

65^{YEARS}
1959 - 2024

of
Innovation,
Quality,
Trust, and
Reliability

FINANCIAL STATEMENTS

Q2

FOR THE SIX (6) MONTHS
ENDED DECEMBER 31, 2024
(UNAUDITED)

DADEX



**65 years of
Innovation, Quality,
Trust, and Reliability**

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Company Information

Board of Directors	Mr. Shahzad M. Husain - Chairman	(Non - Executive Director)
	Mr. Sikander Dada	(Non - Executive Director)
	Mr. Abu Talib H.K. Dada	(Non - Executive Director)
	Mr. Khwaja Samiullah Askari	(Non - Executive Director)
	Syed Shahid Ali Bukhari	(Independent Director)
	Mrs. Ayesha Tariq Allawala	(Independent Director)
	Mrs. Amber Ahmed Motiwala	(Female Director)
	Mr. Samad Dada	Chief Executive
<hr/>		
Chief Financial Officer & Company Secretary	Mr. Muhammad Yousuf	
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Head of Internal Audit	Mr. Muhammad Arif	
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Board Audit Committee	Syed Shahid Ali Bukhari	- Chairman
	Mr. Shahzad M. Husain	- Member
	Mr. Khwaja Samiullah Askari	- Member
	Mrs. Amber Ahmed Motiwala	- Member
<hr/>		
Human Resource Remuneration Committee	Mrs. Ayesha Tariq Allawala	- Chairperson
	Mr. Abu Talib H.K. Dada	- Member
	Mr. Khwaja Samiullah Askari	- Member
	Mrs. Amber Ahmed Motiwala	- Member
<hr/>		
Management Team	Mr. Samad Dada	- Chief Executive Officer
	Mr. Muhammad Yousuf	- Chief Financial Officer & Company Secretary
	Lt. Cdr. (Retd.) Saeed Ahmed Khan	- General Manager Admin & HR
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Auditors	BDO Ebrahim & Co., Chartered Accountants	
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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	

Legal Advisor

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

Registered Office

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

Share Registrar

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

Website

www.dadex.com

Directors' Review

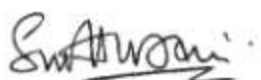
The Directors are pleased to present their review together with the financial statements of the Company for six months ended December 31, 2024.

Pakistan's economic stability is essential for promoting growth, employment, and enhancing living standards. Recent years have presented global challenges, including supply chain disruptions, inflation, and escalating energy prices. In response, the Company has proactively implemented measures to mitigate risks and strengthen its financial position by reducing costs and diversifying its market presence. We remain committed to adapting to the evolving business landscape.

Amid these challenges, the Company experienced a decline in sales performance during the current reporting period compared to the previous year. Gross sales decreased from Rs. 515.64 million to Rs. 486.820 million, reflecting a reduction of Rs. 28.824 million over six months as of December 2024. Net sales for the review period stood at Rs. 404.932 million, marking a 6.312% decrease from the corresponding period last year. Notably, the cost of sales declined by 3.17%, and distribution expenses were reduced by 36.58%. However, administrative costs increased by 32.94% year-over-year.

The Company reported an operating loss of Rs. 108.440 million, an increase from the Rs. 28.3414 million loss reported in December 2024. Financial charges decreased by 19.18%, resulting in a net loss after tax of Rs. 178.280 million, compared to Rs. 166.505 million in December 2023. Consequently, the loss per share was Rs. 17.86, in contrast to a loss per share of Rs. 16.38 in December 2023.

Despite these financial setbacks, we remain resolute in our commitment to navigating these challenges and pursuing profitability in the forthcoming period. Through the collective efforts of our workforce and management team, we maintain an optimistic outlook, confident in our ability to overcome adversity and chart a course toward success. We extend our gratitude to our shareholders and stakeholders for their steadfast support during these challenging times.



