

# **First Quarter Ended Report**

September 30, 2012  
(Un-audited)

# **DADEX**

**Dadex Eternit Limited**

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## Company Information

Board of Directors	Abu Talib H.K. Dada- Chairman (Non - Executive Director) Sikander Dada (Executive Director) Maqbool H.H. Rahimtoola (Non - Executive Director) Qazi Sajid Ali (Non - Executive Director) Shahzad M. Husain (Non - Executive Director) Zulfiqar Ali Lakhani (Non - Executive Director) Samad Dada (Non - Executive Director) [Alternate: Shahid Islam] (Non - Executive Director)
Chief Executive Officer	Sikander Dada
Chief Financial Officer/ Company Secretary	Zahid Mahmood
Board Audit Committee	Qazi Sajid Ali - Chairman Shahzad M. Husain Samad Dada (Alternate: Shahid Islam)
Human Resource and Remuneration Committee	Mr. Maqbool H.H. Rahimtoola - Chairman Mr. Sikander Dada Mr. Qazi Sajid Ali
Head of Internal Audit / Secretary Board Audit Committee	Shazam Butt
Management Team	Sikander Dada Chief Executive Officer Tanveer Saleem Director (Technical Services & Quality Assurance) Muhammad Ebrahim General Manager (Co-ordination) Munawar Abbas General Manager (Operations) Nadeem Naqvi General Manager (Sales) Imtiaz Khan General Manager (Logistics & Export Sales) Zahid Mahmood Chief Financial Officer / Company Secretary Shazam Butt Chief Information Officer / Head of Internal Audit
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants
Internal Auditors	KPMG Taseer Hadi & Co., Chartered Accountants
Bankers	Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited MCB Bank Limited National Bank of Pakistan Oman International Bank S.A.O.G Standard Chartered Bank (Pakistan) Limited United Bank Limited (UBL Ameen)
Legal Advisor	Surrige & Beecheno 3rd Floor, Finlay House, I.I. Chundrigar Road, 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, 34315725 Email : info@dadex.com.pk
Share Registrar	JWAFFS Registrar Services (Private) Limited 505, 5th Floor, Kashif Centre, Near Hotel Mehran, Main Shahrah-e-Faisal, Karachi. Tel : (92-21) 35643871-72 Fax : (92-21) 35643873 Email : jwaffs@live.com
Web Site	www.dadex.com

## DIRECTORS' REVIEW

The Directors are pleased to present their review together with the financial statements of the Company for the First Quarter ended September 30, 2012.

During the quarter under review the Company has successfully continued its strategy to reach out to its customers and work towards improving efficiency in the management of its manufacturing resources, support processes and seeking additional markets for its products.

The Company has, for the period under review, reported improved results in comparison with the previous corresponding period. These results have been achieved in a business environment with reduced investment activity and industrial output, high inflation, low economic growth, frequent shutdowns due to power shortages and the general law and order situation.

In the period under review, the Company's revenues increased by 9.48% to Rs. 579.11 million (September 2011: Rs. 528.97 million), net profit after tax was Rs. 1.17 million (September 2011: loss of Rs. 1.71 million) and earnings per share were Rs. 0.11 (September 2011: loss of Rs. 0.16 per share).

The business environment in coming days seems to be extremely challenging as a whole. High inflation, energy crisis prevailing in the country and security issues may imbalance the equation thus posing significant business risk for the management to maintain the margins. However, your management will continue to focus on cost minimization, operational efficiencies and expanding the customer base to improve the profitability of the Company in the coming periods.

Your Directors and Management deeply appreciate the continued patronage of our customers and the support and commitment of all our stakeholders including all cadres of employees.

