



# **FINANCIAL STATEMENTS**

**FOR THE THREE (3)  
MONTHS ENDED  
SEPTEMBER 30, 2022  
(UNAUDITED)**

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## COMPANY INFORMATION

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

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Legal Advisor

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

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Registered Office

Dadex House, 34-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](mailto:info@dadex.com.pk)

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Share Registrar

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

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Website

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

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## DIRECTORS' REVIEW

On behalf of the Board of Directors we take pleasure in presenting the unaudited accounts of the company for the first quarter ended September 30, 2022.

The period under review has been extremely challenging. Increasing inflation, devaluation of the rupee, high interest rates, rising fuel and energy prices, and political instability in the country are the greatest concerns for the Company, which have caused our input costs to rise, and providing major challenges for management.

The Company's gross sales volume was 443.34 million rupees, an increase of 9.50 percent compared to the same period of last year, when gross sales revenue was 404.914 million rupees. Gross Profit improved by 42.77 percent. The company's operating loss increased to Rs. 14.690 million (Sep 2021: Rs. 13.205 million) due to heavy exchange losses caused by the devaluation of the Pakistani rupee against the US dollar and rising energy prices. Financial cost increased by 27.98 percent compared to the prior-year period, contributed to a net loss before taxation of Rs. 52.093 million (Sep 2021: Rs. 42.430 million), resulting in a loss per share of Rs 5.44. (Sep 2021: Earning per share of Rs. 4.50)

Management is always searching for new sources of raw materials and strictly manages working capital. The management team has focused on broadening its customer base and exploring new markets to achieve positive results. Because of the strong brand reputation, the company is aiming to achieve continued success in the coming months.

The Board of Directors would like to thank the management team and acknowledge the continued support and dedication of stakeholders and all cadres of employees of the Company and expect them to put in extra efforts in coming quarters to help the Company to achieve a profitable year.

On behalf of the Board

Director  
Shahzad M. Husain

Chief Executive  
Sikander Dada


Karachi: November 25, 2022

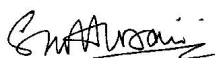
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**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2022**

	<b>September 30, 2022</b>	<b>June 30, 2022</b>
	<b>(Un-audited)</b>	<b>(Audited)</b>
<b>Note</b>	<b>(Rupees in '000')</b>	
<b>ASSETS</b>		
<b>NON - CURRENT ASSETS</b>		
Property, plant and equipment		
Operating fixed assets	7 746,037	760,674
Capital work in progress	8 3,033	1,932
	<u>749,070</u>	<u>762,606</u>
Intangible assets	95	117
Investment property	28,552	29,186
Long-term investment	9 -	-
Long-term loans and advances	1,320	915
Long-term security deposits	20,081	20,081
Deferred tax asset	<u>199,053</u>	<u>199,053</u>
	998,171	1,011,958
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	44,125	42,966
Stock in trade	10 282,264	386,121
Trade debts	11 162,981	113,407
Loans and advances	88,622	97,232
Trade deposits and short term prepayments	74,885	58,620
Other receivables	8,351	198,452
Income tax refund due from Government	129,838	129,838
Taxation - net	100,073	84,308
Cash and bank balances	48,535	60,450
Non-current assets held for sale	<u>723,205</u>	<u>723,205</u>
	<u>1,662,879</u>	<u>1,894,599</u>
<b>TOTAL ASSETS</b>	<u>2,661,050</u>	<u>2,906,557</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized share capital		
12,000,000 (June 30, 2022: 12000,000) ordinary shares of Rs. 10 each	120,000	120,000
8,000,000 (June 30, 2022: 8000,000) 'B' class ordinary shares of Rs. 10 each	80,000	80,000
	<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	12 107,640	107,640
Reserves	(417,315)	(361,295)
Surplus on revaluation of property, plant and equipment	<u>1,052,368</u>	<u>1,054,892</u>
	742,693	801,237
<b>NON - CURRENT LIABILITIES</b>		
Long term financing	-	-
Liabilities against assets subject to finance lease	-	2,915
Deferred income	-	-
GIDC payable	-	-
	-	2,915
<b>CURRENT LIABILITIES</b>		
Trade and other payables	13 995,210	1,072,486
Accrued markup	29,236	26,375
Short-term borrowings	14 825,376	925,567
Current portion of deferred income	-	421
Current portion of liabilities against assets subject to finance lease	11,893	12,899
Current portion of long-term financing	14,950	22,965
Loan from directors	25,000	25,000
Unclaimed dividend	<u>16,692</u>	<u>16,692</u>
	1,918,357	2,102,405
<b>CONTINGENCIES AND COMMITMENTS</b>	15	
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,661,050</u>	<u>2,906,557</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