Shahzad M. Husain
Director



Samad Dada
Chief Executive Officer

Karachi: February 27, 2025

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF DADEX ETERNIT LIMITED

Introduction

We have reviewed the accompanying condensed interim statements of financial position of DADEX ETERNIT LIMITED ("the Company") as at December 31, 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the half year then ended (here-in-after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matters

We draw attention to the following matters:

1. We draw attention to the contents of note 2 to the draft condensed interim financial statements, that the Company incurred a net loss of Rs. 192.282 million during the half year ended December 31, 2024 and, as of that date, the Company's accumulated losses stood at Rs. 1,290.930 million and the current liabilities exceeded its current assets by Rs. 988.722 million. These events or conditions along with other factors disclosed in the above-mentioned note indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.
2. We draw attention to note 10 of the financial statements states that the Company has recognized deferred tax asset on the basis of availability of taxable profits in future years based on financial projections. The preparation of financial projection involves management assumptions regarding future business and economic conditions and significant change in assumptions may have impact on recoverability of deferred tax assets.

Our conclusion is not modified in respect of above matters.



Other matters

The figures for the quarters ended December 31, 2024 and December 31, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 26 MAR 2025


UDIN: RR202410166wTJRi7D5g


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT December 31, 2024

		December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited)
	Note		
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	9	1,130,785	1,148,639
Capital work in progress		1,932	1,932
		<u>1,132,717</u>	<u>1,150,571</u>
Investment property		22,843	24,112
Long-term loans		282	454
Long-term deposits		14,715	14,715
Deferred tax asset	10	<u>140,341</u>	<u>145,786</u>
		<u>1,310,898</u>	<u>1,335,638</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		43,715	42,624
Stock-in-trade	11	194,656	192,153
Trade debts	12	7,515	48,635
Loans and advances	13	95,206	38,606
Trade deposits and short term prepayments		68,329	40,585
Other receivables		30,445	22,093
Income tax refund due from Government		205,691	243,816
Taxation - net		16,508	38,477
Cash and bank balances	14	<u>19,437</u>	<u>49,098</u>
		<u>681,502</u>	<u>716,087</u>
Non-current assets held for sale	15	<u>723,205</u>	<u>723,205</u>
		<u>2,715,605</u>	<u>2,774,930</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
12,000,000 (June 30, 2024: 12,000,000) ordinary shares of Rs. 10 each		120,000	120,000
8,000,000 (June 30, 2024: 8,000,000) 'B' class ordinary shares of Rs. 10 each		80,000	80,000
		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital		107,640	107,640
Share premium		5,655	5,655
Reserves		(1,290,930)	(1,108,194)
Surplus on revaluation of fixed assets		<u>1,497,243</u>	<u>1,506,789</u>
		<u>319,608</u>	<u>511,890</u>
NON - CURRENT LIABILITIES			
Lease liabilities		2,568	3,875
CURRENT LIABILITIES			
Trade and other payables	16	1,619,845	1,469,714
Short-term borrowings	17	658,271	669,111
Loan from directors	18	55,000	65,000
Accrued markup		41,466	37,800
Current portion of lease liabilities		2,630	1,323
Unclaimed Dividend		<u>16,217</u>	<u>16,217</u>
		<u>2,393,429</u>	<u>2,259,165</u>
		<u>2,715,605</u>	<u>2,774,930</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Samad Dada
Chief Executive


Shahzad M. Husain
Director



Muhammad Yousuf
Chief Financial Officer

DADEX

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

Note	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousands)			
Sales - gross	486,820	515,644	218,904	345,089
Sales tax	(81,888)	(83,431)	(36,841)	(57,641)
Sales - net	404,932	432,213	182,063	287,448
Cost of sales	(400,843)	(413,961)	(178,909)	(292,632)
Gross profit	4,089	18,252	3,154	(5,184)
Distribution cost	(36,466)	(57,502)	(17,840)	(25,015)
Administrative expenses	(107,702)	(81,014)	(59,772)	(40,995)
Other expenses	(39,532)	(300)	(22,043)	(150)
Other income	71,171	40,468	41,190	52,882
Operating loss	(108,440)	(80,096)	(55,311)	(18,462)
Finance costs	(69,840)	(86,409)	(32,941)	(40,912)
Loss before income tax and minimum tax differential	(178,280)	(166,505)	(88,252)	(59,374)
Minimum tax differential	-	-	-	-
Loss before income tax	(178,280)	(166,505)	(88,252)	(59,374)
Taxation	(14,002)	(9,825)	(8,480)	(5,853)
Loss for the period	(192,282)	(176,330)	(96,732)	(65,227)
Loss per share - basic and diluted (Rupees)	(17.86)	(16.38)	(8.99)	(6.06)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Samad Dada
Chief Executive



Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousands)			
Loss for the period	(192,282)	(176,330)	(96,732)	(65,227)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	<u>(192,282)</u>	<u>(176,330)</u>	<u>(96,732)</u>	<u>(65,227)</u>

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director

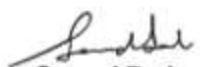

Muhammad Yousuf
 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED DECEMBER 31, 2024

	Issued, subscribed and paid-capital		Reserves			
	Ordinary shares	Share premium	Capital Reserve Revaluation surplus	Revenue Reserve Accumulated losses	Total Reserve	Total
(Rupees in thousands)						
Balance as at July 1, 2023 (audited)	107,640	5,655	1,525,882	(776,884)	754,653	862,293
Total comprehensive loss						
Loss for the period	-	-	-	(176,330)	(176,330)	(176,330)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(176,330)	(176,330)	(176,330)
Transferred to accumulated losses in respect of incremental depreciation during the period	-	-	(1,026)	1,026	-	-
Balance as at December 31, 2023 (un-audited)	107,640	5,655	1,524,856	(952,188)	578,323	685,963
Balance as at July 1, 2024 (audited)	107,640	5,655	1,506,789	(1,108,194)	398,595	511,890
Total comprehensive loss						
Loss for the period	-	-	-	(192,282)	(192,282)	(192,282)
Other comprehensive income	-	-	-	-	-	-
	-	-	-	(192,282)	(192,282)	(192,282)
Transferred to accumulated losses in respect of incremental depreciation during the period	-	-	(9,546)	9,546	-	-
Balance as at December 31, 2024 (un-audited)	107,640	5,655	1,497,243	(1,290,930)	206,313	319,608

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Samad Dada
 Chief Executive

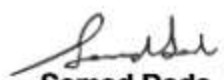

Shahzad M. Husain
 Director


Muhammad Yousuf
 Chief Financial Officer


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

		Half year ended	
		December 31, 2024	December 31, 2023
	Note	(Rupees in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	23	(2,691)	158,426
Finance cost paid - net		(66,175)	(87,925)
Taxes paid		51,539	(27,808)
Net cash (used in) / generated from operating activities		(17,327)	42,693
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property, plant and equipment		(10,582)	(26,777)
Proceeds from disposal of fixed assets		8,465	-
Interest income received		623	7,882
Net cash (used in) investing activities		(1,494)	(18,895)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments		-	(1,531)
Dividend paid		-	(471)
Net cash (used in) financing activities		-	(2,002)
Net (decrease) / increase in cash and cash equivalents		(18,821)	21,796
Cash and cash equivalents at beginning of the period		(620,013)	(654,834)
Cash and cash equivalents at end of the period		(638,834)	(633,038)
CASH AND CASH EQUIVALENTS			
Cash and bank balances	14	19,437	46,070
Short-term borrowings	17	(658,271)	(679,108)
		(638,834)	(633,038)

The annexed notes from 1 to 30 form an integral part of these condensed interim financial statements.


Samad Dada
 Chief Executive


Shahzad M. Husain
 Director


Muhammad Yousuf
 Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2024**

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.

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

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

- 1.2** At the reporting date, Sikandar (Private) Limited (the Holding Company) holds 6,800,648 (June 30,2024) ordinary shares representing 63.18% (June 30,2024) shareholding.

2 MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

One of the Company's factory, which is located at Deh-22, Manghopir, Karachi, has been closed since March 30, 2021. The factory was closed down as dispute had arisen between management and labor union regarding retrenchment of some labor working at chrysotile cement roofing and pipe plant which was used to manufacture chrysotile cement roofing and pipes. The labor union went on strike as a result whole factory was closed down.