**On behalf of the Board**

**Karachi:** October 31, 2012

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

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**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2012**

	Note	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	4	1,288,751	1,296,736
Intangible assets	4.1.4	-	-
		<u>1,288,751</u>	<u>1,296,736</u>
Long-term investment	5	494	494
Long-term loans		2,402	2,120
Long-term deposits		46,668	46,668
Deferred tax assets		52,013	52,012
		<u>1,390,328</u>	<u>1,398,030</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		35,209	34,275
Stock-in-trade	6	1,101,261	796,422
Trade debts	7	130,186	126,616
Loans and advances	8	46,531	44,054
Trade deposits and short-term prepayments	9	26,275	21,529
Accrued interest and other receivables	10	12,458	2,390
Sales tax & excise duty - net		94,749	73,216
Taxation - net		117,992	96,840
Cash and bank balances	11	59,915	4,676
		<u>1,624,576</u>	<u>1,200,018</u>
<b>TOTAL ASSETS</b>		<u><b>3,014,904</b></u>	<u><b>2,598,048</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		107,640	107,640
Reserves		180,586	175,798
		<u>288,225</u>	<u>283,438</u>
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>		<b>806,067</b>	809,680
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	909,216	810,058
Accrued mark-up		46,107	18,259
Short-term borrowings	13	965,289	676,613
		<u>1,920,612</u>	<u>1,504,930</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>3,014,904</b></u>	<u><b>2,598,048</b></u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**Zahid Mahmood**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012**  
**(UN-AUDITED)**

	Note	Three months ended	
		September 30, 2012	September 30, 2011
		---- (Rupees in '000) ----	
<b>Turnover - net</b>	15	579,114	528,973
Cost of sales	16	(455,579)	(432,577)
<b>Gross profit</b>		<u>123,535</u>	<u>96,396</u>
Distribution cost		(54,553)	(58,783)
Administrative expenses		(46,310)	(32,060)
Other operating expenses		(4,310)	(2,382)
Other operating income	17	19,915	10,495
<b>Operating profit</b>		<u>38,277</u>	<u>13,666</u>
Finance cost	18	(31,286)	(8,651)
Share of loss on investment in an associate	5.2	-	-
<b>Profit before taxation</b>		<u>6,991</u>	<u>5,015</u>
Taxation	19	(5,817)	(6,720)
<b>Profit / (Loss) for the period</b>		<u>1,174</u>	<u>(1,705)</u>
<b>Earnings / (Loss) per share - Basic and diluted</b>		<u>Re. 0.11</u>	<u>Re. (0.16)</u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**Zahid Mahmood**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

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**DADEX ETERNIT LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012**  
**(UN-AUDITED)**

	Note	Three months ended	
		September 30, 2012	September 30, 2011
---- (Rupees in '000) ----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	21	(194,610)	(170,204)
Taxes paid		(26,969)	(14,407)
Long-term loans and advances - net		(282)	646
<b>Net cash flows used in operating activities</b>		<b>(221,861)</b>	<b>(183,965)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(7,236)	(3,249)
Proceeds from disposal of fixed assets		-	125
Interest received		39	-
<b>Net cash flows used in investing activities</b>		<b>(7,197)</b>	<b>(3,124)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowing obtained (net of repayments)		288,676	198,385
Interest / mark-up paid		(3,438)	(11,379)
Dividends paid	22	(941)	-
<b>Net cash flows generated from financing activities</b>		<b>284,297</b>	<b>187,006</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>55,239</b>	<b>(83)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>4,676</b>	<b>4,741</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>59,915</b>	<b>4,658</b>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**Zahid Mahmood**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

**DADEX ETERNIT LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012  
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves			Total	Grand Total
		Capital reserves - share premium	Revenue reserves			
			General	Unappropriated profit / (loss)		
<b>Balance as at July 1, 2011</b>	107,640	5,655	411,500	(18,592)	398,563	506,203
Loss for the period	-	-	-	(1,705)	(1,705)	(1,705)
<b>Balance as at September 30, 2011</b>	<u>107,640</u>	<u>5,655</u>	<u>411,500</u>	<u>(20,297)</u>	<u>396,858</u>	<u>504,498</u>
<b>Balance as at July 1, 2012</b>	<b>107,640</b>	<b>5,655</b>	<b>-</b>	<b>170,143</b>	<b>175,798</b>	<b>283,438</b>
Surplus on Revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the year	-	-	-	<b>3,613</b>	<b>3,613</b>	<b>3,613</b>
Profit for the period	-	-	-	<b>1,174</b>	<b>1,174</b>	<b>1,174</b>
<b>Balance as at September 30, 2012</b>	<u><b>107,640</b></u>	<u><b>5,655</b></u>	<u><b>-</b></u>	<u><b>174,930</b></u>	<u><b>180,585</b></u>	<u><b>288,225</b></u>