  
**CHIEF EXECUTIVE**  
**Sikander Dada**

  
**DIRECTOR**  
**Shahzad M. Husain**

  
**CHIEF FINANCIAL OFFICER**  
**Muhammad Yousuf**

**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

	Note	Three months ended	
		September 30, 2022	September 30, 2021
----- (Rupees in '000') -----			
Sales - gross		443,341	404,914
Sales tax		(66,633)	(63,596)
Sales - net	16	376,708	341,318
Cost of sales	17	(309,491)	(294,238)
Gross profit		67,217	47,080
Distribution cost		(31,615)	(22,116)
Administrative expenses		(39,399)	(29,694)
Other expenses		(26,590)	(21,164)
Other income		15,697	12,689
Operating (loss)/profit		(14,690)	(13,205)
Finance costs		(37,403)	(29,225)
(loss) before taxation		(52,093)	(42,430)
Taxation			
Current		(6,451)	(5,991)
Deferred		-	-
		(6,451)	(5,991)
Net (loss) for the period		(58,544)	(48,421)
Earnings per share - basic and diluted (Rupees)	18	(5.44)	(4.50)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

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**Sikander Dada**

**DIRECTOR**  
**Shahzad M. Husain**

**CHIEF FINANCIAL OFFICER**  
**Muhammad Yousuf**



**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

	<b>Three months ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	<b>----- (Rupees in '000') -----</b>	
(Loss) for the period	(58,544)	(48,421)
Other comprehensive income	-	-
Total comprehensive (loss) for the period	<u>(58,544)</u>	<u>(48,421)</u>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

**CHIEF EXECUTIVE**  
**Sikander Dada**

**DIRECTOR**  
**Shahzad M. Husain**

**CHIEF FINANCIAL OFFICER**  
**Muhammad Yousuf**





**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

	Note	Three months ended	
		September 30, 2022	September 30, 2021
----- (Rupees in '000') -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	157,409	85,707
Finance cost paid		(34,542)	(11,795)
Taxes paid		(22,216)	(12,774)
Net cash generated from operating activities		100,651	61,138
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,101)	(7)
Addition to intangible assets		-	-
Proceeds from disposal of fixed assets		1,067	-
Long term security deposits		(405)	(219)
Interest received		-	8
Net cash used in investing activities		(439)	(218)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of liabilities against assets subject to finance lease		(3,921)	(5,508)
Long-term financing - net		(8,015)	1,670
Repayment of long term Sponsors / Directors' loan		-	-
Short term borrowings - net		(60,191)	(30,000)
Dividend paid		-	-
Net cash used in financing activities		(72,127)	(33,838)
Net increase / (decrease) in cash and cash equivalents		28,085	27,082
Cash and cash equivalents at the beginning of the period		(439,310)	(659,830)
Cash and cash equivalents at the end of the period		(411,225)	(632,748)
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances		48,535	29,784
Short-term borrowings		(459,760)	(662,532)
		(411,225)	(632,748)

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.

