

Sixty Years of Commitment









DADEX

Annual Report 2019





Pioneers of Piping and Roofing Solutions

For the past 60 years, Dadex has supplied innovative, high quality products to a number of industries across the board, particularly construction and telecommunications.

The First Name in Safe Water

℮℮

DADEX

We are Pakistan's only suppliers of antimicrobial piping which protects against bacteria to provide safe and healthy water. Our product has been tested against more than 50 microorganisms and proven to have 99.99% efficacy in preventing bacterial transmission.

International Standards of Quality Control

We are compliant with a number of international quality certifications and partnered with companies in the United Kingdom, Norway and Italy to provide superior products to consumers both domestic and overseas. We also have a state-of-the-art laboratory capable of testing raw material and finished goods in accordance with global standards.

Reliable Customer Support

The company has full fledge customer service department to provide pre and post sales customer support.

DADEX







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.





DADEX History 1959-1969



1959

Opening of Asbestos Cement Industries Limited first plant at Hyderabad, L-R: Late Mr. Kasim Dada, Mr. Abdul Kasem Khan, Minister of Industries, Works, Irrigation and Power



1959

FC Decorative sheets & FC corrugated sheets



1962

Collaboration with Eternit Group of Belgium

1964

FC Building Pipes

1965

Second plant* in Chittagong, East Pakistan, Bangladesh



1966

Opening of ACIL plant at Karachi by Mr. Ghulam Faruque, Commerce Minister (17th November) And Mr. Kasim Dada(Left).



1967

ACIL logo creation

^{*} Plant lost in 1971 with the loss of East Pakistan.





Annual Report 2019

Our Achievement 🖊

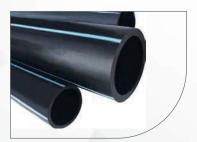
Antimicrobial Pipes

Dadex in continuation of its tradition of introducing innovative products has achieved a new milestone by introducing first antimicrobial and antibacterial pipes in the country. This innovation has opened the new doors of development inside and outside Pakistan.

Dadex antimicrobial pipes are available in PPR Polydex Pipes, PVC Pressure Pipes and PE Water Pipes used for potable water supply. Dadex antimicrobial pipes have 99.99% antimicrobial efficacy and provide long lasting protection against Bacteria, Fungi and Algae; hence providing safe and healthy water.

The antimicrobial additive being used by Dadex in antimicrobial pipes has been tested against over 50 dangerous microorganisms including: MRSA,E. coli Salmonella, Klebsiella pneumoniae, Staphylococcus aureus, Pseudomonas aeruginosa, Clostridium difficile, A. niger Corynebacterium spp, Escherichia coli.

Dadex antimicrobial products have built-in anti-fungal, anti-bacterial, anti-mold, anti-mildew and anti-algal protection, providing a broad spectrum of total anti-microbial performance.







Geographical Presence



Dadex is the leading building products manfucturing company. Our head office is situated at Karachi. We have 3 manufacturing facilities at Karachi, Hyderabad & one in Lahore. (Sundar Estate).

We have sales offices at Lahore, Multan, Faisalabad, Peshawar, Quetta & Islamabad. Dadex has a wide dealers / distributors network across the country.

DADEX History 1970-1989



1981 ACIL Asbestos Cement Products



1984 ACIL cottage at an international exhibition made by ACIL products



1987
First Pakistan Standard
License for FC
Corrugated Sheets was
received from the
Pakistan Standards
Institute



1989 Mr. Sikander Dada was appointed Chief Executive and Managing Director of ACIL.

DADEX History 1990-1999



1990

New name, new logo



1991

Dadex entered into a technical know-how agreement with Wavin overseas B.V. of the Netherlands for the production of thermoplastic pipe systems in Pakistan, starting with PVC-U pressure pipes



1993

PE pipes: PE for gas & PE for water.



1997

PVC-U pipes systems for soil, waste and vent



1998

ISO 9002 certification



1999

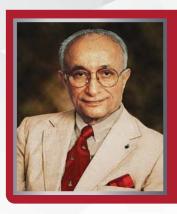
PPR Hot & Cold water system

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 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.

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



Kassim Dada Founder Chairman (1919-2001)

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 to make Dadex a company that would not only be recognized for its quality of work and products but a company with integrity. As he wrote in his book, 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 lie in merely the superiority of products but in fact, 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, relationship with clients - the underlying aim is the collective convergence of all values under the principle rule of truthfulness.

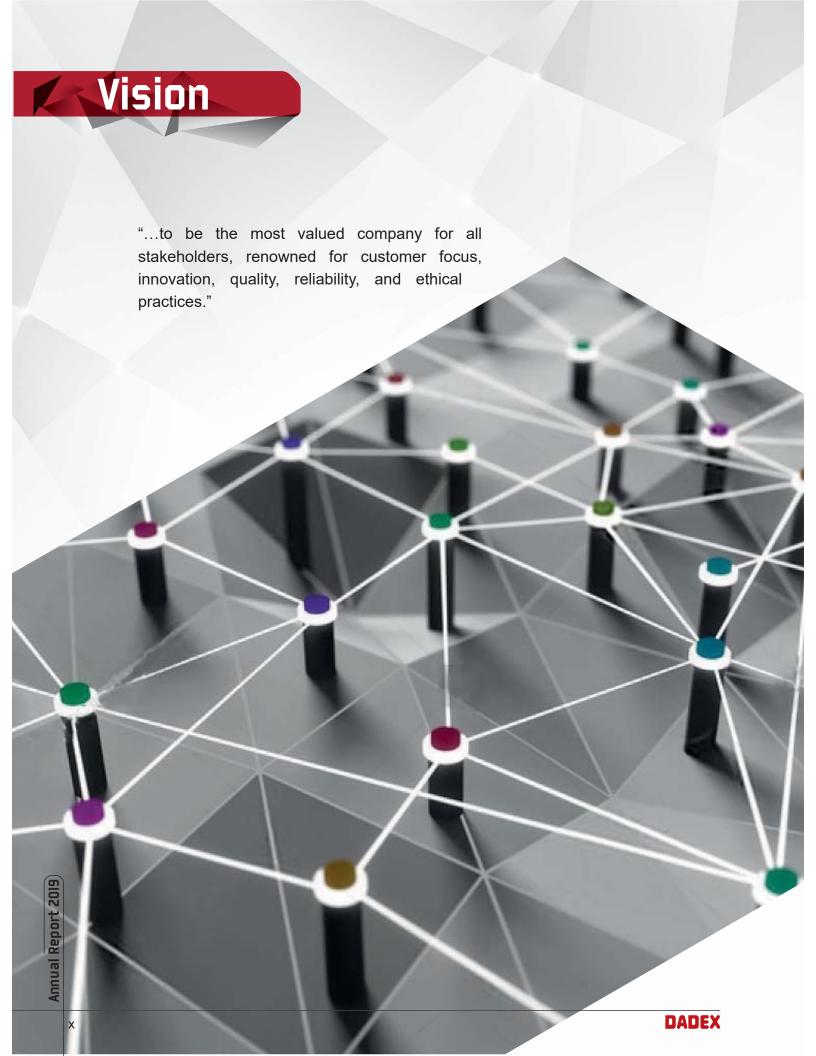
The Dadex vision signifies Kassim Dada's legacy of fundamental righteousness in business and in personal life.

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



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 employees' 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.

DADEX History 2000-2005



2001

Dadex House [Shahra-e-Faisal, Karachi]



2002

PE cable duct system and PVC-U electrical conduits



2003

Dadex values, vision and mission statement



2005

The American Petroleum Institute certified Dadex to use their official monogram on manufactured product (PE gas pipes). Dadex is the only company outside the US to achieve this distinction



2005

Aluminium Composite Panels



2005

Dadex certified and recognized as an Investor in People (IIP) Company on meeting the best H.R. practices standards

DADEX History 2006-2009



2006

Complete underground PVC-U sewer system



2006

Dadex embraces state-of-the art SAP solutions



2006

PVC-U Tubewell casing and screen pipe system



2007

Sunder factory – Lahore



2008

Speciality piping systems

DADEX History 2010-2019



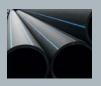
2015

Product launch ECO PVC piping system



2015

Product launch Thermoline PPR piping systems



2016

Large diameter PE pipe extrusion line up to 630mm at Sunder



2017

Launched Pakistan's 1st Antimicrobial pipes



2018

Collaboration with Marley Plumbing and Drainage System, UK.



2018

Collaboration with Aquadex.

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Company Information

Board of Directors	Sikander Dada - Chairman Abu Talib H.K. Dada Maqbool H.H. Rahimtoola Shahzad M. Husain Syed Shahid Ali Bukhari Qazi Sajid Ali Danish Dada	(Non - Executive Director) Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Independent Director) (Executive Director) (Executive Director)		
Chief Executive Officer	Qazi Sajid Ali			
Chief Financial Officer	Muhammad Yousuf			
Company Secretary	Umar Rasheed			
Head of Internal Audit/ Secretary Board Audit Comm	Muhammad Ahsan ittee			
Board Audit Committee	Syed Shahid Ali Bukhari – Chairman Shahzad M. Husain Maqbool H.H. Rahimtoola			
Human Resource and Remuneration Committee	Syed Shahid Ali Bukhari – Chairman Maqbool H.H. Rahimtoola Abu Talib H.K. Dada Qazi Sajid Ali			
Management Team	Qazi Sajid Ali Danish Dada Tanveer Saleem Muhammad Yousuf Munawar Abbas Syed Wasim Ahmed Lt. Cdr. (Retd.) Saeed Ahmed Khan Syed Shahrukh Mehdi	 Chief Executive Officer CEO (International Division) Chief Operating Officer (Technical & Operations) Chief Financial Officer Director Operations General Manager Finance General Manager Admin & HR General Manager Sales 		
Auditors	BDO Ebrahim & Co., Chartered Accountants			
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited 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

Bankers

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 60th Annual General Meeting

Notice is hereby given that the 60th Annual General Meeting of the Dadex Eternit Limited will be held on Monday, October 28, 2019 at 02:15 p.m., at Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi to transact the following:

Ordinary Business:

- 1. To receive, consider and adopt the following documents for the year ended June 30, 2019:
 - 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, 2020, and authorize the Directors to fix their remuneration. The present auditors, M/s. BDO Ebrahim & Co., Chartered Accountants, being eligible have offered themselves for re-appointment, The Board of Directors recommends, based on the recommendation of the Audit Committee, the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants.

By Order of the Board
(Umar Rasheed)
Company Secretary

Karachi: September 30, 2019

NOTES:

- The Register of Members and the Share Books of the Company shall remain closed from October 21, 2019 to October 28, 2019 (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 20, 2019 will be treated in time for incorporating the change in the Register of Members as at October 21, 2019.
- 2. The entitlement to attend, participate and vote at the 60th Annual General Meeting will be according to the Register of Members as at October 21, 2019.
- 3. 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.

- 4. An instrument of the proxy applicable for the Meeting, in which a Member can direct the proxy how he/she wishes the proxy to vote, is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours or can be downloaded from our website www.dadex.com.
- 5. Members are requested to notify change, if any, in their registered addresses to our Share Registrar at the abovementioned address.
- 6. Shareholders are requested to submit a copy of their valid CNIC (if not already provided) to Company's Share Registrar at the abovementioned address.
- 7. As per section 242 of the Companies Act, 2017, in case of listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. Therefore, all shareholders of the Company are requested to provide bank mandate details to the Share Registrar of the Company at the abovementioned address so that your dividend amount may directly be deposited in your respective bank accounts.
- 8. In terms of SRO 787(I)/2014 dated September 8, 2014, the shareholders can also opt to obtain Annual Report 2019 through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email ID.
- 9. Shareholders who have not claimed their dividend are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend, if any.
- 10. As per SECP directives issued through SRO 634 (I)/2014, the Annual Report 2019 of the Company along with Notice of Annual General meeting is available for download at Company's website i.e. www.dadex.com.
- 11. In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a request is to be submitted to the Company Secretary of the Company.
- 12. CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan.

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 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.

The Chairman Review

The Company has complied with the requirements of the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2017 as applicable with respect to the procedures and meetings of the Board of Directors and its committees.

The Board has performed its duties and responsibilities effectively and has contributed in guiding the Company's management team. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company was carried out. The purpose of this evaluation was to ensure that the Board's overall performance and effectiveness meets the overall objectives set for the Company. The Board has formulated an effective mechanism for this evaluation. The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The Board met four (04) times during the year. The Board meets at least once in every quarter to consider operational results and the budget of the following year. The Board Committees greatly facilitated the overall working of the Board.

The Board has set up an effective Internal Audit function by appointing qualified and experienced head of internal audit who is well conversant with the policies and procedures of the Company. The system of internal controls and such other procedures, which are in place, are being continuously reviewed by the Board's Audit Committee.

To all our employees, customers, bankers and stakeholders – I thank you for your continued commitment and support to the Company.

Sikander Dada Chairman

Report of The Board of Directors

The Board of Directors of Dadex Eternit Limited ("Company") would like to present the 60th Annual Report along with the Audited Financial Statements for the year ended June 30, 2019.

NATIONAL ECONOMY

Pakistan's economy is going through the phase of bringing structural reforms in order to address the macroeconomic imbalances. Various measures taken by the Government have hampered the economic and investment growth in the Country, Large scale manufacturing, which accounts for 65 percent of overall industrial output, contracted by 3.5% compared to a 6.3% growth recorded during the last year.

As a result of exchange rate depreciation, demand side pressures and higher fuel and energy prices, inflationary pressures have increased, and CPI inflation was recorded at 8.9% in June 2019. In response to higher inflationary pressures, the State Bank of Pakistan has increased the policy rate to 13.25%.

During the year under review, the current account deficit improved mainly due to lower imports and increase in remittances received from overseas Pakistani, however, the fiscal deficit continued to deteriorate further. GDP growth rate declined to 3.3% due to various policy measures undertaken to contain rising fiscal and current account deficits.

Although there are immense challenges and economic condition is tough in the foreseeable future, but we expect that the government will continue to pursue sustainable policies in order to build a lasting foundation for future economic and political stability. Documentation of the economy and enhancing the tax base is proving to be a painful undertaking in the short-term, however, the country as a whole and the organized sector will get its benefits in the long run.

PRINCIPAL ACTIVITIES & BUSINESS PERFORMANCE OF THE COMPANY

The principal 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 products.

Period under review has been very challenging for the Company, due to curtailed Government spending in infrastructure development projects, the overall slowdown of economic activities in the Country have negatively impacted the sales of the Company, the Company achieved gross sales revenue of Rs. 3.339 billion, which includes export sale of Rs. 20.37 million, a slight decrease of 3.4 percent over the gross sales of Rs. 3.456 billion achieved last year. During most part of the first half year period, there was restrain imposed by Supreme Court of Pakistan on construction activities in the Bahria Town and high rise projects which has badly effected Company's sales volume.

Multiple factors which were beyond control of the Company's management have affected Company profit margins adversely. These mainly included monetary policy of State Bank and covenants under international financing have led to higher discount rate and rupee devaluation. These factors have weighed on the financial performance of the Company in the form of increased financial charges and

exchange loss on imported raw material, continuous rise in prices of petroleum products and energy prices which have resultantly increased prices of our raw material together with heavy exchange loss due to phenomenal devaluation of Pak Rupees have all resulted in higher-than-expected loss.

Due to these unfavourable factors and despite of have other income of Rs. 82.049 million, the Company closed the year with operating loss of Rs. 16.281 million (2017/18: Operating profit of Rs. 180.116 million). Financial charges increased by 47.05 percent as compared to last year have resulted in a loss before tax of Rs. 195.536 million (2017/18: Profit before tax of Rs. 58.586 million). Resultantly, Company closed the year with a loss after tax of Rs. 195.528 million, (2017/18: net profit of Rs. 5.283 million).

(LOSS)/EARNINGS PER SHARE

Loss per share for the year ended June 30, 2019 was Rs. (18.16) as compared to Rs. 0.49 earning per share last year.

OPERATIONS

New Poly Ethelyn extrusion line has been added at Karachi Factory plastic division resulting in capacity enhancement up to 450 mm diameter pipes, earlier the maximum size that could be produced was 250mm. Sheet plant at Karachi Factory has been refurbished using in-house resources, while at Hyderabad Factory some adequate measures have been taken to maximize productivity. Chrysotile Cement pipe plant at Karachi Factory remained under incapacitated limit because of negligible market demand. At Sunder Factory, Punjab Industrial Estate has finally initiated electrical load enhancement activity from 750 kilo watt to 980 kilo watts.

Some new product developments in plastic related to export market have been successfully achieved.

RISK & UNCERTAINITY FACED BY THE COMPANY

The Company is exposed to the following general risks:

1) Operational risks

Operational risks can broadly be categorized as people, process and asset risks. These are highly inter related, which makes it essential for the Management of the Company to establish such strategies that transcends functional boundaries and effectively address these three key areas of operational risks.

Failure to effectively respond to these risks results in production loss, deteriorating sales that may cause loss to the business. The Company addresses said risks in the course of its business by dedicating resources with requisite skills and expertise.

2) Financial risks

Company is exposed to financial risks through its borrowings with financial institutions. Financial risk arises when interest and exchange rates fluctuate, which causes variations in the cash flows, and when credit lines are to be renegotiated. Financial risk includes the risk of a counterparty failing to meet their obligations. The objective of risk management in the company is to limit any possible adverse impact on the earnings and cash flow. Risk is monitored and followed up on an ongoing basis by the treasury department.

Financial risk has been described in detail in note no. 46 of the attached financial statements that include market risks, credit risks and liquidity risks.

3) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on trade debts, borrowings, accrued mark-up and trade creditors that are denominated in a currency other than the respective functional currency of the Company, primarily U.S. Dollar.

4) Compliance risk

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

DIVIDENDS AND APPROPRIATIONS

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

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

Accumulated Loss as at July 01, 2018	(Rupees in thousand) (34,450)
Prior year adjustment	(04,400)
Transfer from Un-appropriated Profit to general reserves	-
Surplus on revaluation of fixed assets on account of incremental	
Depreciation charged on related assets	24,345
Loss after taxation for the year ended June 30, 2019	(195,528)
Final dividend of year ended June 30, 2018	(2,153)
Accumulated Loss as at June 30, 2019	(207,786)

Non-adjusting event after the balance sheet date

Proposed final dividend per share of Rs. NIL per share Transfer from General Reserves to Un-appropriated Profit 160,000

Break-up value per share as at June 30, 2019 is Rs. 102.80 (2017/18: Rs.118.80).

