

Annual
Report

2020

**TIMES
ARE TOUGH
BUT SO
ARE WE**

DADEX



Building Blocks of Dadex Values



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



It's in our Processes

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

It's in our Products

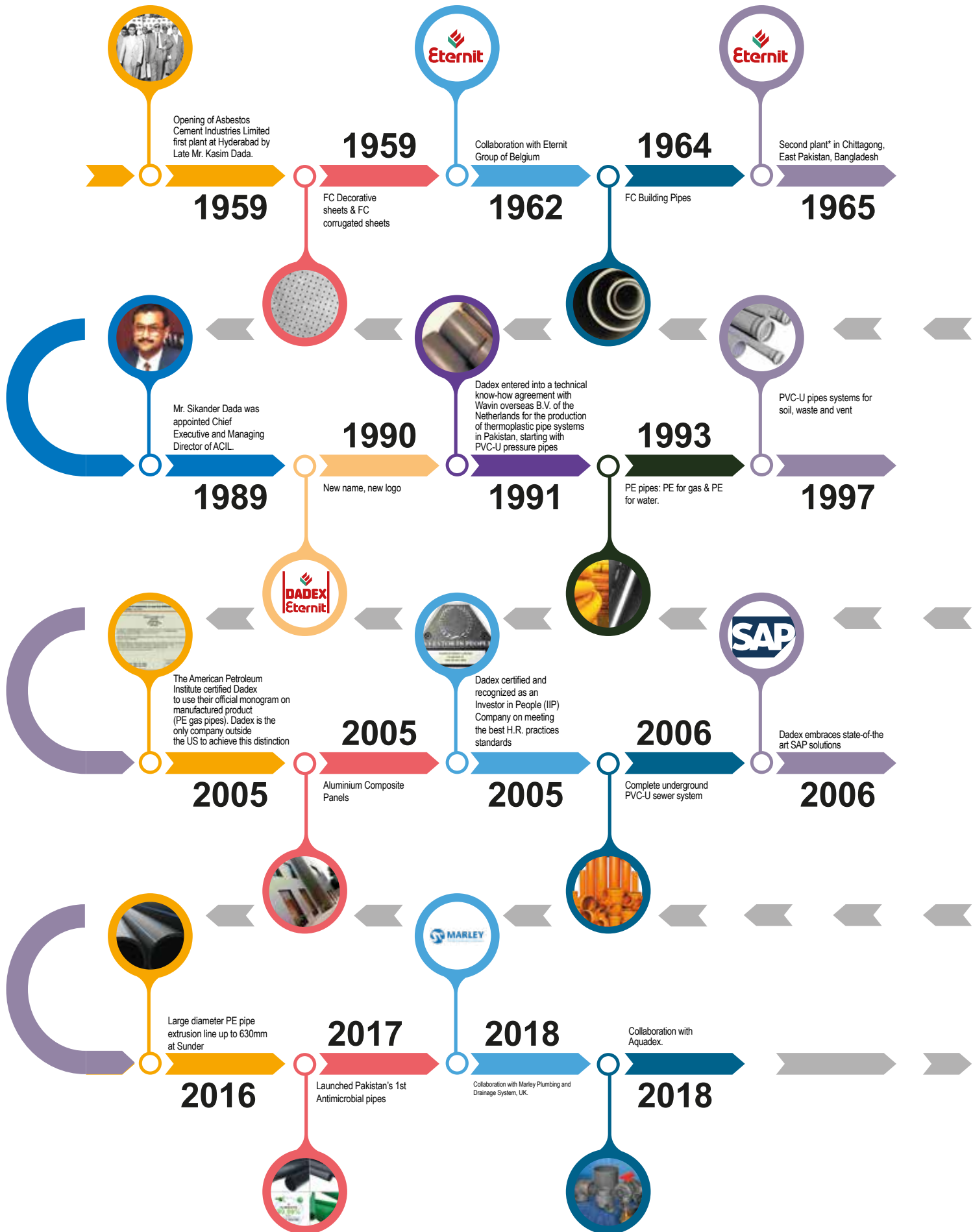
Dadex has always been ahead of the game. Being the first company to manufacture pipes locally and go national with it, we know how to go the extra mile. Staying true to that philosophy we have recently added antimicrobial pipes to our portfolio.

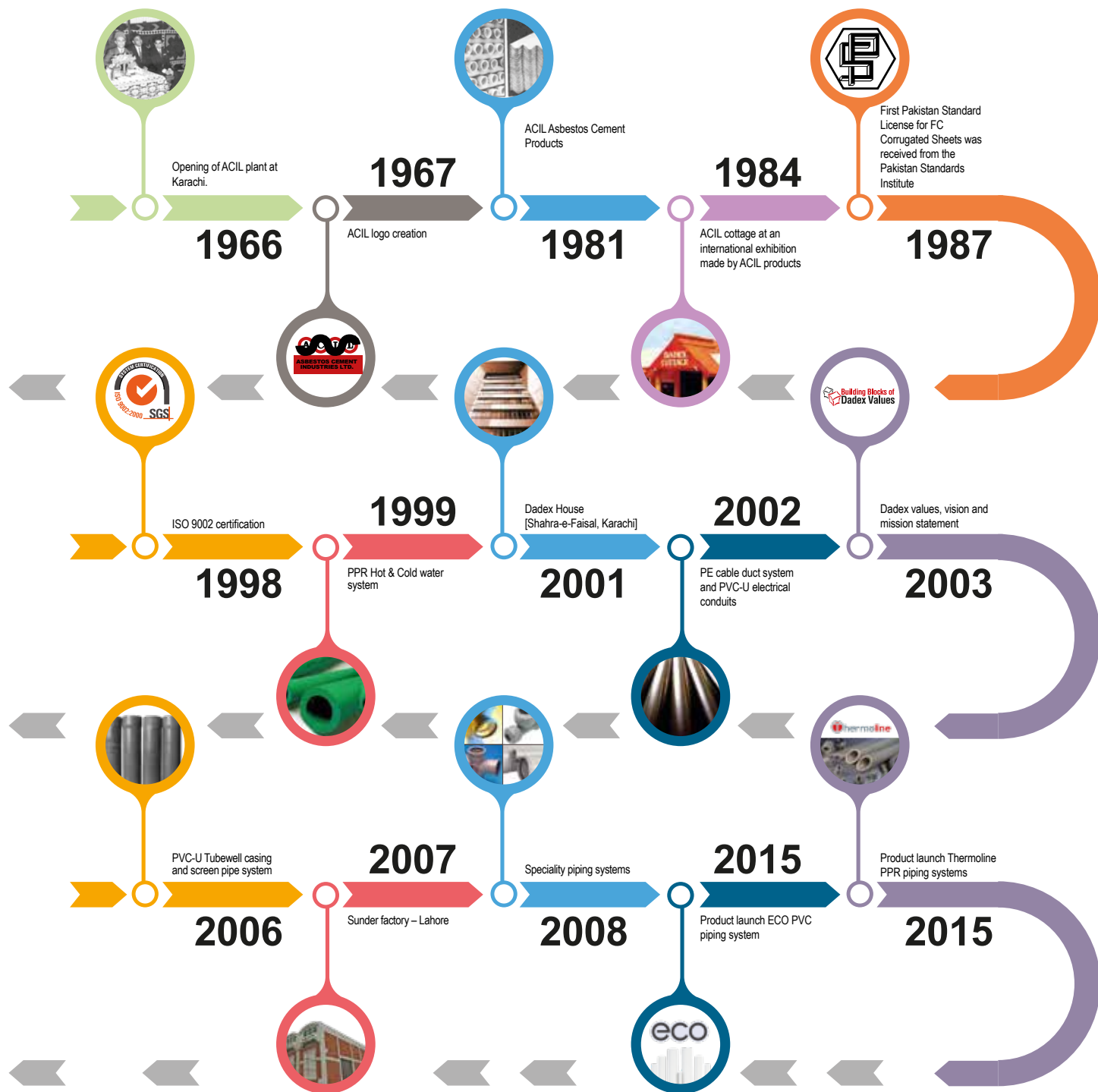
It's in our Affiliations

Dadex represents Wavin (the world's largest plastic pipe company), Marley (the UK's leading plastic drainage company), and many other international companies, integrating ourselves in the global market.



TIMES ARE TOUGH BUT SO ARE WE





DADEX

History 1959-2020

Geographical Presence



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

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

Our Achievement

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.



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.

61 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

Vision Mission




















Vision Statement

“...to be the most valued company for all stakeholders, renowned for customer focus, innovation, quality, reliability, and ethical practices.”

Mission Statement

- 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.

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Company Information

Board of Directors

Sikander Dada - Chairman	(Non - Executive Director)
Abu Talib H.K. Dada	Non - Executive Director)
Maqbool H.H. Rahimtoola	(Non - Executive Director)
Shahzad M. Husain	(Non - Executive Director)
Syed Shahid Ali Bukhari	(Independent Director)
Qazi Sajid Ali	(Executive Director)
Danish Dada	(Executive Director)

Chief Executive Officer

Qazi Sajid Ali

Chief Financial Officer

Muhammad Yousuf

Company Secretary/ Head of Internal Audit

Umar Rasheed

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	- Chief Executive Officer
Danish Dada	- CEO (International Division)
Tanveer Saleem	- Chief Operating Officer (Technical & Operations)
Syed Wasim Ahmed	- Director Finance & Corporate Affairs
Muhammad Yousuf	- Chief Financial Officer
Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR
Syed Shahrukh Mehdi	- 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
Askari Bank Limited
Al-Baraka Bank (Pakistan) 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 61st Annual General Meeting

Notice is hereby given that the 61st Annual General Meeting of the Dadex Eternit Limited will be held on Wednesday, October 28, 2020 at 01:00 p.m., at Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi through video conference to transact the following:

Ordinary Business:

1. To receive, consider and adopt the following documents for the year ended June 30, 2020:
 - 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, 2021 and authorize the Directors to fix their remuneration. The Board of Directors recommends, based on the recommendation of the Audit Committee, the re-appointment of M/s. BDO Ebrahim & Co., Chartered Accountants who have offered themselves for re-appointment.
3. To elect seven (07) Directors of the Company for a period of three (03) years commencing from the date of Annual General Meeting, in accordance with the provisions of the Companies Act, 2017. The names of the retiring Directors are as follows:
 1. Mr. Sikander Dada
 2. Mr. Abu Talib H.K. Dada
 3. Mr. Qazi Sajid Ali
 4. Mr. Maqbool H.H. Rahimtoola
 5. Mr. Shahzad M. Husain
 6. Mr. Danish Dada
 7. Syed Shahid Ali Bukhari

The retiring Directors are eligible for re-election.

A statement of Material facts as required under section 166(3) of the Companies Act, 2017 concerning the manner of selection of Independent directors is annexed to this notice.

Karachi: September 28, 2020

By Order of the Board
(Umar Rasheed)
Company Secretary

NOTES:

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from October 21, 2020 to October 28, 2020 (both days inclusive). Transfers received in order at the office of our Share Registrar, JWAFS Registrar Services (Pvt.) Limited, 407 - 408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar Karachi by the close of business hours on October 20, 2020 will be treated in time for incorporating the change in the Register of Members as at October 21, 2020.
2. The entitlement to attend, participate and vote at the 61st Annual General Meeting will be according to the Register of Members as at October 21, 2020.
3. In view of the threat by the coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

The Shareholders who are interested to attend the AGM through Video Conference, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 24 hours before the time of AGM (i.e. before 1:00 p.m. on October 27, 2020) through following means.

- a) Mobile/WhatsApp: 03353038277
- b) E-mail: cs@dadex.com.pk

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

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices. In view of the above the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

4. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend, speak and vote for him/her. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
5. 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.
6. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
7. All Shareholders are requested to submit a copy of their valid CNIC (if not already provided) to Company's Share Registrar at the abovementioned address.

8. 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.
9. In terms of SRO 787(I)/2014 dated September 8, 2014, the shareholders can also opt to obtain Annual Report 2020 through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email ID.
10. Shareholders who have not claimed their dividend are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend, if any.
11. As per SECP directives issued through SRO 634 (I)/2014, the Annual Report 2020 of the Company along with Notice of Annual General meeting is available for download at Company's website i.e. www.dadex.com.
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.

Agenda Item No. 3

- i. The Board of Directors fixed number of directors to be elected at seven (07) for a period of three years commencing from the date of the Annual General Meeting.
- ii. Any member or retiring director who seek to contest election of the office of the director must file with the Company, not later than fourteen days before the date of meeting, notice of his/her intention to offer himself/herself for election.

Statement of material fact under section 166(3) of the Companies Act 2017.

The Company is required to have at least two or one-third members of the Board, whichever is higher as independent directors on its board in accordance with the Listed Companies (Code of Corporate Governance) Regulation, 2019.

The Company shall ensure that the independent directors will be elected in accordance with section 159 of the Companies Act, 2017. The Company shall ensure that the members who submit their intention to be elected as independent director meets the criteria of independence as laid down in section 166(2) of the Companies Act, 2017, the names of the contestants are included in the databank being maintained by the Pakistan Institute of Corporate Governance and have the experience, competencies and skills to be elected as the director of the Company.

The Chairman Review

The Financial Year ended June 30, 2020 was a very difficult year world over and in Pakistan due to the COVID-19 pandemic. I would like to express my heartfelt condolence to all the families who have lost their loved ones due to the Coronavirus outbreak and would also like to express my gratitude to all the frontline health workers, paramedic staff and security personnel who risked their own lives and led the fight against this deadly disease. By the grace of Almighty Allah the COVID situation in Pakistan is now under control and life is returning back to normalcy but it will have long lasting effects on the country's and world economy which will take time to recover from this shock.

Overall business of the Company was badly affected due to the lockdown in the last quarter of the financial year, which is very important quarter for the construction material business as Company try to achieve its budgetary target during this quarter as government historically releases funds for infrastructure and development projects in this period. Company recorded a major net loss this year. Sales also remained lower as compared to last year, the sudden outbreak of pandemic COVID-19 followed by lockdown across Country and substantial depreciation of Pak-Rupee against foreign currencies have all contributed to this loss.

The Board will complete its term in October 2020 and new Board will be elected in the 61st Annual General Meeting of the Company. I would like to record my appreciation to the outgoing Directors, who performed their duties and responsibilities effectively and contributed in guiding the Company's management team.

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company and its sub-committees was carried out. The purpose of this evaluation was to ensure that the overall performance and effectiveness meets the overall objectives set for the Company. The Board has formulated an effective mechanism for their 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.

Finally, I would like to extend my thanks to all the stakeholders of the Company who supported us in these challenging times. Year ahead will also be full of challenges due to this pandemic situation. However, with the support of our stakeholders we are sure that we will get through these hard times with resolve as we have done in past.

Sikander Dada
Chairman

Report of The Board of Directors

The Board of Directors of Dadex Eternit Limited (“Company”) would like to present the 61st Annual Report along with the Audited Financial Statements for the year ended June 30, 2020.

NATIONAL ECONOMY

Year under review has been challenging year for the whole world and Pakistan was equally affected by the turn of events. COVID-19 has pushed the global economies towards a recession. Pakistan has also been affected by the unprecedented health and economic shocks caused by the outbreak of Coronavirus. During the current fiscal year, Pakistan’s economy has undergone a sharp contraction as growth is recorded at -0.4 percent.

To mitigate the socio-economic impact of the pandemic, the government announced a stimulus package of Rs 1.24 trillion, and offered further relief measures through the State Bank. Policy rate was also cut by 6.25 percent to 7.0 percent. The monetary and fiscal policy interventions have been made to restore the economic activity in this difficult time and to reduce negative effects on poverty and unemployment.

