the Company has classified the property as held for sale during the year to settle the demand of NBP loan repayment and to meet the working capital requirements.

During the reporting period, the Company entered into negotiations for these financing facilities and had several rounds of discussions with NBP and submitted various plans for enhancing product lines and improvement in business profitability. The Directors reported about positive intent of NBP for renewal/re-profiling of such financing facilities under the similar terms and conditions whereas in this regard the Company has yet to receive a formal offer letter while the Company has paid 50 million to NBP in line with undergoing discussions with NBP. Management has made us understand that there is no correspondence with NBP subsequent to the reporting date.

To manage its current assets/liability position and availability of funds for operations, the Company is depending on successful negotiation for renewal of credit facility with NBP.

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

the Company to remove raw materials, moveable assets and finished goods lying at the factory to sell and the proceeds thereof shall be utilized for paying the legitimate dues of the workers. An agreement has reached between both parties and as a result management has paid Rs. 36.06 million and Rs. 9.581 is payable at year end to retrenched workers. The management expects to get access to all other assets subsequently.

We had been notified that the management planned to sell the factory's property therefore, the Company had classified the leasehold land and building of "Karachi Factory" as held for sale in the previous year represented carrying amounts of Rs.659.866 million and 3.203 million respectively. Oceanic Surveyors Ltd assessed market value of leasehold land at amount of Rs.720 million.

The factory's property has not been sold off yet as the Company is still in the procedure of finding and negotiating with potential buyers. The management shows their commitment to sell the factory's property within the annual reporting period ending on June 30, 2024. We seek concurrence of the Board for intention and efforts of management in this regard.

During the reporting period, we have been notified that the management plans to sell its head office land and building in the next year to settle its liabilities and to meet working capital requirements. Therefore, the Company has classified its head office land and building as held for sale during the year having carrying amount of Rs. 739.539 million. Oceanic Surveyors Ltd assessed market value of leasehold land at amount of Rs.943.637 million. We seek concurrence of the Board for intention and efforts of management in this regard.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

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

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act , 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

3.2 Basis of measurement

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

These financial statements have been prepared following accrual basis of accounting except for cash flows information.

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

Judgments and estimates made by the management that may have a significant risk of material adjustments to the financial statements in subsequent years are discussed in note 5.26.

3.3 Functional and presentation currency

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

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract	January 01, 2022

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

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 01, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17 Insurance Contracts.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

a) Operating fixed assets

Owned

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

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

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

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

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

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

Right-of-use asset

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

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

b) Capital work-in-progress

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

5.2 Intangible assets

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

5.3 Investment property

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

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

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

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

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

5.4 Impairment of non-financial assets

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

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

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

5.5 Stores, spares and loose tools

Stores and spares 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 and spares on a periodic basis and provision is made for slow moving and obsolescence on periodic basis.

5.6 Stock-in-trade

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

Raw and packing materials - Moving average basis.

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

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

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

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

5.7 Trade debts and other receivables

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

5.8 Taxation

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

a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or Minimum Tax on Turnover or Alternate Corporate Tax, whichever is higher in accordance with the provisions of Income Tax Ordinance, 2001.

b) Deferred

Deferred tax is accounted for using the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available in future years to utilize deductible temporary differences, unused tax losses and tax credits.

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

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

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

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

5.9 Cash and bank balances

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

5.10 Non current assets held for sale

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

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

Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

5.11 Surplus on revaluation of property, plant and equipment

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

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

5.12 Trade and other payables

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

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

5.13 Borrowings

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

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

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

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

5.14 Provisions

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

5.15 Contingencies

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

5.16 Financial instruments

5.16.1 Financial assets

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

Recognition and measurement

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

Derecognition

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

Amortized cost

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

(i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

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

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

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

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

5.16.2 Financial liabilities

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

5.16.3 Recognition and measurement

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

5.16.4 Derecognition

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

5.16.5 Offsetting of financial assets and financial liabilities

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

5.17 Foreign currency translation

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

5.18 Retirement benefits

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

5.19 Revenue recognition

Sale of goods

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

Others

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

5.20 Cash and cash equivalents

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

5.21 Share capital

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

5.22 Earnings per share

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

5.23 Dividend and appropriation to reserves

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

5.24 Related party transactions

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

5.25 Segment reporting

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

5.26 Significant accounting judgments and critical accounting estimates / assumptions

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

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

a) Property, plant and equipment

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

b) Stock-in-trade

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

c) Trade debts

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

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

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

d) Income taxes

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

e) Contingencies

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

6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Owned								Right-of-use-assets			
	Freehold land	Leasehold land	Factory building on freehold and leasehold land	Buildings on freehold land other than factory	Plant and machinery	Furniture and fixtures	Vehicles and transportation equipment	Office and factory equipment	Building	Plant and machinery	Vehicles and transportation equipment	Total
	Rupees in thousand											
Year ended June 30, 2023												
Net carrying value basis												
Opening book value	62,101	480,425	1,727	19,742	128,697	296	1,958	3,313	1,226	61,189	-	760,674
Additions	-	-	-	3,818	979	-	-	1,601	8,468	-	-	14,866
Transfer from ROUA	-	-	-	-	58,518	-	-	-	-	(58,518)		
Revaluation surplus	159,835	321,250	-	-	-	-	-	-	-	-	-	481,085
Transfer to non-current asset held for sale	-	(722,500)	-	(17,039)	(6,693)	-	-	(75)	-	-	-	(746,305)
Disposal	-	-	-	-	(281)	-	(16)	(18)	-	-	-	(315)
Depreciation charge	-	(14,724)	(876)	(2,001)	(33,611)	(126)	(1,516)	(1,156)	(1,844)	(2,671)	-	(58,525)
Closing net book value	221,936	64,451	851	4,520	147,609	170	426	3,665	7,851	-	-	451,480
Gross carrying value basis												
Cost/Revalued amount	221,936	79,175	143,199	10,294	955,026	11,217	21,722	35,074	11,729	81,368	-	1,570,740
Accumulated depreciation	-	(14,724)	(142,348)	(5,774)	(807,417)	(11,047)	(21,296)	(31,409)	(3,878)	(81,368)	-	(1,119,261)
Net book value	221,936	64,451	851	4,520	147,609	170	426	3,665	7,851	-	-	451,480
Year ended June 30, 2022												
Net carrying value basis												
Opening net book value	62,101	1,169,709	3,664	21,689	143,928	426	2,334	4,026	1,654	84,036	1,622	1,495,189
Additions 6.1	-	-	-	2,748	821	-	703	440	-	-	-	4,712
Transfer from ROUA	-	-	-	-	14,247	-	1,171	-	-	(14,247)	(1,171)	-
Revaluation surplus	-	60,134	-	-	-	-	-	-	-	-	-	60,134
Transfer to non-current asset held for sale	-	(720,000)	(506)	(2,699)	-	-	-	-	-	-	-	(723,205)
Disposal	-	-	-	-	-	-	-	(66)	-	-	-	(66)
Depreciation charge	-	(29,418)	(1,431)	(1,996)	(30,299)	(130)	(2,250)	(1,087)	(428)	(8,600)	(451)	(76,090)
Closing net book value	62,101	480,425	1,727	19,742	128,697	296	1,958	3,313	1,226	61,189	-	760,674
Gross carrying value basis												
Cost/Revalued amount	62,101	590,851	143,199	38,930	946,411	11,217	21,738	41,269	3,261	139,886	48,499	2,047,362
Accumulated depreciation	-	(110,426)	(141,472)	(19,188)	(817,714)	(10,921)	(19,780)	(37,956)	(2,035)	(78,697)	(48,499)	(1,286,688)
Net book value	62,101	480,425	1,727	19,742	128,697	296	1,958	3,313	1,226	61,189	-	760,674
Depreciation rate % per annum	0%	1% to 2.5%	10%	5%	10%	10%	20%	10% to 33.3%	33.3% to 50%	10% to 33.3%	10% to 33.3%	