The Company has been facing various challenges for past many years which include, but were not limited to, decline in export sales, procurement of raw material, high inflation, exorbitant energy costs, domestic debt burdens, domestic labor union conflicts and stringent conditions associated with International Monetary Fund (IMF) support. These unprecedented internal and external factors placed considerable pressure on the manufacturing sector, leading to reduced demand and capacity utilization resulting in heavy losses and financial instability of the Company. The Company incurred a net loss of Rs. 192.282 million during the half year ended December 31,2024 and, as of that date, the Company's accumulated losses stood at Rs.1,290.930 million and the current liabilities exceeded its current assets by Rs. 988.722 million. These events or conditions along with other factors disclosed above indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

However, these condensed interim financial statements have been prepared on going concern basis based on following:

- the Company has successfully renewed its financial facility with National Bank of Pakistan (NBP) subsequent to the period end refer note 17.1;
- the management has plans to increase profitability by introducing new marketing strategies and cutting down operational expenses which will improve profitability and meet working capital requirements of the Company.
- the Company sponsors support to meet any liquidity constraints and discharge its obligation as and when arises refer note 18. The Company has obtained unconditional financial support letter from Sikander (Private) Limited – the Holding Company to meet working capital requirements at least next twelve months from reporting date; and
- the Company is actively pursuing to sell the factory situated in Karachi classified as held for sale (refer note 15). The management is committed and confident that factory's property will be disposed off in near future.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements of the Company have 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:

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

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

These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2024. 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 annual financial statements.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2024 and December 31, 2023 and notes forming part thereof have not been reviewed by the statutory auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2024 and December 31, 2023.

The condensed interim financial statements are unaudited and being submitted to members as required under section 237 of the Companies Act 2017 and Listing Regulations of Pakistan Stock Exchange.

3.2 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani Rupees (Rupees or Rs.) which is the functional and presentation currency of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computations adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual audited financial statements for the year ended June 30, 2024.

5 EFFECT OF CHANGE IN ACCOUNTING POLICY

As stated in note 5.26 to the annual financial statements as at and for the year ended June 30, 2024, the Company has changed its accounting policy to recognise minimum and final taxes as 'Levy'. The above changes were made in accordance with the requirements of IAS 8, 'Accounting Policies, Change in Accounting Estimates and Errors' in the annual financial statements as at and for the year ended June 30, 2024 with retrospective effect. However, this change does not have any effect on these condensed interim financial statements.

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks. These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended June 30, 2024. There have been no change in any risk management policies since the year end.

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

7.1 New accounting standards, amendments and IFRS interpretations that are effective for the half year ended December 31, 2024

The following standards, amendments and interpretations are effective for the half year ended December 31, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have any material impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 01, 2024
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 01, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 01, 2024

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

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

Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 01, 2026
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 01, 2025
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding nature-dependent electricity contracts that are often structured as power purchase agreements (PPAs)	January 01, 2026
IFRS 17 Insurance Contracts	January 01, 2026

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

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP)

8 ACCOUNTING ESTIMATES ASSUMPTION AND JUDGEMENTS

The preparation of condensed interim financial statements is in conformity with the accounting and reporting standards as applicable in Pakistan. It is the responsibility of the management to make estimates, assumptions and use judgements that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are same as those applied in the Company's annual financial statements as at and for the year ended June 30, 2024.

	Note	December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited)
9 OPERATING FIXED ASSETS			
Fixed assets	9.1	1,126,111	1,143,068
Right-of-use assets		4,674	5,571
		<u>1,130,785</u>	<u>1,148,639</u>
9.1 Fixed assets			
Opening net book value (NBV)		1,143,067	443,629
Transfer from capital work in progress during the period / year at cost		10,582	39,365
Transfer from non-current asset held for sale		-	746,307
		<u>1,153,649</u>	<u>1,229,301</u>
Disposals during the period / year at NBV	9.1.1	(1)	(23,994)
Depreciation charge for the period / year		(27,537)	(62,240)
		<u>(27,538)</u>	<u>(86,234)</u>
Closing net book value (NBV)		<u>1,126,111</u>	<u>1,143,067</u>

9.1.1 The assets disposed off during the period were fully depreciated.

10 DEFERRED TAXATION

The Company has total deferred tax asset amounted to Rs. 231.928 million and deferred tax liability of Rs. 14.827 million at reporting date. The Company recorded deferred tax liability of Rs. 14.827 million and deferred tax asset of Rs. 155.168 million out of Rs.231.928 million. The deferred tax asset has been recorded based on the financial projections of the Company which have been prepared by the management. The financial projections prepared by the management are based on the assumptions and judgments including various factors such as estimation of future sales and growth of the Company etc. expected to be achieved during the next five years.