BOARD OF DIRECTORS AND ITS COMMITTEES

The Board will complete its term on October 24, 2020.

Dadex Board met four times during the year 2018/19. Dadex Board consists of good mix of experienced and skilled members.

The Board Audit Committee met four times and Human Resource and Remuneration Committee met one time during the year 2018/19. The Board Committees greatly facilitated the overall working of the Board.



Mr. Shahid Ali Bukhari, Independent Director is the Chairman of the Board Audit Committee and Human Resource and Remuneration Committee as required under the Code of Corporate Governance.

ATTENDANCE OF MEETINGS DURING THE YEAR

Number of meetings of the Board of Directors, and its Audit and the Human Resource and Remuneration Committees, together with attendance therein, is as follows:

Name of Director	Status	Board of Directors meeting		Board Audit Committee meeting		Human Resource and Remuneration Committee meeting	
		Held	Attended	Held	Attended	Held	Attended
Mr. Sikander Dada	Non Executive Director	4	4	N/A	N/A	N/A	N/A
Mr. Abu Talib H.K. Dada	Non Executive Director	4	4	N/A	N/A	1	1
Mr. Maqbool H.H. Rahimtoola	Non Executive Director	4	4	4	4	1	1
Mr. Shahzad M. Husain	Non Executive Director	4	4	4	4	N/A	N/A
Mr. Syed Shahid Ali Bukhari*	Independent Director	4	4	4	4	1	1
Mr. Danish Dada	Executive Director	4	3	N/A	N/A	N/A	N/A
Mr. Qazi Sajid Ali - CEO	Executive Director	4	4	N/A	N/A	1	1

^{*} Mr. Syed Shahid Ali Bukhari is the Chairman of Board Audit Committee and Human Resource & Remuneration Committee

BOARD'S PERFORMANCE EVALUATION AND DIRECTORS' TRAINING PROGRAM

The Board performed its duties and responsibilities diligently by effectively guiding the Company in its strategic affairs. The Board also played an important role in overseeing the Management's performance and focusing on major risk areas.

The Board was fully involved in the budgeting processes. The Board also remained committed to ensure high standards of Corporate Governance to safeguard stakeholders' value. All Directors, including Independent Directors, fully participated and contributed in the decision-making process of the Board.

The Company has an independent Internal Audit department and internal audit reports are presented to the Board Audit Committee on a quarterly basis wherein areas for improvement are highlighted.

The Board carried out its self-evaluation and identified potential areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the Management.

The Company has already obtained approval for exemption from Securities and Exchange Commission of Pakistan in pursuant to Regulation 20 of the CCG for the following directors, Mr. Sikander Dada, Mr. Abu Talib H.K. Dada, Mr Maqbool H.H. Rahimtoola and Mr. Shahzad M. Hussain. Mr. Syed Shahid Ali Bukhari and Mr. Qazi Sajid Ali are certified Directors. All Directors are fully conversant with their duties and responsibilities as Directors of listed company.

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

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

To protect the environment, the Company has implemented Environmental Monitoring to comply with Environmental Management Plan approved by SEPA (Sindh Environmental Protecting Agency).

Company give highest priority to Health, Safety & Environment (HSE). The HSE program has been further consolidated at all three factories. Company is certified of OHSAS 18001 / ISO 14001 standards. The company has successfully qualified transition to 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 in nature, compliant with local applicable laws and is fully aligned with guidelines from ILO / WHO & Chrysotile Institute – Canada.

Being a caring & responsible organization, company is offering "Periodic Medical Examinations" to its serving and retired employees, as per international standards. Our focus is on prevention, promotion of healthy lifestyles & early detection of any potential occupational health issues.

The Company is conscious about 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, electronics equipment when not in use and all electrical equipment are properly maintained to save the energy.

INFORMATION COMMUNICATION TECHNOLOGY

The Company is committed to continuously improve and upgrade its ICT infrastructure and move towards greater process automation to remain upbeat in cut throat competition prevailing in the market. ICT aims to provide uninterrupted 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 in existing SAP processes, updating applications / software / hardware / data communication to achieve business targets.

CORPORATE PHILANTHROPY AND COMMUNITY WELFARE

The Company during the year has taken part in various philanthropic and welfare activities and has made contribution of Rs. 0.046 million (2017/18: Rs. 0.171 million).

BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Company has a comprehensive code of ethics and business practices. All employees must avoid conflict of interest between their private financial activities and the conduct of the Company's business. All business transactions on behalf of company must be reflected accordingly in the accounts of the Company.

Every employee shall be responsible to see that there is no violation of laws within his/her area of responsibility, which proper supervision could have prevented. The employee shall still be responsible if he/she delegates particular tasks.

The Company has well established internal controls in place. The Board Audit Committee regularly reviews the internal audit reports and measures are taken to implement the recommendations of the internal auditors.

The Company's philosophy and policy continues to be to follow sound corporate practices which provide consumer protection and ensure effective anti-corruption measures.

CONTRIBUTION TO THE NATIONAL EXCHEQUER AND THE ECONOMY OF THE COUNTRY

The Company has contributed in excess of Rs. 748 million (2017/18: Rs. 763 million) towards the National Exchequer in the form of income tax, sales tax, duties, levies and other taxes.

INDUSTRIAL RELATIONS

Company maintains cordial relations with its employees and agreements are in place with the respective Collective Bargaining Agents [CBA Union's] based on negotiated Charter of demands. Both the employees and the Unions are motivated enough to play their roles to handle the challenges in productivity improvements.

HUMAN RESOURCES

The Company's Human Resource department's activities are focused towards building talent for future. The Human Resource department strives to attract, develop, motivate and retain the talented and dedicated employees who are committed to achieve Company's goals. The department is responsible to manage the needs of Company employees, as well as handling employee relations, payroll, benefits, and training. The Human Resources department helps in maximizing the efficiency of the Company.

COMPLIANCE STATEMENT

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

- 1. 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;
- 2. Proper books of accounts of the Company have been maintained;
- 3. Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and accounting estimates are based on reasonable and prudent judgment;
- 4. International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained;
- 5. The Board has set up an effective Internal Audit function by appointing qualified and experienced head of internal audit who is well conversant with the policies and procedures of the Company. The system of internal controls and such other procedures, which are in place, are being continuously reviewed by the Board's Audit Committee;
- 6. The Board has a formal Remuneration Policy for the Directors. Main features include that every non-executive director including independent director is entitled to a fixed fee as remuneration for attending meetings of the Board of Directors including meeting of the sub-committees. The

Chairman of the Board in addition to the Directors fee for attending Board of Directors meeting shall be entitled to receive monthly remuneration and other benefits as approved by the Board of Directors.

- 7. There are no significant doubts upon the company's ability to continue as a going concern.
- 8. The Company carried out transactions with its related parties. Details of these transactions are disclosed in note no. 42 to financial statements.
- 9. There has been no material departure from the best practices of corporate governance, as detailed in the applicable PSX Regulations.
- 10. The summary of the key operating and financial data of the Company, spanning the last six years is annexed with this Report;
- 11. Taxes and levies are as disclosed in the Notes to the Accounts.
- 12. The following is the value of investments, held by the Provident Fund based on the latest audited accounts as at June 30, 2019:

2019		2018			
(Rupees in '000')					
237,296.00		259,045.00			

13. 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 by virtue of its 63.18% shareholding in the Company.

AUDITORS

The present auditors M/s. BDO Ebrahim & Co., Chartered Accountants shall retire at the conclusion of the 60th 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, 2020 and the Board agrees with the recommendation of the Board Audit Committee and therefore have recommended their re-appointment to the Shareholders of the Company.

Auditors recommended for appointment hold a satisfactory rating under the "Quality Control Review Programme" of the Institute of Chartered Accountants of Pakistan.

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.

POST BALANCE SHEET EVENT AND SIGNIFICANT DEVELOPMENTS

There have been no material changes and commitments affecting the financial position since June 30, 2019 to the date of this report, which has an impact on the financial statements.

FUTURE PROSPECTS AND CHALLENGES

Economic Growth is expected to decelerate in the fiscal year 2020, as the government tightens fiscal and monetary policies. As macroeconomic conditions improve, and a package of structural reforms in fiscal management and competitiveness is implemented, growth is expected to recover from fiscal year 2021 onwards.

Together with the macroeconomic adjustments, there is an urgent need to implement structural reforms to support the growth rebound. Reforms to put the country on a stable growth path include increased exchange rate flexibility, improved competitiveness and lower cost of doing business. On the revenue front, reforms to improve tax administration, widen the tax base and facilitate tax compliance are critical.

The Company is hopeful that despite the economic challenges the country is facing, initiatives such as the government's housing scheme and other water and energy distribution projects shall provide opportunities for growth ahead and will present business opportunities for the Company to take advantage from.

In the meanwhile, the management will continue to explore new sources of raw material and strict control on working capital. The management team will continue to focus on broadening customer base and explore 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 for their continued trust in the Company.

Karachi: September 30, 2019

On behalf of the Board of Directors

Qazi Sajid Ali Chief Executive Officer Sikander Dada Chairman

Annual Report 2019

Key Operating and Financial Data

	2019	2018	2017	2016	2015	2014
Summary of Profit and Loss	(Rupees in thousand)					
Sales - gross Sales tax Sales - net Cost of Goods Sold Gross Profit Operating (Loss)/Profit Finance Cost Share of Profit / (loss) on	3,339,398 (525,878) 2,813,520 (2,492,215) 321,305 (16,821) (178,715)	3,456,206 (534,491) 2,921,715 (2,462,941) 458,774 180,116 (121,530)	2,825,761 (434,170) 2,391,591 (1,964,982) 426,609 181,751 (117,741)	2,555,821 (392,702) 2,163,119 (1,782,094) 381,025 196,232 (126,376)	2,547,532 (372,801) 2,174,731 (1,716,151) 458,580 204,895 (139,261)	2,237,359 (321,654) 1,915,705 (1,762,605) 153,100 (80,204) (147,873)
investment in an associate Profit / (loss) before tax Profit / (loss) after tax	(195,536) (195,528)	58,586 5,283	64,010 16,844	(6) 69,850 199	(14) 65,620 26,759	20 (228,057) (189,334)
Financial Position						
Share Capital Reserves Surplus on revaluation of Fixed Assets Total Non- Current Liabilities Total Current Liabilities Total Non- Current Assets Total Current Assets	107,640 (42,131) 1,041,382 64,724 1,987,066 1,964,533 1,411,721	107,640 131,205 1,039,885 64,724 1,987,066 1,876,896 1,453,623	107,640 108,358 1,064,230 93,256 1,811,896 1,913,769 1,271,611	107,640 67,169 1,088,575 160,320 1,530,689 1,971,583 982,810	107,640 44,275 766,318 117,554 1,552,658 1,640,933 947,512	107,640 3,062 780,772 237,256 1,519,932 1,695,893 952,769
Ratios						
Gross profit margin ratio Operating profit margin (EBIT) Pre Tax Profit Margin Net profit margin ratio Return on Equity Gross Return on Equity Net Current Ratio Quick Ratio Receivables collection period	11.42% -0.60% -6.96% -6.96% -6.95% -1.38% 0.64 0.48	15.70% 6.16% 2.01% 0.18% 5.41% 11.43% 0.73 0.46 20	17.84% 7.60% 2.68% 0.70% 5.70% 12.80% 0.70 0.46 20	17.61% 9.07% 3.23% 0.01% 5.70% 13.78% 0.64 0.60	21.09% 9.42% 3.02% 1.23% 5.70% 19.78% 0.61 0.50	7.99% -4.19% -11.90% -9.88% 5.70% -7.11% 0.63 0.53 28
Inventory turn-over Days Payables payment period Operating Cycle Debt equity ratio Interest coverage ratio Earning per share - in Rupees	108 100 38 1.14 -0.09 -18.16	113 86 70 0.27 1.50 0.49	114 61 73 0.43 1.54 1.56	111 70 57 0.92 1.55 0.02	119 51 85 0.77 1.47 2.48	159 142 45 2.15 -0.54 -17.59
Share Price - in Rupees P/E Ratio	29.3 -1.6	44.7 91.0	100.0 63.9	37.5 2028.9	43.0 17.3	30.0 -1.7

Statement of Compliance with the CCG

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017

Dadex Eternit Limited, year ended June 30, 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 07b. Female Nil

Election of Directors were held on October 25, 2017, therefore the requirement of having female director, as notified in the Listed Companies (Code of Corporate Governance) Regulations 2017 which was promulgated on November 22, 2017, will be complied with upon reconstitution of Board of Directors.

2. The Composition of board is as follows:

Category	Name		
Independent Directors	Mr. Syed Shahid Ali Bukhari		
	Mr. Sikander Dada		
Other Non-Executive Directors	Mr. Abu Talib H.K. Dada		
	Mr. Maqbool H.H. Rahimtoola		
	Mr. Shahzad M. Husain		
Executive Directors	Mr. Qazi Sajid Ali		
	Mr. Danish Dada		

Election of Board of Directors were held on October 25, 2017, therefore the requirement regarding the number of Independent directors, as notified in the Listed Companies (Code of Corporate Governance) Regulations 2017 which was promulgated on November 22, 2017, will be complied with upon reconstitution of Board of Directors.

- 3. The directors have confirmed that none of them is serving as a director on more than five 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 vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by 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 board.
- 8. The Board of Directors 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. Two Director have already attended Directors' Training Program. Remaining one director will attend Directors' Training in coming fiscal year.
- 10. The board has approved appointment of CFO, 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. CFO and CEO 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. Maqbool H.H. Rahimtoola

Mr. Shehzad M. Husain

b) HR and Remuneration Committee

Chairman: Mr. Syed Shahid Ali Bukhari Members: Mr. Maqbool H.H. Rahimtoola

Mr. Abu Talib H.K. Dada

Mr. Qazi Sajid Ali

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

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

a) Audit Committee 04 meetings (Quarterly)

b) HR and Remuneration Committee 01 meeting (Yearly)

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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and

minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of

ethics as adopted by the ICAP.

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 other material principles enshrined in the CCG have been complied with.

Dated: September 30, 2019

Qazi Sajid Ali Chief Executive Sikander Dada Chairman





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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DADEX ETERNIT LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Dadex Eternit Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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, 2019.

KARACHI

DATED: September 30, 2019

CHARTERED ACCOUNTANTS

Engagement Partner: Raheel Shahnawaz

BDO Ebrahim & Co. Chartered Accountants

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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, 2019, and statement of profit or loss, 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, statement of profit or loss, 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, 2019 and of the loss its other comprehensive income, 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.

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 inventories					
	As disclosed in note 15 and 16 to the financial statements, the Company has net inventories of Rs. 45.491 million and Rs.	We performed the following audit procedures:				
	654.276 million as at June 30, 2019 for stores, spares and loose tools and stock in trade, respectively. The total inventories represented significant portion of the Company's total	 We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories. 				
	assets.	 We compared the ageing and provisioning percentages used by management in the current year to those applied in prior 				
	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	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, 2019 to their new realisable value subsequent to year end. 				
	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 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 				
	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.	obsolete inventory that were physically identifiable during stock count observation.				
	management judgement which could result in measurement uncertainty and possibility	TOTAL SWITCH STREET TOTAL STREET STREET				



S. No	Key audit matters	How the matter was addressed in our audit				
2.	Control environment relating to the financial reporting process and related IT systems					
3.	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.				
	Valuation of trade debts					
	As disclosed in note 17 to the accompanying financial statements of the Company for the year ended June 30, 2019, the Company has a trade debt balance amounting to Rs. 348.689 million, which represents a significant element of Statement of financial position. 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.	 Our procedures included the following: We tested the design and effectiveness of internal controls implemented by the Company through the trade receivables cycle. 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. 				



S. No	Key audit matters	How the matter was addressed in our audit
	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 provision for doubtful debts and that the existence and carrying value of trade receivables could be material to the performance of the company.	 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.

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, statement of profit or loss, 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

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BDO Ebrahim & Co. Chartered Accountants

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d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Raheel Shahnawaz.

KARACHI

DATED: September 30, 2019

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

Financial Statements



Statement of Financial Position

AS AT JUNE 30, 2019

	Note	2019 (Rupees in	2018
ASSETS		(Hupees III	triousariaj
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	7	1,805,036	1,755,395
Capital work in progress	8	4,226	9,229
		1,809,262	1,764,624
Intangible assets	9	204	334
Investment property	10	36,799	39,338
Long-term investment	11	-	-
Long-term loans	12	3,070	5,396
Long-term deposits	13	36,812	29,245
Deferred tax asset	14	78,386	37,959
		1,964,533	1,876,896
CURRENT ASSETS			
Stores, spare parts and loose tools	15	45,491	36,511
Stock-in-trade	16	654,276	815,537
Trade debts	17	348,689	184,711
Loans and advances	18	80,851	58,358
Trade deposits and short term prepayments	19	41,371	34,775
Other receivables	20	5,104	21,349
Income tax refund due from Government		178,927	228,103
Taxation - net	21	26,702	50,344
Cash and bank balances	22	30,310	23,935
		1,411,721	1,453,623
TOTAL ASSETS		3,376,254	3,330,519
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2018: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (2018: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		200,000	200,000
		407.040	407.040
Issued, subscribed and paid-up capital	23	107,640	107,640
Reserves	24	(42,131)	131,205
Surplus on revaluation of property, plant and equipment		1,041,382	1,039,885
NON CURRENT LIABILITIES		1,106,891	1,278,730
NON-CURRENT LIABILITIES	05	70.574	F7.400
Liabilities against assets subject to finance lease	25	72,574	57,430
Deferred income	26	2,432	7,294
CURRENT LIABILITIES		75,006	64,724
	07	724 705	622.074
Trade and other payables Short-term borrowings	27 28	734,705	633,871 1,272,612
Accrued markup	28 29	1,346,272	1 ' ' 11
Current portion of deferred income	29 26	40,231 4,862	22,316 4,860
Current portion of deferred income Current portion of liabilities against assets subject to finance lease	26 25	51,412	1 11
Unclaimed dividend	20		36,359
Ondained dividend		16,875 2,194,357	17,048 1,987,066
TOTAL EQUITY AND LIABILITIES		3,376,254	3,330,519
CONTINGENCIES AND COMMITMENTS	30	3,370,234	

The annexed notes from 1 to 49 form an integral part of these financial statements.

