

Quarterly Report
Dadex Eternit Limited

Interim Financial Report (Unaudited)
For the First Quarter Ended
30 September, 2008

DADEX ETERNIT LIMITED
BALANCE SHEET
AS AT SEPTEMBER 30, 2008

	Notes	1st Quarter Ended September 30, 2008 (Unaudited)	Year Ended June 30, 2008 (Audited)
		------(Rupees '000)-----	
ASSETS			
NON- CURRENT ASSETS			
Property, Plant and Equipment	4	447,465	460,718
Intangible Asset	5	12,313	13,587
		459,778	474,305
Long-term investments	6	876	876
Long-term loans and advances		4,096	4,307
Long-term deposits		4,150	4,150
TOTAL NON-CURRENT ASSETS		468,900	483,638
CURRENT ASSETS			
Stores and Spare parts		71,028	77,044
Stocks-in-trade		896,846	776,309
Trade debts		185,286	125,929
Loans and advances		36,846	41,875
Trade deposits and short-term prepayments		18,341	20,950
Interest Accrued		222	222
Other receivables		2,756	15,563
Short Term Investments		271	100,247
Sales Tax & Excise Duty - Net		28,149	4,582
Taxation Refundable		16,233	15,302
Cash and bank balances		1,630	46,615
TOTAL CURRENT ASSETS		1,257,608	1,224,638
TOTAL ASSETS		1,726,508	1,708,276
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 20,000,000 (June 2008: 20,000,000) ordinary shares of Rs. 10/- each		200,000	200,000
Issued, Subscribed and Paid-up Capital		107,640	107,640
Reserves		435,436	424,781
SHARE HOLDER'S EQUITY		543,076	532,421
NON-CURRENT LIABILITIES			
Long Term Financing		120,000	120,000
Deferred Taxation		26,658	26,658
TOTAL NON-CURRENT LIABILITIES		146,658	146,658
CURRENT LIABILITIES			
Trade and other payables		476,984	646,703
Accrued Mark-up		20,496	10,937
Short-term borrowings - Secured		509,294	341,557
Current portion of Long Term Financing - Local Currency		30,000	30,000
TOTAL CURRENT LIABILITIES & PROVISIONS		1,036,774	1,029,197
CONTINGENCIES AND COMMITMENTS	7	-	-
TOTAL EQUITY AND LIABILITY S		1,726,508	1,708,276

The annexed notes 1 to 10 form an integral part of these financial statements

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director

DADEX ETERNIT LTD
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

	1st Quarter Ended September 30, 2008	1st Quarter Ended September 30, 2007
	------(Rupees '000)-----	
Turnover - Net	564,157	464,938
Cost of Sales	<u>(422,004)</u>	<u>(357,330)</u>
Gross Profit	142,153	107,608
Distribution Cost	(62,390)	(49,849)
Administration Expenses	(24,616)	(24,255)
Other operating Expenses	(2,240)	(3,823)
Other operating Income	<u>16,504</u>	<u>4,546</u>
Operating Profit	69,411	34,227
Financial charges	(48,591)	(12,477)
Share of Profit / (Loss) from Associate	<u>-</u>	<u>(208)</u>
Profit before Taxation	20,820	21,542
Taxation	<u>(10,165)</u>	<u>(11,000)</u>
Profit after Taxation	<u>10,655</u>	<u>10,542</u>
Earning per share - Basic & diluted	<u>0.99</u>	<u>0.98</u>

The annexed notes 1 to 10 form an integral part of these financial statements

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director

DADEX ETERNIT LIMITED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

	Note	1st Quarter Ended September 30, 2008	1st Quarter Ended September 30, 2007
		------(Rupees '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used) generated in operations	9	(190,793)	70,987
Taxes paid		(11,096)	1,915
Long - term loans and advances - net		<u>211</u>	<u>79</u>
Net cash (used) / generated from operating activities		(201,678)	72,981
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(4,110)	(27,785)
Proceeds from disposal of property, plant & equipment		1,973	-
Investments encashed		110	340
Interest received		224	-
Net cash used from investing activities		(1,803)	(27,445)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowings obtained / (repaid)		167,737	(2,565)
Borrowing against assets subject to finance lease paid		-	(38,940)
Interest / markup paid		(9,239)	(10,183)
Dividends paid		(2)	-
Net cash inflow / (outflow) from financing activities		<u>158,496</u>	<u>(51,688)</u>
Net decrease in cash and cash equivalents		(44,985)	(6,152)
Cash and cash equivalents at the beginning of the period		46,615	9,939
Cash and cash equivalents at the end of the period		<u><u>1,630</u></u>	<u><u>3,787</u></u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director

DADEX ETERNIT LIMITED
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

	Reserves						Total
	Issued subscribed and paid up capital	Capital Reserve- Share Premium	Revenue Reserves		Sub Total	Total	
Revenue Reserve General			Un- appropriate d Profit	Total			
	(Rupees '000)						
Balance as at July 01, 2007	107,640	5,655	334,583	44,405	378,988	384,643	492,283
Final dividend for the year ended June 30, 2007 @ Rs .3 per share.	-	-	-	(32,292)	(32,292)	(32,292)	(32,292)
Transfer to general reserve for the year ended June 30, 2007.	-	-	10,417	(10,417)	-	-	-
Profit after taxation for the year ended June 30, 2007	-	-	-	72,430	72,430	72,430	72,430
Balance as at June 30, 2008	<u>107,640</u>	<u>5,655</u>	<u>345,000</u>	<u>74,126</u>	<u>419,126</u>	<u>424,781</u>	<u>532,421</u>
Balance as at July 01, 2008	107,640	5,655	345,000	74,126	419,126	424,781	532,421
Profit after taxation for the 1st quarter ended Septemeber 30, 2008	-	-	-	10,655	10,655	10,655	10,655
Balance as at September 30, 2008	<u>107,640</u>	<u>5,655</u>	<u>345,000</u>	<u>84,781</u>	<u>429,781</u>	<u>435,436</u>	<u>543,076</u>