**CHIEF EXECUTIVE**  
**Sikander Dada**

**DIRECTOR**  
**Shahzad M. Husain**

**CHIEF FINANCIAL OFFICER**  
**Muhammad Yousuf**

**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

	Reserves					Total	Grand total
	Capital reserve		Revenue reserve				
	General reserve	Revaluation surplus	General	Unappropriated profit / (accumulated losses)			
	(Rupees in '000')						
Balance as at July 1, 2021	107,640	5,655	1,169,490	-	(398,744)	776,401	884,041
Transferred from general reserve to unappropriated profit			-	-	-	-	-
Total comprehensive (loss) for the three months ended September 30, 2021							
Net (loss) for the period	-	-	-	-	(48,421)	(48,421)	(48,421)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(48,421)	(48,421)	(48,421)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(6,196)	-	6,196	-	-
Balance as at September 30, 2021	107,640	5,655	1,163,294	-	(440,969)	727,980	835,620
Balance as at July 1, 2022	107,640	5,655	1,054,892	-	(366,950)	693,597	801,237
Total comprehensive (loss) for the three months ended September 30, 2022							
Net (loss) for the period	-	-	-	-	(58,544)	(58,544)	(58,544)
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	(58,544)	(58,544)	(58,544)
Transferred from Surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(2,524)	-	2,524	-	-
Balance as at September 30, 2022	107,640	5,655	1,052,368	-	(422,970)	635,053	742,693

The annexed notes from 1 to 26 form an integral part of these condensed interim financial information.



**CHIEF EXECUTIVE**  
**Sikander Dada**



**DIRECTOR**  
**Shahzad M. Husain**



**CHIEF FINANCIAL OFFICER**  
**Muhammad Yousuf**

**DADEX ETERNIT LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2022**

**1 THE COMPANY AND ITS OPERATIONS**

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

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

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

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

**3 BASIS OF PREPARATION**

**3.1 Statement of compliance**

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

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

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

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

This condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2022, which have been prepared in accordance with approved accounting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last declared financial statements.

The comparative statement of financial position presented in this condensed interim financial information has been extracted from the annual audited financial statements of the Company for the year ended June 30, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the Three months ended September 30, 2022.

### **3.2 Basis of measurement**

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

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

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

## **4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted and methods of computation followed in the preparation of this condensed interim financial information are same as those for the preceding annual financial statements for the year ended June 30, 2022.

## **5 ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information requires management to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended June 30, 2022.

## **6 TAXATION**

The provisions for taxation for the three months ended September 30, 2022, have been made using the estimated effective tax rate applicable to expected total annual earnings. The applicable income tax rate is 29% for the Tax Year 2023 as stipulated through Finance Act 2022.

	Note	September 30, 2022 (Un-audited)	June 30, 2022 (Audited)
		(Rupees in '000')	
<b>7</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	746,037	760,674
	Capital work-in-progress	3,033	1,932
		<u>749,070</u>	<u>762,606</u>
<b>7.1</b>	<b>Operating fixed assets</b>		
	Opening net book value (NBV)	760,674	1,495,189
	Revaluation surplus	-	60,134
	Transfer to non-current assets held for sale	-	(723,205)
	Disposal	(16)	(66)
	Additions / transfers during the period at cost	7.1.1 -	4,712
		<u>760,658</u>	<u>836,764</u>
	Depreciation charge for the period / year	(14,621)	(76,090)
		<u>(14,621)</u>	<u>(76,090)</u>
	Closing net book value NBV	<u>746,037</u>	<u>760,674</u>
7.1.1	Detail of additions (at cost) during the period / year are as follows:		
	Owned		
	Factory building on freehold and leasehold land	-	2,748
	Plant and machinery	-	15,068
	Vehicles and transportation equipment	-	1,874
	Office and factory equipment	-	440
	Right-of-use-assets		
	Plant and machinery	-	(14,247)
	Vehicles and transportation equipment	-	(1,171)
		<u>-</u>	<u>4,712</u>
<b>8</b>	<b>Capital work in progress</b>		
	Plant and machinery	2,724	1,832
	Office & factory equipment	241	32
	Intangible	68	68
		<u>3,033</u>	<u>1,932</u>
8.1	Movement of carrying amount is as follows:		
	Opening balance	1,932	6,778
	Additions (at cost) during the period / year	1,101	5,153
		<u>3,033</u>	<u>11,931</u>
	Transfer to operating fixed assets during the period / year	-	(9,999)
	Closing balance	<u>3,033</u>	<u>1,932</u>