Qazi Sajid Ali Chief Executive Sikander Dada Chairman

Muhammad Yousuf Chief Financial Officer

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		(Rupees in thousand)	
Sales - gross		3,339,398	3,456,206
Sales tax		(525,878)	(534,491)
Sales - net	31	2,813,520	2,921,715
Cost of sales	32	(2,492,215)	(2,462,941)
Gross profit		321,305	458,774
Distribution costs	33	(170,966)	(145,287)
Administrative expenses	34	(151,581)	(148,388)
Other expenses	35	(97,628)	(48,616)
Other income	36	82,049	63,633
Operating (loss) / profit		(16,821)	180,116
Finance cost	37	(178,715)	(121,530)
(Loss) / profit before taxation		(195,536)	58,586
Taxation			
- Prior	38	(5,231)	-
- Current		(35,188)	(36,647)
- Deferred		40,427	(16,657)
		8	(53,304)
Net (loss) / profit for the year		(195,528)	5,283
(Loss) / earnings per share - basic and diluted (Rupees)	39	(18.16)	0.49

The annexed notes from 1 to 49 form an integral part of these financial statements.

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Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2019

Note	2019	2018
	(Rupees in	thousand)
Not (loca) / profit for the year	(40E E20)	5,283
Net (loss) / profit for the year	(195,528)	5,263
Other comprehensive income	_	_
Items that will not be reclassified subsequently to statement of profit or loss:		
Revaluation of property, plant and equipment	25,842	-
Total comprehensive (loss) / income for the year	(169,686)	5,283

The annexed notes from 1 to 49 form an integral part of these financial statements.

Statement of Cash Flows FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019	2018
		(Rupees in	thousand)
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	40	137,854	220,032
Finance cost paid		(160,800)	(120,825)
Taxes paid		32,399	(86,990)
Net cash generated from operating activities		9,453	12,217
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(98,769)	(61,789)
Addition to intangible assets		(25)	(44)
Proceeds from sale of property, plant and equipment		1,711	5,699
Long term security deposits		(7,567)	(4,814)
Interest received		41	51
Net cash used in investing activities		(104,609)	(60,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		30,197	(17,441)
Repayment of long-term financing		-	(102,222)
Short term borrowings	40.2	46,840	170,953
Dividend paid		(2,326)	(6,700)
Net cash generated from financing activities		74,711	44,590
Net decrease in cash and cash equivalents		(20,445)	(4,090)
Cash and cash equivalents at the beginning of the year		(647,240)	(643,150)
Cash and cash equivalents at the end of the year		(667,685)	(647,240)
040044NB 04004504W445NT0			
CASH AND CASH EQUIVALENTS	20	00.046	00.00=
Cash and bank balances	22	30,310	23,935
Short-term borrowings	28.2	(697,995)	(671,175)
The constant state from 4 to 40 farms on intermed a set of the configuration state.		(667,685)	(647,240)

The annexed notes from 1 to 49 form an integral part of these financial statements.

Qazi Sajid Ali Chief Executive

Sikander Dada Chairman

Muhammad Yousuf Chief Financial Officer

Statement of Changes in Equity FOR THE YEAR ENDED JUNE 30, 2019

		CAPITAL		RESERVES		CAPITAL	
	Issued,	RESERVE	REVENUE	RESERVES	Tital	RESERVE	
	Subscribed and Paid-up Capital	Share premium	General reserve	Unappropri- ated profit / (accumulat- ed losses)	Total	Revaluation surplus	Grand Total
			(Ru	pees in thousa	nd)		
Balance as at July 1, 2017	107,640	5,655	160,000	(57,297)	108,358	1,064,230	1,280,228
Total comprehensive income for the							
year ended June 30, 2018							
Net profit for the year	-	-	-	5,283	5,283	-	5,283
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	5,283	5,283	-	5,283
Transferred from surplus on revaluation							
of fixed assets on account of							
incremental depreciation	-	-	-	24,345	24,345	(24,345)	-
Transaction with owners							
Final dividend of 2017: Rs. 0.63 per share	_	_	_	(6,781)	(6,781)	_	(6,781)
Balance as at June 30, 2018	107,640	5,655	160,000	(34,450)	131,205	1,039,885	1,278,730
,		· · · · · · · · · · · · · · · · · · ·	,				
Balance as at July 1, 2018	107,640	5,655	160,000	(34,450)	131,205	1,039,885	1,278,730
Total comprehensive income for							
the year ended June 30, 2019							
Net loss for the year	-	-	-	(195,528)	(195,528)	-	(195,528)
Other comprehensive income / (loss)	-	-	-	-	-	25,842	25,842
	-	-	-	(195,528)	(195,528)	25,842	(169,686)
Transferred from surplus on revaluation							
of fixed assets on account of				04.045	04.045	(04.045)	
incremental depreciation	-	-	-	24,345	24,345	(24,345)	-
Transaction with owners							
Final dividend of 2018: Rs. 0.2 per share	-	-	-	(2,153)	(2,153)	-	(2,153)
Balance as at June 30, 2019	107,640	5,655	160,000	(207,786)	(42,131)	1,041,382	1,106,891

The annexed notes from 1 to 49 form an integral part of these financial statements.

Qazi Sajid Ali Chief Executive

Sikander Dada Chairman

Muhammad Yousuf Chief Financial Officer

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Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2019

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 balance sheet date, Sikander (Private) Limited (the Holding Company) holds 6,800,648 ordinary shares representing 63.18% shareholding.
- 1.3 The Company incurred net loss after tax for the year ended June 30, 2019 amounting to Rs. 195.528 million (2018: Rs. 5.283 million profit) and its accumulated losses as at June 30, 2019 amounted to Rs. 207.786 million (2018: Rs. 34.450 million). The Company's current liabilities aggregating to Rs. 2,194.357 million (2018: Rs. 1,987.066 million) exceeded the current assets by Rs. 782.636 million (2018: Rs. 533.443 million). The Company's financial statements for the year ended June 30, 2019 are being prepared on a going concern basis, the management 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.

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 convention, except for recognition of certain staff retirement benefits at present value.

These financial statements have been prepared following accrual basis of accounting except for cash flow 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 6.27.

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, which is the Company's functional and presentation currency.

4 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

- During the year ended June 30, 2019, the Company has incurred capital expenditure amounting to Rs. 103.773 million.
- For discussion on the Company's performance, please refer to Director's report.

5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

5.1 Standards / amendments that are effective in current year and are relevant to the Company

The Company has adopted all the new standards and amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year:

5.1.1 IFRS 9: Financial Instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan through its S.R.O. 229 (I)/2019 and is effective for accounting period / year ending on or after June 30, 2019.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

5.2 Classification and measurement of financial assets and financial liabilities

The revised provisions on the classification and measurement of financial assets (applicable mainly to trade receivables and other receivables) and financial liabilities (mainly trade creditors and interest-bearing debt) have not affected Company's financial information. Consequently, the comparative figures have not been restated on the introduction of IFRS 9.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018.

		Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
	Note			(Rupees	in thousand)
Financial Assets					
Trade debts	(a)	Loan and receivables	Amortised cost	184,711	184,711
Long-term deposits	(a)	Loan and receivables	Amortised cost	9,661	9,661
Other receivables	(a)	Loan and receivables	Amortised cost	21,349	21,349
Cash and bank balances	(a)	Loan and receivables	Amortised cost	23,935	23,935

(a) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

ii. Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk

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since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The guiding principle of the expected credit loss (ECL) model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. The amount of ECLs recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition. Under the general approach, there are two measurement bases:

- 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality.
- Lifetime ECLs (Stages 2 and 3), which applies when a significant increase in credit risk has occurred on an individual or collective basis.

The Company's financial assets include mainly trade debts, deposits, advances, other receivables and bank balances.

The Company's trade receivables do not contain a significant financing component (as determined in terms of the requirements of IFRS 15 "Revenue from Contracts with Customers"), therefore, the Company is using simplified approach, that does not require the Company to track the changes in credit risk, but, instead, requires to recognise a loss allowance based on lifetime ECLs at each reporting date.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

The expected loss rates are based on the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

iii. Transition

The Company has used the exemption not to restate comparative periods and any adjustments on adoption of IFRS 9 are to be recognized in statement of changes in equity as on July 1, 2018. However, the adoption of IFRS 9 did not have any impact on opening retained earnings as on July 1, 2018. Accordingly, the comparative information is presented as per the requirements of IAS 39.

5.1.2 IFRS 15 'Revenue from Contracts with Customers

IFRS 15 'Revenue from Contracts with Customers' is effective for accounting period beginning on or after July 1, 2018. This standard has replaced IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers.

The IFRS 15 establish a five-steps mode to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the entities to exercise judgment, taking in to consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers.

There is no material impact of transition to IFRS 15 on the financial position of the Company and there is no effect on the accounting policies of the Company in respect of revenue from contracts with Customers.

Conceptual Framework for Financial Reporting 2018 - Original Issue

IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition

Effective date (annual periods beginning on or after) March 01, 2018

July 01, 2018

Effective date (annual periods beginning on or after)

Effective date

IFRS 9	Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 01, 2018
IFRS 15	Original issue	July 01, 2018
IFRS 15	Clarifications to IFRS 15	July 01, 2018
IAS 39	Financial Instruments: Recognition and Measurements amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 01, 2018

5.3 Amendments to standards effective in current year and not relevant to the Company

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard which are not relevant to the Company:

		(annual periods beginning on or after)
IFRS 2	Share-based Payment - amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4	Insurance Contracts - amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 5	Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 8	Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 7	Financial Instruments: Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2014 - 2016) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2018
IAS 28	Investments in Associates and Joint Ventures	January 01, 2018

5.4 Standards / amendments not yet effective

The following amendments with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework. January 01, 2020 Business Combinations - amendments to clarify the definition of a IFRS 3 business January 01, 2020 Effective date (annual periods beginning on or after) IFRS 8 Amendments regarding prepayment features with negative compensation and modifications of financial liabilities January 01, 2019 IFRS 9 Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities January 01, 2019 IAS 1 Presentation of Financial Statements - amendments regarding the definition of materiality January 01, 2020 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality January 01, 2020 IAS 19 Employee benefits - amendments regarding plan amendments, curtailments or settlements January 01, 2019 IAS 17 Amendments regarding plan amendments, curtailments or settlements January 01, 2019 **IAS 28** Investments in Associates and Joint Ventures - amendmen regarding long-term interests in associates and joint ventures January 01, 2019

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

5.5 Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned against the respective standard:

Effective date (annual periods beginning on or after) January 01, 2019

IFRS 16 Leases

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



IFRS 14 Regulatory Deferral Accounts

IFRS 17 Insurance Contracts

6 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.

6.1 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 8 to these financial statements, whereby the cost of an asset less residual value is written-off over its estimated useful life. A full month's depreciation is charged for assets in the month of purchase and no depreciation is charged in the month of disposal.

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 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 balance sheet 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 Statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised.

Leased

Fixed assets acquired under finance lease are accounted for by recording the assets and related liabilities at the amounts determined on the basis of the lower of fair value of assets and the present value of minimum lease payments. Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged on leased assets on a basis similar to that of owned assets.

b) Capital work-in-progress

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

6.2 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.

6.3 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.

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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 Statement of profit or loss using the straight-line method over their estimated useful lives at the rates disclosed in note 11 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 Statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised.

6.4 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each statement of financial position 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 statement of financial position date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognized. A reversal of impairment loss is recognized in the Statement of profit and loss.

6.5 Investments

Associate

Investment in associates is accounted for using equity method of accounting. Investments over which investor has "significant influence" are accounted for under this method i.e., investments to be carried in the Statement of financial position at cost plus post-acquisition changes in the share of net assets of the associate, less any impairment in value. The Statement of profit or loss reflects the investor's (Company's) share of the results of operations of the investee (associated company) after the date of acquisition. If an associate uses accounting policies other than those of the Company, adjustments are made to conform the associate's policies to those of the Company, if the impact is considered material.

6.6 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.

6.7 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 balance sheet date.

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

6.8 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoiced amount which is the fair value of the consideration to be received in future for goods sold less provision for doubtful amounts. 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.

6.9 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

Current tax is the expected tax payable on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date after taking into account tax credits and tax rebates. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) Deferred

Deferred tax is accounted for using the balance sheet 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 statement of financial position 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 statement of financial position 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.

c) 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.

6.10 Cash and bank balances

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

6.11 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.

6.12 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. 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.

6.13 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 statement of financial position 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 Statement of profit or loss in the period in which these are incurred.

6.14 Provisions

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

6.15 Contingencies

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

6.16 Financial instruments

6.16.1 Financial assets

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

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, held to maturity and available for sale. 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 statement of financial position date are carried at amortized cost.

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."

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 creditimpaired. 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.

6.16.2 Financial liabilities

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

6.16.3 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. These financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument, and derecognized when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial liabilities are recognized in Statement of profit or loss.

6.16.4 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.

6.17 Offsetting of financial assets and financial liabilities

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

6.18 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 statement of financial position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at the year and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit or loss.

6.19 Retirement benefits

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

6.20 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 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.

6.21 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.

6.22 Share capital

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

6.23 Earnings per share

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

6.24 Dividend and appropriation to reserves

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

6.25 Related party transactions

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

6.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management.

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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.

6.27 Significant accounting judgments and critical accounting estimates / assumptions

The preparation of financial statements in conformity with approved accounting 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 rate of depreciation, useful life and residual value 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.

7. OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

					OWNED						LEASED	
Description	Freehold land	Lease hold land	Factory building on free- hold and leasehold land	Buildings on free hold land other than factory	Buildings on lease hold land other than factory	Plant and machin- ery	Furniture and fixtures	Vehicles and trans- portation equip- ment	Office and factory equip-ment	Plant and machin- ery	Vehicles and trans- portation equip- ment	Total
						(Rupees in	thousand)				
Year ended June 30, 2019 Net carrying value basis												
Opening net book value	235,487	1,238,903	7,841	720	27,407	126,744	657	986	4,674	76,384	35,591	1,755,394
Revaluation surplus	7,219	18,623	-	-	-	-	-	-	-	-	-	25,842
Additions 7.1	-	-	-	-	-	23,416	229	131	697	79,300	-	103,773
Disposals	-	-	-	-	-	-	-	-	(85)	-	-	(85)
Depreciation charge		(28,981)	(1,436)	(142)	(1,910)	(19,801)	(161)	(295)	(1,200)	(13,725)	(12,237)	(79,888)
Closing net book value	242,706	1,228,545	6,405	578	25,497	130,359	725	822	4,086	141,959	23,354	1,805,036
Gross carrying value basis												
Cost	242,706	1,399,222	201,462	1,616	47,238	866,668	11,217	7,242	38,755	171,088	61,185	3,048,399
Accumulated depreciation	-	(170,677)	(195,057)	(1,038)	(21,741)	(736,309)	(10,492)	(6,420)	(34,669)	(29,129)	(37,831)	(1,243,363)
Net book value	242,706	1,228,545	6,405	578	25,497	130,359	725	822	4,086	141,959	23,354	1,805,036
Year ended June 30, 2018 Net carrying value basis												
Opening net book value	235,401	1,267,880	15,417	862	29,447	113,261	355	1,127	3,858	76,285	34,172	1,778,065
Additions	86	-	877	-	-	37,960	511	181	1,942	8,698	12,367	62,622
Disposals	-	-	-	-	-	(1,869)	-	(57)	-	-	-	(1,926)
Depreciation charge	-	(28,977)	(8,453)	(142)	(2,040)	(22,608)	(209)	(265)	(1,126)	(8,599)	(10,948)	(83,367)
Closing net book value	235,487	1,238,903	7,841	720	27,407	126,744	657	986	4,674	76,384	35,591	1,755,394
Gross carrying value basis												
Cost	235,487	1,380,599	201,462	1,616	47,238	843,252	10,988	7,111	38,143	91,788	61,185	2,918,869
Accumulated depreciation	-	(141,696)	(193,621)	(896)	(19,831)	(716,508)	(10,331)	(6,125)	(33,469)	(15,404)	(25,594)	(1,163,475)
Net book value	235,487	1,238,903	7,841	720	27,407	126,744	657	986	4,674	76,384	35,591	1,755,394
Depreciation rate % per annum	-	1-2.5	10	5	5	10	10	20	10 to 33.3	10 to 33.3	10 to 33.3	

- 7.1 This addition includes amount transferred from capital work in progress.
- **7.2** Particulars of immovable property (i.e. land and building) in the name of Company are as follows:

Details	Location	Usage of immovable property	Total area
Free hold land	36, 37/N, Jinnah Park, Industrial Area, Gulberg II, Lahore. Plot No: 561-561A, Sunder Industrial Estate, Multan Road, Raiwind, Distt. Lahore. 34-A/1, Block-6, P.E.C.H.S.Shahrah-e-Faisal, Karachi-75400, DEH # 22, Manghopir, Karachi 75890 P.O. Box No. 10, Badin Road, Hyderabad.	Sales office	4405.11 Sq-yard
Free hold land		Sundar factory	26,111 Sq-yard
Lease hold land		Karachi Head office	1249 Sq-yard
Lease hold land		Karachi factory	125,840 Sq-yard
Lease hold land		Hyderabad factory	48,932 Sq-yard

7.3 The cost of fully depreciated assets which are still in use as at June 30, 2019 is Rs. 884.758 million (2018: Rs. 842.940 million).

7.4	The depreciation charge for the year has been allocated	Note	2019	2018	
	as follows:		(Rupees in thousand)		
	Cost of sales	32	47,829	53,016	
	Selling and distribution expenses	33	8,984	7,750	
	General and administrative expenses	34	23,075	22,601	
			79,888	83,367	

- 7.5 The Company has revalued its freehold and leasehold land on January 23, 2012, February 13, 2012, August 29, 2015, January 22, 2016 and June 28, 2019 by an independent valuer 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.
- 7.6 Had there been no revaluation the carrying amount of freehold land, leasehold land at June 30, 2019 would have been as under:

	2019					
	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written value
	(Rupees in thousand)					
Free-hold land	235,487	-	235,487	235,487	-	235,487
Lease-hold land	1,380,599	(170,677)	1,209,922	1,380,599	(141,696)	1,238,903
	1,616,086	(170,677)	1,445,409	1,616,086	(141,696)	1,474,390

7.7 The forced sales value of leasehold land which was subject to revaluation by Fairwater Property Valuers and Surveyors (Private) Limited is Rs. 602.951 million (2018: Rs. 692.338 million).