Manufacturing and services sector recorded negative growth of 5.6% and 0.6%, respectively. Large scale manufacturing declined by 10.2% in fiscal year 2020. Only the agriculture sector showed positive growth of 2.7% during the year. Pakistan was able to bring down the Current Account Deficit to 1.1% of GDP (USD 2.97 Billion) from previous year’s 4.8% (USD 13.4 Billion). This significant relief was due to measures taken by the government to restrict import of certain commodities and dip in global oil prices, resulting in a 19.3% YoY decline in overall import bill (including goods and services). Furthermore, remittances also supported the external sector, registering a growth of 6.3% YoY to USD 23.1 billion, with highest inflows coming in from KSA followed by USA.

PRINCIPAL ACTIVITIES & BUSINESS PERFORMANCE OF THE COMPANY

The principal business of the Company is to manufacture and sell construction materials, 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.

The first half of the fiscal year 2020 was negatively impacted by Government limited spending on infrastructure and development projects to bring in fiscal reforms, higher interest rates and lower demand. Policy measures adopted by the Government to resurge the economy started showing

positive results at the beginning of the third quarter, business activities across country started gaining some momentum in the second half of the year, Company's business also started showing improvement but the sudden outbreak of pandemic COVID-19 throughout the globe has also affected Pakistan. Business activities throughout the country were suspended due to lockdown announced to combat the spread of this deadly virus, which has adversely affected sales volume and production activities of the Company as operational activities at all three production facilities were suspended.

The Company achieved net sales of Rs. 2,374 million (June 2019: Rs. 2,813 million). Cost of sales decreased by 14.17%. The Company achieved gross profit of Rs. 235.06 million (June 2019: 321.3 million). Distribution expenses decreased by 17.29%, Administrative costs decreased by 17.29% as compared to last year. Other operating expense was 164.61 million (June 2019: Rs. 97.63 million) increased by 68.61% which is mainly due to the provisions made by the Company in respect of GIDC payable to the gas companies in light of the decision of the Supreme Court of Pakistan whereby the Court revalidated the GIDC Act, 2015 which allowed the Gas distribution companies to recover the GIDC arrears. Company suffered operating loss of Rs. 158.74 million (June 2019: Operating loss of Rs. 16.82 million). Due to increased markup rate, finance charges increased by 19.48%, resulting in a net loss after tax of Rs. 361.52 million (June 2019: net loss after tax of 195.53 million). This has resulted in loss per share of Rs. 33.59 (June 2019: Loss per share of Rs. 18.16).

(LOSS)/EARNINGS PER SHARE

Loss per share for the year ended June 30, 2020 was Rs. 33.59 as compared to Rs. 18.16 per share last year.

OPERATIONS

During the year sanctioned electrical load to Sunder factory has been upgraded, which will help to operate the plant at a higher capacity.

At Hyderabad factory sweet water connection to a nearby canal is at final stage, this will reduce our dependence on water connection from Zeal Pak cement and ensure uninterrupted water supply.

Karachi factory has continued to successfully meet the order demands under this difficult situation.

RISK & UNCERTAINTY 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. 49 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 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:

	(Rupees in thousand)
Accumulated Loss as at July 01, 2019	(207,786)
Prior year adjustment	-
Transfer from Un-appropriated Profit to general reserves	160,000
Surplus on revaluation of fixed assets on account of incremental	
Depreciation charged on related assets	24,784
Loss after taxation for the year ended June 30, 2020	(361,519)
Final dividend of year ended June 30, 2020	-
Accumulated Loss as at June 30, 2020	<u>(384,521)</u>
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	-

Break-up value per share as at June 30, 2020 is Rs. 85.75 (2018/19: Rs.102.83).

BOARD OF DIRECTORS AND ITS COMMITTEES

The Board re-appointed Mr. Qazi Sajid Ali as the Chief Executive Officer of the Company with effect from May 01, 2020 for a period of three years.

The Board will complete its term in October 2020. New Board will be elected in the 61st Annual General Meeting of the Company.

Dadex Board met four times during the year ended June 30, 2020. 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 ended June 30, 2020. 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	3	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	2	N/A	N/A	N/A	N/A
Mr. Qazi Sajid Ali - CEO	Executive Director	4	4	N/A	N/A	1	1

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 Director, 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 19 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. The Board members have diversified experience and are qualified professional. They are well conversant of the laws and business practices in Pakistan. They have ample experience from various sectors and brought in their expertise and knowledge to the 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.

With the unanticipated outbreak of COVID-19, Company has taken timely and proactive HSE measures for its employees to combat COVID-19. Specific SOPs related to social distancing, essential hygiene and health checks were developed and implemented prior to lockdown. Moreover, infrared thermometer, sanitizing gates at factory locations have already been installed for the safeguard of its employees and enabling it to resume business operation with due preparation.

To protect the environment, the Company has implemented Environmental Monitoring at the Karachi Factory to comply with Environmental Management Plan approved by Sindh Environmental Protecting Agency (SEPA). Company has submitted application for Environmental Monitoring plan for Hyderabad Factory as well.

Company gives highest priority to Health, Safety & Environment (HSE). The HSE program has been further consolidated at all three factories. Dadex has been successfully certified for latest ISO 45001:2018 superseding earlier OHSAS 18001. 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.

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

Outbreak of COVID-19 had posted new challenges for technology to which the Company has responded strongly. Work from home became essential to adhere social distancing. The Company fully utilized its technological advancement enabling employees to work from home. Most of the meetings were held virtually by getting assistance from video link facility. The Company is well poised to benefit from such technological advancement in coming months as well.

With the rapid change and advancement of technology, we realize the importance to keep ourselves aligned to advancements in technology. The focus is on process automation and paperless environment to not only increase synergies but also as part of global environment protection and reduced cost while maintaining high quality.

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. 0.043 million (June 2019: Rs. 0.046 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. 611 million (2018/19: Rs. 748 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 backbone of any organization is its people. Dadex firmly believes in nurturing, investing in and promoting its employees with the ultimate objective of ensuring a very high level of employee satisfaction and efficiency, which in turn translates into high levels of customer satisfaction. The

Management shall continue to work towards understanding and integrating employee objectives with corporate goals in a harmonious manner.

EMPLOYMENT OF SPECIAL PERSONS

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

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 and its 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. The Company incurred net loss after tax for the year ended June 30, 2020 amounting to Rs. 361.519 million (2019: Rs. 195.528 million loss) and its accumulated losses as at June 30, 2020 amounted to Rs. 384.521 million (2019: Rs. 207.786 million). The Company's current liabilities aggregating to Rs. 2,341.817 million (2019: Rs. 2,194.357 million) exceeded the current assets by Rs. 734.924 million (2019: Rs. 782.636 million). These matters cast doubts about the ability of the company to continue as a going concern. The Company's financial statements for the year ended June 30, 2020 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. the management is hopeful that the future profits shall wipe out the accumulated losses and the Company shall be able to meet all its obligations.

8. The Company carried out transactions with its related parties. Details of these transactions are disclosed in note no. 45 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, 2020:

2020		2019
(Rupees in '000')		
227,942.00		237,296.00

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 61st 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, 2021 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

The Honorable Supreme Court of Pakistan on August 13, 2020 has decided the matter of Gas Infrastructure Development Cess in favor of the Government. Consequently, the Company has appropriately accounted for the provisions of GIDC payable, in light of the Court decision in these financial statements.

Except for the decision of GIDC, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this report.

FUTURE PROSPECTS AND CHALLENGES

Financial year 2021 will be extremely challenging for the economy of the country and the world. By the grace of Almighty Allah, the number of cases of COVID-19 are on decline in the Country and situation is under control, but the impact that this pandemic has on the economy will take time to recover. Rising cost of utilities and weakening Pakistani Rupee against foreign currency may give rise to high inflation that pose a further major risk. Growth revival will depend on expedited implementation of structural reforms and fiscal improvements – lowering of interest rates and liquidity stimulus – by the Government under COVID scenario.

The Government has announced 'Naya Pakistan' housing scheme, which will give employment to the public and business opportunities to the Company. Company is also hopeful of getting business from CPEC related projects and projects which will be part of Karachi restructuring package as announced by the Prime Minister.

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 28, 2020

On behalf of the Board of Directors

Qazi Sajid Ali
Chief Executive Officer

Abu Talib H.K. Dada
Director

Key Operating and Financial Data

	2020	2019	2018	2017	2016	2015
Summary of Profit and Loss						
	(Rupees in thousand)					
Sales - gross	2,806,696	3,339,398	3,456,206	2,825,761	2,555,821	2,547,532
Sales tax	(432,586)	(525,878)	(534,491)	(434,170)	(392,702)	(372,801)
Sales - net	2,374,110	2,813,520	2,921,715	2,391,591	2,163,119	2,174,731
Cost of Goods Sold	(2,139,045)	(2,492,215)	(2,462,941)	(1,964,982)	(1,782,094)	(1,716,151)
Gross Profit	235,065	321,305	458,774	426,609	381,025	458,580
Operating (Loss)/Profit	(158,738)	(16,821)	180,116	181,751	196,232	204,895
Finance Cost	(213,533)	(178,715)	(121,530)	(117,741)	(126,376)	(139,261)
Share of Profit / (loss) on investment in an associate	-	-	-	-	(6)	(14)
Profit / (loss) before tax	(372,271)	(195,536)	58,586	64,010	69,850	65,620
Profit / (loss) after tax	(361,519)	(195,528)	5,283	16,844	199	26,759
Financial Position						
Share Capital	107,640	107,640	107,640	107,640	107,640	107,640
Reserves	(378,866)	(42,131)	131,205	108,358	67,169	44,275
Surplus on revaluation of Fixed Assets	1,194,276	1,041,382	1,039,885	1,064,230	1,088,575	766,318
Total Non- Current Liabilities	141,932	75,006	64,724	93,256	160,320	117,554
Total Current Liabilities	2,341,817	2,194,357	1,987,066	1,811,896	1,530,689	1,552,658
Total Non- Current Assets	1,799,906	1,964,533	1,876,896	1,913,769	1,971,583	1,640,933
Total Current Assets	1,606,893	1,411,721	1,453,623	1,271,611	982,810	947,512
Ratios						
Gross profit margin ratio	9.90%	11.42%	15.70%	17.84%	17.61%	21.09%
Operating profit margin (EBIT)	-6.69%	-0.60%	6.16%	7.60%	9.07%	9.42%
Pre Tax Profit Margin	-15.68%	-6.96%	2.01%	2.68%	3.23%	3.02%
Net profit margin ratio	-15.23%	-6.96%	0.18%	0.70%	0.01%	1.23%
Return on Equity Gross	-39.17%	-6.95%	5.41%	5.70%	5.70%	5.70%
Current Ratio	0.69	0.64	0.73	0.70	0.64	0.61
Quick Ratio	0.56	0.48	0.46	0.46	0.60	0.50
Receivables collection period	35	30	20	20	17	18
Inventory turn-over Days	105	108	113	114	111	119
Payables payment period	96	100	86	61	70	51
Debt equity ratio	-0.52	1.14	0.27	0.43	0.92	0.77
Interest coverage ratio	-0.74	-0.09	1.50	1.54	1.55	1.47
Earning per share - in Rupees	-33.59	-18.16	0.49	1.56	0.02	2.48
Share Price - in Rupees	29.3	29.3	44.7	100.0	37.5	43.0
P/E Ratio	-0.9	-1.6	91.0	63.9	2028.9	17.3

Statement of Compliance

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

Dadex Eternit Limited, year ended June 30, 2020.

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 07
- b. Female Nil

2. The Composition of board is as follows:

Category	Name
Independent Directors	Mr. Syed Shahid Ali Bukhari
Other Non-Executive Directors	Mr. Sikander Dada
	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 Directors was held on October 25, 2017, therefore the requirement regarding the number of Independent and female director, as notified in the Listed Companies (Code of Corporate Governance) Regulations 2019 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 seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Four out of Seven Directors have confirmed that they possess requisite educational and directorship experience on the board of listed companies and hence are exempted from the requirement of attending Directors' Training Program. 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 chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-
 - a) Audit Committee

Chairman:	Mr. Syed Shahid Ali Bukhari
Members:	Mr. 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 were 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non- Mandatory Provisions	Regulation	Explanation
Directors' orientation program	18	All directors are on the board for last many years and are well aware of their duties and responsibilities. Any change in the CCG are timely communicated to them. New Board will be constituted in the upcoming Annual General meeting and the management will make appropriate arrangements to carry out the aforementioned orientation of its new directors.
Nomination Committee	29	Human resource and Remuneration committee is taking all necessary steps which nomination committee is deemed to take.
Risk Management Committee	30	BOD is taking all measures to mitigate risks and review and discuss all risks in every quarterly meetings of BOD.

Dated: September 28, 2020

Qazi Sajid Ali
Chief Executive

Abu Talib H.K.Dada
Director



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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of DADEX ETERNIT LIMITED for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

KARACHI

DATED: SEPTEMBER 28, 2020

CHARTERED ACCOUNTANTS

Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

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

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, 2020, 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, 2020 and of the loss and 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.

Material Uncertainty relating to Going Concern

We draw attention to note 1 to the financial statements which indicates that the Company incurred net loss after tax for the year ended June 30, 2020 amounting to Rs.361.519 million and its accumulated losses as at June 30, 2020 amounted to Rs.384.521 million (2019: Rs.207.786 million). Company's current liabilities aggregating to Rs.2,341.817 million (2019: Rs.2,194.357 million) exceeded the current assets by Rs. 734.924 million (2019: Rs.782.636 million). These conditions as set forth in note 1.3 indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. Our report is not qualified in respect of this matter.

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.	<p>Provision for obsolescence in inventories</p> <p>As disclosed in note 14 and 15 to the financial statements, the Company has net inventories of Rs. 50.669 million and Rs. 597.668 million as at June 30, 2020 for stores, spares and loose tools and stock in trade, respectively.</p> <p>The total inventories represented significant portion of the Company's total assets.</p> <p>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.</p> <p>Further, the provision for all slow moving and obsolete inventories of stores, spares and loose tools are based on the inventory days and specific identification of inventories through verification by management.</p> <p>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.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> • We evaluated the significant assumptions and methodologies applied by management to identify and provide for slow moving and obsolete inventory categories. • We compared the ageing and provisioning percentages used by management in the current year to those applied in prior years and checked the reasonableness of provisioning basis using our understanding of industry practices. • We reviewed the year to year movement in provision for each category of inventory considering subsequent write offs, reversals on re-use and disposals. We also compared the cost of inventories as at June 30, 2020 to their net realisable value subsequent to year end. • We performed a recalculation of the inventory provision made to an individual inventory category based on the system generated inventory ageing report. Further, we checked for damaged and obsolete inventory that were physically identifiable during stock count observation.

S. No	Key audit matters	How the matter was addressed in our audit
2.	Valuation of trade debts <p>As disclosed in note 16 to the accompanying financial statements of the Company for the year ended June 30, 2020, the Company has a trade debt balance amounting to Rs. 268.897 million, which represents a significant element of Statement of financial position.</p> <p>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.</p> <p>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.</p> <p>In view of the significance of trade debts in relation to the total assets of the Company, we considered impairment of trade receivables as a key audit matter due to the significant management judgment involved in determining the allowance for expected credit losses and that the existence and carrying value of trade receivables could be material to the performance of the company.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> • 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. • 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.