The annexed notes from 1 to 25 form an integral part of these condensed interim financial statements.

**Zahid Mahmood**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

**DADEX**



## DADEX ETERNIT LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012 (UN-AUDITED)

#### 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 Company has three factories situated at Karachi, Hyderabad and Sunder (Lahore). The principal business of the Company is to manufacture and the sale of construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building products. The Company is also engaged in providing irrigation solutions for agriculture and landscaping.

During the last year, the Company has become the subsidiary of Sikander (Private) Limited by virtue of 63.18 percent shareholding as of the balance sheet date.

#### 2. BASIS OF PRESENTATION

These interim condensed financial statements are un-audited 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. These should be read in conjunction with the financial statements of the Company for the year ended June 30, 2012.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2012.

		September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
---- (Rupees in '000) ----			
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	<b>1,276,345</b>	1,291,077
Capital work-in-progress	4.2	<b>12,406</b>	5,659
		<u><b>1,288,751</b></u>	<u>1,296,736</u>

#### 4.1 The following is the movement in operating fixed assets during the period/year:

Opening balance		<b>1,291,077</b>	282,668
Add: Surplus on revaluation of fixed assets		-	1,100,337
Add: Additions during the period/year	4.1.1	<b>489</b>	<u>267,232</u>
		<b>1,291,566</b>	1,650,237
Less: Transfer to investment property (WDV) [costing Rs. 7.422 million]		-	(3,195)
Transfer to non-current assets held for sale (WDV)		-	(2,204)
Disposals during the period / year (WDV)	4.1.2	-	(293,103)
Depreciation charge for the period / year	4.1.3	<b>(15,221)</b>	<u>(60,658)</u>
Operating fixed assets (WDV)		<u><b>1,276,345</b></u>	<u>1,291,077</u>

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- (Rupees in '000) -----	
<b>4.1.1 Additions including transfers during the period / year</b>		
Freehold land	-	245,400
Building	-	1,841
Plant and machinery	55	19,111
Furniture & Fixture	-	34
Vehicle and transportation equipment	-	602
Office and factory equipment	434	244
	<u>489</u>	<u>267,232</u>
<b>4.1.2 Disposals during the period / year - at WDV</b>		
Leasehold land costing Rs. Nil (June 30, 2012: Rs. 286.195 million)	-	282,173
Building on leasehold land other than factory costing Rs. Nil (June 30, 2012: Rs. 24.299 million)	-	9,469
Plant & Machinery costing Rs. Nil (June 30, 2012: Rs. 51.611 million)	-	1,216
Vehicle and transportation equipment costing Rs. Nil (June 30, 2012: Rs.2.151 million)	-	189
Office and factory equipments costing Rs.Nil (June 30, 2012: Rs.0.112 million)	-	56
	<u>-</u>	<u>293,103</u>
<b>4.1.3 Depreciation charged during the period / year</b>		
Cost of sales	13,597	49,207
Distribution cost	1,014	4,848
Administrative expenses	610	6,603
	<u>15,221</u>	<u>60,658</u>
<b>4.1.4</b> Includes amortization expense on intangible assets for the period amounting to Rs. Nil (June 30, 2012: Rs. 0.451 million).		
	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- (Rupees in '000) -----	
<b>4.2 Capital work-in-progress</b>		
Plant and machinery - Green House Farming System	13,979	13,979
Impairment loss on plant and machinery	(8,609)	(8,609)
	<u>5,370</u>	<u>5,370</u>
Factory building on leasehold land	3,622	-
Plant and Machinery - others	3,247	-
	<u>12,239</u>	<u>5,370</u>
Advance against purchase of operating fixed assets	167	289
	<u>12,406</u>	<u>5,659</u>