Details of Company's free-hold and lease-hold land and information about the fair value hierarchy as at end of June 30, 2019 are as follows:

		June 30,	2019			
	Level 1	Level 2	Level 3	Total		
		(Rupees in t	housand)			
Free-hold land	-	242,706	-	242,706		
Lease-hold land	-	1,179,911	-	1,179,911		
		1,422,617	-	1,422,617		
		June 30,	, 2018			
	Level 1	Level 2	Level 3	Total		
	(Rupees in thousand)					
Free-hold land	-	269,905	-	269,905		
Lease-hold land	-	1,204,338	-	1,204,338		
	_	1.474.243	-	1.474.243		

7.8 Fair value measurement

- **7.8.1** 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.
- **7.8.2** 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.

7.8.3 There were no transfers between level 2 and 3 for recurring fair value measurements during the year.

8	CAPITAL WORK IN PROGRESS	Note	2019	2018
			(Rupees in	thousand)
	Buildings on leasehold land		2,885	1,006
	Plant and machinery		1,341	8,223
8.1	Movement of carrying amount is as follows:		4,226	9,229
0.1	movement of carrying amount is as follows:			
	Opening balance		9,229	10,065
	Additions (at cost) during the year		98,795	61,831
			108,024	71,896
	Transfer to operating fixed assets / intangible assets during the year		(103,798)	(62,667)
	Closing balance		4,226	9,229
9	INTANGIBLE ASSETS			
	Intangible assets	9.1	204	334
9.1	Net carrying value basis			
	Opening net book value		334	431
	Transfer from capital work in progress		25	44
	Amortization charge		(155)	(141)
	Closing net book value		204	334
	Gross carrying value basis			
	Cost		21,235	21,210
	Accumulated amortization		(21,031)	(20,876)
	Net book value		204	334
	Amortization rate % per annum		33.33	33.33

10 INVESTMENT PROPERTY

	COST			DEPRECIATION			NET BOOK VALUE	
	As at July 1, 2018	Additions	As at June 30, 2019	As at July 1, 2018	Depreciation for the year	As at June 30, 2019	Net book value As at June 30, 2019	Rate %
				(Rupees in	thousand)			
Building on lease hold land								
2019	50,762	-	50,762	11,424	2,539	13,963	36,799	5
2018	50,762	-	50,762	8,885	2,539	11,424	39,338	5

10.1 The fair value of investment property as of June 30, 2019 amounted to Rs. 129.611 million (2018: Rs. 126.585 million) as determined by an independent valuer. Forced sales value of the investment property as determined by an independent valuer is Rs. 86.360 million (2018: Rs. 107.139 million).

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11	LONG-TERM INVESTMENT	Note	2019	2018
			(Rupees in thousand)	
	Investment in associate		5,000	5,000
	Less: Impairment in value		(5,000)	(5,000)

11.1 The Company has 48.04 percent (2018: 48.04 percent) shareholding i.e 625,000 (2018: 625,000) ordinary shares of Rs.10/- each of Berdex Construction Chemicals (Private) Limited.

12 LONG-TERM LOANS

	(Secured - considered good) Long-term loans to employees	12.1	3,070 3,070	2,356 2,356
12.1	Long-term loans to employees			
	Due from employees Current portion shown under current assets	12.3 18 12.2	3,127 (57) 3,070	3,412 (1,056) 2,356

- 12.2 Chief Executive Officer and Directors of the Company have not taken any loans and advances from the Company.
- 12.3 This represents interest free loan and are 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.

13 LONG-TERM DEPOSITS

Long term security deposit given to supplier

36,812	32,285
36,812	32,285

13.1 This amount includes security deposit held with Sindh Leasing Company Limited, K-Electric Limited and Karachi Port Authority amounting to Rs. 32.275 million, Rs. 2.136 million and Rs. 2.400 million, respectively.

14 DEFERRED TAXATION

DEI EIRRED TAXATION		
Tax effects of temporary differences relating to:		
Accelerated tax depreciation	(8,865)	(8,032)
Liabilities against assets subject to finance lease	(11,514)	(5,124)
Provisions	62,606	70,809
Unabsorbed tax losses	96,722	47,691
Deferred income	2,043	3,424
	140,992	108,768
Minimum tax	96,258	91,020
14.1	237,250	199,788
Less:		
Deferred tax asset not expected to be		
recovered with reasonable certainty 14.1	158,864	161,829
	78,386	37,959

Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at balance sheet date amounted to Rs. 237.250 million (2018: Rs. 199.788 million) debit. Out of this, deferred tax asset of Rs. 158.864 million (2018: Rs. 161.829 million) has not been recognized in these financial statements in accordance with the stated accounting policy of the Company.

15	STORES, SPARES AND LOOSE TOOLS	Note	2019	2018
	Stores		(Rupees in	thousand)
	in hand		4,683	4,867
	in transit		11	439
			4,694	5,306
	Spares		35,956	33,913
	Loose tools		17,261	9,835
			57,911	49,054
	Provision for slow moving stores and spares	15.1	(12,420)	(12,543)
		15.2	45,491	36,511
15.1	Provision for slow moving stores and spares comprises:			
	Balance at the beginning of the year		12,543	12.015
	Reversals during the year		(123)	12,915 (372)
	Balance at the end of the year		12,420	12,543
	balance at the end of the year			12,040
15.2 16	Stores and spares also include items which may result in capital expend of purchase. However, the stores and spares consumption resulting in crespective assets. STOCK-IN-TRADE			
10	Raw materials			
	in hand		113,565	191,324
	in transit		101,400	182,746
			214,965	374,070
	Work-in-process		141,342	114,926
	Finished goods	16.1		
	manufactured	16.2	196,481	262,519
	trading	16.3	101,488	64,022
			297,969	326,541
			654,276	815,537
16.1	These are stated at cost less provision for slow moving stock.			
16.2	Finished goods - manufactured			
	Manufactured goods - At cost		229,223	296,745
	Provision for slow moving stock	16.2.1	(32,742)	(34,226)
16.2.1	Provision for slow moving and obsolete - finished goods:		196,481	262,519
	Balance at beginning of the year		34,226	35,427
	Provision for the year		-	-
	(Reversal) for the year		(1,484)	(1,201)
	Balance at end of the year		32,742	34,226
16.3	Finished goods - trading goods			
10.0	Trading goods - At cost		142,127	111,631
	Provision for slow moving stock	16.3.1	(40,639)	(47,609)
			101,488	64,022
16.3.1	Provision for slow moving and obsolete - trading goods:			
	Balance at beginning of the year		47,609	50,160
	Provision for the year		-	-
)	(Reversal) for the year		(6,970)	(2,551)
	Balance at end of the year		40,639	47,609

Note		2019	2018
		(Rupees in thousand)	
TRADE DEBTS			
(Unsecured - considered good)			
Export		244	244
Local		348,445	184,467
		348,689	184,711
(Unsecured - considered doubtful)			
Due from Turnkey project 17.	1	17,414	17,414
Due from Others		130,535	123,633
		147,949	141,047
17.	4	496,638	325,758
Provision for expected credit loss		·	,
Turnkey project 17.	2	(17,414)	(17,414)
Others 17.	3	(130,535)	(123,633)
		(147,949)	(141,047)
		, , ,	
		348,689	184,711

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 15 years. Moreover, the Company has discontinued its practice of undertaking project based works.

17.2 Provision for doubtful debts- Turnkey

Provision for turnkey projects	17,414	17,414
Provision for doubtful debts- Other than Turnkey		

Balance at July 01 Charge for the year Written off Balance at June 30

123,316 317
_
123,633

17.4 Aging of receivable

17.3

17

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 upto 180 days upto 360 days 360 days							
	(Rupees in thousand)							
2019	221,924	92,817	32,959	26,855	122,083	496,638		
2018	123,357	26,904	13,186	21,016	141,295	325,785		

- 17.5 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. 0.104 million.
- 17.6 These are in normal course of business and interest free.

No	te	2019	2018
		(Rupees in thousand)	
18 LOANS AND ADVANCES			
(Secured - considered good)			
Loans to employees			
Current portion of long-term loans to employees 12	2	57	1,056
(Unsecured - considered good)			
Advances			
to employees 18.	.1	2,045	3,558
to suppliers / contractors 18.	.2	78,559	53,554
others		190	190
		80,794	57,302
(Unsecured - considered doubtful)		·	,
Advances			
to suppliers / contractors		500	500
Provision for doubtful advances		(500)	(500)
		_	_
18.	.3	80,851	58,358

- 18.1 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.
- 18.2 This represents advances to suppliers in the normal course of business and does not carry any interest or mark-up.
- 18.3 Chief Executive Officer and Directors of the Company have not taken any loans and advances from the Company.

19 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - (considered good)		
Tender deposits	22,982	14,693
Margin deposits	17,829	18,436
	40,811	33,129
Short term prepayments	560	1,646
	41,371	34,775
Considered doubtful		
Trade deposits	5,182	5,182
Provision for doubtful tender deposit	(5,182)	(5,182)
19.1	41,371	34,775

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

20 OTHER RECEIVABLES

(Considered good) Provident fund	20.1	741	1,176
Sales tax and excise duty		-	2,198
Others		4,363	17,975
		5,104	21,349
(Considered doubtful)			
Receivable from K-Electric Limited		10,227	10,227
Provision or doubtful other receivables		(10,227)	(10,227)
		-	-
		5,104	21,349

20.1 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.

Annual Report 2019

The Trustees have intimated that the size of the Fund as at June 30, 2019 was Rs. 246.731million (2018: Rs. 277.426 million). Details are as follows:

	2019	2018
	(Rupees in thousand)	
Note	(un-audited)	(audited)
Size of the fund	246,731	277,426
Cost of investment made	165,388	158,745
Fair value of investment 20.1.1	237,296	259,045
Percentage of investment made	70%	61%

As intimated by the Trustees, the cost of the investment made as at June 30, 2019 was Rs. 165.388 million (2018: Rs. 158.745 million) which is equal to 70% (2018: 61%) of the total fund size. The fair value of the investment was Rs. 237.296 million at that date. The category wise break up of investment is given below:

20.1.1 Category wise breakup

Mutual funds	113,683	142,075
Term finance certificates	39,952	39,960
Fixed deposit receipts	60,000	70,000
Bank deposits	23,661	7,010
	237,296	259,045

20.2.2 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.

21 TAXATION - NET

Advance tax	67,121	86,991
Provision for taxation	(40,419)	(36,647)
	26,702	50,344

22 CASH AND BANK BALANCES

Cash in hand	1,286	2,896
Bank balances		
Current account	26,797	20,301
PLS Savings account 22.1	2,227	738
	29,024	21,039
	30,310	23,935

22.1 These carry profit rate ranging from 5.5% to 6.5% (2018: 5.6% to 6%) per annum.

23 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
(Number of shares)			(Rupees in thousand)	
1,714,264 476,386 8,573,309 10,763,959	1,714,264 476,386 8,573,309 10,763,959	Ordinary shares of Rs. 10/- each issued for cash Issued for consideration other than cash Issued as fully paid bonus shares	17,143 4,764 85,733 107,640	17,143 4,764 85,733 107,640

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.

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

24 RESERVES

Capital reserve Share premium

Revenue reserve

General reserve

Un-appropriated losses

2019	2018		
(Rupees in	(Rupees in thousand)		
5,655	5,655		
5,655	5,655		
160,000	160,000		
(207,786)	(34,450)		
(47,786)	125,550		
(42,131)	131,205		

Note

24.1

Note

Upto

one year

- 24.1 This reserve can be utilized by the Company only for the purposes specified in section 81(3) of the Companies Act, 2017.
- 24.2 Movement of reserves have been reflected in the statement of changes in equity.

25 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

(Secured)

Balance as July 01

Additions during the year

Payments / adjustments during the year

Minimum lease payments outstanding

Present value of minimum lease payments

Payable within one year shown under current liabilities

Financial charges not due

Less: Payable within one year shown under current liabilities

2019	2018			
(Rupees in thousand)				
93,789	111,230			
76,018	14,105			
169,807	125,335			
(45,821)	(31,456)			
123,986	93,789			
(51,412)	(36,359)			
72,574	57,430			

Total

Minimum lease payments outstanding
Financial charges not due
Present value of minimum
lease payments
Payable within one year shown under current liabilities

(R	upees in thousand	d)
63,847	82,125	145,972
(12,435)	(9,551)	(21,986)
51,412	72,574	123,986
(51,412)	-	(51,412)
	72 574	72 574

2019

One to

five year

Upto	One to	Total			
one year	five year				
(Rupees in thousand)					
43,425	61,185	104,610			
(7,066)	(3,755)	(10,821)			
36,359	57,430	93,789			
(36,359)	-	(36,359)			
-	57,430	57,430			

25.1 This represents finance leases entered into with a leasing company for vehicles and

This represents finance leases entered into with a leasing company for vehicles and plant and machinery. The remaining balance of liability is payable by 2021 in monthly installments. Financing rates ranging from 10.27% to 17.34% (2018: 10.16% to 11.65%) per annum have been used as discount factor.

	Note		2019	2018
			(Rupees in thousand)	
26	DEFENDED INCOME			
26	DEFERRED INCOME			
	Gain on sale and leaseback transaction		12,154	17,014
	Amortisation during the year		(4,860)	(4,860)
			7,294	12,154
	Current portion of deferred income		(4,862)	(4,860)
			2,432	7,294
27	TRADE AND OTHER PAYABLES			
	Trade creditors 27.1 & 27	2 4	147,863	397,234
	Accrued liabilities		102,762	84,756
	Advance from customers		100,832	75,887
	Advance from tenants		3,093	5,536
	Infrastructure cess payable		38,789	39,813
	Security deposits from distributors and others 27.3		13,860	10,766
	Workers' Profit Participation Fund payable 27.4		883	5,939
	Workers' Welfare Fund		6,369	6,465
	Sales tax and excise duty 27.5		18,641	-
	Others		1,613	7,475
		7	734,705	633,871

- 27.1 These include amount due to a related party amounting to Rs Nil (2018: Rs 0.164 million).
- 27.2 This balance includes an amount of Rs. 276.604 million due to supplier under bank contract.
- 27.3 Security deposits from distributors and others

Deposits received from supplier Deposits received from dealers Deposits received from tenants

6	6
6,164	4,400
7,690	6,360
13,860	10,766

- 27.3.1 As per the requirement of Section 217 of the Companies Act, 2017, the deposits received from the aforementioned parties are not utilized by the Company. These deposits are kept in a separate bank account maintained with Standard Chartered Bank Limited.
- 27.4 Workers' Profit Participation Fund

Balance at July 01		5,939	4,390
Interest on funds utilized in Company's business	37	329	178
Allocation for the year	35		3,150
		6,268	7,718
Amount paid during the year		(5,385)	(1,779)
Balance at June 30		883	5,939

An assessment order was passed by the Deputy Commissioner Inland Revenue, Karachi whereby, the sales tax demand of Rs. 32.332 million along with default surcharge and penalty of Rs. 2.948 million was established against the Company. In prior year, the Company has paid Rs. 20.005 million against the said demand and filed an appeal before Commissioner Inland Revenue (Appeals) (CIRA) against the remaining demand. CIRA reduced the remaining demand to Rs. 5.318 million including default surcharge and penalty. However, Commissioner Inland Revenue challenged the order passed by CIRA in Appellate Tribunal, which is pending. The management, in view of its legal advice, expects a favorable outcome in this respect. However, as a matter of prudence, the Company has recorded a provision of Rs. 8.945 million in these financial statements.

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28	SHORT TERM BORROWINGS	Note	2019	2018
	(Secured)		(Rupees in thousand)	
	Karobar finance	28.1	250,000	250,000
	Running finance	28.2	697,995	671,175
	Finance against trust receipts	28.3	199,383	187,694
	Tijarah finance	28.4	100,000	100,000
	Murabaha finance	28.4	98,894	63,743
			1 2/6 272	1 272 612

- 28.1 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 250 million (June 30, 2018: Rs. 250 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, 2018: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 9.42% to 16.08% (June 30, 2018: 9.13% to 9.16%) per annum.
- These facilities have been obtained from National Bank of Pakistan and Sindh Bank Limited aggregating to Rs. 700 million (June 30, 2018: Rs. 700 million) out of which Rs. 2.005 million (June 30, 2018: Rs. 29.825 million) remains unutilized as at the statement of financial position reporting date. These facilities are secured by creation of first paripassu charge against hypothecation of the Company's stock in trade, trade debts and property, plant and equipment of Rs. 1,562 million (June 30, 2018: Rs. 1,562 million), equitable mortgage of Rs. 153 million over property No. 36 and 37 located in Gulberg, Lahore and first exclusive mortgage charge of Rs. 934 million over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. These facilities carry mark-up rates ranging from 9.17% to 14.49% (June 30, 2018: 8.30% to 9.62%) per annum.
- 28.3 This represent working capital facilities availed from a Bank of Punjab of Rs. 200 million (June 30, 2018: Rs. 200 million) carrying markup of 6 months KIBOR + 1.75% (June 30, 2018: 6 months KIBOR + 1.75% per annum). The facility is secured against first exclusive charge of Rs. 666.67 million by way of equitable mortgage on the Company's land, building and hypothecation over machinery and equipment.
- An overall facility of Rs.300 million has been obtained from Al-Baraka Bank Limited of Rs.100 million each under Tijarah financing Murabaha financing and Istisna 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. Both of the financing facility carries markup at 3 months KIBOR+3% (June 30, 2018: 3 months KIBOR+2%). The Company has not utilized the amount of Rs.1.106 million under Murabaha finance and Rs. 100 million under Istisna financing.