S. No	Key audit matters	How the matter was addressed in our audit
3.	Control environment relating to the financial reporting process and related IT systems	
	<p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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

KARACHI

DATED: September 28, 2020

 **BDO EBRAHIM & CO.**
CHARTERED ACCOUNTANTS

Financial Statements



Statement of Financial Position

AS AT JUNE 30, 2020

	Note	2020	2019
(Rupees in thousand)			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,569,762	1,805,036
Operating fixed assets	7	7,683	4,226
Capital work in progress		1,577,445	1,809,262
Intangible assets	8	88	204
Investment property	9	34,260	36,799
Long-term investment	10	-	-
Long-term loans	11	2,423	3,070
Long-term deposits	12	28,709	36,812
Deferred tax asset	13	156,981	78,386
		1,799,906	1,964,533
CURRENT ASSETS			
Stores, spare parts and loose tools	14	50,669	45,491
Stock-in-trade	15	597,668	654,276
Trade debts	16	268,897	348,689
Loans and advances	17	85,360	80,851
Trade deposits and short term prepayments	18	65,686	41,371
Other receivables	19	9,046	5,104
Income tax refund due from Government		145,757	178,927
Taxation - net	20	-	26,702
Cash and bank balances	21	25,010	30,310
Non-current assets held for sale	22	358,800	-
		1,606,893	1,411,721
		3,406,799	3,376,254
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (2019: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (2019: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		200,000	200,000
Issued, subscribed and paid-up capital	23	107,640	107,640
Reserves	24	(378,866)	(42,131)
Surplus on revaluation of property, plant and equipment		1,194,276	1,041,382
		923,050	1,106,891
NON-CURRENT LIABILITIES			
Long term financing	25	41,151	-
Lease liabilities	26	43,291	72,574
Deferred income	27	6,536	2,432
GIDC Payable	28	50,954	-
		141,932	75,006
CURRENT LIABILITIES			
Trade and other payables	29	1,033,279	734,705
Short-term borrowings	30	1,159,018	1,346,272
Accrued markup	31	67,427	40,231
Current portion of deferred income	27	2,434	4,862
Current portion of long-term financing	25	16,442	-
Current portion of lease liabilities	26	30,585	51,412
Taxation - net	32	15,919	-
Unclaimed dividend		16,713	16,875
		2,341,817	2,194,357
		3,406,799	3,376,254
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	33		

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

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2020

Note

2020

2019

(Rupees in thousand)

Sales - gross		2,806,696	3,339,398
Sales tax		(432,586)	(525,878)
Sales - net	34	2,374,110	2,813,520
Cost of sales	35	(2,139,045)	(2,492,215)
Gross profit		235,065	321,305
Distribution costs	36	(141,402)	(170,966)
Administrative expenses	37	(143,056)	(151,581)
Other expenses	38	(164,608)	(97,628)
Other income	39	55,263	82,049
Operating loss		(158,738)	(16,821)
Finance cost	40	(213,533)	(178,715)
Loss before taxation		(372,271)	(195,536)
Taxation			
- Prior	41	(32,219)	(5,231)
- Current		(35,623)	(35,188)
- Deferred		78,594	40,427
		10,752	8
Net loss for the year		(361,519)	(195,528)
Loss per share - basic and diluted (Rupees)	42	(33.59)	(18.16)

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

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2020

Note	2020	2019
	(Rupees in thousand)	

Net loss for the year

(361,519)	(195,528)
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Other comprehensive income

Items that will not be reclassified subsequently to statement of profit or loss:

Revaluation of property, plant and equipment

177,678	25,842
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Total comprehensive loss for the year

(183,841)	169,686
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The annexed notes from 1 to 53 form an integral part of these financial statements.

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	43	373,176	137,854
Finance cost paid		(186,337)	(160,800)
Taxes paid		7,948	32,399
Net cash generated from operating activities		194,787	9,453
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(34,858)	(98,769)
Addition to intangible assets		(59)	(25)
Proceeds from sale of property, plant and equipment		64	1,711
Long term security deposits		8,103	(7,567)
Interest received		60	41
Net cash used in investing activities		(26,690)	(104,609)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(50,110)	30,197
Repayment of long-term financing		64,129	-
Short term borrowings	43.2	(121,672)	46,840
Dividend paid		(162)	(2,326)
Net cash (used in) / generated from financing activities		(107,815)	74,711
Net increase / (decrease) in cash and cash equivalents		60,282	(20,445)
Cash and cash equivalents at the beginning of the year		(667,685)	(647,240)
Cash and cash equivalents at the end of the year		(607,403)	(667,685)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	25,010	30,310
Running Finance	30	(632,413)	(697,995)
		(607,403)	(667,685)

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

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Muhammad Yousuf
Chief Financial Officer

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2020

	Issued, Subscribed and Paid-up Capital	RESERVES			Total	CAPITAL RESERVE	Grand Total
		CAPITAL RESERVE	REVENUE RESERVES			Revaluation surplus	
		Share premium	General reserve	Accumulated losses			
(Rupees in thousand)							
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	-	-	-	-	-	25,842	25,842
	-	-	-	(195,528)	(195,528)	25,842	(169,686)
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 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
Balance as at July 1, 2019							
	107,640	5,655	160,000	(207,786)	(42,131)	1,041,382	1,106,891
Total comprehensive income for the year ended June 30, 2020							
Net loss for the year	-	-	-	(361,519)	(361,519)	-	(361,519)
Other comprehensive income	-	-	-	-	-	177,678	177,678
	-	-	-	(361,519)	(361,519)	177,678	(183,841)
Transferred from surplus on revaluation of fixed assets on account of incremental depreciation							
	-	-	-	24,748	24,748	(24,748)	-
Transferred from general reserve to accumulatated losses							
	-	-	(160,000)	160,000	-	-	-
Balance as at June 30, 2020	107,640	5,655	-	(384,521)	(378,866)	1,194,276	923,050

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

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Muhammad Yousuf
Chief Financial Officer

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2020

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 reporting 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, 2020 amounting to Rs. 361.519 million (2019: Rs. 195.528 million loss) and its accumulated losses as at June 30, 2020 amounted to Rs. 384.521 million (2019: Rs. 207.786 million). The Company's current liabilities aggregating to Rs. 2,341.817 million (2019: Rs. 2,194.357 million) exceeded the current assets by Rs. 734.924 million (2019: Rs. 782.636 million). These matters cast doubts about the ability of the company to continue as a going concern. The Company's financial statements for the year ended June 30, 2020 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 5.27.

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 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

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

The Company has adopted the standards / 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:

	Effective date (annual periods beginning on or after)
IFRS 16 Leases - Original issue	January 01, 2019

IFRS 16 - Leases

IFRS 16 'Leases' was issued on January 01, 2016. This standard is adopted locally by the Securities and Exchange Commission of Pakistan. IFRS 16 replaced IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease' The Company applied IFRS 16 with a date of initial application of July 01, 2019.

Transition method and practical expedients utilised

The Company applied IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (July 01, 2019), without restatement of comparative figures.

The Company used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17.

- applied a single discount rate to a portfolio of leases with similar characteristics.
- applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

On adoption of IFRS 16, the Company recognised a right-of-use asset and lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company used its incremental borrowing rate as the discount rate as at July 01, 2019.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier

of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

On transition to IFRS 16, the Company recognised right-to-use assets and lease liabilities on the date of initial application as follows;

	July 01, 2019 (Rupees in thousands)
Property, plant and equipment	
Right-of-use assets - Buildings	1,764
Lease liabilities	724
Non-current	1,040
Current	1,764

4.2 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:

	Effective date (annual periods beginning on or after)
IFRS 14 Regulatory Deferral Accounts - Original issue	July 01, 2019
IFRS 8 Operating Segments - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IAS 19 Employee benefits - Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28 Investments in Associates and Joint Ventures - Amendments regarding long-term interests in associates and joint ventures	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019
IFRS 9 Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019

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 (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

4.3 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.

IFRS 3	Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 3	Business Combinations - amendments updating a reference to the Conceptual Framework	January 01, 2022
IFRS 4	Insurance Contracts - Amendments regarding the expiry date of the deferral approach	January 01, 2023
IFRS 7	Financial Instruments: Disclosures - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9	Financial Instruments - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020
IFRS 9	Financial Instruments - Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2023
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	January 01, 2020
IFRS 17	Insurance Contracts - Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	January 01, 2023
IAS 1	Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities	January 01, 2022
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 16	Property, Plant and Equipment - Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous	January 01, 2022
IAS 39	Financial Instruments: Recognition and Measurement - Amendments regarding pre-replacement issues in the context of the IBOR reform	January 01, 2020

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

Annual improvements to IFRSs (2018 – 2020) Cycle:

IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2022
IFRS 9	Financial Instruments	January 01, 2022
IFRS 41	Agriculture	January 01, 2020

4.4 Standards or interpretations not yet effective

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 17 Insurance Contracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

a) Operating fixed assets

Owned

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

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

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

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

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

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

Right of use asset

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

incentives received.

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

b) Capital work-in-progress

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

5.2 Intangible assets

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

5.3 Investment property

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

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

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

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

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

5.4 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each 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.

5.5 Investment

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.

5.6 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.

5.7 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.

5.8 Trade debts and other receivables

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

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

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

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

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

5.10 Cash and bank balances

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

5.11 Surplus on revaluation of property, plant and equipment

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

The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

5.12 Trade and other payables

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

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

5.13 Borrowings

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

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

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

5.14 Provisions

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

5.15 Contingencies

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

5.16 Financial instruments

5.16.1 Financial assets

Financial assets are recognized at the time when the Company becomes the party to the contractual provisions of the instruments and are derecognized when the company loses 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 reporting 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 credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

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

5.16.2 Financial liabilities

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

5.16.3 Recognition and measurement

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

5.16.4 Derecognition

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

5.17 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.

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

5.19 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.

5.20 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.

5.21 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.

5.22 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.

5.23 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.

5.24 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.

5.25 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.

5.26 Segment reporting

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

5.27 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.

6. OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	OWNED									RIGHT-OF-USE-ASSETS			Total
	Freehold land	Lease hold land	Factory building on freehold and leasehold land	Buildings on free hold land other than factory	Buildings on lease hold land other than factory	Plant and machinery	Furniture and fixtures	Vehicles and transportation equipment	Office and factory equipment	Building	Plant and machinery	Vehicles and transportation equipment	

(Rupees in thousand)

Year ended June 30, 2020

Net carrying value basis

Opening 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
Revaluation surplus	175,070	-	-	2,608	-	-	-	-	-	-	-	-	177,678
Additions / transfer	6.1	-	-	-	110	29,070	-	10,237	457	-	-	-	39,874
Recognition as a result of adoption of IFRS 16	-	-	-	-	-	-	-	-	-	1,764	-	-	1,764
Transfer to non-current asset held for sale	(355,675)	-	-	(3,125)	-	-	-	-	-	-	-	-	(358,800)
Disposals	-	-	-	-	-	-	-	(35)	-	-	-	(10,237)	(10,272)
Depreciation charge	-	(29,418)	(1,370)	(61)	(1,967)	(22,411)	(150)	(5,790)	(1,053)	(766)	(15,784)	(6,748)	(85,518)
Closing net book value	62,101	1,199,127	5,035	-	23,640	137,018	575	5,234	3,490	998	126,175	6,369	1,569,762

Gross carrying value basis

Cost/Revalued amount	242,706	1,399,222	201,462	1,616	47,348	895,738	11,217	17,416	39,212	1,764	171,088	13,701	3,042,490
Accumulated depreciation	-	(200,095)	(196,427)	(1,099)	(23,708)	(758,720)	(10,642)	(12,182)	(35,722)	(766)	(44,913)	(7,332)	(1,291,606)
Net book value	242,706	1,199,127	5,035	517	23,640	137,018	575	5,234	3,490	998	126,175	6,369	1,750,884

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 / transfer	-	-	-	-	-	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/Revalued amount	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

Depreciation rate %

per annum	-	1-2.5	10	5	5	10	10	20	10 to 33.3	33.3 to 50	10 to 33.3	10 to 33.3
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6.1 This addition includes amount transferred from capital work in progress.

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

Details	Location	Usage of immovable property	Total area
Free hold land	36, 37/N, Jinnah Park, Industrial Area, Gulberg II, Lahore.	Sales office	4405.11 Sq-yard
Free hold land	Plot No: 561-561A, Sunder Industrial Estate, Multan Road, Raiwind, Distt. Lahore.	Sundar factory	26,111 Sq-yard
Lease hold land	34-A/1, Block-6, P.E.C.H.S. Shahrah-e-Faisal, Karachi-75400,	Karachi Head office	1249 Sq-yard
Lease hold land	DEH # 21-22, Manghopir, Karachi 75890	Karachi factory	125,840 Sq-yard
Lease hold land	P.O. Box No. 10, Badin Road, Hyderabad.	Hyderabad factory	48,932 Sq-yard

6.3 The cost of fully depreciated assets which are still in use as at June 30, 2020 is Rs. 899.951 million (2019: Rs. 884.758 million).

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

Note	2020	2019
	(Rupees in thousand)	
Cost of sales	35	52,726
Selling and distribution expenses	36	9,541
General and administrative expenses	37	23,251
		85,518
		47,829
		8,984
		23,075
		79,888

6.5 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.

6.6 Had there been no revaluation the carrying amount of freehold land, leasehold land at June 30, 2020 would have been as under:

	2020			2019		
	Cost	Accumulated depreciation	Written down value	Cost	Accumulated depreciation	Written down value
	(Rupees in thousand)					
Free-hold land	235,487	-	235,487	235,487	-	235,487
Lease-hold land	1,380,599	(199,658)	1,180,941	1,380,599	(170,673)	1,209,922
	1,616,086	(199,658)	1,445,409	1,416,428	(170,673)	1,445,409

6.7 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 (2019: Rs. 602.951 million).

Details of Company's free-hold and lease-hold land and information about the fair value hierarchy as at end of June 30, 2020 are as follows:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Free-hold land	-	242,706	-	242,706
Lease-hold land	-	1,179,911	-	1,179,911
	-	1,422,617	-	1,422,617

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Free-hold land	-	242,706	-	242,706
Lease-hold land	-	1,179,911	-	1,179,911
	-	1,422,617	-	1,422,617

6.8 Fair value measurement

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

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

Valuation techniques used to derive level 2 fair values - Freehold land and Leasehold land

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

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

7	CAPITAL WORK IN PROGRESS	Note	2020	2019
			(Rupees in thousand)	
	Buildings on leasehold land		2,775	2,885
	Plant and machinery		4,908	1,341
			7,683	4,226
7.1	Movement of carrying amount is as follows:			
	Opening balance		4,226	9,229
	Additions (at cost) during the year		33,529	98,795
			37,755	108,024
	Transfer to operating fixed assets / intangible assets during the year		(30,072)	(103,798)
	Closing balance		7,683	4,226
8	INTANGIBLE ASSETS			
	Intangible assets	8.1	88	204
8.1	Net carrying value basis			
	Opening net book value		204	334
	Transfer from capital work in progress		59	25
	Amortization charge		(175)	(155)
	Closing net book value		88	204
	Gross carrying value basis			
	Cost		21,294	21,235
	Accumulated amortization		(21,206)	(21,031)
	Net book value		88	204
	Amortization rate % per annum		33.33	33.33

9 INVESTMENT PROPERTY

	COST			DEPRECIATION			NET BOOK VALUE	
	As at July 1, 2019	Additions	As at June 30, 2020	As at July 1, 2019	Depreciation for the year	As at June 30, 2020	Net book value As at June 30, 2020	Rate %
(Rupees in thousand)								
Building on lease hold land								
2020	50,762	-	50,762	13,963	2,539	16,502	34,260	5
2019	50,762	-	50,762	11,424	2,539	13,963	36,799	5

9.1 The fair value of investment property as of June 30, 2020 amounted to Rs. 129.611 million (2019: Rs. 129.611 million) as determined by an independent valuer. Forced sales value of the investment property as determined by an independent valuer is Rs. 103.657 million (2019: Rs. 86.360 million).