		December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited)
	Note		
11 STOCK-IN-TRADE			
Raw materials			
- in hand		71,818	60,932
Work-in-process		9,198	20,224
Finished goods			
- manufactured	11.1	96,485	91,967
- trading	11.2	17,155	19,030
		113,640	110,997
	11.3	194,656	192,153
11.1 Finished goods - manufacture			
Manufactured goods - at cost		119,019	104,995
Provision for slow moving stock		(22,533)	(13,028)
		96,486	91,967
11.2 Finished goods - trading goods			
Trading goods - at cost		78,919	80,671
Provision for slow moving stock		(61,764)	(61,641)
		17,155	19,030
11.3 These are stated at cost less provision for slow moving.			
12 TRADE DEBTS			
(Unsecured - considered good)			
Local		3,950	4,483
(Unsecured - considered doubtful)			
Due from Turnkey project		17,414	17,414
Due from Others		217,170	218,571
		234,584	235,985
		238,534	240,468

		December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited)
Allowance for expected credit loss	Note		
Turnkey project		(17,414)	(17,414)
Others		(213,605)	(174,419)
		(231,019)	(191,833)
		7,515	48,635

13 LOANS AND ADVANCES

(Secured - considered good)

Loans to employees

 Current portion of long-term loans to employees

300

278

(Unsecured - considered good)

Advances

 to employees

586

228

 to suppliers / contractors

94,120

37,900

 others

200

200

94,906

38,328

(Unsecured - considered doubtful)

Advances

 to suppliers / contractors

500

500

 Provision for doubtful advances

(500)

(500)

-

-

95,206

38,606

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

14 CASH AND BANK BALANCES

Cash in hand

3,122

276

Local currency

 Bank balances - conventional

 Current account

15,836

40,232

 PLS Savings account

479

8,590

16,315

48,822

19,437

49,098

- 14.1 These carry mark-up ranging from 13% to 19.5% (June 30, 2024: 15% to 20.50%) per annum.

15 NON-CURRENT ASSETS HELD FOR SALE

Factory-Karachi

 Leasehold land

720,000

720,000

 Buildings on leasehold land

3,205

3,205

15.1

723,205

723,205

- 15.1 The Company planned to sell the factory's property and therefore, had classified the leasehold land and building of "Karachi Factory" as held for sale in 2022 represented carrying amounts of Rs. 720 million and Rs. 3.205 million respectively. The assessed market value and forced sale value of the above property is amounts to Rs. 800 million and Rs. 723.205 million respectively as per last valuation carried out by "Oceanic Surveyors (Pvt.) limited" in September 2021. The Company is still in the procedure of finding and negotiating with potential buyers. The management is still committed to plan and actively locating any potential buyer near future.

	Note	December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited)
16 TRADE AND OTHER PAYABLES			
Trade creditors		791,792	675,698
Accrued liabilities		115,794	89,997
Advance from customers		588,314	595,563
Advance from tenants		10,873	6,260
Infrastructure cess payable		40,913	40,913
GIDC payable		29,344	29,344
Security deposits from distributors and others		27,595	19,792
Workers' Profit Participation Fund payable		932	932
Workers' Welfare Fund		7,557	7,557
Provident fund payable		-	1,243
Payables to employees		4,437	776
Withholding tax		455	455
Other payables		1,839	1,184
		<u>1,619,845</u>	<u>1,469,714</u>

17 SHORT TERM BORROWINGS

(Secured)

Conventional mode

Running finance	17.1	448,460	449,760
		<u>448,460</u>	<u>449,760</u>

Islamic mode

Karobar finance	17.2	64,800	70,000
Istisna finance	17.3	145,011	149,351
		<u>658,271</u>	<u>669,111</u>

- 17.1 These financing facilities have been obtained from National Bank of Pakistan amounting to Rs. 500 million (June 30, 2024: Rs. 500 million) . These financing facilities are secured by creation of first pari-passu charge against hypothecation over all present and future stocks and book debts of the Company with 25% margin amounting to PKR 666.67 million (June 30, 2024: Rs. 1,448 million), first exclusive mortgage charge of Rs. 934 (June 30, 2024: 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, 2024: 3 months KIBOR+2.75%) per annum. The Company negotiated these financing facilities with NBP and submitted various plans for enhancing product lines and improvement in business profitability. Subsequent to the period end, negotiations with NBP have reached and formal letter pertaining to renewal / re-positioning of financing facilities has been received. Accordingly, new limit for running finance is Rs. 450 million and mark-up rate has been revised to 3 months KIBOR+3.25%.

