



FINANCIAL STATEMENTS

Q3

**FOR THE NINE (9) MONTHS
ENDED MARCH 31, 2024
(UNAUDITED)**

DADEX



Table of Contents

Company Information	2
The Director's Review	4
Condensed Interim Statement of Financial Position	5
Condensed Interim Statement of Profit and Loss	6
Condensed Interim Statement of Comprehensive Income	7
Condensed Interim Statement of Cash Flows	8
Condensed Interim Statement of Changes in Equity	9
Notes to the Condensed Interim Financial Statements	10



Company Information

Board of Directors	Mr. Shahzad M. Husain - Chairman (Non - Executive Director) Mr. Sikander Dada (Chief Executive I Director) Mr. Abu Talib H.K. Dada (Non - Executive Director) Mr. Maqbool H.H. Rahimtoola (Non - Executive Director) Syed Shahid Ali Bukhari (Independent Director) Mrs. Ayesha Tariq Allawala (Independent Director) Mrs. Amber Ahmed Motiwala (Female Director)
Chief Financial Officer & Company Secretary	Mr. Muhammad Yousuf
Head of Internal Audit	Mr. Muhammad Arif
Board Audit Committee	Syed Shahid Ali Bukhari - Chairman Mr. Shahzad M. Husain - Member Mr. Maqbool H.H. Rahimtoola - Member Mrs. Amber Ahmed Motiwala - Member
Human Resource Remuneration Committee	Mrs. Ayesha Tariq Allawala - Chairperson Mr. Maqbool H.H. Rahimtoola - Member Mr. Abu Talib H.K. Dada - Member
Management Team	Mr. Sikander Dada - Chief Executive Officer Mr. Tanveer Saleem - Chief Operating Officer (Technical, Sales & Operations) Mr. Muhammad Yousuf - Chief Financial Officer 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



DADEX

Legal Advisor

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

Registered Office

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

Share Registrar

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

Website

www.dadex.com



Directors' Review

On behalf of the Board of Directors we take pleasure in presenting the unaudited accounts of the company for the nine months ended March 31st, 2024.

During the review period, Pakistan faced significant macroeconomic challenges, including a fragile balance-of-payments situation, slow economic growth, and rising inflation. These factors have had a notable impact on our Company's financial performance, influenced by both domestic and external circumstances. The depreciation of the Pak Rupee has increased import costs, leading to higher production expenses and tighter profit margins.

The company achieved net sales for the review period totaled Rs. 766.06 million, reflecting a 32.22% decrease from the corresponding period in the prior year. Notably, the cost of sales decreased by 27.92%, while distribution expenses also experienced a reduction of 15.53%. Conversely, administrative costs saw a marginal decline of 1.32% compared to the previous year.

The Company effectively managed to significantly reduce other expenses during the review period, achieving a remarkable decline from Rs. 157.98 million in March 2023 to Rs. 450 million in March 2024. This impressive reduction of 99.7% underscores a substantial achievement, exerting a profound positive impact on our bottom-line profitability.

The Company incurred an operating loss of Rs. 85.563 million, marking a decrease in operating loss by Rs. 93.304 million reported in March 2023. Additionally, financial charges escalated by 11.94%, resulting to manage in a net loss after tax of Rs. 212.29 million, in contrast to the net loss after tax of Rs. 292.079 million recorded in March 2023. Consequently, this translates in the loss per share which stood at Rs. 21.20, compared to a profit per share of Rs. 29.04 in March 2023.

In response to the challenging business environment, we are dedicated to adapting by expanding our market presence, finding cost-saving opportunities, and monitoring economic changes. Our main goal is to ensure financial stability and strengthen resilience.

We sincerely thank our management team, employees, and stakeholders for their dedication. Despite difficulties, we are committed to overcoming obstacles and striving for profitability in the coming year.

Karachi: April 29, 2024,

Sikander Dada
Chief Executive Officer

On Behalf of the Board of Directors

Maqbool H. H. Rahimtoola
Director

DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024 (UN-AUDITED)