10 LONG-TERM INVESTMENT

Note

2020**2019**

(Rupees in thousand)

Investment in associate
Less: Impairment in value

10.1

5,000
(5,000)

5,000
(5,000)

-
-

- 10.1** The Company has 48.04 percent (2019: 48.04 percent) shareholding i.e 625,000 (2019: 625,000) ordinary shares of Rs.10/- each of Berdex Construction Chemicals (Private) Limited.

11 LONG-TERM LOANS

(Secured - considered good)
Long-term loans to employees

11.1

2,423

3,070

11.1 Long-term loans to employees

Due from employees
Current portion shown under current assets

11.3

2,469

3,127

17

(46)

(57)

11.2

2,423

3,070

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

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

12 LONG-TERM DEPOSITS

Long term security deposit

28,709

36,812

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

13 DEFERRED TAXATION

Tax effects of temporary differences relating to:

Accelerated tax depreciation

Lease liabilities

Provisions

Unabsorbed tax losses

Deferred income

(16,088)

(8,865)

(11,754)

(11,514)

100,921

62,606

184,144

96,722

679

2,043

257,902

140,992

77,884

96,258

335,786

237,250

Minimum tax

Less:

Deferred tax asset not expected to be recovered with
reasonable certainty

13.1

13.1

178,805

158,864

156,981

78,386

- 13.1** Total deferred tax asset arising due to timing difference calculated at applicable tax rates as at reporting date amounted to Rs. 335.786 million (2019: Rs. 237.250 million) debit. Out of this, deferred tax asset of Rs. 178.805 million (2019: Rs. 158.864 million) has not been recognized in these financial statements in accordance with the stated accounting policy of the Company.

14	STORES, SPARES AND LOOSE TOOLS	Note	2020	2019
			(Rupees in thousand)	
	Stores			
	in hand		4,454	4,683
	in transit		5,705	11
			10,159	4,694
	Spares		37,316	35,956
	Loose tools		15,524	17,261
			62,999	57,911
	Provision for slow moving stores and spares	14.1	(12,330)	(12,420)
		14.2	50,669	45,491
14.1	Provision for slow moving stores and spares comprises:			
	Balance at the beginning of the year		12,420	12,543
	Reversals during the year		(90)	(123)
	Balance at the end of the year		12,330	12,420
14.2	Stores and spares also include items which may result in capital expenditure but are not distinguishable at the time of purchase. However, the stores and spares consumption resulting in capital expenditure are capitalized in cost of respective assets.			
15	STOCK-IN-TRADE			
	Raw materials			
	in hand		125,994	113,565
	in transit		16,529	101,400
			142,523	214,965
	Work-in-process		141,612	141,342
	Finished goods	15.1		
	manufactured	15.2	249,918	196,481
	trading	15.3	63,615	101,488
			313,533	297,969
			597,668	654,276
15.1	These are stated at cost less provision for slow moving stock.			
15.2	Finished goods - manufactured			
	Manufactured goods - at cost		285,665	229,223
	Provision for slow moving stock	15.2.1	(35,747)	(32,742)
			249,918	196,481
15.2.1	Provision for slow moving and obsolete - finished goods:			
	Balance at beginning of the year		32,742	34,226
	Provision for the year		3,489	-
	Reversal for the year		(484)	(1,484)
	Balance at end of the year		35,747	32,742
15.3	Finished goods - trading goods			
	Trading goods - at cost		126,164	142,127
	Provision for slow moving stock	15.3.1	(62,549)	(40,639)
			63,615	101,488
15.3.1	Provision for slow moving and obsolete - trading goods:			
	Balance at beginning of the year		40,639	47,609
	Provision for the year		21,910	-
	Reversal for the year		-	(6,970)
	Balance at end of the year		62,549	40,639

16 TRADE DEBTS

Note	2020	2019
	(Rupees in thousand)	
(Unsecured - considered good)		
Export	-	244
Local	268,897	348,445
	268,897	348,689
(Unsecured - considered doubtful)		
Due from Turnkey project	16.1 17,414	17,414
Due from Others	218,103	130,535
	235,517	147,949
	16.4 504,414	496,638
Allowance for expected credit loss		
Turnkey project	16.2 (17,414)	(17,414)
Others	16.3 (218,103)	(130,535)
	(235,517)	(147,949)
	268,897	348,689

16.1 Turnkey projects refer to the Company undertaking projects relating to laying down water lines for various government projects. The Company was not only responsible for providing pipes for that project but also was responsible for excavation and installation of said pipes. The amount receivable from turnkey projects comprises majorly of retention money to be received after checking was performed on their installed pipes. The said amount is fully provided as it has been outstanding for more than 15 years. Moreover, the Company has discontinued its practice of undertaking project based works.

16.2 Allowance for expected credit losses- Turnkey

Allowance for turnkey projects	17,414	17,414
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16.3 Allowance for expected credit losses- Other than Turnkey

Balance at July 01	38 130,535	123,633
Charge for the year	87,568	44,031
Written off	-	(37,129)
Balance at June 30	218,103	130,535

16.4 Aging of receivable

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

	Aging days					
	Neither past due nor impaired	30 days upto 90 days	90 days upto 180 days	180 days upto 360 days	Above 360 days	Total Amount
	(Rupees in thousand)					
2020	82,714	18,561	163,115	91,085	148,939	504,414
2019	221,924	92,817	32,959	26,855	122,083	496,638

16.5 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs. 0.104 million and as at June 30,2020 Rs. 0.104 million (2019: Rs. 0.104 million).

17	LOANS AND ADVANCES	Note	2020	2019
			(Rupees in thousand)	
	(Secured - considered good)			
	Loans to employees			
	Current portion of long-term loans to employees	11	46	57
	(Unsecured - considered good)			
	Advances			
	to employees	17.1	7,022	2,045
	to suppliers / contractors	17.2	78,037	78,559
	others		255	190
			85,314	80,794
	(Unsecured - considered doubtful)			
	Advances			
	to suppliers / contractors		500	500
	Provision for doubtful advances		(500)	(500)
			-	-
		17.3	85,360	80,851

17.1 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.

17.2 This represents advances to suppliers in the normal course of business and does not carry any interest or mark-up.

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

18 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

Trade deposits - (considered good)				
Tender deposits			21,316	22,982
Margin deposits			43,825	17,829
			65,141	40,811
Short term prepayments			545	560
			65,686	41,371
Considered doubtful				
Trade deposits			5,182	5,182
Allowance for expected credit losses			(5,182)	(5,182)
			-	-
		18.1	65,686	41,371

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

19 OTHER RECEIVABLES

(Considered good)				
Provident fund	19.1		-	741
Others			9,046	4,363
			9,046	5,104
(Considered doubtful)				
Receivable from K-Electric Limited			10,227	10,227
Allowance for expected credit losses			(10,227)	(10,227)
			-	-
			9,046	5,104

19.1 Provident fund

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

The Trustees have intimated that the size of the Fund as at June 30, 2020 was Rs. 244.372 million (2019: Rs. 246.731 million). Details are as follows:

		2020	2019
		(Rupees in thousand)	
	Note	(un-audited)	(audited)
Size of the fund		244,372	246,731
Cost of investment made		158,319	165,388
Fair value of investment	19.1.1	227,942	237,296
Percentage of investment made		69%	70%

As intimated by the Trustees, the cost of the investment made as at June 30, 2020 was Rs. 158.319 million (2019: Rs. 165.388 million) which is equal to 69% (2019: 70%) of the total fund size. The fair value of the investment was Rs. 227.942 million at that date. The category wise break up of investment is given below:

19.1.1 Category wise breakup

Mutual funds	115,473	113,683
Term finance certificates	20,000	39,952
Fixed deposit receipts	60,000	60,000
Bank deposits	32,469	23,661
	227,942	237,296

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

20 TAXATION - NET

Advance tax	-	67,121
Provision for taxation	-	(40,419)
	-	26,702

21 CASH AND BANK BALANCES

Cash in hand	3,062	1,286
Bank balances		
Conventional mode		
Current account	19,296	26,797
PLS Savings account	2,652	2,227
	21,948	29,024
	25,010	30,310

21.1 These carry profit rate ranging from 6.5% to 11.25% (2019: 5.5% to 6.5%) per annum.

22 NON-CURRENT ASSETS HELD FOR SALE

Free holdland	355,675	-
Buildings on freehold land other than factory	3,125	-
	358,800	-

22.1 During third quarter of the year ended June 30, 2020, management initiated a process of disposal of Company's land and building on leasehold land located in Lahore.

22.2 The Company has revalued its freehold land and building on freehold land on June 28, 2020 by an independent valuer M/s. Asif Associates Private Limited on the basis of market value.

23 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees in thousand)	
1,714,264	1,714,264	Ordinary shares of Rs. 10/- each issued for cash	17,143	17,143
476,386	476,386	Issued for consideration other than cash	4,764	4,764
8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733
10,763,959	10,763,959		107,640	107,640

- 23.1** Ordinary shares include 4,090,536 shares of B class of Rs.10/- each converted into and deemed to be ordinary shares on disposal by a foreign shareholder, in prior years, in accordance with the Articles of Association of the Company.
- 23.2** The Holding Company holds 6,800,648 (2019: 6,800,648) ordinary shares representing 63.18 percent (2019: 63.18 percent) shareholding as at reporting date.
- 23.3** The Company has more than one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

24 RESERVES

Capital reserve				
Share premium	24.1	5,655	5,655	
Revenue reserve				
General reserve		-	160,000	
Accumulated losses		(384,521)	(207,786)	
		(384,521)	(47,786)	
		(378,866)	(42,131)	

- 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 LONG TERM FINANCING

(Secured)				
Conventional mode	25.1	57,593	-	
Bank of Punjab		(16,442)	-	
Less: Current portion		41,151	-	

- 25.1** The Company has approved term finance facility from Bank of Punjab under Refinancing Scheme of the State Bank of Pakistan amounting to Rs. 64.129 million specifically for paying salaries and wages to Company's employees. The tenor of the financing is two and half year inclusive 6-Months Grace period and are repayable in 8 equal quarterly installments commencing from March 31, 2021. This loan carries mark up at the rate of 3%.

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

26 LEASE LIABILITIES

(Secured)				
Balance as July 01		123,986	93,789	
Additions during the year		-	76,018	
Recognition as a result of adoption of IFRS 16		1,764	-	
		125,750	169,807	
Payments / adjustments during the year		(51,874)	(45,821)	
		73,876	123,986	
Less: Payable within one year shown under current liabilities		(30,585)	(51,412)	
		43,291	72,574	
Maturity analysis-contractual undiscounted cash flow				

	Note	2020	2019
		(Rupees in thousand)	
Less than one year		36,849	63,847
One to five year		45,973	82,125
Total undiscounted lease liability		82,822	145,972

- 26.1** This represents finance leases entered into with a leasing company for vehicles and plant and machinery. The remaining balance of liability is payable by 2022 in monthly installments. Financing rates ranging from 10.14% to 19.51% (2019: 10.27% to 17.34%) per annum have been used as discount factor.

27 DEFERRED INCOME

Gain on sale and leaseback transaction		7,294	12,154
Amortisation during the year		(4,860)	(4,860)
		2,434	7,294
Current portion of deferred income		(2,434)	(4,862)
		-	2,432
Capital Grant	27.1	6,536	-
		6,536	2,432

- 27.1** During the year, the Company received term finance facility from Bank of Punjab under Refinancing Scheme of the State Bank of Pakistan amounting to Rs. 64.129 million specifically for paying salaries and wages to Company's employees. The tenor of the financing is two and half year inclusive 6-Months Grace period and are repayable in 8 equal quarterly installments commencing from March 31, 2021. Subsequent to year end, ICAP issued the guidance for accounting of said financing through circular No. 11/2020, and based on this, the Company recognized the Deferred Capital Grant in accordance with the requirements of 'IAS 20-Accounting for Government Grants and Disclosure of Government Assistance'.

28 GIDC PAYABLE

GIDC Payable	28.1	87,349	-
Less: Current portion shown under current liability		(36,395)	-
		50,954	-

- 28.1** An amount of Rs. 87.349 million was contingent in respect of Gas Infrastructure Development Cess (GIDC) levied under GIDC Act, 2015. Subsequent to the year end, based on appeal filed by the Government, the Supreme Court of Pakistan in its judgement dismissed all the petition filed against the aforesaid matter and decided in favour of Federal Government. Accordingly, as per the direction given in the said judgement, Company would be required to pay the amount of levy payable upto July 2020 in twenty four equal monthly installment commencing from August, 2020. The component of late payment surcharge is no more payable as per the aforesaid judgment.

29 TRADE AND OTHER PAYABLES

Trade creditors	29.1 & 29.2	696,787	447,863
Accrued liabilities		85,680	102,762
Advance from customers		140,150	100,832
Advance from tenants		1,932	3,093
Infrastructure cess payable		40,387	38,789
Security deposits from distributors and others	29.3	13,860	13,860
Workers' Profit Participation Fund payable	29.4	932	883
Workers' Welfare Fund		6,766	6,369
Sales tax and excise duty	29.5	8,619	18,641
Current portion of GIDC Payable	28	36,395	-
Others		1,771	1,613
		1,033,279	734,705

29.1 These include amount due to a related party amounting to Rs. 0.173 million (2019: Rs Nil).

29.2 This balance includes an amount of Rs. 199.685 million due to supplier under bank contract.

	Note	2020	2019
		(Rupees in thousand)	
29.3 Security deposits from distributors and others			
Deposits received from supplier		6	6
Deposits received from dealers		6,164	6,164
Deposits received from tenants		7,690	7,690
		13,860	13,860
29.4 Workers' Profit Participation Fund			
Balance at July 01		883	5,939
Interest on funds utilized in Company's business	40	49	329
Allocation for the year	38	-	-
		932	6,268
Amount paid during the year		-	(5,385)
Balance at June 30		932	883

29.5 This amount includes a sales tax demand for which 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.

30 SHORT TERM BORROWINGS

(Secured)

Conventional mode

Running finance

Finance against trust receipts

Islamic mode

Karobar finance

Tijarah finance

Murabaha finance

30.2	632,413	697,995
30.3	136,966	199,383
	769,379	897,378
30.1	240,000	250,000
30.4	100,000	100,000
30.4	49,639	98,894
	389,639	448,894
	1,159,018	1,346,272

30.1 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 250 million (June 30, 2019: Rs. 250 million) out of which Rs. 10 million (June 30, 2019: Rs. Nil) remains unutilized as at the reporting date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2019: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 13.75% to 14.25% (June 30, 2019: 9.42% to 16.08%) per annum.

30.2 These facilities have been obtained from National Bank of Pakistan and Sindh Bank Limited aggregating to Rs. 692.778 million (June 30, 2019: Rs. 700 million) out of which Rs. 60.364 million (June 30, 2019: Rs. 2.005 million) remains unutilized as at the reporting date. These facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock in trade, trade debts and property, plant and equipment of Rs. 667 million (June 30, 2019: 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 13.47% to 17.35% (June 30, 2019: 9.17% to 14.49%) per annum.

30.3 This represent working capital facilities availed from a Bank of Punjab of Rs. 150 million (June 30, 2019: Rs. 200 million) carrying markup of 6 months KIBOR + 1.75% (June 30, 2019: 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.