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

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

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

6.3 The cost of fully depreciated assets which are still in use as at June 30, 2023 is Rs. 1,003.924 million (2022: Rs. 957.377 million).

	Note	2023	2022
		------ Rupees in thousand -----	

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

Cost of sales	35	**34,107**	52,024
Selling and distribution expenses	36	**3,451**	2,815
General and administrative expenses	37	**20,966**	21,251
		58,524	76,090

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

6.6 Had there been no revaluation the carrying amount of freehold land, leasehold land at June 30, 2023 would have been as under:

	2023			2022		
	Cost	Accumulated Depreciation	Written down value	Cost	Accumulated Depreciation	Written down value
	---------- Rupees in thousand ----------					
Free-hold land	**62,101**	**-**	**62,101**	62,101	-	62,101
Lease-hold land	**480,425**	**(14,724)**	**465,701**	1,400,849	(231,140)	1,169,709
	542,526	**(14,724)**	**527,802**	1,462,950	(231,140)	1,231,810

6.7 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 (2022: Rs. 602.951 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, 2023		
	Level 2	Level 3	Total
	------- Rupees in thousand ------		
Free-hold land	**261,100**	**-**	**261,100**
Lease-hold land	**1,725,825**	**-**	**1,725,825**
	1,986,925	**-**	**1,986,925**

	June 30, 2022		
	Level 2	Level 3	Total
	------- Rupees in thousand ------		
Free-hold land	242,706	-	242,706
Lease-hold land	1,179,911	-	1,179,911
	1,422,617	-	1,422,617

6.8 Fair value measurement

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

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

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

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

6.8.3 There were no transfers between level 2 and 3 for recurring fair value measurements during the year (2022: none).

	Note	2023	2022
		------ Rupees in thousand -----	
7 CAPITAL WORK IN PROGRESS			
Buildings on leasehold land		-	-
Plant and machinery		13,525	1,832
Intangibles		-	68
Office and factory equipment		-	32
		13,525	1,932
7.1 Movement of carrying amount is as follows:			
Opening balance		1,932	6,778
Additions (at cost) during the year		17,990	5,153
		19,922	11,931
Transfer to operating fixed assets / intangible assets during the year		(6,397)	(9,999)
Closing balance		13,525	1,932
8 INTANGIBLE ASSETS			
Intangible assets - Software	8.1	40	117

	Note	2023	2022
		------ Rupees in thousand -----	
8.1 Net carrying value basis			
Opening net book value		**117**	214
Additions		**-**	-
Amortization charge	37	**(77)**	(97)
Closing net book value		**40**	117
Gross carrying value basis			
Cost		**21,520**	21,520
Accumulated amortization		**(21,481)**	(21,404)
Net book value		**40**	117
Amortization rate % per annum		**33.33**	33.33

9 INVESTMENT PROPERTY

	COST			DEPRECIATION			NET BOOK VALUE		
	As at July 1, 2022	Additions	As at June 30, 2023	As at July 1, 2022	Depreciation for the year	As at June 30, 2023	Transfer to NCA held for sale	Net book value As at June 30, 2023	Rate %
	---------- Rupees in thousand ----------								
Building on lease hold land									
2023	**50,762**	**-**	**50,762**	**21,576**	**2,536**	**24,112**	**(26,650)**	**-**	**5**
2022	50,762	-	50,762	19,037	2,539	21,576	-	29,186	5

9.1 The investment property comprises of 61% of karachi head office building which is now transferred to non-current assets held for sale at net book value.

	Note	2023	2022
		------ Rupees in thousand -----	
10 LONG-TERM LOANS			
(Secured - considered good)			
Long-term loans to employees	10.1	**701**	915
10.1 Long-term loans to employees			
Due from employees	10.3	**701**	1,194
Current portion shown under current assets	16	**-**	(279)
	10.2	**701**	915

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

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

	2023	2022
	------ Rupees in thousand -----	

11 LONG-TERM DEPOSITS

Long term security deposit	**16,459**	20,081

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

	Note	2023	2022
		------ Rupees in thousand -----	

12 DEFERRED TAXATION

Tax effects of temporary differences relating to:			
Accelerated tax depreciation		**(36,945)**	(22,632)
Lease liabilities		**(6)**	(14,695)
Provisions		**19,029**	66,555
Unabsorbed tax losses		**199,454**	236,258
Deferred income		**-**	122
		181,533	265,608
Minimum tax		**69,605**	71,121
	12.1	**251,138**	336,729
Less:			
Deferred tax asset not expected to be recovered with reasonable certainty	12.1	**(88,634)**	(137,676)
		162,504	199,053

12.1 Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at the reporting date amounted to Rs. 251.138 million (2022: Rs. 336.729 million). Out of this, deferred tax asset of Rs. 88.634 million (2022: Rs. 137.676 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.