DADEX

		March 31, 2024	June 30, 2023
		(Un-audited)	(Audited)
	Note	(Rupees in thousands)	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	459,990	451,480
Capital work in progress	8	2,022	13,525
Intangible assets		-	40
Long-term loans and advances		642	701
Long-term security deposits		16,459	16,459
Deferred tax asset		162,504	162,504
		<u>641,617</u>	<u>644,709</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		47,880	43,930
Stock-in-trade	9	296,082	198,998
Trade debts	10	52,866	60,626
Loans and advances		206,894	88,340
Trade deposits and short term prepayments		118,031	111,480
Other receivables		12,372	14,312
Sales tax receivables		19,492	-
Income tax refund due from Government		218,405	218,405
Taxation - net		60,350	37,354
Cash and bank balances		45,787	56,200
		<u>1,078,159</u>	<u>829,645</u>
Non - current assets held for sale		1,496,162	1,496,162
TOTAL ASSETS		<u><u>3,215,938</u></u>	<u><u>2,970,516</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (June 30, 2023: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2023: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	11	107,640	107,640
Reserves		(997,927)	(771,229)
Surplus on revaluation of property, plant and equipment		1,524,343	1,525,882
		<u>634,056</u>	<u>862,293</u>
NON - CURRENT LIABILITIES			
Lease liabilities		5,505	6,772
		<u>5,505</u>	<u>6,772</u>
CURRENT LIABILITIES			
Trade and other payables	12	1,819,538	1,308,029
Short-term borrowings	13	671,109	711,034
Accrued markup		43,350	39,643
Current portion of lease liabilities		1,163	1,057
Loan from directors		25,000	25,000
Unclaimed dividend		16,217	16,688
		<u>2,576,377</u>	<u>2,101,451</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,215,938</u></u>	<u><u>2,970,516</u></u>
CONTINGENCIES AND COMMITMENTS			
	14		

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

DADEX

	Nine months ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees in thousands)			
Sales - gross	918,615	1,335,893	402,971	473,265
Sales tax	(152,555)	(205,598)	(69,124)	(76,102)
Sales - net	766,060	1,130,295	333,847	397,163
Cost of sales	(723,986)	(1,004,469)	(310,025)	(341,195)
Gross profit	42,074	125,826	23,822	55,968
Distribution cost	(78,381)	(92,788)	(20,877)	(29,364)
Administrative expenses	(113,655)	(115,174)	(32,641)	(37,020)
Other expenses	(450)	(157,986)	(150)	(129,150)
Other income	64,849	61,255	24,381	16,314
Operating (loss) / profit	(85,563)	(178,867)	(5,465)	(123,252)
Finance costs	(126,731)	(113,212)	(40,973)	(36,526)
Loss before taxation	(212,294)	(292,079)	(46,438)	(159,778)
Taxation				
Current	(15,943)	(20,530)	(6,118)	(7,278)
Deferred	-	-	-	-
	(15,943)	(20,530)	(6,118)	(7,278)
Net loss for the period	(228,237)	(312,609)	(52,556)	(167,056)
Earnings per share - basic and diluted (Rupees)	(21.20)	(29.04)	(4.88)	(15.52)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)



	<u>Nine months ended</u>		<u>Quarter ended</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
	<u>(Rupees in thousands)</u>			
(Loss) / profit for the period	(228,237)	(312,609)	(52,556)	(167,056)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(228,237)</u>	<u>(312,609)</u>	<u>(52,556)</u>	<u>(167,056)</u>

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

DADEX

	Note	Nine months ended	
		March 31, 2024	March 31, 2023
(Rupees in thousands)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	18	209,257	395,830
Finance cost paid - net		(123,024)	(115,889)
Taxes refundable / (paid)		(38,939)	(53,222)
Net cash (used in) / generated from operating activities		47,294	226,719
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(25,945)	(17,940)
Addition to intangible assets		-	-
Proceeds from disposal of fixed assets		-	16,057
Long term security deposits		59	3,464
Interest received		9,736	582
Net cash used in investing activities		(16,150)	2,163
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liabilities		(1,161)	(13,349)
Long-term financing		-	(22,965)
Short term borrowings - net		(39,925)	(156,237)
Loan from Directors		-	-
Dividend paid		(471)	(6)
Net cash generated from / (used in) financing activities		(41,557)	(192,557)
Net (decrease) / increase in cash and cash equivalents		(10,413)	36,325
Cash and cash equivalents at the beginning of the period		(393,560)	(439,310)
Cash and cash equivalents at the end of the period		(403,973)	(402,985)
CASH AND CASH EQUIVALENTS			
Cash and bank balances		45,787	46,775
Short-term borrowings		(449,760)	(449,760)
		(403,973)	(402,985)