29 ACCRUED MARKUP

Mark-up accrued on short term borrowing Karobar finance Running finance Finance against trust receipts Murabaha finance Tijarah Finance

2019	2018		
(Rupees in thousand)			
5,757	3,224		
23,303	15,620		
8,005	2,149		
1,656	385		
1,510	938		
40,231	22,316		
40,231	22,316		

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 During the year ended June 30, 2015 the Government of Pakistan promulgated Gas Infrastructure Development Cess (GIDC) Act, 2015 and levied GIDC on gas bills at the rate of Rs.100 / MMBTU on all industrial consumers. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014. However, the Company filed a suit before the Honourable High Court of Sindh (HCS), challenging the vires of GIDC Act, 2015 which passed an order restraining the Sui Southern Gas Company Limited (SSGCL) from demanding and collecting GIDC as levied by the GIDC Act, 2015. During the last year, the case was decided by the High Court of Sindh in favor of the Company. Subsequent to the judgment, on appeal filed by the SSGCL, the High Court of Sindh suspended the aforesaid judgment till the disposal of appeal. The matter is still pending in Honorable High Court of Sindh. The financial exposure of the Company up to June 30, 2019 amounts to Rs. 69.425 million, however, no provision in the financial statements has been made as the Company believes based on legal advice that the amount shall not be payable.

- 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.
- 30.1.3 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 15.517 million (June 30, 2018 : Rs. 14.117 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.
- 30.1.4 In prior years, the Company entered into an agreement with Wavin Overseas B.V. (WOBV) from October 22, 2012 to October 21, 2017. The Company used the patents of WOBV against the royalty payments. The Company served a notice of termination to WOBV in prior years and continued making a provision for royalty payments as a matter of prudence and abundant caution since the termination notice was not responded by WOBV. The Company has recorded a cumulative provision of Rs. 28.696 million as at June 30, 2018. During the year, the Company, based on legal advice, has written back the provision made in respect of royalty payments as the liability is no longer considered as payable.

30.2 Co	ommitments No	ote	2019	2018
			(Rupees in thousand)	
Oı	utstanding letters of credit		285,836	350,308
Οι	utstanding letter of guarantee		93,053	97,053
Po	ostdated cheques		276,175	133,284
Οι	utstanding contracts		349,789	238,539
Dι	uties payable on goods in transit		82,651	299,565
			1,087,504	1,118,749
31 SA	ALES-NET			
Lo	ocal sales		3,318,913	3,445,834
Ex	oport sales 31	1.1	20,485	10,372
Gr	ross sales		3,339,398	3,456,206
Le	ess:			
Sa	ales tax		(525,878)	(534,491)
			2,813,520	2,921,715

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.

32 COST OF SALES

Manufactured goods
Raw materials consumed
Opening stock
Purchase
Closing stock
Raw materials consumed

379,552
2,006,041
(374,070)
2,011,523

	Note	2019 2018 (Rupees in thousand)	
Manufacturing overheads		()	,
Stores, spares and loose tools consumed	32.1	54,924	62,535
Salaries, wages and benefits	32.2	124,914	132,491
Procured services	02.2	67,187	78,804
Fuel, water and power		109,129	117,621
Insurance		4,608	5,174
Travelling		630	144
Communication		1,276	1,249
Depreciation	7.4	47,829	53,016
Rent, rates and taxes		5,775	9,762
Repair and maintenance		34,337	31,221
Printing and stationary		1,127	774
Reversal of provision for stores, spares and loose tools written back	15.1	(123)	(372)
Other expenses		2,680	3,248
		454,293	495,667
		2,344,267	2,507,190
Work-in-process			
Opening stock		114,926	122,179
Closing stock		(141,342)	(114,926)
Cost of goods manufactured		2,317,851	2,514,443
Finished goods			
Opening stock		262,519	190,735
Closing stock		(196,480)	(262,519)
Globing Stock		2,383,890	2,442,659
Trading goods		_,000,000	2,112,000
Opening stock		64,022	21,808
Purchase		145,790	62,496
Closing stock		(101,487)	(64,022)
·		108,325	20,282
		2,492,215	2,462,941
32.1 Stores spares and loose tools consumed			
Opening stock		49,054	49,456
Purchases		63,781	62,133
Closing stock		(57,911)	(49,054)
		54,924	62,535

These include Rs. 4.421 million (2018: Rs. 4.242 million) and Rs. 1.829 million (2018: Rs 3.732 million) in respect of provident fund and bonus to workers' respectively.

33 DISTRIBUTION COSTS

Salaries, wages and benefits 33.1 Repair and maintenance	76,694 4,558	72,725 3,745
Depreciation 7.4	8,984	7,750
Advertising and sales promotion	3,459	4,990
Communication	2,210	2,289
Travelling	6,138	4,264
Transportation and other charges 33.2	56,107	37,674
Electricity, gas and water	7,356	6,638
Insurance	339	388
Rent, rates and taxes	1,771	1,793
Sundry expenses	3,350	3,031
	170,966	145,287

- 33.1 These include Rs. 3.606 million (2018: Rs. 3.55 million) and Rs. 2.079 million (2018: Rs 0.192 million) in respect of provident fund and bonus to workers' respectively.
- 33.2 This includes Rs. 3.101 million (2018: Rs. 2.314) related to transportation and other charges against export sales.

34 ADMINISTRATIVE	EXPENSES	Note	2019	2018
			(Rupees in thousand)	
Salaries wages and	henefits	34.1	56,350	51,779
Directors' remunera		04.1	16,406	15,081
Repair and mainter			7,927	8,667
•	perty, plant and equipment	7.4	23,075	22,601
Depreciation on inv		10	2,539	2,539
Amortisation of inta		10	155	141
Procured services	ngible asset		6,033	6,280
Auditor's remunera	tion	34.2	1,916	1,916
Communication		04.2	3,957	6,446
Travelling			3,981	1,947
Professional charge	ae		6,387	4,622
Electricity, gas and			14,689	17,092
Insurance	water		1,228	1,405
	and a changinting		,	1 ' 1
Printing stationary a	·		2,295	2,490
Rent, rates and tax	es		2,451	2,301
Sundry expenses			2,192	3,081
			151,581	148,388

34.1 These include Rs. 1.962 million (2018: Rs. 1.644 million) and Rs. 1.237 million (2018: Rs. 0.274 million) in respect of provident fund and bonus to workers' respectively.

34.2	Auditor's remuneration		
	Audit fee	1,200	1,200
	Fee for half yearly review	475	475
	Other services	188	188
	Out of pocket expenses	53	53
		1,916	1,916
35	OTHER EXPENSES		
	Non-executive director's fee	1,825	1,620
	Workers' Profit Participation Fund 27.4	· -	3,150
	Workers' Welfare Fund	734	1,260
	Donations	49	171
	Exchange loss	50,989	42,098
	Provision against doubtful trade debts 17.2	44,031	317
		97,628	48,616
36	OTHER INCOME		
	OTTER INCOME		
	Rental income	45,850	38,274
	Gain on disposal of property, plant and equipment	1,626	3,773
	Sales of raw material	860	3,520
	Interest income	41	51
	Net income from joint service	116	1,652
	Amortisation of deferred income	4,860	4,860
	Liabilities no longer payable written back 30.1.4	28,696	11,503
		82,049	63,633

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37	FINANCE COST	Note	2019	2018
			(Rupees in	thousand)
	Long-term financing		-	1,705
	Short-term borrowings		155,824	103,281
	Liabilities against assets subject to finance lease		14,489	9,824
	Worker's Profit Participation Fund	27.4	329	178
	Bank and other charges		8,073	6,542
	·		178,715	121,530
38	TAXATION			
	For the year			
	Current	38.1	35,188	36,647
	Prior year		5,231	-
	Deferred		(40,427)	16,657
			(8)	53,304

38.1 Current tax charge for the year represents turnover tax of Rs. 35.188 million at the rate of 1.25% of the turnover for the year.

39 (LOSS) / EARNINGS PER SHARE BASIC AND DILUTED

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

Net (loss) / profit for the year (195,528) 5,283 10,764 10,764 10,764 (Loss) / earnings per share - basic and diluted (Rupees) (18.16) 0.49		Note	2019	2018
Weighted average number of ordinary shares (Loss) / earnings per share - basic and diluted (Rupees)			(Rupees in	thousand)
CLOSS / earnings per share - basic and diluted (Rupees)		Net (loss) / profit for the year	(195,528)	5,283
CASH GENERATED FROM OPERATIONS (Loss) / profit before taxation		Weighted average number of ordinary shares	10,764	10,764
(Loss) / profit before taxation Adjustment for non-cash and other items Depreciation Property, plant and equipment Property, plant and equipment Investment property Interest income Inter		(Loss) / earnings per share - basic and diluted (Rupees)	(18.16)	0.49
Adjustment for non-cash and other items Depreciation Property, plant and equipment Investment property Investm	40	CASH GENERATED FROM OPERATIONS		
Depreciation		(Loss) / profit before taxation	(195,536)	58,586
Property, plant and equipment Investment property 7.4 79,888 83,367 Investment property 10 2,539 2,539 Amortization 9.1 155 141 Gain on disposal of property, plant and equipment (1,626) (3,773) Amortization of deferred income (4,860) (4,860) (4,860) Finance costs 37 178,715 121,530 Interest income (41) (51) Working capital changes 40.1 78,620 (37,447) Working capital changes 40.1 78,620 (37,447) Working capital changes (8,980) 30 (Increase) / decrease in current assets (8,980) 30 Stores, spare parts and loose tools (8,980) 30 Stock in trade 161,261 (101,262) Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable (6,596) (3,536)		Adjustment for non-cash and other items		
Investment property		Depreciation		
Amortization 9.1 155 141 Gain on disposal of property, plant and equipment Amortization of deferred income (4,860) (4,860) Finance costs 37 178,715 121,530 Interest income (41) (51) Working capital changes 40.1 78,620 (37,447) Working capital changes (Increase) / decrease in current assets Stores, spare parts and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short-term prepayment Other receivable Increase in current liabilities Trade and other payable Amortization (1,626) (3,773) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (6,51) (121,530) (121,530) (137,447) (137,854) (220,032) (137,447) (137,854) (220,032) (137,447) (137,854) (220,032) (141) (220,032) (141) (220,032) (141) (220,032) (142,514) (143,514) (144,522) (145,514)		· · · · · · · · · · · · · · · · · · ·	·	
Gain on disposal of property, plant and equipment (1,626) (3,773) Amortization of deferred income (4,860) (4,860) Finance costs 37 178,715 121,530 Interest income (41) (51) Working capital changes 40.1 78,620 (37,447) 40.1 Working capital changes 220,032 (Increase) / decrease in current assets (8,980) 30 Stores, spare parts and loose tools (8,980) 30 Stock in trade 161,261 (101,262) Trade debts (20,167) 21,078 Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067		· · ·	·	
Amortization of deferred income Finance costs Interest income Working capital changes 40.1 Working capital changes (Increase) / decrease in current assets Stores, spare parts and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short-term prepayment Other receivable Increase in current liabilities Trade and other payable Amortization of deferred income (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (4,860) (6,10) (101,51) (101,262) (
Finance costs 37 178,715 121,530 (51) (51				' '
Interest income Working capital changes 40.1 78,620 (37,447) 137,854 220,032 40.1 Working capital changes			• • • •	, , , , ,
Working capital changes 40.1 78,620 (37,447) 40.1 Working capital changes (Increase) / decrease in current assets Stores, spare parts and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short-term prepayment Other receivable Trade and other payable (Increase in current liabilities Trade and other payable 40.1 78,620 (37,447) 220,032 (8,980) 30 (101,262) (101,2			·	
40.1 Working capital changes (Increase) / decrease in current assets Stores, spare parts and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short-term prepayment Other receivable Trade and other payable 137,854 220,032 (8,980) 30 (101,262) (163,978) (47,302) (20,167) (21,078 (6,596) (3,536) (14,522) (145,514)			, ,	1 ' ' 1
40.1 Working capital changes (Increase) / decrease in current assets (8,980) Stores, spare parts and loose tools (8,980) Stock in trade 161,261 (101,262) Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067		Working capital changes 40.1		
(Increase) / decrease in current assets (8,980) 30 Stores, spare parts and loose tools 161,261 (101,262) Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067	40.4	Marking could show so	137,854	220,032
Stores, spare parts and loose tools (8,980) 30 Stock in trade 161,261 (101,262) Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067	40.1	working capital changes		
Stock in trade 161,261 (101,262) Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (22,215) (145,514) Trade and other payable 100,835 108,067		(Increase) / decrease in current assets		
Trade debts (163,978) (47,302) Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067		Stores, spare parts and loose tools	` , ,	
Loans and advances (20,167) 21,078 Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067		Stock in trade	161,261	, , , , ,
Trade deposits and short-term prepayment (6,596) (3,536) Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 108,067		Trade debts	• • •	, , , ,
Other receivable 16,245 (14,522) Increase in current liabilities (145,514) Trade and other payable 100,835 (108,067)		Loans and advances	(20,167)	21,078
Increase in current liabilities Trade and other payable (22,215) (145,514) 100,835 108,067		· · · · · · · · · · · · · · · · · · ·	(6,596)	(3,536)
Increase in current liabilities Trade and other payable 100,835 108,067		Other receivable		(14,522)
Trade and other payable 100,835 108,067			(22,215)	(145,514)
, ,				
78.620 (37.447)		Trade and other payable		
			78,620	(37,447)

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

Daniel St.		Liabilities	-	
Description		Short term borrowing	'	Total
		(Rupees in	thousand)	
Balance as at July 1, 2018		601,437		601,437
Proceeds from short term borrowings		1,418,575	1	1,418,575
Repayment of short term borrowings		(1,371,735)	(1	1,371,735)
Movement of liabilities to cash flows		46,840		46,840
Balance as at June 30, 2019	40.2.1	648,277		648,277
The details of the balance are mentioned b	elow:			(Rupees in thousand)
Karobar finance			28.1	250,000
Finance against trust receipts			28.3	199,383
Tijarah finance			28.4	100,000
Murabaha finance			28.4	98,894
				648,277

41 REMUNERATION TO THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

a) 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 Exec	utive Officer	Dire	ctors	Exec	utives	To	otal
	2019	2018	2019	2018	2019	2018	2019	2018
				(Rupees in	thousand)			
Managerial remuneration	21,000	21,000	6,871	6,871	42,664	39,611	70,535	67,482
Housing								
- Rent	-	-	1,742	1,742	16,652	15,621	18,394	17,063
- Utilities	1,365	1,354	1,470	1,221	3,701	3,405	6,536	5,980
- Other Items	2,170	1,473	2,482	2,348	3,164	174	7,816	3,995
Bonus	-	-	-	-	-	-	-	-
Retirement Benefits	-	-	426	426	4,081	3,669	4,507	4,095
Insurance	-	-	3,415	2,473	-	-	3,415	2,473
Medical and other reimbursable	-	-	-	-	4,681	6,786	4,681	6,786
expenses								
_	24,535	23,827	16,406	15,081	74,943	68,966	115,884	107,874
Number of persons	1	1	2	2	39	38	42	41

- b) Aggregate amount charged in these financial statements in respect of Directors' fee for attending Board and Audit Committee meetings amounted to Rs. 1.075 million (2018: Rs. 1.050 million) and Rs. 0.600 million (2018: Rs. 0.420 million) respectively. The Directors fees for attending Board and Audit Committee 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.

42 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

40.2.1

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 held in the company
Berger DPI (Private) Limited	Associate company	Common Director
Berdex Construction Chemicals		
(Private) Limited	Associate company	Common Director
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
Siemens Pakistan Engineering Company Limited	Associate company	Common Director
German Pakistan Chamber of Commerce & Industry	Associate company	Common Director
Bandenawaz (Private) Limited	Associate company	Common Director

	Name of related party	Nature of transaction	2019 (Rupees in	2018 thousand)
	Sikander (Private) Limited (Holding Company)	Rent paid	931	745
	Berger Paints Pakistan Limited (Associated Company)	Purchase of goods	359	1,439
	Siemens Pakistan Engineering Company Limited (Associated Company)	Sales of goods	1,557	8,113
	Provident fund	Contribution to staff retirement plans	9,988	9,437
42.1	Year end balances			
	Receivable from related parties Payable to related parties		104	(164)

- 42.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration of Chief Executive, Directors and Executive (note 41). There are no transactions with key management personnel other than under their terms of employment.
- 42.3 The above transactions with related parties are at arm's length based on normal commercial rates.

43 OPERATING SEGMENTS

- 43.1 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.

43.2 Operating results

	Chrysotile Cement	Plastic	Others	Total
2019		(Rupees ir	thousand)	
Sales - net	948,591	1,863,700	_	2,812,291
Segment Result	(13,343)	12,101		(1,242)
				= (-,,
Unallocated expense Other expenses				(97,628)
Other income				82,049
Finance cost				(178,715)
Share of loss on investment in an associate Taxation				- 8
Loss for the year				(195,528)
Other information Capital expenditure	24,386	63,206	15,124	102,716
Unallocated corporate capital expenditure				1,057
Total capital expenditure				103,773
Depreciation	2,059	13,746		15,805
Unallocated corporate depreciation and amortization				64,083
Total depreciation and amortization				79,888
2018				
Sales - net	1,018,911	1,902,804		2,921,715
Segment Result	57,577	107,523		165,100
Unallocated expense Other operating expenses				(48,616)
Other operating income				63,633
Finance cost				(121,530)
Share of profit on investment in an associate Taxation				(53,304)
Profit for the year				5,283
Other information				
Capital expenditure	20,736	7,053	23,529	51,318
Unallocated corporate capital expenditure Total capital expenditure				11,306 62,624
				02,024
Depreciation	992	10,035		11,027
Unallocated corporate depreciation and amortization				72,340
Total depreciation and amortization				83,367

43.3 Segment assets and liabilities

	Chrysotile Cement	Plastic	Others	Total
2019		(Rupees i	n thousand)	
Segment assets Unallocated corporate assets Total assets	414,562	687,001	103,867	1,205,430 2,170,824 3,376,254
Segment liabilities Unallocated corporate liabilities Total liabilities	266,220	382,804	12,744	661,768 1,607,595 2,269,363
2018 Segment assets Unallocated corporate assets Total assets	391,856	700,277	52,076	= 1,144,209 2,186,310 3,330,519
Segment liabilities Unallocated corporate liabilities	196,917	366,519	12,333	575,769 1,476,021 2,051,790

43.4 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.

43.5 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 31.1.

44 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.

45 FINANCIAL INSTRUMENTS BY CATEGORY

	2019	2018	
Financial assets as per statement of financial position	(Rupees in thousand)		
Amortized cost			
Trade debts	348,689	184,711	
Long-term deposits	7,887	9,661	
Other receivables	5,104	21,349	
Cash and bank balances	30,310	23,935	
	391,990	239,656	
Financial liabilities as per statement of financial position			
Amortized cost			
Liabilities against assets subject to finance lease	123,986	93,789	
Trade and other payables	566,098	500,231	
Short term borrowings	1,346,272	1,272,612	
Accrued markup	40,231	22,316	
Unclaimed dividend	16,875	17,048	
	2,093,462	1,905,995	

46 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.