	Note	2023	2022
		------ Rupees in thousand -----	

13 STORES, SPARES AND LOOSE TOOLS

Stores			
in hand		**5,971**	6,723
Spares		**38,106**	38,400
Loose tools		**12,126**	10,153
		56,203	55,276
Provision for slow moving stores and spares	13.1	**(12,273)**	(12,310)
	13.2	**43,930**	42,966

	2023	2022
	------ Rupees in thousand -----	

13.1 Provision for slow moving stores and spares comprises:

Balance at the beginning of the year	**12,310**	12,310
Reversals during the year	**(37)**	-
Balance at the end of the year	**12,273**	12,310

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.

	Note	2023	2022
		------ Rupees in thousand -----	

14 STOCK-IN-TRADE

Raw materials			
- in hand		**110,864**	120,238
- in transit		**-**	19,476
		110,864	139,714
Work-in-process	14.1	**11,565**	25,728
Finished goods			
- manufactured	14.2	**58,272**	179,474
- trading	14.3	**18,297**	41,205
		76,569	220,679
		198,998	386,121

14.1 These are stated at cost less provision for slow moving stock.

14.2 Finished goods - manufactured

Manufactured goods - at cost		**77,258**	191,939
Provision for slow moving stock	14.2.1	**(18,986)**	(27,900)
		58,272	164,039

14.2.1 Provision for slow moving and obsolete - finished goods:

Balance at beginning of the year	**27,900**	28,774
Provision for the year	**-**	-
Reversal for the year	**(8,914)**	(874)
Balance at end of the year	**18,986**	27,900

	Note	2023	2022
		------ Rupees in thousand -----	
14.3 Finished goods - trading goods			
Trading goods - at cost		**90,313**	129,149
Provision for slow moving stock	14.3.1	**(72,016)**	(72,509)
		18,297	56,640
14.3.1 Provision for slow moving and obsolete - trading goods:			
Balance at beginning of the year		**72,509**	64,829
Provision for the year		**-**	7,680
Reversal for the year		**(493)**	-
Balance at end of the year		**72,016**	72,509
15 TRADE DEBTS			
(Unsecured - considered good)			
Export		**244**	244
Local		**60,382**	113,163
		60,626	113,407
(Unsecured - considered doubtful)			
Due from Turnkey project	15.1	**17,414**	17,414
Due from Others		**174,419**	155,969
		191,833	173,383
		252,459	286,790
Allowance for expected credit loss			
Turnkey project	15.2	**(17,414)**	(17,414)
Others	15.3	**(174,419)**	(155,969)
		(191,833)	(173,383)
		60,626	113,407

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

	Note	2023	2022
		------ Rupees in thousand -----	
15.2 Allowance for expected credit losses- Turnkey			
Allowance for turnkey projects		**17,414**	17,414
15.3 Allowance for expected credit losses- Other than Turnkey			
Balance at beginning of the year		**155,969**	174,088
Provision / (Reversal)	39	**18,450**	(18,119)
Balance at end of the year		**174,419**	155,969

15.4 Aging of receivable

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

	Aging 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 thousand ----------					
2023	**3,734**	**8,954**	**946**	**7,008**	**231,817**	**252,459**
2022	26,622	16,705	14,492	11,963	217,008	286,790

15.5 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. nil million (2022: Rs. nil million).

	Note	2023	2022
16 LOANS AND ADVANCES		------ Rupees in thousand -----	
(Secured - considered good)			
Loans to employees			
Current portion of long-term loans to employees	10	**-**	279
(Unsecured - considered good)			
Advances			
to employees	16.1	**554**	-
to suppliers / contractors	16.2	**87,586**	96,690
others		**200**	263
		88,340	96,953
(Unsecured - considered doubtful)			
Advances			
to suppliers / contractors		**500**	500
Provision for doubtful advances		**(500)**	(500)
		-	-
	16.3	**88,340**	97,232

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.

	Note	2023	2022
		------ Rupees in thousand -----	

17 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - (considered good)			
Tender deposits		**85,987**	35,259
Margin deposits		**25,098**	22,995
		111,085	58,254
Short term prepayments		**395**	366
		111,480	58,620
Considered doubtful			
Trade deposits		**5,182**	5,182
Allowance for expected credit losses		**(5,182)**	(5,182)
		-	-
	17.1	**111,480**	58,620

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

	Note	2023	2022
		------ Rupees in thousand -----	

18 OTHER RECEIVABLES

(Considered good)			
Provident fund	18.1	**400**	-
Rent receivable from tenants		**4,914**	198,452
Sales tax receivable		**8,998**	-
		14,312	198,452
(Considered doubtful)			
Receivable from K-Electric Limited		**10,227**	10,227
Allowance for expected credit losses		**(10,227)**	(10,227)
		-	-
		14,312	198,452

18.1 Provident fund

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

The Trustees have intimated that the size of the Fund as at June 30, 2023 was Rs. 177.046 million (2022: Rs. 173.184 million). Details are as follows:

	Note	**(Un-audited)**	(audited)
Size of the fund		177,046	173,184
Cost of investment made	18.1.1	165,404	128,396
Fair value of investment		175,248	147,294
Percentage of investment made		94%	87%

As intimated by the Trustees, the cost of the investment made as at June 30, 2023 was Rs. 165.404 million (2022: Rs. 128.396 million) which is equal to 94% (2022: 87%) of the total fund size. The fair value of the investment was Rs. 175.248 million at that date. The category wise break up of investment is given below:

	Note	2023	2022
		------ Rupees in thousand -----	

18.1.1 Category wise breakup

Mutual funds	**23,697**	16,592
Term finance certificates	**50,000**	50,000
Fixed deposit receipts	**-**	60,000
Bank deposits	**91,707**	1,804
	165,404	128,396

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

	Note	2023	2022
		------ Rupees in thousand -----	

19 TAXATION - NET

Advance tax	**736,462**	757,198
Provision for taxation	**(699,108)**	(672,890)
	37,354	84,308

20 CASH AND BANK BALANCES

Cash in hand		**358**	441
Bank balances - conventional			
Current account		**55,839**	60,002
PLS Savings account	20.1	**3**	7
		55,842	60,009
		56,200	60,450

20.1 These carry profit rate ranging from 14.50% to 19.50% (2022: 2.9% to 5.5%) per annum.

21 NON-CURRENT ASSETS HELD FOR SALE

Head office-Karachi			
Leasehold land		**722,500**	-
Buildings on leasehold land		**43,689**	-
Plant and machinery		**6,693**	-
Office and other equipment		**75**	-
	21.1	**772,957**	-
Factory-Karachi			
Leasehold land		**720,000**	720,000
Buildings on leasehold land		**3,205**	3,205
	21.2	**723,205**	723,205
		1,496,162	723,205

21.1 During the reporting period, we have been notified that the management plans to sell its head office land and building in the next year to settle its liabilities and to meet working capital requirements. Therefore, the Company has classified its head office land and building as held for sale during the year having carrying amount of Rs. 468.206 million. Oceanic Surveyors Ltd assessed market value of leasehold land at amount of Rs.943.637 million.