- 30.4** 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 6 months KIBOR+3% (June 30, 2019: 3 months KIBOR+3%). The Company has not utilized the amount of Rs.1.106 million under Murabaha finance and Rs. 100 million under Istisna financing.

31 ACCRUED MARKUP

Mark-up accrued on short term borrowing

Conventional mode

Running finance

Finance against trust receipts

Islamic mode

Karobar finance

Murabaha finance

Tijarah Finance

Note

	2020	2019
	(Rupees in thousand)	
	23,721	23,303
	11,048	8,005
	34,769	31,308
	19,323	5,757
	3,918	1,656
	9,417	1,510
	32,658	8,923
	67,427	40,231
	67,842	-
	(51,923)	-
	15,919	-

32 TAXATION - NET

Provision for taxation

Advance tax

33 CONTINGENCIES AND COMMITMENTS

33.1 Contingencies

- 33.1.1** During the year ended June 30, 2010, the Environmental Protection Tribunal (EPT) initiated proceedings against the Company, containing allegations of pollution, under the Pakistan Environmental Protection Act, 1997 based on a complaint filed by the brother of an ex-employee of the Company. The Company submitted a plea before the EPT raising the issue of the maintainability of the complaint and its lack of jurisdiction to hear the same which was dismissed vide an order dated June 29, 2010. The Company filed a constitutional petition before the Honourable High Court of Sindh (HCS) seeking reliefs that the proceedings before EPT vis-a-vis the complaint were taken coram non judge and has maintained that the EPT has no jurisdiction of the subject matter. The said constitutional petition was dismissed by HCS vide its judgment dated March 9, 2011. The Company filed petition for leave to appeal against the judgment of HCS before the Honorable Supreme Court of Pakistan (SCP) which granted leave to appeal to the Company vide its order dated June 23, 2011 and converted the petition into an appeal. Thereafter, after the partial hearing of the civil appeal, the SCP vide its order dated October 25, 2011 directed a commission constituted by the EPT to submit the report of environmental audit of the Company's factory and surrounding premises. Pursuant to the direction of SCP, a report was filed ostensibly on behalf of a commission constituted by the EPT to which objections have been filed by the Company before SCP. The hearing of civil appeal on merits is now pending. Based on the opinion of the legal counsel of the Company, the management expects a favorable outcome of the case. Accordingly, no provision for any potential demand in respect of the above has been made in these financial statements.

- 33.1.2** The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 14.301 million (June 30, 2019 : Rs. 15.517 million). However, in view of a legal advice, the Company's management is confident that these suits will be decided in its favor, and accordingly, no provision has been made in this respect.

33.2 Commitments

Outstanding letters of credit

Outstanding letter of guarantee

Postdated cheques

Outstanding contracts

Duties payable on goods in transit

139,502	285,836
96,742	93,053
271,681	276,175
425,385	349,789
35,205	82,651
968,515	1,087,504

Note	2020	2019
	(Rupees in thousand)	

34 SALES-NET

Local sales	34.1	2,767,333	3,318,913
Export sales		39,363	20,485
Gross sales		2,806,696	3,339,398
Less:			
Sales tax		(432,586)	(525,878)
		2,374,110	2,813,520

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

35 COST OF SALES

Manufactured goods			
Raw materials consumed			
Opening stock		214,965	374,070
Purchase		1,556,724	1,730,869
Closing stock		(142,523)	(214,965)
Raw materials consumed		1,629,166	1,889,974
Manufacturing overheads			
Stores, spares and loose tools consumed	35.1	54,480	54,924
Salaries, wages and benefits	35.2	121,535	124,914
Procured services		43,471	67,187
GIDC expense		17,924	-
Fuel, water and power		143,251	109,129
Insurance		2,919	4,608
Travelling		146	630
Communication		1,361	1,276
Depreciation	6.4	52,726	47,829
Rent, rates and taxes		5,911	5,775
Repair and maintenance		32,932	34,337
Printing and stationary		966	1,127
Reversal of provision for stores, spares and loose tools written back	14.1	(90)	(123)
Other expenses		2,000	2,680
		479,532	454,293
		2,108,698	2,344,267
Work-in-process			
Opening stock		141,342	114,926
Closing stock		(141,612)	(141,342)
Cost of goods manufactured		2,108,428	2,317,851
Finished goods			
Opening stock		196,480	262,519
Closing stock		(249,918)	(196,480)
		2,054,990	2,383,890
Trading goods			
Opening stock		101,487	64,022
Purchase		46,183	145,790
Closing stock		(63,615)	(101,487)
		84,055	108,325
		2,139,045	2,492,215
35.1 Stores spares and loose tools consumed			
Opening stock		57,911	49,054
Purchases		59,568	63,781
Closing stock		(62,999)	(57,911)
		54,480	54,924

35.2 These include Rs. 4.056 million (2019: Rs. 4.421 million) and nil (2019: Rs 1.829 million) in respect of provident fund and bonus to workers' respectively.

36 DISTRIBUTION COSTS

Note	2020	2019
	(Rupees in thousand)	
Salaries, wages and benefits	70,097	76,694
Repair and maintenance	3,710	4,558
Depreciation	9,541	8,984
Advertising and sales promotion	795	3,459
Communication	1,992	2,210
Travelling	3,574	6,138
Transportation and other charges	40,160	56,107
Electricity, gas and water	7,267	7,356
Insurance	286	339
Rent, rates and taxes	1,185	1,771
Sundry expenses	2,795	3,350
	141,402	170,966

36.1 These include Rs. 3.223 million (2019: Rs. 3.606 million) and Rs. nil (2019: Rs 2.079 million) in respect of provident fund and bonus to workers' respectively.

36.2 This includes Rs. 14.713 million (2019: Rs. 3.101) related to transportation and other charges against export sales.

37 ADMINISTRATIVE EXPENSES

Salaries wages and benefits	37.1	50,050	56,350
Directors' remuneration		16,099	16,406
Repair and maintenance		7,462	7,927
Depreciation on property, plant and equipment	6.4	23,251	23,075
Depreciation on investment property	9	2,539	2,539
Amortisation of intangible asset		175	155
Procured services		6,883	6,033
Auditor's remuneration	37.2	1,853	1,916
Communication		4,157	3,957
Travelling		1,906	3,981
Professional charges		4,446	6,387
Electricity, gas and water		16,163	14,689
Insurance		902	1,228
Printing stationary and subscription		2,161	2,295
Rent, rates and taxes		2,529	2,451
Sundry expenses		2,480	2,192
		143,056	151,581

37.1 These include Rs. 1.805 million (2019: Rs. 1.962 million) and Rs. nil (2019: Rs. 1.237 million) in respect of provident fund and bonus to workers' respectively.

37.2 Auditor's remuneration

Audit fee	1,200	1,200
Fee for half yearly review	475	475
Other services	125	188
Out of pocket expenses	53	53
	1,853	1,916

38 OTHER EXPENSES

Non-executive director's fee	1,700	1,825
Workers' Welfare Fund	795	734
Donations	43	49
Exchange loss	5,077	50,989
GIDC expense	69,425	-
Allowance for expected credit losses	87,568	44,031
	164,608	97,628

39 OTHER INCOME

Note

2020

2019

(Rupees in thousand)

Rental income		49,670	45,850
Gain on disposal of property, plant and equipment		29	1,626
Sales of raw material		-	860
Interest income		60	41
Net income from joint service		644	116
Amortisation of deferred income		4,860	4,860
Liabilities no longer payable written back		-	28,696
		55,263	82,049

40 FINANCE COST

Short-term borrowings		194,637	155,824
Finance charges on leases		13,248	14,489
Worker's Profit Participation Fund	29.4	49	329
Bank and other charges		5,599	8,073
		213,533	178,715

41 TAXATION

For the year Current	41.1	35,623	35,188
Prior year		32,219	5,231
Deferred		(78,594)	(40,427)
		(10,752)	(8)

41.1 Current tax charge for the year represents turnover tax of Rs. 35,623 million at the rate of 1.5% of the turnover for the year.

42 LOSS PER SHARE - BASIC AND DILUTED

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

Net loss for the year	(361,519)	(195,528)
Weighted average number of ordinary shares	10,764	10,764
Loss per share - basic and diluted (Rupees)	(33,59)	(18,16)

43 CASH GENERATED FROM OPERATIONS

Loss before taxation		(372,271)	(195,536)
Adjustment for non-cash and other items			
Depreciation			
Property, plant and equipment	6.4	85,518	79,888
Investment property	9	2,539	2,539
Amortization	8.1	175	155
Gain on disposal of property, plant and equipment		(29)	(1,626)
Amortization of deferred income		(4,860)	(4,860)
GIDC expense		87,349	-
Finance costs	40	213,533	178,715
Interest income		(60)	(41)
Working capital changes	43.1	361,282	78,620
		373,176	137,854

43.1 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

(5,178)	(8,980)
56,608	161,261
79,792	(163,978)
(3,862)	(20,167)
(24,315)	(6,596)
(3,942)	16,245
99,103	(22,215)
262,179	100,835
361,282	78,620

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

Description	Liabilities		Total	
	Long term financing	Short term borrowing		
	(Rupees in thousand)			
Balance as at July 1, 2019	-	648,277	648,277	
Proceeds from long term financing	64,129	-	-	
Repayment of long term financing	-	-	-	
Proceeds from short term borrowings	-	605,305	605,305	
Repayment of short term borrowings	-	(726,977)	(726,977)	
Movement of liabilities to cash flows	64,129	(121,672)	(57,543)	
Balance as at June 30, 2020	43.2.1	64,129	526,605	590,734

43.2.1 The details of the balance are mentioned below:

Long term finance	25.1	64,129
Karobar finance	30.1	240,000
Finance against trust receipts	30.3	136,966
Tijarah finance	30.4	100,000
Murabaha finance	30.4	49,639
		590,734

44 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 Executive Officer		Directors		Executives		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)							
Managerial remuneration	21,000	21,000	6,871	6,871	34,843	42,664	62,714	70,535
Housing								
- Rent	-	-	1,742	1,742	13,812	16,652	15,554	18,394
- Utilities	706	1,365	563	1,470	3,073	3,701	4,342	6,536
- Other Items	1,610	2,170	2,087	2,482	2,998	3,164	6,695	7,816
Bonus	-	-	-	-	-	-	-	-
Retirement Benefits	-	-	426	426	3,332	4,081	3,758	4,507
Insurance	-	-	4,410	3,415	-	-	4,410	3,415
Medical and other reimbursable expenses	-	-	-	-	495	4,681	495	4,681
	23,316	24,535	16,099	16,406	58,553	74,943	97,968	115,884
Number of persons	1	1	2	2	31	39	34	42

- b)** Aggregate amount charged in these financial statements in respect of Directors' fee for attending Board and Audit Committee meetings amounted to Rs. 1.1 million (2019: Rs. 1.075 million) and Rs. 0.600 million (2019: Rs. 0.600 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.

45 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

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

Name of company	Nature of Relation	Basis of Relation
Sikander (Private) Limited	Holding company	"63.18% shares 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
Bandenawaz (Private) Limited	Associate company	Common Director

Name of related party	Nature of transaction	2020	2019
(Rupees in thousand)			
Sikander (Private) Limited (Holding Company)	Rent paid	1,024	931
Berger Paints Pakistan Limited (Associated Company)	Purchase of goods	173	359
Siemens Pakistan Engineering Company Limited (Associated Company)	Sales of goods	-	1,557
Provident fund	Contribution to staff retirement plans	9,085	9,988

45.1 Year end balances

Receivable from related parties	104	104
Payable to related parties	173	-

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

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

46 OPERATING SEGMENTS

46.1 The activities of the Company are organised into business units based on their products and have the following operating segments:

- The 'Chysotile Cement' segment relates to manufacturing and supply of corrugated sheets and pipes and manufacturing and supply of rubber rings."
- Plastic products segments includes PVC, Polydex and Polyethylene pipes.
- All other segments include merchandising of imported building products and services.

Management monitors the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross profit and reduction in operating cost.

46.2 Operating results

	Chrysotile Cement	Plastic	Others	Total
	(Rupees in thousand)			
2020				
Sales - net	829,998	1,544,112	-	2,374,110
Segment Result	(23,100)	(26,293)	-	(49,393)
Unallocated expense				
Other expenses				(164,608)
Other income				55,263
Finance cost				(213,533)
Taxation				10,752
Loss for the year				(361,519)
Other information				
Capital expenditure	2,804	7,580	19,253	29,637
Unallocated corporate capital expenditure				29,637
Total capital expenditure				29,637
Depreciation	4,462	15,312	-	19,773
Unallocated corporate depreciation and amortization				65,745
Total depreciation and amortization				85,518
2019				
Sales - net	948,591	1,863,700	-	2,812,291
Segment Result	(13,343)	12,101	-	(1,242)
Unallocated expense				
Other operating expenses				(97,628)
Other operating income				82,049
Finance cost				(178,715)
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

46.3 Segment assets and liabilities

	Chrysotile Cement	Plastic	Others	Total
	(Rupees in thousand)			
2020				
Segment assets	445,159	554,406	126,659	1,126,224
Unallocated corporate assets				2,280,575
Total assets				3,406,799
Segment liabilities	441,061	487,583	12,744	941,388
Unallocated corporate liabilities				1,542,361
Total liabilities				2,483,749
2019				
Segment assets	414,562	687,001	103,867	1,205,430
Unallocated corporate assets				2,170,824
Total assets				3,376,254
Segment liabilities	266,220	382,804	12,744	661,768
Unallocated corporate liabilities				1,607,595
				2,269,363

46.4 Segment assets and liabilities

Segment assets includes all operating assets by a segment and consist principally of property, plant and equipment, stores and spares and loose tools, stock-in-trade, trade debts and loans and advances net of impairment and provisions, if any. Segment liabilities include all operating liabilities and consist principally of trade and other payable.

46.5 Geographical Information

All non current assets of the Company are located in Pakistan.

Sales of the Company were mainly made to customers in Pakistan. Further there are no export sales other than those disclosed in note 34.1.

47 CAPACITY AND PRODUCTION

The production capacities of the plants depend on product mix. The name plate capacities are determined on a certain product mix whereas actual product mix is different and varies from year to year depending upon the order from customers. Therefore, production is subject to annual variations and actual capacity of the plant is indeterminable.

48 FINANCIAL INSTRUMENTS BY CATEGORY

Note	2020	2019
	(Rupees in thousand)	
Financial assets as per statement of financial position		
Amortized cost		
Trade debts	268,897	348,689
Long-term deposits	4,536	7,887
Other receivables	9,046	5,104
Cash and bank balances	25,010	30,310
	307,489	391,990
Financial liabilities as per statement of financial position		
Amortized cost		
Lease liabilities	73,876	123,986
Trade and other payables	834,493	566,098
Short term borrowings	1,159,018	1,346,272
Accrued markup	67,427	40,231
Unclaimed dividend	16,713	16,875
	2,151,527	2,093,462

49 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to market risk, credit risk and liquidity risk. The Company's finance and treasury departments oversee the management of these risks and provide assurance to the Company's senior management that the Company's financial risk-taking activities are governed by the appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The policies for managing each of these risks are summarised below.

49.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices mainly comprises of interest rate risk and currency risk.

49.1.1 Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company enters into various type of financing arrangements for financing its capital expenditure and to meet working capital requirements at variable rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variable held constant on the Company's profit before tax.