The annexed notes 1 to 10 form an integral part of these financial statements.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director

DADEX ETERNIT LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

1 NATURE AND STATUS OF BUSINESS

Dadex Eternit Limited (the Company) is a limited liability company incorporated in Pakistan on April 13, 1959 as a public limited company under the Companies Ordinance, 1984 and is quoted on Karachi Stock Exchange. 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 principal business of the Company is to manufacture and sale of construction material, which mainly includes piping system and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported fittings, accessories and other building products. The Company is also engaged in providing irrigation solution for agriculture and landscape.

2 BASIS OF PRESENTATION

These financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984, directives issued by the Securities & Exchange Commission of Pakistan (SECP) and International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the SECP differ with the requirements of IAS 34, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2008.

Note	September 30, 2008	June 30, 2008
------(Rupees '000)-----		
4 FIXED ASSETS - PROPERTY, PLANT AND EQUIPMENT		
4.1 Additions during the period		
Land	-	3,398
Buildings	894	28,290
Plant & machinery	675	72,181
Furniture & fixture	150	959
Vehicles & transportation Equipment	993	18,646
Office and factory equipment	185	5,612
	<u>2,897</u>	<u>129,086</u>
4.2 Disposals during the period (NBV)		
Land	-	8,888
Buildings	-	368
Motor Vehicles	1,185	4,534
Office & factory equipment	-	15
	<u>1,185</u>	<u>13,805</u>
4.3 Depreciation charged during the period		
Owned Assets	16,179	63,564
Assets subject to Finance Lease	-	8,616
	<u>16,179</u>	<u>72,180</u>
4.4 Capital Work in Process		
Factory Building on Freehold and Leasehold Land	394	
Plant and machinery	7,875	7,187
Office & factory equipment	130	-
	<u>8,399</u>	<u>7,187</u>
5 INTANGIBLE ASSETS		
5.1 Additions during the period		
Compute Software	-	3,300
	<u>-</u>	<u>3,300</u>
5.2 Amortization of intangible assets during the period		
Compute Software	1,274	1,698
	<u>1,274</u>	<u>1,698</u>

DADEX ETERNIT LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

Note	September 30, 2008	June 30, 2008
------	-----------------------	---------------

------(Rupees '000)-----

6 LONG TERM INVESTMENTS

-In an associate		
625,000 ordinary shares of Rs. 10/- each	5,000	5,000
Share of (loss)/profit	(4,124)	(4,124)
	876	876
-Others - held to maturity		
Defence saving certificates	50	50
Accrued Interest	221	197
	271	247
Less: Maturity within next twelve months shown in current assets	271	247
	-	-
	876	876

7 CONTINGENCIES AND COMMITMENTS

Letter of Guarantee	96,827	91,307
Letter of Credit	74,560	78,460
Imports Contract	2,928	48,869
Capital Expenditure / Local purchase contracts	65,176	40,871
	239,491	259,507

8 TRANSACTIONS WITH RELATED PARTIES

Associated companies

Purchase of goods and services from Berger Paints Pakista	176	1,168
Rent paid to Sikander (Pvt) Ltd	240	150
Expenditures on services Trakker (Pvt) Llimited.	-	28
Sales of goods Crescent Textile Mills Limited	-	313
Professional Charges Muznash (Pvt) Ltd.	1,596	5,319
Car Rent payable/paid Optimus Limited.	-	96
Employer Contribution Dadex Eternit	1,937	7,825
General Insurance EFU General	2,815	-
Salaries & other short term employees benefits	983	3,738

The company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices determined using the comparable uncontrolled price method.

Note	September 2008	September 2007
------	----------------	----------------

------(Rupees '000)-----

9 CASH GENERATED FROM OPERATIONS

Profit before taxation	20,820	21,542
Adjustments for non cash charges and other items:		
Depreciation	17,069	16,079
Profit on disposal of fixed assets - net	(394)	-
Interest income	(335)	-
Profit from investment in associated company	-	208
Interest / markup expense	18,788	11,838
Working capital changes	(246,741)	21,320
	(211,613)	49,445

Cash (used in) / generated from operating activities

(190,793)

70,987

9.1 Working capital changes

(Increase) / decrease in current assets		
Stores and spares	6,016	6,172
Stock in trade	(120,537)	101,117
Trade debts	(59,357)	(37,595)
Loans and advances	5,029	(1,421)
Trade deposits and short term prepayments	2,609	(559)
Short Term Investment	99,976	-
Sales tax and excise duty refundable	(23,567)	-
Other receivable (net)	12,807	(8,358)
	(77,024)	59,356

Decrease in current liabilities

(169,717)

(38,036)

(246,741)

21,320

DADEX ETERNIT LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

10 GENERAL

10.1 These financial statements were authorized for issue by the Board of Directors of the company on October 27, 2008.

10.2 Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.

10.3 Corresponding figures have been restated, wherever necessary for the purpose of comparison.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive Officer

Qazi Sajid Ali
Director