21.2 During the year ended June 30, 2023, management initiated a process of disposal of Company's land and building on leasehold land located in Karachi.

22 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
------ (Number of shares) ------			------ Rupees in thousand -----	
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
10,763,959	10,763,959		**107,640**	107,640

22.1 Ordinary shares include 4,090,536 shares (2022: 4,090,536) of B class of Rs.10/- each converted into and deemed to be ordinary shares on disposal by a foreign shareholder, in prior years, in accordance with the Articles of Association of the Company.

22.2 The Holding Company holds 6,800,648 (2022: 6,800,648) ordinary shares representing 63.18 percent (2022: 63.18 percent) shareholding at the reporting date.

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

23 RESERVES

	Note	2023	2022
		------ Rupees in thousand -----	
Capital reserve			
Share premium	23.1	**5,655**	5,655
Accumulated losses		**(776,884)**	(366,950)
		(771,229)	(361,295)

23.1 This reserve can be utilized by the Company only for the purposes specified in section 81(3) of the Companies Act, 2017.

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

24 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening revaluation surplus	**1,054,892**	1,169,490
Surplus/(deficit) arising on revaluation:		
Land	**481,085**	60,134
	1,535,977	1,229,624
Net amount transferred to unappropriated profit account of :		
Incremental depreciation	**(10,095)**	(24,786)
Reversal due to disposal of non current asset held for sale	**-**	(149,946)
	(10,095)	(174,732)
	1,525,882	1,054,892

25 LONG TERM FINANCING

(Secured)			
Conventional mode			
Long term financing		**-**	22,965
Less: Current portion		**-**	(22,965)
	25.1	**-**	-

25.1 During the year ended June 30, 2020, the Company approved term finance facility from Bank of Punjab under Refinancing Scheme of the State Bank of Pakistan amounting to Rs. 64.129 million specifically for paying salaries and wages to Company's employees. The tenor of the financing was two and half year inclusive 6-Months Grace period and are repayable in 8 equal quarterly installments which has commenced from March 31, 2022. This loan carried mark up at the rate of 3%.

The loan was secured against existing 1st charge by way of equitable mortgage on land & building and Hypothecation charge over Machinery & equipments aggregating amounting Rs. 666.67 Million on the Customer's owned premises located at plot bearing 34-A/1, P.E.C.H.S. Block # 6, Main Shahrah-e-faisal, Karachi.

	Note	2023	2022
		------ Rupees in thousand -----	
26 LEASE LIABILITIES			
Balance at July 01		**15,814**	38,421
Recognition as a result of adoption of IFRS 16		**8,468**	-
		24,282	38,421
Payments / adjustments during the year		**(16,453)**	(22,607)
		7,829	15,814
Less: Payable within one year shown			
Less: under current liabilities		**(1,057)**	(12,899)
	26.1	**6,772**	2,915
Maturity analysis-contractual undiscounted cash flows:			
Less than one year		**2,542**	13,198
One to five year		**3,635**	2,923
Total undiscounted lease liability		**6,177**	16,121

26.1 This pertains to office premises of company occupied in various cities as a tenant. The discount rate use to calculate is 22.5% (2022: nill).

27 LOAN FROM DIRECTORS	27.1	**25,000**	25,000

27.1 This represents interest free loan obtained from Ms. Ayesha Allahwala and Mr.Sikander Dada amounting to Rs. 20 million and Rs. 5 million respectively and is repayable on demand.

28 DEFERRED INCOME			
Capital Grant		**-**	421
Less: Current portion		**-**	(421)
Non current portion		**-**	-
29 GIDC PAYABLE			
GIDC Payable	29.1	**29,344**	29,614
Less: Current portion shown under current liability		**(29,344)**	(29,614)
		-	-

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

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

	Note	2023	2022
		------ Rupees in thousand -----	
30 TRADE AND OTHER PAYABLES			
Trade creditors	30.1	**642,285**	603,685
Accrued liabilities		**87,781**	109,367
Advance from customers		**461,492**	239,416
Advance from tenants		**8,689**	1,699
Infrastructure cess payable		**40,913**	40,913
Security deposits from distributors and others	30.2	**16,903**	14,090
Workers' Profit Participation Fund	30.3	**932**	932
Workers' Welfare Fund		**7,557**	7,557
Sales tax and excise duty		**-**	338
Payables to employees		**9,581**	-
Current portion of GIDC Payable	29	**29,344**	29,614
Withholding tax	30.4	**452**	24,279
Other payables		**2,100**	596
		1,308,029	1,072,486

30.1 This balance includes an amount of Rs. 294.752 million due to supplier under bank contract.

30.2 Security deposits from distributors and others

Deposits received from supplier	**6**	6
Deposits received from dealers	**6,164**	6,164
Deposits received from tenants	**10,733**	7,920
	16,903	14,090

	2023	2022
	------ Rupees in thousand -----	

30.3 Workers' Profit Participation Fund

Balance at July 01	**932**	932
Interest on funds utilized in Company's business	**-**	-
Balance at June 30	**932**	932

30.4 This amount represents withholding tax demand for which an order was passed by the Deputy Commissioner Inland Revenue, Karachi whereby, the withholding tax demand was established against the Company for the tax year 2014 in respect of failure to deduct and pay withholding tax at source for payments to vendor. Company had filed an appeal against the order of DCIR and received a favourable judgement. Hence, liability reduced to Rs. 0.452 million.