46.1 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 currency risk.

46.1.1 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)
2019	+100 -100	(13,463) 13,463
2018	+100 -100	(13,664) 13,664

46.1.2 Currency risk

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, 2018, 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)
2019	5%	(13,830)
	-5%	13,830
2018	5%	(16,552)
	-5%	16,552

46.2 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:

	2019	2018	
	(Rupees in thousand)		
ng term deposits de debts er receivable nk balances	7,887 348,689 5,104 29,024 390,704	9,661 184,711 21,349 21,039 236,760	

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

004 004	400.057
221,924	123,357
126,765	61,354
348,689	184,711
17,468	10,308
10,214	10,146
697	83
645	502
29,024	21,039
	17,468 10,214 697 645

46.3 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, 2019, The Company's current liabilities exceed its current assets by Rs. 734.635 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:

2019

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			(Rupees in thous	and)	
Liabilities against assets subject					
to finance lease	-	-	51,412	72,574	123,986
Trade and other payable	566,098	-	-	-	566,098
Accrued markup	-	40,231	-	-	40,231
Short term borrowing	-	-	1,346,272	-	1,346,272
Unclaimed dividend	16,875	-	-	-	16,875
	582,973	40,231	1,397,684	72,574	2,093,462

2018

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
			(Rupees in thousa	nd)	
Liabilities against assets subject					
to finance lease	-	-	36,359	57,430	93,789
Trade and other payable	500,231	-	-	-	500,231
Accrued markup	-	22,316	-	-	22,316
Short term borrowing	-	-	1,272,612	-	1,272,612
Unclaimed dividend	17,048	-	-	-	17,048
	517,278	22,316	1,308,971	57,430	1,905,996

46.4 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:

2019
2018

	(Rupees in	thousand)
Accrued markup Short term borrowings Total debt Cash and bank balances	40,231 1,346,272 1,386,503 (30,310)	22,316 1,272,612 1,294,928 (23,935)
Net debt Total equity excluding surplus on revaluation of property, plant and equipment	1,356,193 65,509	238,845
Total equity and net debt excluding surplus on revaluation of property, plant and equipment	1,421,702	1,509,838
Gearing ratio excluding the effect of surplus of revaluation of property, plant and equipment	95%	84%
Total equity including surplus on revaluation of property, plant and equipment	1,106,891	1,278,730
Total equity and net debt including surplus on revaluation of property, plant and equipment	2,463,084	2,549,723
Gearing ratio including the effect of surplus of revaluation of property, plant and equipment	45%	50%

46.5 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 value of all financial assets and liabilities reflected in the financial statements approximate their fair values. None of the financial instruments of the Company are carried at fair value as of the reporting date.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 30, 2019 by the Board of Directors of the Company.

48 CORRESPONDING FIGURES

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

49 GENERAL

- 49.1 Number of employees as at June 30, 2019 was 215 (2018: 349) and average number of employees during the year was 213 (2018: 353).
- 49.2 Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.

Qazi Sajid Ali Chief Executive Sikander Dada Chairman

Muhammad Yousuf Chief Financial Officer

Pattern of Shareholding AS OF JUNE 30, 2019

Categories of Share Holders	Number of Shares Held	Percentage of issued Capital
Associated Companies, Undertakings & Related Parties	6,800,648	63.18%
Sikander (Private) Limited	6,800,648	63.18%
NIT	442	0.00%
National Bank of Pakistan - Trustee Department	442	0.00%
Directors, CEO & their Spouses	1,830,256	17.00%
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%
Mr. Qazi Sajid Ali - Chief Executive Officer & Director	1	0.00%
Mr. Shahzad M. Husain - Director	4	0.00%
Mr. Danish Dada - Director	7	0.00%
Mr. Syed Shahid Ali Bukhari - Director	1	0.00%
Mr. Sikander Dada - Director	1,484,627	13.79%
Executives	110	0.00%
Banks, Insurance Company & Others	15,640	0.15%
General Public	2,116,863	19.67%
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	1,484,627	13.79%				

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, THEIR SPOUSES AND MINORS

During the year ended June 30, 2019, 279,198 shares were transmitted to Mr. Sikander Dada being legal heir of his mother Mrs. Hanifa Kassim Dada (Late).

Pattern of Shareholding AS OF JUNE 30, 2019

NUMBER OF SHARE HOLDERS	SHA	RE HOLD	INGS	TOTAL SHARES HELD
2,895	1	-	100	50,954
530	101	-	500	126,248
148	501	-	1000	105,806
89	1001	-	5000	177,675
10	5001	-	10000	64,024
7	10001	-	15000	87,037
2	15001	-	20000	36,500
1	25001	-	30000	29,751
2	50001	-	55000	106,500
2	90001	-	95000	184,452
1	275001	-	280000	279,198
1	290001	-	295000	293,067
1	295001	-	300000	298,067
2	300001	-	305000	608,134
1	310001	-	315000	310,469
1	1205001	-	1210000	1,205,429
1	6800001	-	6805000	6,800,648
3,694				10,763,959

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
Directors, CEO, Sponsors and Family Members	ers 18	3,244,629	30.14%
General Public	3659	702,617	6.53%
NIT	3	442	0.00%
Banks, DFI, NBFI and Insurance Companies	4	833	0.01%
Associated Company	1	6,800,648	63.18%
Others	1	50	0.00%
Joint Stock Companies	8	14,740	0.14%
TOTAL	3,694	10,763,959	100.00%

Annual Report 2019

کمپنی پرامید ہے کہ ملک کو درپیش معاشی چیلنجوں کے باو جود حکومت کی رہائثی اسکیم اور پانی اور توانائی کی تقسیم کے دیگر منصوبوں جیسے اقدامات آ گے بڑھنے کے مواقع فراہم کریں گے اوراس سے فائد ہا ٹھانے کے لیے کمپنی کوکاروباری مواقع پیش کریں گے۔

اس دوران میں ، انتظامیہ خام مال کے نئے ذرائع کی تلاش اور ورکنگ کیپٹل سرمائے پر سخت کنٹرول کی جنتجو جاری رکھے گی۔انتظامی ٹیم مثبت نتائج حاصل کرنے کے لئے سٹم بیس کووسیع کرنے اورنئی منڈیوں کی تلاش پر توجہ دیتی رہے گی۔

اعتزاف

ڈائر کیٹرزان کٹھن معاشی حالات میں انتقک محنت کے لئے ڈاڈ بیس ٹیم کی کاوشوں کااعتراف کرنا چاہتے ہیں۔ہم اس موقع سے فائدہ اٹھاتے ہوئے اپنے تمام حصص یافتگان اور دیگر اسٹیک ہولڈرز بشمول سپلائرز،سروس پرووائیڈرز،، بینکوں/ مالیاتی اداروں اورانشورنس کمپنیوں سے ان مالی طور پرمشکل حالات میں کمپنی کی مدد کرنے پراظہارِشکر کرتے ہیں اور کمپنی پران کااعتماد بدستور برقر اررہنے کی امیدر کھتے ہیں۔

كراچى:30 ستمبر2019

منجانب بورد آف د ائر يكٹرز

قاضى ساجدعلى سكندردادا چيف ايگزيکيثيوآ فيسر چيئر مين _گزشتہ چھسالوں پرمحیط کمپنی کے اہم آپریٹنگ اور مالی اعداد وشار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔

11 ئیکس اورمحصولات کا اکا ؤنٹس کے نوٹس میں انکشاف کیا گیاہے۔

21- ذیل میں پروویڈنٹ فنڈ کے ذریعہ 30 جون 2019 تک سرمایہ کاری کی مالیت ہے، جوتاز وترین آڈٹ شدہ ا کا وَنٹس پڑتی ہے:

2018

2019

(رویے'000'میں)

259,045.00

237,296.00

ڈائر کیٹرز کا دستخط شدہ کمپلائنس کا ایک علیحدہ بیان اس سالا نہر پورٹ کے ساتھ منسلک ہے۔

ہولڈنگ مپنی

ميسرزسكندر (پرائويث) لمينٹ 63.18 شيئر مولڈنگ كى بدولت ڈاڈيكس ائتفرنيك كى مولڈنگ كمپنى ہے۔

آڈیٹرز

موجودہ آڈیٹرز، میسرز BDOابراہیم اینڈ کمپنی، چارٹرڈاکا وئٹنٹس 60ویں سالا نہ اجلاسِ عام کے اختیام پرریٹائر ہوجا کیں گے۔اہل ہونے کی بنا پر انہوں نے خودکودوبارہ تقرر کے لیے پیش کیا ہے۔جیسا کہ کوڈ آف کارپوریٹ گوورننس کا تقاضا ہے، بورڈ آڈٹ کمیٹی نے 30 جون 2020 کوختم ہونے والے مالی سال کے لیے 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۔

تقرری کے لیے سفارش کردہ آڈیٹرزانسٹی ٹیوٹ آف چارٹرڈا کا ونٹنٹس آف پاکتان کے'' کواٹٹی کنٹرول ریویو پروگرام'' کے تحت اطمینان بخش ریٹنگ کے حامل ہیں۔

شيئر ہولڈنگ کا پیٹرن

سمپنی کی شیئر ہولڈنگ کاتفصیلی پیٹرن اورکیٹیگر برزیشمول ڈائز یکٹرزاورا گیزیکٹیوز کی تحویل میں موجود شیئر زکی تفصیلات ،اگرکوئی ہوں ،سالا نہر پورٹ کے ساتھ منسلک ہیں ۔

بیلنس شیٹ کے بعدرونماہونے والے واقعات اوراہم تبدیلیاں

30 جون 20 19 سے اس رپورٹ کی تاریخ تک کوئی الیی ٹھوس تبدیلی یا مالی کیفیت کومتاثر کرنے والے معاہد نے بیس ہوئے جوان مالیاتی گوشواروں پر اثر انداز ہوسکیں۔

مستقبل کے ام کا نات اور چیانجز

مالی سال 2020 میں معاثی نمو میں ستی آنے کا امکان ہے، جیسا کہ حکومت مالیاتی اور نقذی پالیسیاں سخت کرتی جارہی ہے۔ مجموعی معاثی حالات جیسے جیسے بہتر ہوتے ہیں، اور مالی انتظام اور مسابقت میں بالحاظ ساخت اصلاحات کا ایک پیکنچ لاگو ہوتا ہے، توقع ہے کہ مالی سال 2021 سے نمو بحال ہوگی۔ مجموعی معاشی ایڈ جسٹمنٹ کے ساتھ ساتھ ، نموی بحالی میں معاونت کے لئے بالحاظ ساخت اصلاحات پڑمل درآ مدکرنے کی فوری ضرورت ہے۔ ملک کو مشخکم ترقی کی راہ پرگامزن کرنے کے لئے اصلاحات میں شرح مبادلہ کی لچک میں اضافہ ، بہتر مسابقت اور کاروبار کرنے کی لاگت میں کی شامل ہے۔ آمدنی کے محافظ میں بنیا دکو وسیع کرنے اور ٹیکس کی تقبیل میں معاونت کے لیے اصلاحات اہم ہیں۔

قومی خزانے اور ملکی معیشت میں حصہ

کمپنی نے اکام ٹیکس، سیزئیکس، ڈیوٹیز، محصولات اور دیگر ٹیکسوں کی شکل میں قومی خزانے میں 748ملین روپے سے زائد جمع کرائے (763:2017/18: 763 ملین روپے)

صنعتى تعلقات

سمپنی اپنے ملاز مین کے ساتھ خوشگوار تعلقات برقر اررکھتی ہے اور بات چیت سے طےشدہ منشوری مطالبات کی بنیاد پرمتعلقہ اجتماعی سودا کارایجنٹس (سی بی اے یونیز) کے ساتھ معاہدے موجود ہیں۔ملاز مین اور یونینز پیداواری بہتری کے چیلنجوں سے نمٹنے کے لئے اپنا کر دارادا کرنے کی خاطر جذیے سے سرشار ہیں۔

انسانی وسائل

کمپنی کے ہیومن ریسورس ڈپارٹمنٹ کی سرگرمیال مستقبل میں صلاحیتوں کو بڑھانے کی طرف مرکوز ہیں۔ ہیومن ریسورس ڈپارٹمنٹ ایسے باصلاحیت اور سرشار ملاز مین کوراغب کرنے ، پروان پڑھانے ، تحریک دینے اوران کو برقر ارر کھنے کی کوشش کرتا ہے جو کمپنی کے اہداف کے حصول کے لئے پرعزم ہیں۔ محکمہ کمپنی کے ملاز مین کی ضروریات کے انتظام وانصرام کے ساتھ ساتھ ملاز مین سے تعلقات ، معاوضے ، فوائد اور تربیت کے ظم ونس کا ذمہ دار ہے۔ ہیومن ریسورس ڈپارٹمنٹ کمپنی کی کارکر دگی کوزیادہ سے زیادہ بڑھانے میں مدد کرتا ہے۔

ڈائر یکٹرز کااعلامیہ

ڈائریکٹرزبھدمسرت آگاہ کرتے ہیں کہ:

1- سمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے،اس کے امور کار،اس کی سرگرمیوں کے نتائج،نقد بہاؤاورا یکویٹی میں تبدیلی کو منصفانہ طور پرپیش کرتے ہیں ۔

2- كمپنى نے اپنے كھاتے مناسب انداز ميں برقر ارر كھے ہيں.

3- کمپنی نے مالیاتی گوشواروں کی تیاری میں ا کا وَمثنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شاریاتی تخیینے مناسب اور معقول نظریات برجنی ہیں۔

4-ان مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کے بین الاقوامی معیاروں کی ، جہاں تک وہ یا کستان میں قابل اطلاق ہیں ، پیروی کی گئے ہے۔

5-بورڈ نے کوالیفائیڈ اور تج بہکار ہیڈا آف انٹرنل آ ڈٹ مقرر کر کے جو کمپنی کی پالیسیوں اور طریقہ کارکو بخو تی سیجھتے ہیں،ایک مؤثر انٹرنل آ ڈٹ

فنکشن قائم کیا ہے۔انٹرنل کنٹرونز کے سٹم اوراس قتم کے دیگر پروسیجرز کا، جو بخو بی کام کررہے ہیں، بورڈ کی آڈٹ کمیٹی کی طرف سے سلسل جائزہ لیاجا تا

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. 6- بورڈ کے پاس ڈائر کیٹرز کے لئے باضابطہ معاوضہ کی پالیسی ہے۔ اہم خصوصیات میں یہ بھی شامل ہے کہ آزاد ڈائر کیٹرسمیت ہرنان ایگزیٹو ڈائر کیٹر ذکے باضابطہ معاوضہ کی بیٹرز کے اجلاس میں شرکت کرنے کے معاوضے کے طور پرایک مقرر ہفیس کے ستحق ہیں۔ بورڈ آف ڈائر کیٹرز کے اجلاس میں شرکت کے لئے ڈائر کیٹرز کی فیس کے علاوہ بورڈ کا چیئر مین ماہانہ معاوضہ اور دیگر فوائد حاصل کرنے کاحق دار ہوگا جو بورڈ آف ڈائر کیٹرز نے منظور کہا ہے۔

7- سمپنی کی کاروباررواں دواں رکھنے کی صلاحیت کے بارے میں کوئی نمایاں شکوک وشبہائے نہیں ہیں۔

8- کمپنی نے اپنی متعلقہ پارٹیول کے ساتھ لین دین کیا۔ان سودول کی تفصیلات مالیاتی گوشوارول کے نوٹ نمبر 42 میں ظاہر کی گئی ہیں۔9-

کار پوریٹ گورننس کے بہترین طور طریقوں ہے، جیسا کہ لا گو PSX ضابطوں میں تفصیل بیان کی گئی ہے، کوئی مادی انحراف نہیں کیا گیا ہے۔

صحت، حفاظت، ماحول اور کوالٹی

ڈاڈیکس ایک ذمہ داراور حالات ہے آگاہ ادارہ ہونے کے ناطے آلودگی پر قابو پانے ،اپنے ملاز مین اور قریبی آبادی کے لئے بھی پیشہ ورانہ صحت اور حفاظت کے معیاروں کے ذریعے ماحولیات کے تحفظ کے لئے سر ماریکاری کے ذریعے مسلسل اپنا کر دارا داکر رہاہے۔

ماحولیات کے تحفظ کے لیے کمپنی نے سیپا (سندھ ماحولیاتی تحفظ انجینسی) کے منظور کردہ ماحولیاتی مینجمنٹ پلان کی تغیل کے لئے ماحولیاتی مانیٹرنگ کا اطلاق کیا ہے۔
صحت ، حفاظت اور ماحول (ایچ ایس ای) کو کمپنی سب سے زیادہ ترجیح دیتی ہے۔ ایچ ایس ای پروگرام کو تینوں فیکٹر یوں میں مزید منتظم کیا گیا ہے۔ کمپنی نے آئی ایس او 1800 ISO 9001 سے تازہ ترین آئی ایس ISO 9001 کے لیے تصدیق شدہ ہے۔ کمپنی نے آئی ایس او 1800 ISO 9001 سے تازہ ترین آئی ایس اور کا میں کامیابی کے ساتھ کو الیفائی کیا ہے۔ ہم نے میسٹی نظمین تصدیق کرنے والی ایجنسیوں اور نگران آڈٹس کی طرف سے سخت آؤٹ کے بعد حاصل کی ہے جس پرسٹم کو تمام مینونی کچرنگ فیسلدیٹر میں مؤثر طریقے سے نافذ کرنے کے لیے عمل در آمد کیا جارہا ہے۔

ا پیج ایس ای نوعیت کے اعتبار سے فعال مقامی لا گوقوانین کے تالع اور ILO/WHO & Chrysotile Institute کینیڈا کے رہنما خطوط کے ساتھ کلمل طور پرہم آ ہنگ ہے۔

ایک ہدر داور ذمہ دارا دارہ ہونے کے ناطے بمپنی اپنے حاضر سروس اور ریٹائر ڈیلاز مین کو بین الاقوامی معیار کے مطابق''متواتر طبی معائنہ'' کی سہولت پیش کررہی ہے۔ ہماری توجہ امراض کی روک تھام محت مند طرز زندگی کے فروغ اور پیشہ ورانہ صحت سے متعلق کسی بھی مسئلے کی جلداز جلد نشاندہی پر ہے۔