	<b>Note</b>	<b>September 30, 2022 (Un-audited) (Rupees in '000')</b>	<b>June 30, 2022 (Audited)</b>
<b>9 LONG-TERM INVESTMENT</b>			
Investment in associate		5,000	5,000
Less: Impairment in value		(5,000)	(5,000)
	9.1	<u>-</u>	<u>-</u>
9.1 The Company has 48.04 percent (June 30 2022: 48.04 percent) shareholding i.e 625,000 (June 30, 2022: 625,000) ordinary shares of Rs.10/- each of Berdex Construction Chemicals (Private) Limited.			
	<b>Note</b>	<b>September 30, 2022 (Un-audited) (Rupees in '000')</b>	<b>June 30, 2022 (Audited)</b>
<b>10 STOCK-IN-TRADE</b>			
Raw material in hand		81,204	120,238
in transit		-	19,476
		<u>81,204</u>	<u>139,714</u>
Work-in-process		28,373	25,728
Finished goods			
Manufactured		133,763	179,474
Trading		38,924	41,205
		<u>172,687</u>	<u>220,679</u>
		<u>282,264</u>	<u>386,121</u>
10.1 Finished goods are net off provision of Rs. 93.744 million (June 30, 2022: Rs.100.409 million).			
	<b>Note</b>	<b>September 30, 2022 (Un-audited) (Rupees in '000')</b>	<b>June 30, 2022 (Audited)</b>
<b>11 TRADE DEBTS</b>			
(Unsecured - considered good)		162,981	113,407
(Unsecured - considered doubtful)			
Due from Turnkey project		17,414	17,414
Due from others		155,969	155,969
		<u>173,383</u>	<u>173,383</u>
		336,364	286,790
Allowance for expected credit loss			
Turnkey project		(17,414)	(17,414)
Others		(155,969)	(155,969)
		<u>(173,383)</u>	<u>(173,383)</u>
		<u>162,981</u>	<u>113,407</u>

			<b>September 30, 2022</b>	<b>June 30, 2022</b>
		<b>Note</b>	<b>(Un-audited)</b>	<b>(Audited)</b>
			<b>(Rupees in '000')</b>	
<b>12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>				
September 30, 2022    June 30, 2022				
Number of Shares				
1,714,264	1,714,264	Ordinary shares of Rs.10/-each issued for cash	17,143	17,143
476,386	476,386	Issued for consideration other than cash	4,764	4,764
8,573,309	8,573,309	Issued as fully paid bonus shares	85,733	85,733
<u>10,763,959</u>	<u>10,763,959</u>		<u>107,640</u>	<u>107,640</u>

- 12.1 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.
- 12.2 The Holding Company holds 6,800,648 (June 30, 2022: 6,800,648) ordinary shares representing 63.18 percent (June 30, 2022: 63.18 percent) shareholding as at the balance sheet date.
- 12.3 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.

### 13 TRADE AND OTHER PAYABLES

Trade creditors	571,730	603,685
Accrued liabilities	126,402	109,367
Advance from customers	165,957	239,416
Advance from tenants	8,426	1,699
Security deposits from distributors and others	14,090	14,090
Workers' Profit Participation Fund payable	932	932
Workers' Welfare Fund	7,557	7,557
Sales tax and excise duty payable	4,508	338
Payables to employees	-	-
Infrastructure cess payable	40,913	40,913
Current portion of GIDC payable	29,343	29,614
With holding tax	24,279	24,279
Others	1,073	596
	<u>995,210</u>	<u>1,072,486</u>

	Note	September 30, 2022 (Un-audited) (Rupees in '000')	June 30, 2022 (Audited)
<b>14 SHORT TERM BORROWINGS</b>			
Secured			
Karobar finance	14.1	178,969	214,160
Running finance-I	14.2	459,760	499,760
Tijarah finance	14.3	75,000	100,000
Istisna finance	14.4	111,647	111,647
		825,376	925,567

14.1 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 216 million (June 30, 2022: Rs. 216 million) out of which Rs. 37.031 million (June 30, 2022: Rs. 1.84 million) remains unutilized as at the balance sheet date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2022: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rate 6 months KIBOR+3% (June 30, 2022: 6 months KIBOR+3%) per annum.