**5. LONG-TERM INVESTMENT - Equity method**

**5.1** The Company has 48.04 (June 30, 2012: 48.04) percent shareholding [i.e. 625,000 (June 30, 2012: 625,000) in the ordinary shares of Rs.10/- each] of Berdex Construction Chemicals (Private) Limited (Berdex). Berdex is engaged in marketing and distribution of construction chemicals in Pakistan. The investment in Berdex amounted to Rs.5 million.

**5.2** Based on the un-audited financial statements of Berdex for the year ended June 30, 2012, Berdex has reported a loss of Rs. 0.753 million and accumulated losses of Rs.11.983 million. Due to unavailability of the financial statements of the Berdex for the three months ended September 30, 2012, the Company has not accounted for an adjustment in these condensed interim financial statements. Further, the impact of such adjustment, if any, are considered immaterial by the management of the Company due to limited operations by Berdex during the period.

	Note	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
----- (Rupees in '000) -----			
<b>6. STOCK-IN-TRADE</b>			
Raw materials			
- in hand	6.1	<b>595,736</b>	385,365
- in transit		<b>140,527</b>	79,477
		<b>736,263</b>	464,842
Work-in-process	6.2	<b>94,344</b>	91,979
Finished goods			
- Manufactured	6.3	<b>224,041</b>	186,232
- Trading [including in transit of Rs. Nil (June 30, 2012: Rs.16.730 million)]	6.4	<b>46,613</b>	53,369
		<b>270,654</b>	239,601
		<b>1,101,261</b>	796,422

**6.1** Includes raw materials costing Rs.1.860 million (June 30, 2012: Rs.1.860 million) which are carried at net realizable value of Rs. 0.737 million (June 30, 2012: Rs. 0.737 million).

**6.2** Includes product costing Rs. 55.946 million (June 30, 2012: Rs.55.946 million) which are carried at net realizable value of Rs. 19.187 million (June 30, 2012: Rs. 19.187 million).

**6.3** Includes products costing Rs.110.213 million (June 30, 2012: Rs.110.213 million) which are carried at net realizable value of Rs. 24.666 million (June 30, 2012: Rs. 24.666 million).

**7. TRADE DEBTS**

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.115.617 million (June 30, 2012: Rs.113.954 million). Such provision includes an amount of Rs.15.632 million (June 30, 2012: Rs.15.632 million) recoverable from an ex-employee who had reportedly collected the amount from customers and did not surrender the same to the Company. A law suit has been filed against the ex-employee to recover the above amount.

**8. LOANS AND ADVANCES**

Included herein advances given to various local and foreign suppliers amounting to Rs. 4.594 million and Rs. 15.639 million (June 30, 2012: Rs. Nil and Rs. 0.651 million) respectively on account of purchase of raw materials.

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- (Rupees in '000) -----	
<b>9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>		
Trade deposits	14,550	11,873
Provision for doubtful trade deposits	<u>(4,541)</u>	<u>(5,960)</u>
	10,009	5,913
Margin deposits	7,565	7,063
Other deposits	<u>7,378</u>	<u>7,535</u>
	24,952	20,511
<b>Prepayments</b>		
Rent & Others	<u>1,323</u>	<u>1,018</u>
	<u>26,275</u>	<u>21,529</u>

**10. ACCRUED INTEREST AND OTHER RECEIVABLES**

Included herein accrued interest on PLS saving account and receivable from tenant amounting to Rs.0.009 million and Rs. 2.053 million (June 30, 2012: Rs. 0.021 million and Rs. 2.197 million) respectively.