کمپنی ماحول کی حفاظت اور وسائل کوموژ طریقے سے استعال کرنے کے لئے اپنی ذمہ داری اور عزم سے آگاہ ہے۔ ہم اپنے اس عزم پڑمل پیرار ہتے ہوئے، باقی اقد امات کے علاوہ ری سائکلنگ/ری ورکنگ کی حوصلہ افزائی کرتے ہیں، جو ماحولیاتی فوائد کے ساتھ اہم خام مال کی لاگت میں بچیت کا بھی ذریعہ بنتا ہے۔

کمپنی اپنے ملاز مین کوترغیب دیتی ہے کہ استعال میں نہ ہونے پر بتیاں ،کمپیوٹر سٹم ، برقی کو بندر کھ کر بجلی بچائیں اور توانائی کی بچت کے لیے تمام برقی آلات کوٹھیک حالت میں رکھا جائے۔

انفارميشن كميونيكيشن ٹيكنالوجي

سمپنی اپنے آئی می ٹی انفرااسٹر کچر میں مسلسل بہتری اوراپ گریڈ کرنے کاعزم رکھتی ہے اور مارکیٹ میں زبردست مقابلے میں سبقت برقر ارر کھنے کے لیے زیادہ آٹو میشن کی طرف بڑھ رہی ہے۔ آئی می ٹی کامقصدا پنے داخلی اور خارجی اسٹیک ہولڈر کے مابین بلانعطل را لبطے کی فراہمی ہے۔

آئی می ٹی ڈیپارٹمنٹ اپنے حتمی صارفین کوجد بدترین ورمستقل آئی ٹی اورالیں اے پی سپورٹ خدمات کی فراہمی کے لئے پرعزم ہے۔ کمپنی کاروباری اہداف کوحاصل کرنے کے لیے اپیلی کیشنز/سافٹ ویئز/ ہارڈویئز/ ڈیٹا مواصلات کواپ ڈیٹ کرنے ہموجودہ ایس اے پی کے ٹسل میں بہتر کنٹرول تیار کرنے کے لئے کام کررہی ہے۔

کاروباری مخیر سرگرمیاں اور کمیونٹی کی فلاح و بہبود

کمپنی نے سال کے دوران مختلف مخیر اور فلاحی سرگرمیوں میں حصہ لیا اور 0.046 ملین روپے خرچ کیے (سال 0.171:2017/18 ملین روپے)

كاروبارى اخلاقيات اورانسداد بدعنواني كاقدامات

کمپنی اخلاقیات اور کاروباری طریقوں کا ایک جامع ضابطہ رکھتی ہے۔ تمام ملازمین کواپی خجی مالی سرگرمیوں اور کمپنی کے کاروبار کو چلانے کے مابین مفادات کے تصادم سے گریز کرنا چاہیے۔ کمپنی کی طرف سے تمام کاروباری لین دین کواسی کے مطابق کمپنی کے کھاتوں میں ظاہر ہونا چاہیے۔

کمپنی نے جگہ جگہ انٹرل کنٹرولز قائم کررکھے ہیں۔ بورڈ آڈٹ کمیٹی با قاعدگی سے انٹرل آڈٹ رپورٹس کا جائزہ لیتی ہے اور انٹرل آڈیٹرز کی سفارشات پڑمل درآمد کے لئے اقدامات کیے جاتے ہیں۔ کمپنی کافلسفہ اور پالیسی بہی ہے کہ عمدہ کاروباری طریق کارکی پیروی کی جائے جو صارفین کو تحفظ فراہم کرتے ہیں اور انسداد بدعنوانی کے موثر اقدامات کو بقینی بناتے ہیں۔

سال کے دوران اجلاسوں کی حاضری

بورڈ آف ڈائر کیٹراوراس کی آڈٹ، انسانی وسائل اورمشاہرہ کمیٹیوں کے اجلاسوں کی تعدادمع ان میں حاضری درج ذیل ہے:

	انسانی وسائل اورمشاہر ہ ^{کمی} ٹی کااجلاس		بورڈ آ ڈٹ کمیٹی کا اجلاس		بورڈ آفڈا	ديثين	ڈائز یکٹرکانام
شركت	منعقده	شركت	منعقده	شركت	منعقده		
N/A	N/A	N/A	N/A	4	4	نان ا يَّز يَكْثِيودُ ارْ يَكْثر	جناب سكندر دا دا
1	1	N/A	N/A	4	4	نان ايَّز يَكْثِيودُ امْرَ يَكْثْر	جناب ابوطالب ایج کے دادا
1	1	4	4	4	4	نان ایگزیکٹیوڈ ائریکٹر	جناب مقبول الحي احتى رحمت الله
N/A	N/A	4	4	4	4	نان ايگزيکڻيوڈ ائريکٹر	جناب شنرادا يم حسين
1	1	4	4	4	4	انڈیپینڈنٹ ڈائریکٹر	سيدشا ہدعلی بخاری*
N/A	N/A	N/A	N/A	3	4	ا یکزیکٹیوڈ ائر یکٹر	جناب دانش دا دا
1	1	N/A	N/A	4	4	ا یگزیکٹیوڈ ائزیکٹر	قاضی سا جدعلی بے ای او

*سید شابه علی بخاری بورد آد و کیمیٹی اور انسانی وسائل اور مشاہر ہمیٹی کے چیئر مین ہیں

بورڈ کی کارکردگی کی تشخیص اور ڈائر یکٹرزٹریننگ پروگرام

بورڈ نے کمپنی کواس کے اسٹر پیجگ امور میں موثر انداز میں رہنمائی فراہم کر کے اپنے فرائض اور ذمہ داریوں کو پوری تندہی سے ادا کیا۔ بورڈ نے مینجمنٹ کی کارکر دگی کی نگرانی اور ہڑے خطرہ والے شعبوں پر توجہ دینے میں بھی اہم کر دارا دا کیا۔

بورڈ بجٹ سازی کے مل میں پوری طرح شامل تھا۔ بورڈ اسٹیک ہولڈرز کی قدر کے تحفظ کے لئے کارپوریٹ گورننس کے اعلیٰ معیار کویقینی بنانے کے لئے بھی پرعز مرہا۔ بورڈ کے فیصلہ سازی کے مل میں آزاد ڈائر یکٹرزسمیت تمام ڈائر یکٹرز نے مکمل طور پرحصہ لیا اوراپنی ذمہداری نبھائی۔ میمپنی کا ایک آزادانٹزل آڈٹ ڈپارٹمنٹ ہے اورانٹزل آڈٹ رپورٹس کوسہ ماہی کی بنیاد پر بورڈ آڈٹ کمیٹی کو پیش کیا جاتا ہے جس میں بہتری کے شعبوں کو اجا گر کہا جاتا ہے۔

بورڈ نے اپنی خورشخیص کی اور بہترین عالمی طریقوں کے مطابق مزید بہتری لانے کے لئے مکنہ پہلوؤں کی نشاندہی کی۔مرکزی توجہ اسٹرینجُٹ نمو، کاروباری مواقع ،رسک مینجنٹ، بورڈ کی تشکیل اورانتظامیہ کورہنمائی فراہم کرنے پر مرکوزرہی۔

کمپنی نے درج ذیل ڈائر کیٹرز جناب سکندر دادا، جناب ابوطالب آج دادا، جناب مقبول آج ایج رحمت الله اور جناب شنم ادایم حسین کے لیے CCG کی ریگولیشن 20 کی پیروی میں سکیورٹیز اینڈ ایم پینچنج کمیشن آف پاکتان سے پہلے ہی استنی کے لیے منظوری حاصل کررکھی ہے۔ سیدشاہد علی بخاری اور قاضی ساجدعلی سرٹیفائیڈ ڈائر کیٹر ہیں۔ تمام ڈائر کیٹرز لے ٹمپنی کے ڈائر کیٹرز کی حیثیت سے اپنے فرائض اور ذمہ داریوں سے پوری آگا ہی رکھتے ہیں۔

3) كرنسى كاخطره

کرنبی رسک پیخطرہ ہے کہ زرِمبادلہ کی شرحوں میں تبدیلی کی وجہ ہے کسی مالی وثیقہ کی مناسب قدریا کیش فلومیں اتار چڑھاؤ ہوگا۔ کمپنی کوایسے تجارتی قرضوں، قرضوں، جمع شدہ مارک اپ اور تجارتی قرض وہندگان پر کرنبی کا خطرہ لاحق ہے جو کمپنی کی متعلقہ زیراستعال کرنبی، جو بنیادی طور پر امریکی ڈالر ہے، کے سواکسی مالیت کی کرنبی میں ہیں۔

4) ضوابط کی تمیل (Compliance) سے متعلق خطرات

کمپنی بخوبی بھی ہے کہ قوانین وضوابط کی عدم تعمیل کا نتیجہ جرمانے کے اطلاق، نااہلی، بلیک اسٹنگ، لائسنس کی منسوخی وغیرہ کی صورت میں نکل سکتا ہے۔ لہذا عدم تعمیل کی سرگرمیوں اور رویوں کے لیےصفر برداشت کی پالیسی رکھتی ہے۔ مزید برآں ایسے خطرات کو کم کرنے لیے کمپنی میں ایک انتہائی جامع اور مؤثر نظامِ تعمیل موجود ہے۔

ڈیویڈنڈزاور مخص کردہ ر**ق**وم

کمپنی نے زیر جائزہ سال کے لیےصفررو بے فی شیئر یعنی صفر فی صد فی شیئرحتمی کیش ڈیویڈنڈ کا اعلان کیا ہے۔

مخص کرنے کے لیے دستیاب منافع جات/ (خسارہ) کا خلاصہ درج ذیل ہے:

(روپے '000 میں)

(34,450)

(2,153)

(207,786)

بيطابق 01 جولائي 2018 مجموعي خساره

گذشة سال كى ايد جستمنط

غيرمخض شده منافع سيحمومي ذخائر كونتقلي

متعلقه ا ثاثه جات پر چارج کیے گئے تدریجی فرسودگی کی مدمین فکسڈا ثاثوں کی از سرنوتعین شدہ مالیت میں اضافہ 24,344

30 جون 2019 كونتم ہونے والے سال كے بعدازتكس خسارہ

30 جون 2018 كوختم ہونے والے سال كے ليحتى ڈيويڈنڈ

بمطابق30 جون 2019 مجموعی خساره

بیلنس نثیٹ کی تاریخ کے بعد نان ایڈ جسٹنگ ابونٹ

صفررویے فی شیئر کا مجوزہ حتی فی شیئر ڈیویڈنڈ

عمومی ذخائر سے غیرمختص شدہ منافع میں 160 ملین روپے کی منتقلی

بمطابق 30 جون 2019 في شير بريك اپ ويليو 102.80 روپ ہے۔ (2017/18:80:2017 روپ)

بورد آف ڈائر یکٹرزاوراس کی کمیٹیاں

بورڈ241 کتوبر 2020 کواپنی میعادکمل کرےگا۔

سال 2018/19 کے دوران ڈاڈیکس بورڈ کے جارا جلاس منعقد ہوئے۔ڈاڈیکس کا بورڈ تجربہ کاراور ماہرممبران کےعمدہ امتزاج پرشتمل ہے۔

سال 2018/19 کے دوران بورڈ آڈٹ کمیٹی کا چار مرتبہ اور انسانی وسائل اور مشاہرہ کمیٹی کا ایک مرتبہ اجلاس ہوا۔ بورڈ کی کمیٹیوں نے بورڈ کی مجموعی

کارگذاری میں زبر دست معاونت پیش کی۔

اِن ناموافق عوامل اور42.04 ملین روپے کی دیگر آمدنی حاصل کرنے کے باوجود کمپنی کوسال کے اختتا م پر16.28 ملین روپے کا آپریٹنگ خسارہ ہوا (16.2017/18 ملین روپے کا آپریٹنگ منافع)۔ مالیاتی اخراجات میں گزشتہ سال کے مقابلے میں 47.05 فیصد اضافہ ہوا جس کے نتیجہ میں 195.536 ملین روپے کا قبل از ٹیکس منافع) ۔ نتیجاً کمپنی نے سال کا اختتام 195.536 ملین روپے کا قبل از ٹیکس منافع)۔ نتیجاً کمپنی نے سال کا اختتام 195.528 ملین روپے کا قبل از ٹیکس منافع)۔

(خساره) افی شیئر آمدنی

30 جون 2019 كونتم ہونے والے سال كے ليے في شيئر خساره گزشتہ سال 45.0رويے في شيئر آمدنی كے مقابلے مير (18.16)رويے رہا۔

آيريشنز

کرا چی فیکٹری پلاسٹک ڈویژن میں نئی پولی ایتھلین ایکٹروژن لائن کا اضافہ کیا گیا ہے جس کے نتیج میں 450 ملی میٹر قطر تک اضافہ ہوا ہے،اس سے پہلے زیادہ سے زیادہ سے زیادہ میٹر سائز تک پیداوار ہوسکتی تھی۔ کرا چی فیکٹری میں داخلی وسائل استعال کرتے ہوئے شیٹ پلانٹ کی تجدید کی گئی ہے جب کہ حیدر آباد فیکٹری میں پیداواریت کوزیادہ سے زیادہ صدت کے جانے کے لیے کچھ مناسب اقدامات کیے گئے ہیں۔کرا چی فیکٹری میں کرسوٹائل سیمنٹ پائپ یلانٹ کی پیداوار مارکیٹ میں برائے نام طلب کی وجہ سے معمولی حد کے اندر رہی۔

سندر فیکٹری، پنجاب انڈسٹریل ایسٹیٹ میں بالآخر بجلی کے لوڈ میں 750 کلوواٹ سے980 کلوواٹ تک اضافے کی کارروائی کا آغاز ہو گیا۔ پلاسٹک میں ایکسپورٹ مارکیٹ سے متعلق کچھنٹی پروڈ کٹ ڈیپسمنٹس میں کامیابی حاصل کر لی گئی ہے۔

تحميني كولاحق خطرات اورخدشات

مینی کودرج ذیل عمومی خطرات کا سامناہے:

1) آپریشنل خطرات

آ پریشنل خطرات کی وسیع ترمنہوم میں افراد، طریقہ کاراورا ثاثوں ہے متعلق خطرات کے طور پر درجہ بندی کی جاسکتی ہے۔ یہ آپس میں انتہائی منسلک ہیں، جو کمپنی کی انتظامیہ کے لئے بیام ناگزیر بناتے ہیں کہ وہ الی حکمت عملی وضع کرے جوعملی حدود سے ماورا ہواور آپریشنل خطرات کے ان تین اہم حصوں سے مؤثر طریقے سے عہدہ برآ ہو سکے۔

ان خطرات کا مؤثر طریقے سے جواب دینے میں نا کا می کے نتیج میں پیداوار میں نقصان ،فروخت میں انحطاط پیدا ہوتا ہے جس سے کاروبار کو نقصان ہوسکتا ہے۔ کمپنی مطلوبہ مہارتوں اور تجربے کے ساتھ وسائل وقف کر کے اپنے کاروبار کے دوران مذکورہ خطرہ سے نمٹتی ہے۔

2) مالى خطرات

کمپنی کو مالیاتی اداروں سے حاصل کر دہ قرضوں سے متعلق خطرات لاحق ہیں۔ مالی خطرہ اس وقت سامنے آتا ہے جب زیرمبادلہ اور سود کی شرحوں میں اتار پڑھاؤ پیدا ہوتا ہے جونقد بہاؤ (کیش فلو) میں تبدیلیاں لاتا ہے اور کریڈٹ لائنز پراز سرِ نوگفت وشنید کرنی پڑتی ہے۔ مالی خطرات میں کسی مقابل فریق کی طرف سے اپنی مالی ذمہ داریوں کی پخیل میں ناکامی کا خطرہ شامل ہے۔ کمپنی میں رسک منجمنت کا مقصد آمدنی اور کیش فلو پر کسی منفی اثر کو محدود کرنا ہے۔ ٹریژری ڈپارٹمنٹ کی طرف سے ایک جاری عمل کے طور یراس خطرے کی گرانی اور درکار اقد امات کیے جاتے ہیں۔

منسلک مالیاتی گوشواروں کے نوٹ 4 میں مالی خطرات کی تفصیلی وضاحت موجود ہے جس میں مارکیٹ رسکس ،کریڈٹ رسکس اور لیکویڈیٹی رسکس شامل ہیں۔

ڈاڈیکس ایٹرنٹ کمیٹٹر('' کمپنی'') کے بورڈ آف ڈائر یکٹرز کے لیے 30 جون 2019 کونتم ہونے والے سال کے لیے 60ویں سالانہ رپورٹ مع آڈٹ شدہ مالی گوشوار سے پیش کرنا باعث مسرت ہے۔

قومي معيشت

پاکتان کی معیشت مجموعی اقتصادی عدم توازن سے نمٹنے کے لیے بالحاظ ساخت اصلاحات لانے کے دور سے گزررہی ہے۔ حکومت کی طرف سے کیے گئے مختلف اقتدامات نے ملک میں معیشت اور سرماییکاری کی نمومیس رکاوٹ پیدا کردی ہے۔ بڑے پیانے پرمینوفیکچرنگ کی نمومیس، جو کہ مجموعی منعتی پیداوار کا 6 فیصد بنتی ہے۔ گذشتہ سال کے دوران ریکارڈکی جانے والی 8. 6 فیصد شرح نمو کے مقابلہ میں 5. د فیصد کی کی ریکارڈکی گئی ہے۔

شرح مبادلہ کی قدر میں کی کے نتیج کے طور پرطلب کی جانب دباؤ ایندھن اور بچل کی قیمتوں میں اضافہ ہوا ہے اور جون 2019 میں اسافہ راط زر 8.9 فی صدر یکارڈ کیا گیا۔افراط زر کے دباؤ کے نتیجہ میں ،اسٹیٹ بدیک آف پاکستان نے پالیسی ریٹ میں 13.25 فی صد تک اضافہ کر دیا ہے۔