31 SHORT TERM BORROWINGS

	Note	2023	2022
		------ Rupees in thousand -----	
(Secured)			
Conventional mode			
Running finance	31.1	**449,760**	499,760
		449,760	499,760
Islamic mode			
Karobar finance	31.2	**89,929**	214,160
Tijarah finance	31.3	**50,000**	100,000
Istisna finance	31.4	**121,345**	111,647
		261,274	425,807
		711,034	925,567

31.1 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2022: Rs. 500 million). These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock and trade debts of Rs. 1,448 million (June 30, 2022: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 (June 30, 2022: Rs, 934 million) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. These facilities carry mark-up rate 3 months KIBOR+2.75 % (June 30, 2022: 3 months KIBOR+2.75%) per annum.

During reporting period, the Company entered into negotiations for these financing facilities and had several rounds of discussions with NBP and submitted various plans for enhancing product lines and improvement in business profitability. Subsequent to the year end, the Directors reported about positive intent of NBP for renewal/re-profiling of such financing facilities under the similar terms and conditions whereas in this regard the Company has yet to receive a formal offer letter. During the year, the Company has paid Rs. 50 million to NBP as per the ongoing discussions with NBP.

31.2 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 216 million (June 30, 2022: Rs. 216 million) out of which Rs. 126.071 million (June 30, 2022: 1.84 million) remains unutilized as at the reporting date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2022: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 19.50% to 24.09% (June 30, 2022: 10.68% to 16.58%) per annum.

31.3 The facility of Rs. 100 million has been obtained from Al-Baraka Bank Limited under Tijarah financing out of which Rs. 50 million (June 30, 2022: nil million) remains unutilized as at the reporting date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property plant and equipment (Sundar factory) located at Lahore and company's stock in trade. Both of the financing facility carries markup at 6 months KIBOR+3% (June 30, 2022: 6 months KIBOR+3%).

31.4 This facility of Rs. 150 million has been obtained from Habib Metropolitan Bank out of which Rs. 28.655 million (June 30, 2022: 38.353 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. The facility carries mark-up rates ranging from 6 months KIBOR+2% (June 30, 2022: KIBOR+2%) per annum.

32 ACCRUED MARKUP

	2023	2022
	------ Rupees in thousand -----	
Mark-up accrued on long term finance	-	171
Mark-up accrued on short term borrowing		
Conventional mode		
Running finance	27,830	18,286
Islamic mode		
Karobar finance	3,361	-
Istisna	5,197	2,835
Tijarah Finance	3,255	5,083
	11,813	7,918
	39,643	26,375

33 CONTINGENCIES AND COMMITMENTS

33.1 Contingencies

33.1.1 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 corum non judice and has maintained that the EPT has no jurisdiction of the subject matter. The said constitutional petition was dismissed by HCS vide its judgment dated March 9, 2011.

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

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

33.1.3 During the year, the Company has created a provision amounting to Rs. 9.581 million in respect of compensation to the retrenched labor which might arise as a result of Complaint to Directorate of Labor (West Division) by Labor of the Company (also refer note 1.3).

33.1.4 During year 2020, the Company received notices for tax demand under section 161(1) - "Monitoring" of the Income Tax Ordinance, 2001 amounting to Rs. 24.279 million and Rs. 29.635 million for tax year 2014 and 2017 respectively. The cases are now settled and the liability is reduced to 0.452 million.

	Note	2023	2022
		------ Rupees in thousand -----	
33.2 Commitments			
Outstanding letters of credit		-	34,721
Outstanding letter of guarantee		78,516	78,516
Post dated cheques		15,961	6,681
Outstanding contracts		546,308	478,149
Duties payable on goods in transit		-	12,416
34 SALES-NET			
Local sales		1,595,479	1,994,507
Export sales	34.1	77,124	16,980
Gross sales		1,672,603	2,011,487
Less:			
Sales tax		(259,154)	(314,640)
		1,413,449	1,696,847

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

	Note	2023	2022
		------ Rupees in thousand -----	
35 COST OF SALES			
Manufactured goods			
Raw materials consumed			
Opening stock		**139,714**	122,561
Purchase		**723,033**	1,016,546
Closing stock		**(110,864)**	(139,714)
Raw materials consumed		**751,883**	999,393
Manufacturing overheads			
Stores, spares and loose tools consumed	35.1	**34,619**	22,922
Salaries, wages and benefits	35.2	**78,448**	55,610
Procured services		**66,678**	51,513
Fuel, water and power		**82,167**	64,520
Insurance		**5,088**	5,001
Travelling		**517**	72
Communication		**645**	709
Depreciation	6.4	**34,107**	52,024
Rent, rates and taxes		**3,550**	4,508
Repair and maintenance		**29,590**	7,982
Printing and stationary		**245**	145
Reversal of provision for stores, spares and loose tools written back	13.1	**(37)**	-
Other expenses		**1,771**	1,107
		337,388	266,113
		1,089,271	1,265,506
Work-in-process			
Opening stock		**25,728**	97,816
Closing stock		**(11,565)**	(25,728)
Cost of goods manufactured		**1,103,434**	1,337,594
Finished goods			
Opening stock		**179,474**	200,182
Closing stock		**(58,272)**	(179,474)
		1,224,636	1,358,302
Trading goods			
Opening stock		**41,205**	40,108
Purchase		**24,044**	91,822
Closing stock		**(18,297)**	(41,205)
		46,952	90,725
		1,271,588	1,449,027
35.1 Stores spares and loose tools consumed			
Opening stock		**55,276**	57,095
Purchases		**35,546**	21,103
Closing stock		**(56,203)**	(55,276)
		34,619	22,922

35.2 This includes Rs. 1.338 million (2022: Rs. 1.290 million) and Rs. nil million (2022: Rs. nil million) in respect of provident fund and bonus to workers respectively.

	Note	2023	2022
		------ Rupees in thousand -----	

36 DISTRIBUTION COSTS

Salaries, wages and benefits	36.1	**60,555**	57,200
Repair and maintenance		**4,202**	3,370
Depreciation	6.4	**3,451**	2,815
Printing, Stationery & Subscription		**321**	529
Advertising and sales promotion		**2,335**	1,571
Communication		**1,423**	1,505
Travelling		**1,456**	903
Transportation and other charges	36.2	**30,415**	22,297
Electricity, gas and water		**14,367**	8,158
Insurance		**341**	337
Rent, rates and taxes		**324**	2,290
Sundry expenses		**658**	2,319
		119,848	103,294

36.1 This include Rs. 3.169 million (2022: Rs. 2.927 million) in respect of provident fund.

36.2 This includes Rs. 19.512 million (2022: Rs. 5.323 million) related to transportation and other charges against export sales.