	Increase / decrease in basis points	Effect on profit before tax (Rupees in thousands)
2020	+100	(11,590)
	-100	11,590
2019	+100	(13,463)
	-100	13,463

49.1.2 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, 2020, 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 thousands)
2020	5%	(25,446)
	-5%	25,446
2019	5%	(13,830)
	-5%	13,830

49.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring and cause the other party to incur a financial loss. The Company attempts to a control credit risk by monitoring credit risk, limiting transactions with specific counter parties and continually assessing the creditworthiness of a counterparties Concentrations of credit risk arise when a number of counterparties are engaged in similar activities or have similar economic feature that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

Note	2020	2019
	(Rupees in thousand)	
Long term deposits	4,536	7,887
Trade debts	268,897	348,689
Other receivable	9,046	5,104
Bank balances	21,948	29,024
	304,427	390,704

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

	2020	2019
	(Rupees in thousand)	
Trade debts		
Neither past due nor impaired	82,714	221,924
Past due but not impaired	421,700	126,765
	504,414	348,689
Bank balances		
A-1+	13,420	17,468
A-1+	6,060	10,214
A-1	2,460	697
A-1	8	645
	21,948	29,024

49.3 Liquidity risk

Liquidity risk represents the risk that a company will encounter difficulties in meeting obligations with the financial liabilities. The Company manage its risk to shortage of funds by maintaining a balance between continuity of funding and flexibility through the use of financing. As of June 30, 2020, The Company's current liabilities exceed its current assets by Rs. 734.924 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:

2020

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousand)				
Lease liabilities	-	-	30,585	43,291	73,876
Long term financing			16,442	41,151	57,593
Trade and other payable	834,493	-	-	-	834,493
Accrued markup	-	44,681	22,746	-	67,427
Short term borrowing	-	-	1,159,018	-	1,159,018
Unclaimed dividend	16,713	-	-	-	16,713
	851,206	44,681	1,228,791	84,442	2,209,120

2019

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
	(Rupees in thousand)				
Lease liabilities	-	-	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

49.4 Capital management

The Company finances its operation through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimize risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, Sustain future development of the business and maximize the shareholder value. The Company monitors capital using a debt to equity ratios as follows:

	2020	2019
	(Rupees in thousand)	
Accrued markup	67,427	40,231
Short term borrowings	1,159,018	1,346,272
Total debt	1,226,445	1,386,503
Cash and bank balances	(25,010)	(30,310)
Net debt	1,201,435	1,356,193
Total equity excluding surplus on revaluation of property, plant and equipment	(271,226)	(65,509)
Total equity and net debt excluding surplus on revaluation of property, plant and equipment	930,209	1,421,702
Gearing ratio excluding the effect of surplus of revaluation of property, plant and equipment	129%	95%
Total equity including surplus on revaluation of property, plant and equipment	923,050	1,106,891
Total equity and net debt including surplus on revaluation of property, plant and equipment	2,124,485	2,463,084
Gearing ratio including the effect of surplus of revaluation of property, plant and equipment	43%	45%

49.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties in an arms-length transaction other than in a forced or liquidation sale. The carrying 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.

50 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

In March 2020, the World Health Organization ("WHO") declared the outbreak of the novel coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread, including, without limitation, quarantines, "stay-at-home" or "shelter-in-place" orders, social distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industry, along with global economic conditions generally, has been significantly disrupted by the pandemic.

The COVID-19 pandemic and associated impacts on economic activity had certain effect on the operational and financial condition of the Company for the year ended June 30, 2020 due to overall slowdown in economic activity and continuity of business operations. However, to reduce the impact on the performance of the Company, government have introduced a host of measures on both the fiscal and economic fronts by issuing certain circulars and notifications from time to time.

The management of the Company is closely monitoring the situation, and in response to the developments, the management has taken action to ensure the safety of its employees and other stakeholders, and initiated a number of initiatives to minimize the impact to the extent possible. The management has evaluated and concluded that there is no material impacts of COVID-19 on assets, liabilities, income and expenses of the Company, except as disclosed in note 25.1 and 27.1 that requires special disclosure in the notes to the financial statements. Due to factors explained above, COVID has impacted operational result of the Company in the last quarter of the financial year as follows;

	Nine months ended March 31, 2020		Quarter ended June 30, 2020		For the year ended June 30, 2020	
Revenue	2,008,784	85%	365,326	15%	2,374,110	100%
Cost of sales	(1,749,971)	82%	(389,075)	18%	(2,139,045)	100%
Gross profit / (loss)	258,814	100%	(23,749)	0%	235,065	100%

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 28, 2020 by the Board of Directors of the Company.

52 CORRESPONDING FIGURES

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

53 GENERAL

- 53.1** Number of employees as at June 30, 2020 was 204 (2019: 215) and average number of employees during the year was 203 (2019: 213).
- 53.2** Amounts have been rounded off to the nearest thousands of rupees unless otherwise stated.

Pattern of Shareholding

AS OF JUNE 30, 2020

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	1,643,964	15.27%
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	1,298,335	12.06%
Executives	110	0.00%
Banks, Insurance Company & Others	15,640	0.15%
General Public	2,303,155	21.40%
Total Shareholding	10,763,959	100.00%

SHAREHOLDERS HOLDING 5% OR MORE VOTING INTEREST

Sikander (Private) Limited	6,800,648	63.18%
Mr. Sikander Dada	1,298,335	12.06%

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

During the year ended June 30, 2020, Mr. Sikander Dada gifted 186,292 shares to his sisters being their share out of shares received from their late mother Mrs. Hanifa Kassim Dada.

Pattern of Shareholding

AS OF JUNE 30, 2020

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS SHARES HELD			TOTAL
2,891	1	-	100	51,015
529	101	-	500	124,854
150	501	-	1000	107,858
93	1001	-	5000	189,456
10	5001	-	10000	64,024
6	10001	-	15000	73,537
1	15001	-	20000	20,000
1	25001	-	30000	29,751
1	30001	-	35000	34,500
1	35001	-	40000	36,000
4	4500	-	50000	186,292
1	50001	-	55000	53,500
3	90001	-	95000	277,358
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
3,69,				10,763,959

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
Directors, CEO, Sponsors and Family Members	23	3,244,629	30.14%
General Public	3658	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	3,698	10,763,959	100.00%

بورڈ آف ڈائریکٹرز کی رپورٹ

ڈاڈیکس ایئرٹنٹ لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کے لیے 30 جون 2020 کو ختم ہونے والے سال کے لیے 61 ویں سالانہ رپورٹ مع آڈٹ شدہ مالی گوشوارے پیش کرنا باعث مسرت ہے۔

قومی معیشت

زیر جائزہ سال پوری دنیا کے لئے چیلنج سے بھرپور سال رہا اور رونما ہونے والے واقعات سے پاکستان بھی اتنا ہی متاثر ہوا۔ کووڈ-19 نے عالمی معیشتوں کو کساد بازاری کی طرف دھکیل دیا ہے۔ کورونا وائرس کے پھیلاؤ کے نتیجے میں پاکستان بھی صحت اور معیشت کے شعبوں میں شدید متاثر ہوا ہے۔ رواں مالی سال کے دوران، پاکستان کی معیشت میں تیزی سے کمی ہوئی ہے جیسا کہ 0.4- فیصد نمو ریکارڈ کی گئی ہے۔

وبائی امراض کے سماجی و معاشی اثرات کو کم کرنے کے لئے، حکومت نے 1.24 ٹریلین روپے کے محرک پیکیج کا اعلان کیا، اور اسٹیٹ بینک کی طرف سے مزید امدادی اقدامات کی پیش کش کی۔ پالیسی کی شرح کو بھی 6.25 فیصد کم کر کے 7.0 فیصد کر دیا گیا۔ اس مشکل وقت میں معاشی سرگرمیاں بحال کرنے اور غربت اور بے روزگاری پر مبنی اثرات کو کم کرنے کے لئے مالیاتی اور پالیسی کے ذریعے مداخلت کی گئی ہے۔

مینوفیکچرنگ اور سروسز سیکٹر میں بالترتیب 5.6 فیصد اور 0.6 فیصد کی منفی نمو ریکارڈ کی گئی۔ مالی سال 2020 میں لارج اسکیل مینوفیکچرنگ میں 10.2 فیصد کی کمی واقع ہوئی۔ صرف زراعت کے شعبے میں سال کے دوران 2.7 فیصد کی مثبت شرح نمو ہوئی۔ پاکستان کرنٹ اکاؤنٹ کے خسارے کو پچھلے سال کے 4.8 فیصد (13.4 بلین امریکی ڈالر) کے مقابلے میں جی ڈی پی کے 1.1 فیصد (2.97 بلین امریکی ڈالر) تک پہنچانے میں کامیاب رہا تھا۔ یہ اہم ریلیف حکومت کی جانب سے کچھ اشیاء کی درآمد پر پابندی اور عالمی سطح پر تیل کی قیمتوں میں کمی کے اقدامات کے سبب ہوا جس کے نتیجے میں مجموعی درآمدی بل (سامان اور خدمات سمیت) میں سال بہ سال بنیاد پر 19.3 فیصد کمی واقع ہوئی۔ مزید برآں، ترسیلات زرنے بھی بیرونی شعبے میں معاونت فراہم کی، جو سال بہ سال بنیاد پر 6.3 فیصد کی شرح نمو کے ساتھ 23.1 بلین امریکی ڈالر ہو گئیں۔ سعودی عرب کے بعد سب سے زیادہ آمدن امریکا سے ہوئی۔

کمپنی کی بنیادی سرگرمیاں اور کاروباری کارکردگی

کمپنی کا بنیادی کاروبار تعمیراتی سامان کی تیاری اور فروخت ہے، جس میں بنیادی طور پر پائپنگ سسٹم اور دیگر تعمیراتی مصنوعات بشمول کرسوٹائل (Chrysotile) سیمنٹ، ربر اور پلاسٹک سے تیار کردہ متعلقہ مصنوعات، درآمد شدہ پائپ فٹنگز، لوازمات اور دیگر عمارتی مصنوعات شامل ہیں۔

حکومت کی طرف سے مالیاتی اصلاحات لانے کے لیے انفراسٹرکچر اور ترقیاتی منصوبوں پر محدود اخراجات، بلند شرح سود اور طلب میں کمی نے مالی سال 2020 کی پہلی ششماہی میں منفی اثر ڈالا۔ حکومت کی طرف سے معیشت کی بحالی کے لئے اختیار کردہ پالیسی اقدامات کے تیسری سہ ماہی کے آغاز میں مثبت نتائج آنا شروع ہو گئے۔ سال کے دوسرے نصف حصے میں ملک بھر میں کاروباری سرگرمیوں میں کچھ تیزی آنا شروع ہو گئی، کمپنی کے کاروبار میں بھی بہتری آنے لگی لیکن دنیا بھر میں کووڈ-19 عالمی وبا کے اچانک پھیلاؤ نے پاکستان کو بھی متاثر کیا ہے۔ اس جان لیوا وائرس کے پھیلاؤ سے نمٹنے کے لئے لاک ڈاؤن کے اعلان کی وجہ سے ملک بھر میں کاروباری سرگرمیاں معطل ہو گئیں، جس سے کمپنی کی فروخت کا حجم اور پیداواری سرگرمیاں بری طرح متاثر ہوئی کیونکہ تینوں پیداواری سہولیات پر آپریشنل سرگرمیاں معطل کر دی گئی تھیں۔

کمپنی نے 2,374 ملین روپے کی خالص فروخت حاصل کی (جون 2019: 2,813 روپے)۔ فروخت کی لاگت میں 14.17 فیصد کمی ہوئی۔ کمپنی نے 235.06 ملین روپے کا مجموعی منافع حاصل کیا (جون 2019: 321.3 ملین روپے)۔ گزشتہ سال کے مقابلے میں ڈسٹری بیوٹن کے اخراجات میں 17.29 فیصد، انتظامی لاگتوں میں 17.29 فیصد کمی ہوئی۔ دیگر انتظامی اخراجات 68.61 فیصد اضافے کے ساتھ 164.61 ملین روپے (جون 2019: 97.63 ملین روپے) رہے۔ اس اضافے کی بنیادی وجہ سپریم کورٹ کے فیصلے کی روشنی میں گیس کمپنیوں کو واجب الادا GIDC کے لئے کمپنی کی طرف سے رقوم کی فراہمی ہے جہاں کورٹ کی طرف سے GIDC ایکٹ 2015 کا ازسرنو نفاذ کر دیا جس سے گیس کمپنیوں کو GIDC کے بقایا جات وصول کرنے کا حق حاصل ہوا۔ کمپنی کو 158.74 ملین روپے کا آپریٹنگ نقصان اٹھانا پڑا (جون 2019: آپریٹنگ نقصان کی مالیت 16.82 ملین روپے)۔ مارک اپ کی بڑھی ہوئی شرح، فنانس چارج میں 19.48 فیصد اضافے کا نتیجہ 361.52 ملین روپے کے بعد از ٹیکس خالص نقصان کی صورت میں سامنے آیا (جون 2019: بعد از ٹیکس خالص نقصان 195.53 ملین روپے)۔

فی شیئر (خسارہ) / آمدنی

30 جون 2020 کو ختم ہونے والے سال کے لیے فی شیئر خسارہ گزشتہ سال 18.16 روپے فی شیئر خسارہ کے مقابلے میں 33.59 روپے رہا۔

آپریشنز

سال کے دوران سندرفیکٹری کے لئے منظور شدہ بجلی کا لوڈ اپ گریڈ کیا گیا ہے، جس سے پلانٹ کو زیادہ صلاحیت سے چلانے میں مدد ملے گی۔ حیدرآباد فیکٹری میں قریبی نہر سے میٹھے پانی کے کنکشن کا حصول آخری مراحل پر ہے، اس سے ذیل پاک سیمنٹ سے پانی کے کنکشن پر ہمارا انحصار کم ہوگا اور پانی کی بلا تعطل فراہمی کو یقینی بنایا جاسکے گا۔ کراچی فیکٹری نے اس مشکل صورتحال کے تحت آرڈرڈ میٹنگ کو کامیابی کے ساتھ پورا کرنے کا سلسلہ جاری رکھا۔

کمپنی کو لاحق خطرات اور خدشات

کمپنی کو درج ذیل عمومی خطرات کا سامنا ہے:

(1) آپریشنل خطرات

آپریشنل خطرات کی وسیع تر مفہوم میں افراد، طریقہ کار اور اثاثوں سے متعلق خطرات کے طور پر درجہ بندی کی جاسکتی ہے۔ یہ آپس میں انتہائی منسلک ہیں، جو کمپنی کی انتظامیہ کے لئے یہ امر ناگزیر بناتے ہیں کہ وہ ایسی حکمت عملی وضع کرے جو عملی حدود سے ماورا ہو اور آپریشنل خطرات کے ان تین اہم حصوں سے مؤثر طریقے سے عہدہ برآ ہو سکے۔

ان خطرات کا مؤثر طریقے سے جواب دینے میں ناکامی کے نتیجے میں پیداوار میں نقصان، فروخت میں انحطاط پیدا ہوتا ہے جس سے کاروبار کو نقصان ہو سکتا ہے۔ کمپنی مطلوبہ مہارتوں اور تجربے کے ساتھ وسائل وقف کر کے اپنے کاروبار کے دوران مذکورہ خطرات سے نمٹتی ہے۔