- 17.2 This facility has been obtained from Bank Islami Pakistan Limited aggregating to Rs. 80 million (June 30, 2024: Rs. 80 million) out of which Rs. 70 million (June 30, 2024: 70 million) remains unutilized as at the reporting date. The facility is secured by creation of first pari-passu charge against hypothecation of the Company's property, plant and equipment of Rs. 333.33 million (June 30, 2024: Rs. 333.33 million) located at Karachi and Lahore. The facility carries mark-up rates ranging from 19.23% to 23.19% (June 30, 2024: 21% to 25%) per annum.
- 17.3 This facility of Rs. 150 million has been obtained from Habib Metropolitan Bank which has been fully utilized as at the reporting date (June 30, 2024: fully utilized). This facility is secured by creation of 100% cash collateralized of lien on Islamic Naya Pakistan certificate (INPC) placed by three Share holders of the Company, of equivalent amount as proposed. The facility carries mark-up rates ranging from 6 months KIBOR+2% (June 30, 2024: 6 months KIBOR+2%) per annum.

	Note	December 31, 2024 (Unaudited) (Rupees in thousands)	June 30, 2024 (Audited) (Rupees in thousands)
18 LOAN FROM DIRECTORS	18.1	55,000	65,000

- 18.1 This represents interest free loan obtained from Ms. Ayesha Allahwala , Mr.Sikandar Dada and from director of Holding Company amounting to Rs. 20 million, Rs. 5 million and 30 million respectively. The loan is repayable on demand. The maximum aggregate amount due to directors at the end of any month during the year amounting to Rs. 55 million (June 2024: Rs. 65 million).

19 CONTINGENCIES AND COMMITMENTS

There were no material changes in the status of contingencies and commitments as reported in the annual financial statements as at and for the year ended June 30, 2024.

20 SALES

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousands)			
	(Unaudited)			
Local sales	486,820	505,432	218,904	345,089
Export sales	-	10,212	-	-
Gross sales	486,820	515,644	218,904	345,089
Less: Sales tax	(81,888)	(83,431)	(36,841)	(57,641)
	404,932	432,213	182,063	287,448

21 OTHER INCOME

	Half year ended		Quarter ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Rupees in thousands)			
	(Unaudited)			
Rental income	36,884	29,481	18,651	15,066
Interest income	623	7,882	50	2,901
Income from scrap sales	6,819	-	269	-
Service income	15,715	-	6,230	-
Gain on disposal of fixed assets	8,464	-	8,464	-
Exchange gain	2,666	3,105	2,666	34,915
	<u>71,171</u>	<u>40,468</u>	<u>36,330</u>	<u>52,882</u>

22 LOSS PER SHARE - BASIC AND DILUTED

	Half year ended		Quarter ended	
	2024	2023	2024	2023
	(Rupees in thousands)			
The basic loss per share as required under IAS 33: "Earning per share" is given below:				
Loss for the period	(192,282)	(176,330)	(96,732)	(65,227)
Weighted average number of ordinary shares	10,764	10,764	10,764	10,764
Loss per share - basic (Rupees)	<u>(17.86)</u>	<u>(16.38)</u>	<u>(8.99)</u>	<u>(6.06)</u>

22.1 There is no dilutive effect on the basic earnings per share of the Company.

23 CASH (USED IN) / GENERATED FROM OPERATIONS

	Note	Half year ended	
		December 31, 2024	December 31, 2023
		(Rupees in thousands)	
Loss before income tax and minimum tax differential		(178,280)	(166,505)
Adjustment for non-cash and other items:			
Depreciation on:			
- Property, plant and equipment		27,537	18,366
- Right of use asset		897	823
- Investment property		1,269	-
Amortization		-	34
Interest income		(623)	(7,882)
Finance costs		69,840	86,409
(Gain) on disposal of fixed assets - net		(8,464)	-
Working capital changes	23.1	85,133	227,181
		<u>(2,691)</u>	<u>158,426</u>