	Note	2023	2022
		------ Rupees in thousand -----	

37 ADMINISTRATIVE EXPENSES

Salaries, wages and benefits	37.1	**63,071**	45,561
Directors' remuneration		**-**	-
Repair and maintenance		**9,774**	6,423
Depreciation on property, plant and equipment	6.4	**20,966**	21,251
Depreciation on investment property	9	**2,536**	2,539
Amortisation of intangible asset	8.1	**77**	97
Procured services		**5,868**	6,402
Auditor's remuneration	37.2	**1,920**	1,823
Communication		**5,792**	4,015
Travelling		**6,628**	2,647
Professional charges		**13,042**	3,434
Electricity, gas and water		**24,030**	13,434
Insurance		**1,494**	1,477
Printing stationary and subscription		**3,804**	2,610
Rent, rates and taxes		**3,005**	13,734
Brokerage Commission		**3,720**	3,945
Sundry expenses		**3,470**	2,532
		169,197	131,924

37.1 This include Rs. 1.918 million (2022: Rs. 1.475 million) in respect of provident fund.

	Note	2023	2022
		------ Rupees in thousand -----	
37.2 Auditor's remuneration			
Audit fee		**1,200**	1,200
Fee for half yearly review		**475**	475
Other services		**125**	125
Out of pocket expenses		**120**	23
		1,920	1,823
38 OTHER EXPENSES			
Non-executive director's fee		**705**	990
Workers' Welfare Fund		**-**	-
Security Services		**419**	447
Donations		**214**	-
Exchange loss		**134,423**	89,485
GIDC expense		**-**	4,695
Loss on disposal of Non-current assets held for sale	21.1	**-**	18,800
Allowance for expected credit losses		**18,450**	-
		154,211	114,417
39 OTHER INCOME			
Rental income		**57,000**	53,109
Service income		**1,347**	192
Gain on disposal of property, plant and equipment		**16,501**	278
Interest income		**5,179**	44
Exchange gain		**662**	1,195
Sale of raw material		**225**	5,235
Amortisation of deferred income		**421**	2,434
Government grant		**-**	-
Reversal of allowance for expected credit losses		**-**	18,120
Gain on extinguishment of GIDC		**-**	-
Liabilities no longer required written back	33.1.4	**23,827**	-
		105,162	80,607
40 FINANCE COST			
Short-term borrowings		**165,520**	123,835
Finance charges on leases		**1,919**	6,235
Bank and other charges		**1,941**	3,641
Long term financing		**198**	1,025
Interest expense on GIDC		**-**	1,237
		169,578	135,973
41 TAXATION			
For the year			
Current	41.1	**17,668**	21,213
Prior year		**-**	-
Deferred		**36,550**	(35,456)
		54,218	(14,243)

41.1 This represents current year's total tax liability of the Company amounting to Rs. 17.668 million which is fully covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001.

41.2 The numerical reconciliation between average tax rate and the applicable tax rate has not been presented during the year in these financial statements as the total tax liability of the Company is covered under Section 113 "Minimum tax" of the Income Tax Ordinance, 2001.

42 LOSS PER SHARE - BASIC AND DILUTED

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

	Note	2023	2022
		------ Rupees in thousand -----	
Net loss for the year		**(420,029)**	(142,938)
Weighted average number of ordinary shares		**10,764**	10,764
Loss per share - basic and diluted (Rupees)		**(39.02)**	(13.28)

43 CASH GENERATED FROM OPERATIONS

Loss before taxation		**(365,811)**	(157,181)
Adjustment for non-cash and other items:			
Depreciation			
Property, plant and equipment	6.4	**58,524**	76,090
Investment property	9	**2,536**	2,539
Amortization	8.1	**77**	97
Gain on disposal of property, plant and equipment		**(16,501)**	(278)
Loss on disposal of non-current assets held for sale		**-**	18,800
Amortization of deferred income		**(421)**	(2,434)
Finance costs	40	**169,578**	135,973
Interest income		**(5,179)**	(44)
Working capital changes	43.1	**614,869**	(70,421)
		457,673	3,141

43.1 Working capital changes

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	**(964)**	1,819
Stock in trade	**187,123**	74,546
Trade debts	**52,781**	27,279
Loans and advances	**9,106**	(29,492)
Trade deposits and short-term prepayment	**(52,860)**	40,877
Other receivable	**184,140**	(184,286)
	379,326	(69,257)
Increase / (decrease) in current liabilities		
Trade and other payable	**235,543**	(1,164)
	614,869	(70,421)

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

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

	July 1, 2022 Rs. In '000'	Non-cash changes	Cash flows '000' Obtained	Cash flows '000' Repaid	June 30, 2023 Rs. In '000'
Long-term financing	22,965	-	-	(22,965)	-
Lease liabilities against asset subject to right of use	15,814	8,468	-	(16,453)	7,829
Short term borrowings - islamic	425,807	-	9,698	(174,231)	261,274
Loan from directors	25,000	-	-	-	25,000
Dividend (paid) / reversed	16,691	-	-	(4)	16,687
Total	506,277	8,468	9,698	(213,653)	310,790

	July 1, 2021 Rs. In '000'	Non-cash changes	Cash flows '000' Obtained	Cash flows '000' Repaid	June 30, 2022 Rs. In '000'
Long-term financing	45,242	-	-	(22,277)	22,965
Lease liabilities against asset subject to right of use	38,421	-	-	(22,607)	15,814
Short term borrowings - islamic	312,803	-	113,004	-	425,807
Loan from directors	-	-	25,000	-	25,000
Dividend (paid) / reversed	16,766	-	-	(75)	16,691
Total	413,232	-	138,004	(44,959)	506,277

44 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		Directors		Executives		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Rupees in thousand							
Managerial remuneration	**3,000**	8,984	**-**	-	**44,332**	34,049	**47,332**	43,033
Housing								
-Rent	**-**	-	**-**	-	**19,949**	15,322	**19,949**	15,322
-Utilities	**764**	898	**-**	-	**4,433**	3,405	**5,197**	4,303
-Other items	**1,907**	894	**-**	-	**2,658**	1,338	**4,565**	2,233
Bonus	**-**	-	**-**	-	**-**	-	**-**	-
Retirement Benefits	**-**	-	**-**	-	**4,288**	3,196	**4,288**	3,196
Insurance	**-**	-	**-**	-	**836**	690	**836**	690
Medical and other reimbursable expenses	**10,531**	5,991	**-**	-	**-**	-	**10,531**	5,991
	16,202	16,767	**-**	-	**76,495**	58,000	**92,697**	74,767
Number of persons	**1**	1	**2**	2	**32**	32	**35**	35

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. 0.480 million (2022: Rs. 0.675 million), Rs. 0.240 million (2022: Rs. 0.240 million) and Rs. nill (2022: Rs. 0.090 million) respectively. The Directors fees for attending BoD, BAC, and BHR&RC meetings were paid as prescribed in Articles of Association.

c) The current and corresponding year figures include remunerations of Company's Executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.

d) The Chief Executive and certain executives are also provided with cars for business and personal use in accordance with the Company car scheme.