(2) مالی خطرات

کمپنی کو مالیاتی اداروں سے حاصل کردہ قرضوں سے متعلق خطرات لاحق ہیں۔ مالی خطرہ اس وقت سامنے آتا ہے جب زرمبادلہ اور سود کی شرحوں میں اتار چڑھاؤ پیدا ہوتا ہے جو نقد بہاؤ (کیش فلو) میں تبدیلیاں لاتا ہے اور کریڈٹ لائنز پر از سر نو گفت و شنید کرنی پڑتی ہے۔ مالی خطرات میں کسی مقابل فریق کی طرف سے اپنی مالی ذمہ داریوں کی تکمیل میں ناکامی کا خطرہ شامل ہے۔ کمپنی میں رسک منیجمنٹ کا مقصد آمدنی اور کیش فلو پر کسی منفی اثر کو محدود کرنا ہے۔ ٹریژری ڈپارٹمنٹ کی طرف سے ایک جاری عمل کے طور پر اس خطرے کی نگرانی اور درکار اقدامات کیے جاتے ہیں۔

منسلک مالیاتی گوشواروں کے نوٹ 46 میں مالی خطرات کی تفصیلی وضاحت موجود ہے جس میں مارکیٹ رسکس، کریڈٹ رسکس اور لیکویڈیٹی رسکس شامل ہیں۔

(3) کرنسی کا خطرہ

کرنسی رسک یہ خطرہ ہے کہ زرمبادلہ کی شرحوں میں تبدیلی کی وجہ سے کسی مالی وثیقہ کی مناسب قدر یا کیش فلو میں اتار چڑھاؤ ہوگا۔ کمپنی کو ایسے تجارتی قرضوں، قرضوں، جمع شدہ مارک اپ اور تجارتی قرض دہندگان پر کرنسی کا خطرہ لاحق ہے جو کمپنی کی متعلقہ زیر استعمال کرنسی، جو بنیادی طور پر امریکی ڈالر ہے، کے سوا کسی مالیت کی کرنسی میں ہیں۔

4) ضوابط کی تعمیل (Compliance) سے متعلق خطرات

کمپنی بخوبی سمجھتی ہے کہ قوانین و ضوابط کی عدم تعمیل کا نتیجہ جرمانے کے اطلاق، نااہلی، بلیک لسٹنگ، لائسنس کی منسوخی وغیرہ کی صورت میں نکل سکتا ہے۔ لہذا عدم تعمیل کی سرگرمیوں اور رویوں کے لیے صفر برداشت کی پالیسی رکھتی ہے۔ مزید برآں ایسے خطرات کو کم کرنے کے لیے کمپنی میں ایک انتہائی جامع اور موثر نظام تعمیل موجود ہے۔

ڈیویڈنڈز اور مختص کردہ رقم

کمپنی نے زیر جائزہ سال کے لیے صفر روپے فی شیئر یعنی صفر فی صد فی شیئر حتمی کیش ڈیویڈنڈ کا اعلان کیا ہے۔

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

(روپے '000 میں)	
(207,786)	بمطابق 01 جولائی 2019 مجموعی خسارہ
-	گذشتہ سال کی ایڈجسٹمنٹ
160,000	غیر مختص شدہ منافع سے عمومی ذخائر کو منتقلی
24,784	متعلقہ اثاثہ جات پر چارج کیے گئے تدریجی فرسودگی کی مد میں فکسڈ اثاثوں کی ازسرنو
	تعیین شدہ مالیت میں اضافہ
(36,151)	30 جون 2020 کو ختم ہونے والے سال کے بعد از ٹیکس خسارہ
-	30 جون 2020 کو ختم ہونے والے سال کے لیے حتمی ڈیویڈنڈ
<u>(384,521)</u>	بمطابق 30 جون 2020 مجموعی خسارہ

بیلنس شیٹ کی تاریخ کے بعد نان ایڈجسٹنگ ایونٹ

- صفر روپے فی شیئر کا مجوزہ حتمی فی شیئر ڈیویڈنڈ صفر
- عمومی ذخائر سے غیر مختص شدہ منافع سے کو مجوزہ منتقلی

بمطابق 30 جون 2020 فی شیئر بریک اپ ویلیو 85.75 روپے ہے۔ (2018/19: 102.83 روپے)

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ نے 01 مئی 2020 کو قاضی ساجد علی کو تین سال کی مدت کے لئے دوبارہ کمپنی کا چیف ایگزیکٹو آفیسر مقرر کیا۔

بورڈ اکتوبر 2020 میں اپنی میعاد مکمل کرے گا۔ کمپنی کے 61 ویں سالانہ اجلاس عام میں نئے بورڈ کا انتخاب کیا جائے گا۔
ڈاؤ کیس بورڈ نے 30 جون 2020 کو ختم ہونے والے سال کے دوران چار بار اجلاس منعقد کئے۔ ڈاؤ کیس بورڈ تجربہ کار اور ماہر ممبران کے عمدہ امتزاج پر مشتمل ہے۔

سید شاہد علی بخاری، انڈیپنڈنٹ ڈائریکٹر بورڈ آف آڈٹ کمیٹی اور انسانی وسائل اور مشاہیرہ کمیٹی کے چیئرمین ہیں جیسا کہ کوڈ کارپوریٹ گورننس کے تحت ضروری ہے۔

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

ڈائریکٹر کا نام	حیثیت	بورڈ آف ڈائریکٹرز کا اجلاس		بورڈ آڈٹ کمیٹی کا اجلاس		انسانی وسائل اور مشاہیرہ کمیٹی کا اجلاس	
		منعقدہ	شرکت	منعقدہ	شرکت	منعقدہ	شرکت
جناب سکندر دادا	نان ایگزیکٹو ڈائریکٹر	4	4	N/A	N/A	N/A	N/A
جناب ابوطالب ایچ کے دادا	نان ایگزیکٹو ڈائریکٹر	4	4	N/A	N/A	1	1
جناب مقبول ایچ رحمت اللہ	نان ایگزیکٹو ڈائریکٹر	4	3	4	4	1	1
جناب شہزاد ایم حسین	نان ایگزیکٹو ڈائریکٹر	4	4	4	4	N/A	N/A
سید شاہد علی بخاری	انڈیپنڈنٹ ڈائریکٹر	4	4	4	4	1	1
جناب دانش دادا	ایگزیکٹو ڈائریکٹر	4	2	N/A	N/A	N/A	N/A
قاضی ساجد علی۔ سی ای او	ایگزیکٹو ڈائریکٹر	4	4	N/A	N/A	1	1

بورڈ کی کارکردگی کا تجزیہ اور ڈائریکٹر کا ٹریننگ پروگرام

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

بورڈ بجٹ سازی کے عمل میں پوری طرح شامل تھا۔ بورڈ اسٹیک ہولڈرز کی قدر کے تحفظ کے لئے کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے کے لئے بھی پرعزم رہا۔ بورڈ کے فیصلہ سازی کے عمل میں انڈیپنڈنٹ ڈائریکٹرز سمیت تمام ڈائریکٹرز نے مکمل طور پر حصہ لیا اور اپنی ذمہ داری نبھائی۔

کمپنی کا ایک آزاد انٹرنل آڈٹ ڈپارٹمنٹ ہے اور انٹرنل آڈٹ رپورٹس کو سہ ماہی کی بنیاد پر بورڈ آڈٹ کمیٹی میں پیش کیا جاتا ہے جس میں بہتری کے شعبوں کو اجاگر کیا جاتا ہے۔

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

کمپنی نے ڈائریکٹرز جناب سکندر دادا، جناب ابوطالب ایچ۔ کے۔ دادا، جناب مقبول ایچ۔ ایچ۔ رحمت اللہ اور جناب شہزاد ایم حسین کے لیے CCG کی ریگولیشن 19 کی پیروی میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے پہلے ہی اتھنٹی کے لیے منظوری حاصل کر رکھی ہے۔ سید شاہد علی بخاری اور قاضی ساجد علی سرٹیفائیڈ ڈائریکٹر ہیں۔ بورڈ ممبران متنوع تجربہ کے حامل ہیں اور کوالیفائیڈ پروفیشنل ہیں۔ وہ سب پاکستانی قوانین اور کاروباری معمولات سے بخوبی آگاہ ہیں۔ وہ مختلف شعبوں میں معقول تجربہ رکھتے ہیں اور کمپنی میں اپنی مہارت اور علم ساتھ لائے ہیں۔

صحت، حفاظت، ماحول اور کوالٹی

ڈاؤ کیس ایک ذمہ دار اور حالات سے آگاہ ادارہ ہونے کے ناطے آلودگی پر قابو پانے، اپنے ملازمین اور قریبی آبادی کے لئے بھی پیشہ ورانہ صحت اور حفاظت کے معیاروں کے ذریعے ماحولیات کے تحفظ کے لئے سرمایہ کاری کے ذریعے مسلسل اپنا کردار ادا کر رہا ہے۔

کووڈ-19 کی غیر متوقع وبا کے ساتھ، کمپنی نے اپنے ملازمین کے لئے کووڈ-19 کا مقابلہ کرنے کے لئے بروقت اور پیشگی فعال HSE اقدامات کیے ہیں۔ لاک ڈاؤن سے پہلے معاشرتی فاصلہ برقرار رکھنے، ضروری حفظان صحت اور صحت کی جانچ سے متعلق مخصوص ایس او پیز تیار کی گئیں اور ان پر عمل درآمد کیا گیا۔ مزید برآں، ملازمین کی حفاظت کے لئے فیکٹری کے مقامات پر پہلے ہی انفرا ریڈ تھرمامیٹر، سینیٹائزنگ گیٹس پہلے ہی نصب کر دیئے گئے ہیں تاکہ مناسب تیاری کے ساتھ کاروباری سرگرمیاں دوبارہ شروع کرنے کے قابل ہو سکیں۔

ماحولیات کے تحفظ کے لیے کمپنی نے سیپا (سندھ ماحولیاتی تحفظ ایجنسی) کے منظور کردہ ماحولیاتی مینجمنٹ پلان کی تعمیل کے لئے ماحولیاتی مانیٹرنگ کا اطلاق کیا ہے۔

ماحولیات کے تحفظ کے لئے، کمپنی نے کراچی فیکٹری میں ماحولیاتی مانیٹرنگ نافذ کی ہے تاکہ سندھ ماحولیاتی تحفظ ایجنسی (سی ای پی اے) کے ذریعے منظور شدہ ماحولیاتی مینجمنٹ پلان پر عمل کیا جاسکے۔ کمپنی نے حیدرآباد فیکٹری کے لئے ماحولیاتی مانیٹرنگ پلان کے لئے بھی درخواست جمع کرائی ہے۔

صحت، حفاظت اور ماحول (ایچ ایس ای) کو کمپنی سب سے زیادہ ترجیح دیتی ہے۔ ایچ ایس ای پروگرام کو تینوں فیکٹریوں میں مزید مستحکم کیا گیا ہے۔ کمپنی OHSAS 18001 / ISO14001 معیار کے لیے تصدیق شدہ ہے۔ کمپنی نے ISO 9001:2008 سے تازہ ترین ISO 9001:2015 میں کامیابی کے ساتھ کوالیفائی کیا ہے۔ ہم نے یہ سرٹیفیکیشن تصدیق کرنے والی ایجنسیوں اور نگران آڈٹس کی طرف سے سخت آڈٹ کے بعد حاصل کی ہیں جن پر سسٹم کو تمام مینیجنگ فسیلیٹیز میں موثر طریقے سے نافذ کرنے کے لیے عمل درآمد کیا جا رہا ہے۔

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

کمپنی ماحول کی حفاظت اور وسائل کو موثر طریقے سے استعمال کرنے کے لئے اپنی ذمہ داری اور عزم سے آگاہ ہے۔ ہم اپنے اس عزم پر عمل پیرا رہتے ہوئے، باقی اقدامات کے علاوہ ری سائیکلنگ / ری ورکنگ کی حوصلہ افزائی کرتے ہیں، جو ماحولیاتی فوائد کے ساتھ اہم خام مال کی لاگت میں بچت کا بھی ذریعہ بنتا ہے۔

کمپنی اپنے ملازمین کو ترغیب دیتی ہے کہ استعمال میں نہ ہونے پر باتیاں، کمپیوٹر سسٹم، برقی آلات کو بند رکھ کر بجلی بچائیں اور توانائی کی بچت کے لیے تمام برقی آلات کو ٹھیک حالت میں رکھا جائے۔

انفارمیشن کمیونیکیشن ٹیکنالوجی

کووڈ-19 کے پھیلاؤ نے ٹیکنالوجی کے لئے نئے چیلنج پیش کیے ہیں جس کا کمپنی نے طاقت ور جواب دیا ہے۔ معاشرتی فاصلے پر عمل درآمد کے لئے گھر سے کام ضروری ہو گیا۔ کمپنی نے اپنی تکنیکی ترقی کو ملازمین کو گھر سے کام کرنے کے قابل بنانے میں پوری طرح سے استعمال کیا۔ زیادہ تر میٹنگز ویڈیو لنک سہولت سے معاونت حاصل کر کے ورچوئل طریقے سے منعقد کی گئیں۔ کمپنی آنے والے مہینوں میں بھی اس طرح کی تکنیکی ترقی سے استفادے کے لئے تیار ہے۔

ٹیکنالوجی کی تیز رفتار تبدیلی اور ترقی کے ساتھ، ہمیں خود کو ٹیکنالوجی کی پیش رفت سے ہم آہنگ رکھنے کی اہمیت کا احساس ہوتا ہے۔ پروسس آٹومیشن اور پیپرلیس ماحول پر توجہ مرکوز ہے جس سے نہ صرف ہم آہنگی میں اضافہ ہوگا بلکہ عالمی ماحولیاتی تحفظ اور لاگت میں کمی کے حصے کے طور پر اعلیٰ معیار کو برقرار رکھا جائے گا۔

کاروباری مخیر سرگرمیاں اور کمیونٹی کی فلاح و بہبود

کمپنی نے سال کے دوران مختلف مخیر اور فلاحی سرگرمیوں میں حصہ لیا اور 0.043 ملین روپے خرچ کیے (جون 2019: 0.046 ملین روپے)

کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

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

ہر ملازم ذمہ دار ہوگا کہ وہ یہ دیکھے کہ اس کی ذمہ داری کے علاقے میں قوانین کی کوئی خلاف ورزی نہیں ہو رہی، جس کی مناسب نگرانی سے روک تھام ہو سکتی تھی۔ ملازم اگر کوئی مخصوص کام کسی کو سونپے تو وہ بدستور اس کا ذمہ دار ہوگا۔

کمپنی نے جگہ جگہ مستحکم انٹرنل کنٹرولز قائم کر رکھے ہیں۔ بورڈ آڈٹ کمیٹی باقاعدگی سے انٹرنل آڈٹ رپورٹس کا جائزہ لیتی ہے اور انٹرنل آڈیٹرز کی سفارشات پر عمل درآمد کے لئے اقدامات کیے جاتے ہیں۔

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

قومی خزانے اور ملکی معیشت میں حصہ

کمپنی نے انکم ٹیکس، سیلز ٹیکس، ڈیوٹیز، محصولات اور دیگر ٹیکسوں کی شکل میں قومی خزانے میں 611 ملین روپے سے زائد جمع کرائے (2018/19: 748 ملین روپے)۔

صنعتی تعلقات

کمپنی اپنے ملازمین کے ساتھ خوشگوار تعلقات برقرار رکھتی ہے اور بات چیت سے طے شدہ منشوری مطالبات کی بنیاد پر متعلقہ اجتماعی سودا کار ایجنٹس (سی بی اے یونیز) کے ساتھ معاہدے موجود ہیں۔ ملازمین اور یونیزز پیداواری بہتری کے چیلنجوں سے نمٹنے کے لئے اپنا کردار ادا کرنے کی خاطر جذبے سے سرشار ہیں۔