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

DADEX

Issued, subscribed and paid-up capital	Reserves				Total	Grand total	
	Capital reserve		Revenue reserve				
	Share premium	Revaluation surplus	General reserve	Accumulated losses			
(Rupees in thousands)							
Balance as at July 1, 2022	107,640	5,655	1,054,892	-	(366,950)	693,597	801,237
Transfer from general reserve to unappropriated profit	-	-	-	-	-	-	-
Total comprehensive loss for the nine months ended March 31, 2023							
Net loss for the period	-	-	-	-	(312,609)	(312,609)	(312,609)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(312,609)	(312,609)	(312,609)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(18,589)	-	18,589	-	-
Balance as at March 31, 2023	107,640	5,655	1,036,303	-	(660,970)	380,988	488,628
Balance as at July 1, 2023	107,640	5,655	1,525,882	-	(776,884)	754,653	862,293
Total comprehensive profit for the nine months ended March 31, 2024							
Net loss for the period	-	-	-	-	(228,237)	(228,237)	(228,237)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(228,237)	(228,237)	(228,237)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation - net of tax	-	-	(1,539)	-	1,539	-	-
Balance as at March 31, 2024	107,640	5,655	1,524,343	-	(1,003,582)	526,416	634,056

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


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

DADEX ETERNIT LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2024 (UN-AUDITED)

1 THE COMPANY AND ITS OPERATIONS

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

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; and
- Sunder Industrial Estate, Multan Road, Raiwind, District, Lahore

3 BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

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

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

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the nine months ended March 31, 2023.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

4 SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Initial application of standards, amendments or an interpretation to existing standards

- a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on January 01, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim financial information.

5 ESTIMATES AND JUDGMENTS

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

6 TAXATION

The provisions for taxation for the nine months and quarter ended March 31, 2024, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2024 as stipulated through Finance Act 2023.

	Note	March 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2023 (Audited)
7 OPERATING FIXED ASSETS			
Fixed assets	7.1	454,926	443,629
Right-of-use assets	7.2	5,064	7,851
		<u>459,990</u>	<u>451,480</u>
7.1 Fixed assets			
Opening net book value (NBV)		443,629	698,259
Revaluation surplus		-	481,085
Transfer during the period from right-of-use assets		-	-
Additions during the period / year at cost	7.1.1	39,025	64,916
		<u>482,654</u>	<u>1,244,260</u>
Disposals during the period / year at NBV	7.1.2	-	(315)
Depreciation charge for the period / year		(27,728)	(54,010)
Transfer to non-current assets held for sale		-	(746,306)
		<u>(27,728)</u>	<u>(800,631)</u>
Closing net book value (NBV)		<u>454,926</u>	<u>443,629</u>

March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
-----------------------------------	-------------------------------

(Rupees in thousands)

7.1.1 Detail of additions (at cost) during the period / year are as follows:

Owned		
Freehold land	-	-
Building on freehold and leasehold land other than factory	213	2,748
Plant and machinery	37,635	15,068
Vehicles and transportation equipments	-	1,874
Office and factory equipments	1,177	440
Furniture and fixtures	-	-
	<u>39,025</u>	<u>20,130</u>

7.1.2 Detail of disposals (at NBV) during the period / year are as follows:

Owned		
Vehicle & transportation equipments	-	315
Plant and machinery	-	-
	<u>-</u>	<u>315</u>

7.2 Right-of-use assets

Opening net book value	7,851	62,415
Addition during the period	-	8,468
Transfer during the period to own assets	(1,577)	(58,518)
Depreciation charge during the period / year	(1,210)	(4,514)
Closing net book value	<u>5,064</u>	<u>7,851</u>

8 CAPITAL WORK IN PROGRESS

Plant and machinery	2,022	13,525
	<u>2,022</u>	<u>13,525</u>

8.1 Movement of carrying amount is as follows:

Opening balance	13,525	1,932
Additions (at cost) during the period / year	27,522	17,990
	41,047	19,922
Transfer to operating fixed assets during the period / year	(39,025)	(6,397)
Closing balance	<u>2,022</u>	<u>13,525</u>

March 31, **June 30,**
2024 **2023**
(Un-audited) **(Audited)**
(Rupees in thousands)

9 STOCK-IN-TRADE

Raw materials			
in hand	132,654	110,864	
in transit	-	-	
	132,654	110,864	
Work-in-process	19,547	11,565	
Finished goods			
manufactured	112,378	58,272	
trading	31,503	18,297	
	143,881	76,569	9.1
	296,082	198,998	

9.1 Finished goods are net off provision of Rs. 93.730 million (June 30, 2023: Rs.91.002 million).

10 TRADE DEBTS

(Unsecured - considered good)			
Export	244	244	
Local	52,622	60,382	
	52,866	60,626	
(Unsecured - considered doubtful)			
Due from Turnkey project	17,414	17,414	
Due from Others	174,419	174,419	
	191,833	191,833	
	244,699	252,459	
Provision for expected credit losses			
Turnkey project	(17,414)	(17,414)	
Others	(174,419)	(174,419)	10.1
	(191,833)	(191,833)	
	52,866	60,626	