45 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

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

Name of company	Nature of Relation	Basis of Relation
Sikander (Private) Limited	Holding company	63.18% shares
Ray Shipping Enterprise Limited	Associate company	Common Director
Berger Paints Pakistan Limited	Associate company	Common Director
THK Solutions (Private) Limited	Associate company	Common Director
Muznash (Private) Limited	Associate company	Common Director
Bandenawaz (Private) Limited	Associate company	Common Director

Name of related party	Nature of transaction	2023	2022
		------ Rupees in thousand -----	
Sikander (Private) Limited (Holding Company)	Rent paid	**1,425**	1,296
Berger Paints Pakistan Limited (Associated Company)	Purchase of goods	**-**	77
Provident fund	Contribution to staff retirement plans	**6,425**	5,691
Loan from Ayesha Allahwala		**20,000**	20,000
Loan from Sikander Dada		**5,000**	5,000

45.1 Year end balances

Receivable from related parties	**-**	-

45.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 44). There are no transactions with key management personnel other than under their terms of employment.

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

46 OPERATING SEGMENTS

46.1 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.

46.2 Operating results

	Chrysotile Cement	Plastic	Others	Total
2023	----------(Rupees in thousand)----------			
Sales - net	616,791	796,658	-	1,413,449
Segment Result	(64,227)	(82,957)	-	(147,184)
Unallocated expense				
Other expenses				(154,211)
Other income				105,162
Finance cost				(169,578)
Taxation				(54,218)
Loss for the year				(420,029)
Other information				
Capital expenditure	3,818	979	1,601	6,398
Unallocated corporate capital expenditure				
Total capital expenditure				6,398
Depreciation	4,070	13,437	-	17,507
Unallocated corporate depreciation and amortization				41,938
Total depreciation and amortization				59,445

	Chrysotile Cement	Plastic	Others	Total
2022	----------(Rupees in thousand)----------			
Sales - net	487,048	1,209,799	-	1,696,847
Segment Result	(9,940)	22,542	-	12,602
Unallocated expense				
Other expenses				(114,417)
Other income				80,607
Finance cost				(135,973)
Taxation				14,243
Loss for the year				(142,938)
Other information				
Capital expenditure	302	94	4,317	4,713
Unallocated corporate capital expenditure				
Total capital expenditure				4,713
Depreciation	4,848	15,550	-	20,398
Unallocated corporate depreciation and amortization			-	58,329
Total depreciation and amortization				78,727

46.3 Segment assets and liabilities

	Note	Chrysotile Cement	Plastic	Others	Total
		----------(Rupees in thousand)----------			
2023					
Segment assets	21.1	397,588	514,066	119,686	1,031,340
Unallocated corporate assets					1,939,176
Total assets					2,970,516
Segment liabilities		403,886	421,169	18,890	843,945
Unallocated corporate liabilities					1,264,278
Total liabilities					2,108,223
2022					
Segment assets		401,356	527,409	115,369	1,044,134
Unallocated corporate assets					1,862,423
Total assets					2,906,557
Segment liabilities		404,356	421,325	12,070	837,751
Unallocated corporate liabilities					1,267,569
Total liabilities					2,105,320

46.4 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.

46.5 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 34.1.

47 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.

	Note	2023	2022
		------ Rupees in thousand -----	

48 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position		
Amortized cost		
Trade debts	**60,626**	113,407
Long-term deposits	**16,459**	20,081
Other receivables	**14,312**	198,452
Cash and bank balances	**56,200**	60,450
	147,597	392,390
Financial liabilities as per statement of financial position		
Amortized cost		
Long term financing	**-**	-
Trade and other payables	**828,907**	798,265
Short term borrowings	**711,034**	925,567
Accrued markup	**39,643**	26,375
Unclaimed dividend	**16,688**	16,692
	1,596,272	1,766,899

49 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.

49.1 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.

49.1.1 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 profit before tax Rupees in thousand
2023	**+100**	**3,658**
	-100	**(3,658)**
2022	+100	9,256
	-100	(9,256)

49.1.2 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, 2023, 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 profit before tax Rupees in thousand
2023	**5%**	**18,291**
	-5%	**(18,291)**
2022	5%	7,859
	-5%	(7,859)

49.2 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:

	2023	2022
	------ Rupees in thousand -----	
Long term deposits	**16,459**	20,081
Trade debts	**60,626**	113,407
Other receivable	**14,312**	198,452
Bank balances	**55,842**	60,009
	147,239	391,949

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

	2023	2022
	------ Rupees in thousand -----	
Trade debts		
Neither past due nor impaired	**3,734**	26,622
Past due but not impaired	**248,725**	260,166
	252,459	286,788
Bank balances		
A-1+	**26,090**	17,485
A-1+	**1,588**	13,764
A-1	**9**	53
A-1	**27,460**	22,132
A-2	**494**	6,575
	55,641	60,009

49.3 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, 2023, The Company`s current liabilities exceed its current assets by Rs. 1,262.00 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:

	2023				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees in thousand ----------				
Lease liabilities	-	-	1,057	6,772	7,829
Long term financing	-	-	-	-	-
Trade and other payable	-	828,907	-	-	828,907
Accrued markup	-	-	39,644	-	39,644
Short term borrowing	711,034	-	-	-	711,034
Unclaimed dividend	16,688	-	-	-	16,688
	727,722	828,907	40,701	6,772	1,604,103

	2022				
	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	---------- Rupees in thousand ----------				
Lease liabilities	-	-	12,899	2,915	15,814
Long term financing	-	-	-	-	-
Trade and other payable	-	798,265	-	-	798,265
Accrued markup	-	-	26,375	-	26,375
Short term borrowing	925,567	-	-	-	925,567
Unclaimed dividend	16,692	-	-	-	16,692
	942,259	798,265	39,274	2,915	1,782,713