		Half year ended	
		December 31, 2024	December 31, 2023
	Note	(Rupees in thousands)	
23.1 Changes in current assets and liabilities			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,091)	(3,175)
Stock in trade		(2,503)	(79,936)
Trade debts		41,120	9,673
Loans and advances		(56,600)	(50,601)
Trade deposits and short-term prepayment		(27,744)	(7,072)
Other receivable		(8,352)	(19,504)
Long-term loans		172	
Increase / (decrease) in current liabilities			
Trade and other payable		150,131	377,796
Loan from Directors		(10,000)	-
		<u>85,133</u>	<u>227,181</u>

24 TRANSACTIONS AND BALANCES WITH RELATED PARTIES.

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:

24.1 Transaction during the reporting period:

Relation with the company	Nature of transaction	Note	Half year ended		Quarter ended	
			December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
			(Unaudited)			
			(Rupees in thousands)			
Sikander (Private) Limited (Holding Company)	Rent paid		1,725	1,568	1,725	1,568
	Contribution to staff retirement benefit plans					
Provident fund						
Key management personnel	Remuneration and other benefits		2,823	3,411	1,412	1,350
	Loan from Sikander Dada		10,341	10,510	5,171	5,506
	Loan from Ayesha Allahwala		-	5,000	-	-
	Director of Holding Company		-	20,000	-	-
			30,000	-	30,000	-

24.2 Period ended balances

		December 31, 2024	June 30, 2024
Period ended balances		(Unaudited)	(Audited)
		(Rupees in thousands)	
Payable to related parties	Loan from Sikander Dada	5,000	5,000
	Loan from Ayesha Allahwala	20,000	20,000
	Loan from director of Holding Company	30,000	40,000
	Sikander (Private) Limited	1,725	-
	(Holding Company)		

24.2 The above transactions with related parties are based on normal commercial rates.

25 OPERATING SEGMENTS

25.1 Segment Analysis

	Chrysotile Cement	Plastic	Others	Total
Half year ended December 31, 2024 (Unaudited)	----- (Rupees in thousands) -----			
Turnover	139,512	265,420	-	404,932
Segment result	(68,587)	(71,492)	-	(140,079)
Unallocated expenses				
Other operating expenses				(39,532)
Other income				71,171
Finance costs Taxation				(69,840)
Loss for the period				(14,002)
				<u>(192,282)</u>
Half year ended December 31, 2023 (Unaudited)				
Turnover	93,659	338,554	-	432,213
Segment result	(69,197)	(51,067)	-	(120,264)
Unallocated expenses				
Other operating expenses				(300)
Other income				40,468
Finance costs Taxation				(86,409)
Loss for the period				(9,825)
				<u>(176,330)</u>

25.2 Segment assets and liabilities

	Chrysotile Cement	Plastic	Others	Total
December 31, 2024 (Un-audited)	(Rupees in thousands)			
Segment assets	<u>400,945</u>	<u>529,077</u>	<u>103,908</u>	1,033,930
Unallocated corporate assets				<u>1,720,861</u>
Total assets				<u>2,754,791</u>
Segment liabilities	<u>449,161</u>	<u>419,965</u>	<u>6,765</u>	875,891
Unallocated corporate liabilities				<u>1,520,106</u>
Total liabilities				<u>2,395,997</u>
June 30, 2024 (Audited)				
Segment assets	<u>393,465</u>	<u>521,483</u>	<u>122,404</u>	1,037,352
Unallocated corporate assets				<u>1,737,578</u>
				<u>2,774,930</u>
Segment liabilities	<u>411,290</u>	<u>427,369</u>	<u>23,026</u>	861,685
Unallocated corporate liabilities				<u>1,401,355</u>
Total liabilities				<u>2,263,040</u>

26 FAIR VALUE OF FINANCIAL INSTRUMENTS

There is no change in the nature and corresponding hierarchies of fair value levels of financial instruments from those as disclosed in the financial statements of the Company for the year ended June 30, 2024.

27 NUMBER OF EMPLOYEES

Number of employees as at December 31, 2024 was 128 (June 30, 2024: 134) and average number of employees during the period was 132 (June 30, 2024: 144).

28 DATE OF AUTHORIZATION FOR ISSUE


These condensed interim financial statements was authorized for issue on February 27, 2025 by the Board of Directors of the Company.

29 CORRESPONDING FIGURES


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

30 GENERAL

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


Samad Dada
Chief Executive


Shahzad M. Husain
Director


Muhammad Yousuf
Chief Financial Officer

Dadex Eternit Limited

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