کسی بھی تنظیم کے افراد اس کی ریڑھ کی ہڈی ہوتے ہیں۔ ڈاؤن کیس اپنے ملازمین کا اعلیٰ سطح کا اطمینان اور کارکردگی یقینی بنانے کے حتمی مقصد کے ساتھ اپنے ملازمین کی پرورش، ان پر سرمایہ کاری اور ان کو پروان چڑھانے پر مضبوطی سے یقین رکھتا ہے، جس کا نتیجہ گاہکوں کے اطمینان کی اعلیٰ سطح کی صورت میں سامنے آتا ہے۔ انتظامیہ کارپوریٹ اہداف کے ساتھ ہم آہنگی کے ساتھ ملازمین کے مقاصد کو سمجھنے اور انہیں اپنانے کی طرف کام کرتی رہے گی۔

خصوصی افراد کی ملازمت

خصوصی افراد کو روزگار کے مواقع فراہم کرنے اور معاشرے کے مفید ممبروں کی حیثیت سے ان کو قابل احترام زندگی گزارنے کا موقع فراہم کرنے کے لئے، کمپنی کی پالیسی ہے کہ ایسے افراد کو ملازمت میں رکھا جائے۔

کمپلائنس کا بیان

کمپنی نے مندرجہ ذیل طریقوں سے کمپنی پر لاگو قواعد و ضوابط کی تعمیل کی ہے:

- 1- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے امور کار، اس کی سرگرمیوں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلی کو منصفانہ طور پر پیش کرتے ہیں۔
- 2- کمپنی نے اپنے کھاتے مناسب انداز میں برقرار رکھے ہیں۔
- 3- کمپنی نے مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کی مسلسل پیروی کی ہے اور شریاتی تخمینے مناسب اور معقول نظریات پر مبنی ہیں۔
- 4- ان مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کی، جہاں تک وہ پاکستان میں قابل اطلاق ہیں، پیروی کی گئی ہے اور ان سے کسی قسم کی پہلو تہی کا مناسب انکشاف اور وضاحت کی گئی ہے۔
- 5- بورڈ نے کو الیفائیڈ اور تجربہ کار ہیڈ آف انٹرنل آڈٹ مقرر کر کے جو کمپنی کی پالیسیوں اور طریقہ کار کو بخوبی سمجھتے ہیں، ایک موثر انٹرنل آڈٹ فنکشن قائم کیا ہے۔ انٹرنل کنٹرولز کے سسٹم اور اس قسم کے دیگر پروسیجرز کا، جو بخوبی کام کر رہے ہیں، بورڈ کی آڈٹ کمیٹی کی طرف سے مسلسل جائزہ لیا جاتا ہے۔
- 6- بورڈ کے پاس ڈائریکٹرز کے لئے باضابطہ معاوضہ کی پالیسی ہے۔ اہم خصوصیات میں یہ بھی شامل ہے کہ انڈیپنڈنٹ ڈائریکٹر سمیت ہر نان ایگزیکٹو ڈائریکٹر ذیلی کمیٹیوں کے اجلاس سمیت بورڈ آف ڈائریکٹرز کے اجلاسوں میں شرکت کرنے کے معاوضے کے طور پر ایک مقررہ فیس کے مستحق ہیں۔ بورڈ آف ڈائریکٹرز کے اجلاس میں شرکت کے لئے ڈائریکٹرز کی فیس کے علاوہ بورڈ کا چیئرمین ماہانہ معاوضہ

اور دیگر فوائد حاصل کرنے کا حق دار ہوگا جو بورڈ آف ڈائریکٹرز نے منظور کیا ہے۔

7- کمپنی نے 30 جون 2020 کو ختم ہونے والے سال کے لئے 361.519 ملین روپے بعد از ٹیکس خالص خسارہ اٹھایا (195.5282019 ملین روپے کا خسارہ) اور 30 جون 2020 کو اس کے اجتماعی خساروں کی مالیت 384.521 ملین روپے تھی (207.7862019 ملین روپے۔ کمپنی کے موجودہ واجبات مجموعی طور پر 2,341.817 ملین روپے ہیں (2,194.357:2019 ملین روپے) جو موجودہ اثاثوں سے 734.924 ملین روپے زیادہ ہیں (782.6362019 ملین روپے) ان امور سے کمپنی کے جاری ادارے کی حیثیت سے کاروبار جاری رکھنے کی صلاحیت کے بارے میں شکوک و شبہات پائے جاتے ہیں۔ 30 جون، 2020 کو ختم ہونے والے سال کے لئے کمپنی کے مالی گوشوارے جاری ادارے کی بنیاد پر تیار کیے جا رہے ہیں، انتظامیہ کے پاس مارکیٹنگ کی نئی حکمت عملی متعارف کرانے اور آپریشنل اخراجات کو کم کر کے منافع میں اضافے کا منصوبہ ہے جس سے منافع میں بہتری آئے گی اور کمپنی کی ورکنگ کپیٹل کی ضروریات کو پورا کیا جاسکے گا۔ کمپنی قرض کی ری پروفا ٹکنگ پر بھی غور کر رہی ہے اور اس درمیانی عرصے میں، کمپنی کو لیکویڈیٹی کی کسی رکاوٹوں کو پورا کرنے کے لئے اسپانسر کی معاونت تک رسائی حاصل ہے۔ انتظامیہ کو امید ہے کہ مستقبل میں ہونے والا منافع جمع شدہ نقصان ختم کر دے گا اور کمپنی اپنی تمام ذمہ داریوں کو پورا کر سکے گی۔

8- کمپنی نے اپنی متعلقہ پارٹیوں کے ساتھ لین دین کیا۔ ان سودوں کی تفصیلات مالیاتی گوشواروں کے نوٹ نمبر 45 میں ظاہر کی گئی ہیں۔

9- کارپوریٹ گورننس کے بہترین طور طریقوں سے، جیسا کہ لاگو PSX ضابطوں میں تفصیل بیان کی گئی ہے، کوئی مادی انحراف نہیں کیا گیا ہے۔

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

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

12- ذیل میں پروویڈنٹ فنڈ کے ذریعہ 30 جون، 2020 تک سرمایہ کاری کی مالیت ہے، جو تازہ ترین آڈٹ شدہ اکاؤنٹس پر مبنی ہے:

2019	2020
(روپے '000 میں)	
237,296	227,942

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

ہولڈنگ کمپنی

میسرز سکندر (پرائیویٹ) لمیٹڈ ڈائیکس ایئرٹ کی 63.18% شیئر ہولڈنگ کی بدولت اس کی ہولڈنگ کمپنی ہے۔

موجودہ آڈیٹرز، میسرز BDO ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 61 ویں سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی بنا پر انہوں نے خود کو دوبارہ تقرر کے لیے پیش کیا ہے۔ جیسا کہ کوڈ آف کارپوریٹ گورننس کا تقاضا ہے، بورڈ آڈٹ کمیٹی نے 30 جون 2021 کو ختم ہونے والے مالی سال کے لیے کمپنی کے آڈیٹرز کی حیثیت سے ان کی دوبارہ ترقی کی سفارش کی ہے اور بورڈ، بورڈ آڈٹ کمیٹی کی سفارش سے اتفاق کرتا ہے لہذا اس نے کمپنی کے شیئر ہولڈرز سے ان کی دوبارہ ترقی کی سفارش کی ہے۔

تقرری کے لیے سفارش کردہ آڈیٹرز انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے ”کوالٹی کنٹرول ریویو پروگرام“ کے تحت اطمینان بخش ریٹنگ کے حامل ہیں۔

پیٹرین آف شیئر ہولڈنگ

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

بیلنس شیٹ کے بعد رونما ہونے والے واقعات اور اہم تبدیلیاں

معزز سپریم کورٹ آف پاکستان نے 13 اگست 2020 کو گیس انفراسٹرکچر ڈیولپمنٹ سیس کے معاملے میں حکومت کے حق میں فیصلہ دیا ہے۔ اس کے نتیجے میں، کمپنی نے ان مالی گوشواروں میں عدالت کے فیصلے کی روشنی میں، قابل ادائیگی جی آئی ڈی سی کی قابل ادارتوں کے لیے مناسب طور پر بندوبست کیا ہے۔

جی آئی ڈی سی کے فیصلے کے سوا، مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے مابین کمپنی کی مالی حیثیت کو متاثر کرنے والی کوئی ٹھوس تبدیلیاں اور معاہدے نہیں ہوئے ہیں۔

مستقبل کے امکانات اور چیلنجز

مالی سال 2021 ملک اور دنیا کی معیشت کے لئے چیلنجوں سے بھرپور ہوگا۔ اللہ تعالیٰ کے فضل و کرم سے، کووڈ-19 کے کیسوں کی تعداد ملک میں زوال پذیر ہے اور صورتحال قابو میں ہے، لیکن اس عالمی وبا کے معیشت پر جو اثرات مرتب ہوئے ہیں ان سے بحالی میں وقت لگے گا۔ یوٹیلٹی کی بڑھتی قیمتوں اور غیر ملکی کرنسی کے مقابلے میں پاکستانی روپے کو کمزور کرنے سے افراط زر میں اضافے کا خدشہ پیدا ہو سکتا ہے جس ایک مزید بڑا خطرہ لاحق ہوتا ہے۔ نمو کی بحالی کا دار و مدار کووڈ منظر نامے کے تحت حکومت کی طرف سے ساختی اصلاحات اور مالی اصلاحات، شرح سود میں کمی اور لیکویڈیٹی محرک پر تیزی سے عملدرآمد پر منحصر ہوگا۔

حکومت نے 'نیا پاکستان' ہاؤسنگ اسکیم کا اعلان کیا ہے، جس سے عوام کو روزگار اور کمپنی کو کاروباری مواقع میسر آئیں گے۔ کمپنی کو سی پیک سے متعلق پروجیکٹس اور ایسے منصوبوں سے کاروبار حاصل کرنے کی بھی امید ہے جو زیرِ اعظم کے اعلان کے مطابق کراچی کی تعمیر نو پیکج کا حصہ ہوں گے۔

اس دوران میں، انتظامیہ خام مال کے نئے ذرائع کی تلاش اور ورکنگ کیپٹل سرمائے پر سخت کنٹرول کی جستجو جاری رکھے گی۔ انتظامی ٹیم مثبت نتائج حاصل کرنے کے لئے کسٹمر بیس کو وسیع کرنے اور نئی منڈیوں کی تلاش پر توجہ دیتی رہے گی۔

اعتراف

ڈائریکٹرز چیئنج سے بھرپور ان معاشی حالات میں انتھک محنت کے لئے ڈاؤن کیس ٹیم کی کاوشوں کا اعتراف 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 اور انشورنس کمپنیوں سے ان مالی طور پر آزمائش بھرے حالات میں کمپنی کی مدد کرنے پر اظہارِ تشکر کرتے ہیں اور کمپنی پر ان کا اعتماد بدستور برقرار رہنے کی امید رکھتے ہیں۔

کراچی: 28 ستمبر 2020

منجانب بورڈ آف ڈائریکٹرز

ابوطالب ایچ۔ کے۔ دادا
ڈائریکٹر








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Proxy Form

The Company Secretary

Dadex Eternit Limited

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

I/We _____ son / daughter /wife of _____

of (full address) _____

being a member(s) of **Dadex Eternit Limited** holding _____

ordinary shares hereby appoint _____

of _____ (full address)

or failing him _____ of

_____ (full address)

who is/are also member(s) of **Dadex Eternit Limited** as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 61st Annual General Meeting of the Company to be held on Wednesday, October 28, 2020 at 01:00 p.m., at Dadex House, 34-A/1, Block-6, PECHS, Shahrah-e-Faisal, Karachi via video conferencing and or at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2020

Signed by the said _____

in the presence of

1 _____

2 _____

Folio/CDC Account No

Signature on
Revenue Stamp
of Rs. 5/-

Important:

- 1 This proxy duly completed and signed, must be received at the Registered Office of the Company, Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, not less than 48 hours before the time of holding the meeting.
- 2 No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
- 3 If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or of the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- iv) In the case of a corporate entity, the Board of Directors resolution/power of attorney with the specimen signature should be submitted (unless it has been provided earlier) along with the proxy form to the Company.

TIMES ARE TOUGH BUT SO ARE WE

مختار نامہ

کمپنی سیکریٹری

ڈاؤنکیس ایئرٹ لمیٹڈ

ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS،

شارع فیصل، کراچی-75400

میں / ہم۔ ولد/بنت / زوجہ۔ سکھ۔

(مکمل پتہ) بحیثیت رکن ڈاؤنکیس ایئرٹ لمیٹڈ، اور

حامل۔ عام حصص، مسی / مسات۔

سکھ۔ (مکمل پتہ) کو یا

ان کی غیر حاضری کی صورت میں مسی / مسات۔

سکھ۔ (مکمل پتہ) جو کہ

ڈاؤنکیس ایئرٹ لمیٹڈ کے حصص دار ہیں کو میری / ہماری غیر حاضری کی صورت میں اپنا / ہمارا مختار مقرر کرتا / کرتی / کرتے ہیں۔ انھیں ہمارے ایماء پر، بروز بدھ 28 اکتوبر، 2020 بوقت دوپہر 01:00 بجے، ڈاؤنکیس ایئرٹ لمیٹڈ، ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS، شارع فیصل، کراچی میں بذریعہ وڈیو کانفرنس منعقد ہونے والے کمپنی کے 61 واں سالانہ اجلاس عام یا کسی بھی التواء کی صورت میں حق رائے دہی استعمال کرنے کی اجازت دینا / دیتی / دیتے ہیں۔

یہ مختار نامہ آج بروز۔ بتاریخ۔ 2020 کو مندرجہ ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

۱۔

۲۔

۳۔

فولیو / سی ڈی سی اکاؤنٹ نمبر

۵ روپے مالیت کے ریونیو ٹکٹ پر دستخط کریں

ضروری ہدایات:

۱۔ یہ مختار نامہ اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل مکمل کوائف اور دستخط کے ہمراہ کمپنی کے رجسٹرڈ آفس ڈاؤنکیس ہاؤس، 34-A/1، بلاک 6، PECHS،

شارع فیصل، کراچی میں جمع کرنا ضروری ہے۔

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

۳۔ اگر کسی رکن نے ایک سے زائد مختار مقرر کیے یا مختار نامے کمپنی میں جمع کرائے تو ایسی صورت میں تمام مختار نامے منسوخ کر دیے جائیں گے۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے:

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

۱۔ مختار نامہ پر ۲ گواہان کے دستخط بعد نام، پتہ اور کمپیوٹر انز دقومی شناختی کارڈ نمبر درج کرنا لازمی ہیں۔

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

۳۔ مختار کو اجلاس کے وقت اپنا اصل کمپیوٹر انز دقومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

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



● **Head Office:**

Dadex House, 34-A/1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi-75400
Tel: (92-21) 111-000-789, 34313860-79
Fax: (92-21) 34315716

● **Dadex Karachi Factory:**

Deh-22, Manghopir Karachi-75890
Tel: (92-21) 36770155-58, 36770160-63
Fax: (92-21) 36770161

● **Dadex Hyderabad Factory:**

P.O. Box No. 10, Badin Road Hyderabad
Tel: (92-22) 3886534, 3886536
Fax: (92-22) 3883993

● **Sundar Factory Lahore:**

Plot No. 561-561/A Sundar Industrial Estate
43-KM, Sundar Raiwind Road, Lahore
Tel: (92-42) 38370386-90
Fax: (92-42) 38370367