49.4 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:

	2023	2022
	------ Rupees in thousand -----	
Long term financing	-	22,965
Accrued markup	39,643	26,375
Short term borrowings	711,034	925,567
Total debt	750,677	974,907
Cash and bank balances	(56,200)	(60,450)
Net debt	694,477	914,457
Excluding surplus on revaluation of property, plant and equipment		
Total equity	(663,589)	(253,655)
Total equity and net debt	30,889	660,802
Gearing ratio	2248%	138%
Including surplus on revaluation of property, plant and equipment	862,293	801,237
Total equity	1,556,771	1,715,694
Gearing ratio	55%	47%

49.5 Fair value of financial instruments

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

50 NUMBER OF EMPLOYEES

Number of employees as at June 30, 2023 was 151 (2022: 157) and average number of employees during the year was 160 (2022: 163).

51 CORRESPONDING FIGURES

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

52 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 20, 2023 by the Board of Directors of the Company.

53 GENERAL

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

Sikander Dada Chief Executive	**Shahzad M. Husain** Director	**Muhammad Yousuf** Chief Financial Officer

Pattern Of Shareholding

As of June 30, 2023

Categories of Shareholders	Number of Shares Held	Percentage of Issued Capital
Associated Companies, Undertakings & Related Parties	6,800,648	63.18%
Sikander (Private) Limited	6,800,648	63.18%
Directors, CEO & their Spouses	1,644,961	15.28%
Mr. Shahzad M. Husain - Chairman	4	0.00%
Mr. Sikander Dada - Chief Executive Officer	1,298,335	12.06%
Mr. Abu Talib H. K. Dada - Director	310,469	2.88%
Mrs. Halima w/o Abu Talib H.K. Dada	29,847	0.28%
Mr. Maqbool H.H. Rahimtoola - Director	5,300	0.05%
Syed Shahid Ali Bukhari - Director	1	0.00%
Mrs. Amber Ahmed Motiwala - Director	1,000	0.01%
Mrs. Ayesha Tariq Allawala - Director	5	0.00%
Executives	81	0.00%
Banks, Insurance Company & Others	27,065	0.25%
General Public	2,291,204	21.29%
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 Shareholding

As of June 30, 2023

COMBINED PATTERN OF CDC & PHYSICAL SHAREHOLDINGS AS AT JUNE 30, 2023

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS			TOTAL SHARES HELD
2,898	1	-	100	50,216
503	101	-	500	118,205
140	501	-	1,000	102,314
86	1,001	-	5,000	170,299
24	5,001	-	10,000	179,173
4	10,001	-	15,000	49,037
1	25,001	-	30,000	29,751
4	45,001	-	50,000	186,292
1	85,001	-	90,000	85,500
3	90,001	-	95,000	277,358
1	290,001	-	295,000	293,067
1	295,001	-	300,000	298,067
2	300,001	-	305,000	608,134
1	310,001	-	315,000	310,469
1	1,205,001	-	1,210,000	1,205,429
1	6,800,001	-	6,805,000	6,800,648
3,671				**10,763,959**

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	SHARES HELD	PERCENTAGE
Directors, CEO, Sponsors and Family Members	25	3,245,658	30.15%
General Public	3,627	690,588	6.42%
Banks, DFI, NBFI and Insurance Companies	5	833	0.01%
Joint Stock Companies	10	25,740	0.24%
Associate Company	1	6,800,648	63.18%
Others	3	492	0.00%
TOTAL	**3,671**	**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 64th Annual General Meeting of the Dadex Eternit Limited will be held on **Thursday, October 26, 2023**, at 11:30 a.m at Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi and or at any adjournment thereof.

As witness my/our hand/seal this _____day of _____2023

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, P.E.C.H.S., 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.
3 If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:
In addition to the above the following requirements have to be met:

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.

DADEX

مختار نامہ

کمپنی سیکریٹری

ڈاڈیکس ایٹرنٹ لمیٹڈ

ڈاڈیکس ہاؤس، 34-A/1، بلاک 6، PECHS

شارعِ فیصل، کراچی -75400

میں/ہم _____ ولد/بنتِ/زوجہ _____ سکنہ

_____ (مکمل پتہ) بحیثیت رُکن ڈاڈیکس ایٹرنٹ لمیٹڈ، اور

حامل _____ عام حصص، مسمی/مسمات _____

سکنہ _____ (مکمل پتہ)

کو یا اِن کی غیر حاضری کی صورت میں مسمی/مسمات _____

سکنہ _____ (مکمل پتہ)

جو کہ ڈاڈیکس ایٹرنٹ لمیٹڈ کے حصص دار ہیں کو میری/ہماری غیر حاضری کی صورت میں اپنا/ہمارا مختار مقرر کرتا/ کرتی/ کرتے ہیں۔ اِنھیں ہمارے ایماء پر، بروز جمعرات 26 اکتوبر، 2023 بوقت صبح 11:30 بجے، ڈاڈیکس ایٹرنٹ لمیٹڈ، ڈاڈیکس ہاؤس، 34-A/1، بلاک 6، PECHS، شارعِ فیصل، کراچی میں منعقد ہونے والے کمپنی کے 64 واں سالانہ اجلاسِ عام یا کسی بھی التواء کی صورت میں حقِ رائے دہی استعمال کرنے کی اجازت دیتا/دیتی/دیتے ہیں۔

یہ مختار نامہ آج بروز _____ بتاریخ _____ 2023 کو مندرجہ ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

۱۔ _____

_____

۲۔ _____

_____

فولیو/سی ڈی سی اکاؤنٹ نمبر

۵ روپے مالیت کے ریونیو ٹکٹ 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 ڈاڈیکس ہاؤس، 34-A/1، بلاک 6، PECHS، شارعِ فیصل، کراچی میں جمع کرانا ضروری ہے۔

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

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

برائے سی ڈی سی اکاؤنٹ ہولڈرز/ کارپوریٹ ادارے:

مذکورہ بالا ہدایات کے علاوہ درج ذیل ضروری شرائط بھی پوری کرنا لازمی ہیں:

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

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

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

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

Dadex Eternit Limited

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  Tel: (92-22) 3886534, 3886536
  Fax: (92-22) 3883993

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