ز برجائزہ سال کے دوران ، کرنٹ اکاؤنٹ خسارے میں بہتری آئی جس کی بنیادی وجہ درآ مدات کم ہونا اور بیرون ملک مقیم پاکستانیوں سے وصول ہونے والی ترسیلات میں اضافہ تھا، تاہم مالی خسارے میں مزید بگاڑ پیدا ہوتا چلا گیا۔ بڑھتے ہوئے مالی اور کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لیے کیے گئے مختلف یالیسی اقدامات کی وجہ سے جی ڈی پی کی شرح نمو 3.3 فیصدرہ گئی ہے۔

اگرچہ مستقبل قریب میں بے پناہ چیلنجز اور معاشی حالات کھن نظر آ رہے ہیں، کیکن ہم تو قع کرتے ہیں کہ حکومت آئندہ معاشی اور سیاسی استحکام کے لئے دیر پا بنیاد کی تغمیر کے لیے پائیدار پالیسیاں جاری رکھے گی معیث کودستاویزی بنانا اورٹیکس کی بنیاد میں اضافہ مختصر مدت کے لیے تکلیف دہ اقدام ثابت ہور ہاہے، تاہم مجموعی طور پر ملک اور منظم شعبے کواس کے طویل مدتی فوائد حاصل ہوں گے۔

همپنی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

کمپنی کا بنیادی کاروبارتغیراتی سامان کی تیاری اورفروخت ہے،جس میں بنیادی طور پر پائینگ سٹم اوردیگر تغیراتی مصنوعات بشمول کرسوٹائل سیمنٹ، ربر اور پلاسٹک سے تیار کردہ متعلقہ مصنوعات، درآ مدشدہ پائپ فسگر،لواز مات اور دیگر عمارتی مصنوعات شامل ہیں۔

زیر جائزہ سال، کمپنی کے لئے دشوار یوں سے بھر پوررہا، تحومت کی جانب سے انفراسٹر کچر کے ترقیاتی منصوبوں میں واضع کی ، مجموع طور پر ملک میں اقتصادی سر گرمیوں میں مندی کی وجہ سے کمپنی کی فروخت پر منفی اثر ات مرتب ہوئے۔ کمپنی کی فروخت کی مدمیں 20.3 ارب روپے کی مجموعی آمدنی حاصل کی مجس میں 37 کی 20 ملین روپے کی برآ مدی فروخت شامل ہے، جو کہ گزشتہ سال کی حاصل شدہ فروخت ، جو کہ 13.458 ارب روپے تھی سے مجموعی طور پر کی ، جس میں 37 دوران سپر یم کورٹ کی جانب سے بحر بیٹاؤن میں تغییراتی سر گرمیوں اوراو نچی ممارات کی تغییرات پر عائد پابندی کی وجہ سے کمپنی کی فروخت بڑی طرح متاثر ہوئی۔

کمپنی کے اختیار سے بالاتر متعدد عوامل نے کمپنی کے منافع جات پر منفی اثر ڈالا ہے۔جس میں بنیادی وجہ اسٹیٹ بینک کی جانب سے مالیاتی پالیسی اور بین الاقوامی مالی اعانت کے تحت معاہدوں کی وجہ سے ڈسکاؤنٹ ریٹ میں اضافہ اور روپے کی قدر میں کمی واقع ہوئی ہے۔ان عوامل کی وجہ سے کمپنی کی مالیاتی کارکردگی پراثرات مرتب ہوئے جس کی وجہ فنانشل اخراجات میں اضافہ اور درآ مدشدہ خام مال پرزیرمبادلہ میں خسارہ، پیٹرولیم مصنوعات اور توانائی کی قیمتوں میں مسلسل اضافہ کی وجہ سے توقع سے زیادہ نقصان ہوا۔

ان ناموافق عوامل اور82.049 ملین روپے کی دیگرآ مدنی حاصل کرنے کے باوجود کمپنی کوسال کے اختتام پر16.281 ملین روپے کا آپریٹنگ خسارہ ہوا (180.116:2017/18 ملین روپے کا آپریٹنگ منافع)۔ مالیاتی اخراجات میں گزشتہ سال کے مقابلے میں 47.05 فیصداضا فہ ہواجس کے نتیجہ میں 195.536 ملین روپے کا قبل از ٹیکس خسارہ ہوا (58.586:2017/18 ملین روپے کا قبل از ٹیکس منافع)۔ نتیجاً کمپنی نے سال کا اختتام 195.528 ملین روپے کے بعداز ٹیکس خسارے کے ساتھ کیا (5.282:2017/18 ملین روپے کا بعداز ٹیکس منافع)۔

(خساره) افی شیئر آمدنی

30 جون 2019 كوختم ہونے والے سال كے ليے في شيئر خساره گزشتہ سال 0.45روپے فی شيئر آمدنی کے مقابلے ميں (18.16)روپے رہا۔

آبریشنز

کراچی فیکٹری پلاسٹک ڈویژن میں نئی پولی ایکھروژن لائن کا اضافہ کیا گیاہے جس کے نتیج میں 450 ملی میٹر قطر تک اضافہ ہواہے، اس سے پہلے زیادہ 250 ملی میٹر سائز تک پیداوار ہو سکتی تھی۔ کراچی فیکٹری میں داخلی وسائل استعال کرتے ہوئے شیٹ پلانٹ کی تجدید کی گئی ہے جب کہ حیدر آباد فیکٹری میں پیداواریت کوزیادہ سے زیادہ حد تک لے جانے کے لیے کچھ مناسب اقد امات کیے گئے ہیں۔ کراچی فیکٹری میں کرسوٹائل سیمنٹ پائپ پلانٹ کی پیداوار مارکیٹ میں برائے نام طلب کی وجہ سے معمولی حد کے اندر رہی۔

سندر فیکٹری، پنجاب انڈسٹریل ایسٹیٹ میں بالآخر بجلی کے لوڈیمیں 750 کلوواٹ سے980 کلوواٹ تک اضافے کی کارروائی کا آغاز ہو گیا۔ پلاسٹک میں ایسپورٹ مارکیٹ سے متعلق کچھنٹی پروڈ کٹ ڈیوپسٹس میں کامیابی حاصل کرلی گئی ہے۔

تميني كولاحق خطرات اورخدشات

کمپنی کودرج ذیل عمومی خطرات کاسامناہے:

1) آپریشنل خطرات

آپریشنل خطرات کی وسیع ترمفہوم میں افراد، طریقہ کاراورا ٹا ثوں سے متعلق خطرات کے طور پر درجہ بندی کی جاسکتی ہے۔ بیآ پس میں انتہائی منسلک ہیں، جو سمپنی کی انتظامیہ کے لئے بیام ناگزیر بناتے ہیں کہ وہ ایس حکمت عملی وضع کرے جو مملی حدود سے ماورا ہواور آپریشنل خطرات کے ان تین اہم حصوں سے مؤثر طریقے سے عہدہ برآ ہو سکے۔

ان خطرات کا مؤثر طریقے سے جواب دینے میں نا کامی کے نتیج میں پیداوار میں نقصان ،فروخت میں انحطاط پیدا ہوتا ہے جس سے کاروبار کونقصان ہوسکتا ہے۔ کمپنی مطلوبہ مہارتوں اور تجربے کے ساتھ وسائل وقف کر کے اپنے کاروبار کے دوران مذکورہ خطرہ سے مٹتی ہے۔

2) مالى خطرات

کمپنی کو مالیاتی اداروں سے حاصل کردہ قرضوں سے متعلق خطرات لاحق ہیں۔ مالی خطرہ اس وقت سامنے آتا ہے جب زیرمبادلہ اور سود کی شرحوں میں اتار چڑھاؤ پیدا ہوتا ہے جونفذ بہاؤ (کیش فلو) میں تبدیلیاں لاتا ہے اور کریڈٹ لائٹز پراز سر نوگفت وشند کرنی پڑتی ہے۔ مالی خطرات میں کسی مقابل فریق کی طرف سے اپنی مالی ذمہ داریوں کی پھیل میں ناکامی کا خطرہ شامل ہے۔ کمپنی میں رسک منجمنت کا مقصد آمدنی اور کیش فلو پر کسی منفی اثر کو محدود کرنا ہے۔ ٹریژری ڈپارٹمنٹ کی طرف سے ایک جاری ممل کے طور پراس خطرے کی نگر انی اور در کار اقدامات کیے جاتے ہیں۔

منسلک مالیاتی گوشواروں کے نوٹ 4 میں مالی خطرات کی قضیلی وضاحت موجود ہے جس میں مارکیٹ رسکس ،کریڈٹ رسکس اورلیکویڈیٹی سکس شامل ہیں۔

<u>بورڈ آف ڈاعریکٹرزی رپورٹ</u>

ڈاڈیکس ایٹرنٹ کمیٹٹر ('' کمپنی'') کے بورڈ آف ڈائر یکٹرز کے لیے 30 جون 2019 کوختم ہونے والے سال کے لیے 60ویں سالانہ رپورٹ مع آ ڈٹ شدہ مالی گوشوار سے پیش کرنا باعث مسرت ہے۔

قومي معيشت

پاکستان کی معیشت مجموعی اقتصادی عدم توازن سے نمٹنے کے لیے بالحاظ ساخت اصلاحات لانے کے دور سے گزررہی ہے۔ حکومت کی طرف سے کیے گئے مختلف اقدامات نے ملک میں معیشت اور سرماییکاری کی نمومیس رکاوٹ پیدا کردی ہے۔ بڑے پیانے پرمینوفین کچرنگ کی نمومیس، جو کہ مجموعی پیداوار کا 6 فیصد بنتی ہے۔ گذشتہ سال کے دوران ریکارڈ کی جانے والی 8. 6 فیصد شرح نمو کے مقابلہ میں 5. د فیصد کی کی ریکارڈ کی گئی ہے۔

شرح مبادلہ کی قدر میں کی کے نتیج کے طور پرطلب کی جانب دباؤ ایندھن اور بچل کی قیمتوں میں اضافہ ہوا ہے اور جون 2019 میں اسافہ راط زر 8.9 فی صدر یکارڈ کیا گیا۔افراط زر کے دباؤ کے نتیجہ میں ،اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 13.25 فی صد تک اضافہ کر دیا ہے۔

ز برجائزہ سال کے دوران ، کرنٹ اکاؤنٹ خسارے میں بہتری آئی جس کی بنیادی وجہ درآ مدات کم ہونا اور بیرون ملک مقیم پاکستانیوں سے وصول ہونے والی ترسیلات میں اضافہ تھا، تاہم مالی خسارے میں مزید بگاڑ پیدا ہوتا چلا گیا۔ بڑھتے ہوئے مالی اور کرنٹ اکاؤنٹ خسارے پر قابو پانے کے لیے کیے گئے مختلف پالیسی اقدامات کی وجہ سے جی ڈی پی کی شرح نمو 3.3 فیصدرہ گئی ہے۔

اگر چی^{مستقت}بل قریب میں بے پناہ چیلنجز اورمعاشی حالات کھن نظر آ رہے ہیں، کیکن ہم تو قع کرتے ہیں کہ حکومت آئندہ معاشی اورسیاسی استحکام کے لئے دیر پا بنیاد کی تغمیر کے لیے پائیدار پالیسیاں جاری رکھے گی معیشت کودستاویزی بنانا اورٹیکس کی بنیاد میں اضافہ مختصر مدت کے لیے تکلیف دہ اقدام ثابت ہور ہاہے، تاہم مجموعی طور پر ملک اورمنظم شعبے کواس کے طویل مدتی فوائد حاصل ہوں گے۔

همینی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

کمپنی کا بنیادی کاروبار تغییراتی سامان کی تیاری اور فروخت ہے، جس میں بنیادی طور پر پا ئینگ سٹم اور دیگر تغییراتی مصنوعات بشمول کرسوٹائل سیمنٹ، ربر اور پلاسٹک سے تیار کردہ متعلقہ مصنوعات، در آمد شدہ پائپ فٹنگز، اواز مات اور دیگر عمارتی مصنوعات شامل ہیں۔

زیرِ جائزہ سال، کمپنی کے لئے دشواریوں سے بھر پوررہا، حکومت کی جانب سے انفراسٹر کچر کے ترقیاتی منصوبوں میں واضع کی ، مجموعی طور پر ملک میں اقتصادی سرگرمیوں میں مندی کی وجہ سے کمپنی کی فروخت پر منفی اثرات مرتب ہوئے۔ کمپنی کی فروخت کی مدمیں 339. 3 ارب روپے گی مجموعی طور پر کی ، جس میں 37. 20 ملین روپے کی برآ مدی فروخت شامل ہے ، جو کہ گزشتہ سال کی حاصل شدہ فروخت ، جو کہ 63.45 ارب روپی سے مجموعی طور پر کی ، جس میں 37. 20 ملین روپے کی برآ مدی فروخت شامل ہے ، جو کہ گزشتہ سال کی حاصل شدہ فروخت ، جو کہ 63.45 ارب روپی سے مجموعی طور پر سے بحریہ ٹاؤن میں تقمیر آتی سرگرمیوں اور اوپنی ممارات کی تقمیر ات پر عائد پابندی کی وجہ سے کمپنی کی فروخت بڑی طرح متاثر ہوئی۔

کمپنی کے اختیار سے بالاتر متعدد عوامل نے کمپنی کے منافع جات پرمنفی اثر ڈالا ہے۔ جس میں بنیادی وجہاسٹیٹ بینک کی جانب سے مالیاتی پالیسی اور بین الاقوای مالی اعانت کے تحت معاہدوں کی وجہ سے ڈسکاؤنٹ ریٹ میں اضافہ اور روپے کی قدر میں کی واقع ہوئی ہے۔ ان عوامل کی وجہ سے کمپنی کی مالیاتی کارکردگی پراثرات مرتب ہوئے جس کی وجہ فنانشل اخراجات میں اضافہ اور درآ مدشدہ خام مال پرزیرمبادلہ میں خسارہ، پیٹر ولیم مصنوعات اور توانائی کی قیمتوں میں مسلسل اضافہ کی وجہ سے تو تع سے زیادہ نقصان ہوا۔





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The Company Secretary **Dadex Eternit Limited**Dadex House, 34-A/1, Block 6, PECHS, Shahrah-e-Faisal, Karachi-75400

I/We so	on / daughter /wife of	
of (full address)		
being a member(s) of Dadex Eternit Limi	ted holding	
ordinary shares hereby appoint		A
of		(full address)
or failing him		of
		,
who is/are also member(s) of Dadex Etern	nit Limited as my/our proxy in my/o	our absence to attend and vote
for me/us and on my/our behalf at the 60th	Annual General Meeting of the Co	ompany to be held on Monday,
October 28, 2019 at 02:15 p.m., at Dadex	House, 34-A/1, Block-6, PECHS, S	Shahrah-e-Faisal, Karachi and
or at any adjournment thereof.		
As witness my/our hand/seal this	day of	2019
.		
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.
- 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.

AFFIX CORRECT POSTAGE

The Company Secretary
Dadex Eternit Limited

34-A/1, Block 6, PECHS, Shahrah-e-Faisal, Karachi-75400

مختارنامه

همینی سیکریٹری ڈاڈ کیس ایٹرنٹ کمیٹٹر دُادُ بِيس بِاوُس، 34-A/1، بلاك PECHS، 6 شارع فيصل، كراچي-75400

سكنه	ولد/ېنټ/زوجه	میں اہم
سکنه ز مکمل پیة) بحیثیت رُکن ڈاڈ میس ایٹرنٹ لمیٹڈ،اور	. ,	
	عام خصص مسمی/مسمات	عامل
(مکمل پیة)		سکنه
	میں مسمی/مسات	ن کی غیر حاضری کی صورت
(مکمل پیة) ج		سکنبه
	نص دار ہیں کومیری/ ہماری غیر حاضری کی صورت میں اپنا/ ہمارا مختار رمقرر کر تا/کرتی / کرتے ہیں _ اِنھیں ہمار _ شامیٹٹر،ڈاڈیکس ہاؤس، 34-A/1، بلاک PECHS،شارعِ فیصل، کرا پچی میں منعقد ہونے والے کمپینی کے زنے کی اجازت دیتا/دیتی/دیتے ہیں۔	02:15 بج، ڈاڈ کیس ایٹرنٹ
	بتاریخ 2019 کومندرجه ذیل گواہان کی موجود گی میں د متخط کیا گیا۔	یمختارنامهآج بروز -
		·
لیت کے ریو نیوٹکٹ پروستخط کریں	_	ولیو/سی ڈیسی ا کا وُنٹ نمبر فرور ی ہدایات: فرور ی ہدایات:
ر،34-A/1،بِلَ ک_PECHS،6،بِل	 قررہ وقت سے کم از کم 48 گھنٹے بل مُکمل کوا نُف اور د شخط کے ہمراہ کمپنی کے رجسٹر ڈ آفس ڈاڈ یکس ہ جمع کہ داخید دی یہ	۔ بیرمختارنامہاجلاس کے من

- - ۲۔ کسی ایسے خص کو مختار مقرر نہیں کیا جا سکتا جو کہ خود کمپنی کا رُکن نہ ہوالد بتہ کوئی دوسری کمپنی یا ادارہ غیررُکن کواپنا مختار مقرر کرسکتا ہے۔
 - سار اگرکسی رُکن نے ایک سے زائد مختار مقرر کیے یا مختار نامے کمپنی میں جمع کرائے توالی صورت میں تمام مختار رنامے منسوخ کردیے جا کینگے۔
 - برائے سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے:
 - ندکورہ بالا ہدایات کےعلاوہ درج ذیل ضروری شرا کط بھی پوری کرنالا زمی ہیں:
 - ا۔ مختار نامہ یر ۲ گواہان کے دستخط بمعہ نام، پینة اور کمپیوٹر ائز دقو می شاختی کارڈنمبر درج کرنالاز می ہیں۔
 - ۲۔ مختار نامہ کے ہمراہ اصل مالکان اور مختار کے کمپیوٹرائز دقو می شاختی کارڈیا یا سپورٹ کی مصدقہ نقول بھی منسلک کرنا ہوں گی۔
 - سا۔ مختار رکوا جلاس کے وقت اپنااصل کمپیوٹر ائز دقو می شاختی کارڈیا یا سپورٹ پیش کرنا ہوگا۔
- سم۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت رُکن، بورڈ آف ڈائر کیٹرز کی منظور شدہ قرار داد/ یا ورآف اٹارنی بمعینمونید ستخط ہمراہ مختار نامیکمپنی میں جمع کرانا ہوگے۔

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