	March 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2023 (Audited)
10.1 Provision for expected credit losses - others		
Opening balance	174,419	174,419
Charge during the period	-	-
Reversal of the provision	-	-
Written off	-	-
Closing balance	174,419	174,419

11 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	March 31, 2024	June 30, 2023			
	Number of shares				
1,714,264	1,714,264	1,714,264	Ordinary shares of Rs.10/- each issued for cash	17,143	17,143
476,386	476,386	476,386	Issued for consideration other than cash	4,764	4,764
8,573,309	8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733
10,763,959	10,763,959	10,763,959		107,640	107,640

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

11.2 The Holding Company holds 6,800,648 (June 30, 2023: 6,800,648) ordinary shares representing 63.18 percent (June 30, 2023: 63.18 percent) shareholding as at the balance sheet date.

12 TRADE AND OTHER PAYABLES

Trade creditors	885,994	642,285
Accrued liabilities	98,582	87,781
Advance from customers	717,592	461,492
Advance from tenants	5,282	8,689
Security deposits from distributors and others	19,003	16,903

			March 31, 2024 (Un-audited) (Rupees in thousands)	June 30, 2023 (Audited)
	Note			
Workers' Profit Participation Fund payable			932	932
Workers' Welfare Fund			7,557	7,557
Infrastructure cess payable			40,913	40,913
Sales tax and excise duty			-	-
Payables to employees			9,581	9,581
Withholding tax			452	452
Current portion of GIDC payable			29,344	29,344
Others			4,306	2,100
			1,819,538	1,308,029
13 SHORT TERM BORROWINGS				
Secured				
Running finance	13.2		449,760	449,760
Islamic mode				
Karobar finance	13.1		72,000	89,929
Tijarah finance	13.3		-	50,000
Istisna finance	13.4		149,349	121,345
			671,109	711,034
13.1 This facility has been obtained from Islamic Bank Islami aggregating to Rs.72 million (June 30, 2023: Rs. 89.90 million). The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2023: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 16.50% to 23.23% (June 30, 2023: 19.50% to 24.09%) per annum.				
13.2 These facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2023: Rs. 500 million). These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock and trade debts of Rs. 1,448 million (June 30, 2023: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 (June 30, 2023: Rs, 934 million) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. These facilities carry mark-up rate 3 months KIBOR + 2.75% (June 30, 2023: 3 months KIBOR + 2.75%) per annum.				
13.3 An overall facility of Rs. 50 million has been obtained from Al-Baraka Bank under Tijarah financing. 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. The financing facility carries markup at 6 months KIBOR plus 3% (June 30, 2023: 6 months KIBOR plus 3%).				
13.4 An overall facility of Rs. 150 million (June 30, 2023: 150 million) has been obtained from Habib Metropolitan Bank under Istisna financing. The facility is secured by 100% cash collateralized in shape of Lien on Islamic Naya Pakistan Certificate (INPC) placed by three shareholders including Mr. Samad Dada of equivalent amount as proposed. The financing facility carries markup at 6 months KIBOR plus 2% (June 30, 2023: 6 months KIBOR plus 2%).				

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 During the year ended June 30, 2010, the Environmental Protection Tribunal (EPT) initiated proceedings against the Company, containing allegations of pollution, under the Pakistan Environmental Protection Act, 1997 based on a complaint filed by the brother of an ex-employee of the Company. The Company submitted a plea before the EPT raising the issue of the maintainability of the complaint and its lack of jurisdiction to hear the same which was dismissed vide an order dated June 29, 2010. The Company filed a constitutional petition before the Honourable High Court of Sindh (HCS) seeking reliefs that the proceedings before EPT vis-a-vis the compliant were taken coram non iudice and has maintained that the EPT has no jurisdiction of the subject matter. The said constitutional petition was dismissed by HCS vide its judgment dated March 9, 2011.

The Company filed petition for leave to appeal against the judgment of HCS before the Honourable 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 this condensed interim financial information.