14.2 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2022: Rs. 500 million) out of which Rs. 40.240 million (June 30, 2022: Rs. 0.240 million) remains unutilized as at the balance sheet date. These financing facilities are secured by creation of first pari-passu charge against hypothecation of the Company's stock in trade and trade debts of Rs. 1,448 million (June 30, 2022: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 million (June 30, 2022: Rs. 934 million ) over land and building of the Company situated at 21-22 Manghopir Road, Tapo Manghopir, Karachi. these facilities carry mark-up rate 3 months KIBOR+2.75% (June 30, 2022: 3 months KIBOR+2.75%) per annum.

14.3 The facility of Rs. 75 million (June 30, 2022: Rs. 100 million) has been obtained from Al-Baraka Bank Limited under Tijarah financing. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment (Sunder factory) located at Lahore and Company's stock in trade. Both of the financing facility carries markup at 6 months KIBOR+3% (June 30, 2022: 6 months KIBOR+3%) per annum.

14.4 The facility of Rs. 150 million (June 30, 2022: 150 million) has been obtained from Habib Metropolitan Bank out of which Rs. 38.353 million (June 30, 2022: Rs. 38.353 million) remains unutilized as at the reporting date. This facility is secured by creation of 100% cash collateralized of lien on Islamic Naya Pakistan certificate (INPC) placed by three Share holders of the company, of equivalent amount as proposed. This facility carries mark-up rates ranging from 6 months KIBOR + 2% (June 30, 2022: 6 months KIBOR + 2%) per annum.



## 15 CONTINGENCIES AND COMMITMENTS

### 15.1 Contingencies

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

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

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

### 15.2 Commitments

Outstanding letters of credit	78,516	78,516
Outstanding letter of guarantee	39,147	34,721
Postdated cheques	6,681	6,681
Outstanding contracts	609,676	478,149
Duties payable on goods in transit	16,711	12,416
	<u>750,731</u>	<u>610,483</u>

**16 SALES**

	<b>Three months ended</b>	
	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	<b>----- (Rupees in '000') -----</b>	
Local sales	411,934	404,914
Export sales	31,407	-
Gross sales	<u>443,341</u>	<u>404,914</u>
Sales tax	<u>(66,633)</u>	<u>(63,596)</u>
	<u><u>376,708</u></u>	<u><u>341,318</u></u>

**17 COST OF SALES**

Manufactured goods		
Raw materials consumed		
Opening stock	139,714	122,561
Purchase	130,541	191,273
Closing stock	<u>(81,204)</u>	<u>(107,272)</u>
Raw materials consumed	<u>189,051</u>	<u>206,562</u>
Manufacturing overheads		
Stores and spares consumed	5,782	2,609
Salaries, wages and other benefits	12,709	14,219
Procured services	17,492	11,506
Fuel, water and power	21,848	14,535
Insurance	1,422	1,010
Travelling	50	31
Communication	153	260
Depreciation	8,825	13,186
Rent, rates and taxes	690	1,968
Repairs and maintenance	2,735	1,819
Printing and stationary	48	76
Other expenses	369	390
	<u>72,123</u>	<u>61,609</u>
	261,174	268,171
Work-in-process		
Opening stock	25,728	97,816
Closing stock	<u>(28,373)</u>	<u>(84,055)</u>
Cost of goods manufactured	<u>258,529</u>	<u>281,932</u>
Finished goods		
Opening stock	179,474	200,182
Closing stock	<u>(133,763)</u>	<u>(210,943)</u>
	<u>304,240</u>	<u>271,171</u>
Trading goods		
Opening stock	41,205	40,108
Purchase	2,970	23,044
Closing stock	<u>(38,924)</u>	<u>(40,085)</u>
	<u>5,251</u>	<u>23,067</u>
	<u><u>309,491</u></u>	<u><u>294,238</u></u>