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

14.2 Commitments

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	(Rupees in thousands)	
Outstanding letters of credit	-	-
Outstanding letter of guarantee	70,824	78,516
Postdated cheques	9,280	15,961
Outstanding contracts	675,284	546,308
	<u>755,388</u>	<u>640,785</u>

15 SALES

	Nine month ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	------(Rupees in thousands)-----			
	------(Un-audited)-----			
Local sales	905,147	1,273,504	399,716	466,916
Export sales	13,468	62,389	3,255	6,349
Gross sales	918,615	1,335,893	402,971	473,265
Less:				
Sales tax	(152,555)	(205,598)	(69,124)	(76,102)
	766,060	1,130,295	333,847	397,163

16 COST OF SALES

Manufactured goods				
Raw materials consumed				
Opening stock	110,864	139,714	136,288	112,574
Purchase	543,854	587,832	224,063	230,063
Closing stock	(132,654)	(104,939)	(132,654)	(104,939)
Raw materials consumed	522,064	622,607	227,697	237,698
Manufacturing overheads				
Stores and spares consumed	18,301	30,323	11,091	11,966
Salaries, wages and other benefits	52,974	62,345	20,701	28,902
Procured services	19,219	50,473	4,628	15,920
Fuel, water and power	71,199	61,698	33,685	23,622
Insurance	3,185	3,848	869	1,213
Travelling	69	351	-	174
Communication	562	420	114	128
Depreciation	26,728	25,788	9,024	8,303
Rent, rates and taxes	1,937	2,813	1,846	1,511
Repairs and maintenance	21,661	22,871	5,135	12,423
Printing and stationary	274	173	15	10
Provision for slow moving stores	-	4,857	-	-
Other expenses	1,369	1,183	485	443
	217,478	267,143	87,593	104,615
	739,542	889,750	315,290	342,313
Work-in-process				
Opening stock	11,565	25,729	16,274	19,782
Closing stock	(19,547)	(22,353)	(19,547)	(22,353)
Cost of goods manufactured	731,560	893,126	312,017	339,742
Finished goods				
Opening stock	58,273	179,474	107,236	110,873
Closing stock	(112,378)	(110,328)	(112,378)	(110,328)
	677,455	962,272	306,875	340,287
Trading goods				
Opening stock	18,297	41,204	19,136	23,139
Purchase	59,737	23,845	15,517	621
Closing stock	(31,503)	(22,852)	(31,503)	(22,852)
	46,531	42,197	3,150	908
	723,986	1,004,469	310,025	341,195

20 OPERATING SEGMENTS



20.1 Segment Analysis

	Chrysolite Cement	Plastic	Others	Total
	----- (Rupees in thousands) -----			
Nine months ended March 31, 2024				
(Unaudited)				
Turnover	306,104	459,956	-	766,060
Segment result	(99,493)	(50,469)	-	(149,962)
Unallocated expenses				
Other operating expenses				(450)
Other income				64,849
Finance costs				(126,731)
Taxation				(15,943)
Loss for the period				(228,237)
Nine months ended March 31, 2023				
(Unaudited)				
Turnover	504,247	626,048	-	1,130,295
Segment result	(52,607)	(29,529)	-	(82,136)
Unallocated expenses				
Other operating expenses				(157,986)
Other income				61,255
Finance costs				(113,212)
Taxation				(20,530)
Loss for the period				(312,609)
20.2 Segment assets and liabilities				
March 31, 2024 (Un-audited)				
Segment assets	454,326	585,874	120,216	1,160,416
Unallocated corporate assets				2,055,522
Total assets				3,215,938
Segment liabilities	539,345	466,174	12,744	1,018,263
Unallocated corporate liabilities				1,563,619
Total liabilities				2,581,882
June 30, 2023 (Audited)				
Segment assets	397,588	514,066	119,686	1,031,340
Unallocated corporate assets				1,939,176
				2,970,516
Segment liabilities	403,886	421,169	18,890	843,945
Unallocated corporate liabilities				1,264,278
Total liabilities				2,108,223

21 FINANCIAL RISK MANAGEMENT

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

22 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount for which asset could be exchanged or liability settled between knowledgeable, willing parties in an arm length transaction.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: Inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

As of reporting date, no financial instruments of the Company are carried at fair value.

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2024 by the Board of Directors of the Company.

24 CORRESPONDING FIGURES

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

25 GENERAL

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


CHIEF EXECUTIVE
DIRECTOR
CHIEF FINANCIAL OFFICER

Dadex Eternit Limited

- **Head Office:**

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

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

Fax: (92-21) 34315716

- **Dadex Karachi Factory:**

Deh-22, Mangopir, Karachi-75890

Tel: (92-21) 36770155-58,

Fax: (92-21) 36770161

- **Dadex Hyderabad Factory:**

P.O. Box No. 10, Badin Road Hyderabad.

Tel: (92-22) 3886534, 3886536

Fax: (92-22) 3883993

- **Sundar Factory Lahore:**

Plot No. 561-561/A Sundar Industrial Estate,
43-KM, Sundar Raiwind Road, Lahore.

Tel: (92-42) 38370386-90

Fax: (92-42) 38370367