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

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

	Three months ended	
	September 30, 2022	September 30, 2021
Net profit for the year (in thousands)	(58,544)	(48,421)
Weighted average number of ordinary shares (in thousands)	10,764	10,764
Earnings per share - basic and diluted	(5.44)	(4.50)

**19 CASH GENERATED FROM OPERATIONS**

	Three months ended	
	September 30, 2022	September 30, 2021
Profit before taxation	(52,093)	(42,430)
Adjustment for non-cash and other items		
Depreciation		
Property, plant and equipment	12,981	16,640
Right to use assets	1,640	2,577
Investment property	634	634
Amortization	22	27
Gain on disposal of property, plant and equipment	(1,051)	-
Interest income	-	(8)
Finance costs	37,403	29,225
Amortization of deferred income	(421)	(1,217)
Working capital changes	158,294	80,259
	19.1	
	157,409	85,707

**19.1 Working capital changes**

	Three months ended	
	September 30, 2022	September 30, 2021
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(1,159)	(76)
Stock in trade	103,857	18,312
Trade debts	(49,574)	14,948
Loans and advances	8,610	(83,970)
Trade deposits and short-term prepayment	(16,265)	(25,392)
Other receivable	190,101	7,925
	235,570	(68,253)
Increase / (decrease) in current liabilities		
Trade and other payable	(77,276)	148,512
	158,294	80,259



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

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

Relation with the company	Nature of transaction	Note	Three months ended	
			September 30, 2022	September 30, 2021
			----- (Rupees in '000') -----	
Sikander (Private) Limited (Holding Company)	Rent paid		1,425	1,296
Berger Paints Pakistan Limited (Associated Company)	Purchase of goods		-	77
Provident fund	Contribution to staff retirement benefit plans		1,464	1,337
Key management personnel	Remuneration and other benefits		3,408	3,636
Loan from Ayesha Allahwala			20,000	-
Loan from Sikander Dada			5,000	-
			September 30, 2022	June 30, 2022
			(Un-audited)	(Audited)
			(Rupees in '000')	
20.2	Period / year end balances			
	Payable to related parties		(1,425)	(1,356)

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



**21 OPERATING SEGMENTS**

**21.1 Segment Analysis**

	Chrysotile Cement	Plastic	Others	Total
<b>Three months ended September 30, 2022 (Un-audited)</b>	------(Rupees '000)-----			
Turnover	178,703	198,005		376,708
Segment result	1,424	(5,221)		(3,797)
Unallocated expenses				
Other operating expenses				(26,590)
Other income				15,697
Finance costs				(37,403)
Taxation				(6,451)
Net profit for the period				(58,544)
<b>Three months ended September 30, 2021 (Un-audited)</b>				
Turnover	66,654	274,664		341,318
Segment result	(9,446)	4,716		(4,730)
Unallocated expenses				
Other operating expenses				(21,164)
Other income				12,689
Finance costs				(29,225)
Taxation				(5,991)
Net profit for the period				(48,421)

**21.2 Segment assets and liabilities**

**September 30, 2022 (Un-audited)**

Segment assets	373,900	477,183	117,391	968,474
Unallocated corporate assets				1,692,576
Total assets				2,661,050
Segment liabilities	391,299	436,060	12,304	839,663
Unallocated corporate liabilities				1,078,694
Total liabilities				1,918,357

**June 30, 2022 (Audited)**

Segment assets	401,356	527,409	115,369	1,044,134
Unallocated corporate assets				1,862,423
Total assets				2,906,557
Segment liabilities	404,356	421,325	12,070	837,751
Unallocated corporate liabilities				1,267,569
Total liabilities				2,105,320

**22 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

**23 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

**24 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on November 25, 2022 by the Board of Directors of the Company.

**25 CORRESPONDING FIGURES**

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

**26 GENERAL**

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



**CHIEF EXECUTIVE**  
Sikander Dada



**DIRECTOR**  
Shahzad M. Husain



**CHIEF FINANCIAL OFFICER**  
Muhammad Yousuf

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