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- (Rupees in '000) -----	
<b>11. CASH AND BANK BALANCES</b>		
Cash in hand	1,602	634
Cash at banks in:		
Current accounts		
- Local currency	57,836	815
PLS saving account	477	3,227
	<u>59,915</u>	<u>4,676</u>

**12. TRADE AND OTHER PAYABLES**

Included herein advance from customers and unclaimed dividend amounting to Rs.151.434 million and Rs. 18.096 million (June 30, 2012: Rs.159.346 million and Rs.19.037 million) respectively.

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	----- (Rupees in '000) -----	
<b>13. SHORT-TERM BORROWINGS - secured</b>		
Running finances utilized under mark-up arrangements	854,010	632,334
Foreign currency term finances	44,279	44,279
Local currency term finance	67,000	-
	<u>965,289</u>	<u>676,613</u>
16.1		

**13.1** Represents facilities obtained from various commercial banks amounting to Rs.967 million (June 30, 2012: Rs.900 million) out of which Rs.965.289 million (June 30, 2012: Rs.223.387 million) remains unutilized as at the balance sheet date. The principal terms and conditions of the outstanding loans have remained the same as disclosed in the financial statements of the Company for the year ended June 30, 2012.

## 14. CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

14.1.1 The Environmental Protection Tribunal initiated proceedings against the Company on February 18, 2010, containing allegations of pollution, under the Pakistan Environmental Protection Act, 1997 based on the complaint filed by the brother of an ex-employee of the Company against the Company through its Chief Executive Officer.

The Company has submitted an application before the Environmental Protection Tribunal raising the issue of the maintainability of the Complaint and its lack of jurisdiction to hear the same. The said application was dismissed vide Order dated June 29, 2010. Being aggrieved by the said Order, the Company filed a Constitutional Petition before the Hon'ble Sindh High Court (SHC) seeking reliefs that the proceedings before the Environmental Protection Tribunal vis-à-vis the Complainant were taken coram non iudice and has maintained that the Tribunal has no jurisdiction of the subject matter and further sought a declaration that the Order dated June 29, 2010 was illegal and void. The said Constitutional Petition was dismissed by SHC vide its Judgment dated March 9, 2011.

Being aggrieved by the Judgment of SHC, the Company filed petition for leave to appeal against the judgment of SHC before Hon'ble Supreme Court of Pakistan (SCP). The SCP has granted leave to appeal to the Company vide its Order dated June 23, 2011 and converted the Petition into Appeal. Thereafter, after the partial hearing of the Civil Appeal, the SCP vide its order dated 25 October 2011 has directed a commission constituted by the Environmental Tribunal to submit the report of the environmental audit of the Company's factory and surrounding premises, which is pending for submission before the SCP.

Based on the opinion of the legal counsel of the Company, the Company has an arguable case and it is not possible at this stage to give a definitive opinion on the ultimate outcome or any losses that may be incurred by the Company. In view of the above, the management is confident that the ultimate outcome will be in favour of the Company. Accordingly, no provision in respect of above has been made in these condensed interim financial statements.

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	---- (Rupees in '000) ----	
14.1.2 Bonds and letters of guarantee issued by banks	<u>70,713</u>	<u>78,913</u>

These are secured by a first pari passu hypothecation charge as disclosed in note 13.1.

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	---- (Rupees in '000) ----	
14.2 Commitments		
Commitments are as follows:		
Bonds and letters of guarantee issued by banks	70,713	78,913
Letters of credit	52,556	346,557
Post dated cheques	86,942	54,170
Import contracts	16,004	6,515
Local purchase contract	129,252	96,228
	<u>355,467</u>	<u>503,470</u>

14.2.1 The Company has entered into commercial property leases on its investment property. These non-cancellable leases have remaining terms of between three to five years. Future minimum rentals receivable under non-cancellable operating leases as at period / year end are as follows:

	September 30, 2012 (Un-audited)	June 30, 2012 (Audited)
	---- (Rupees in '000) ----	
Not later than one year	115,569	94,227
Later than one year	384,157	405,499
	<u>499,726</u>	<u>499,726</u>

	Note	Three months ended	
		September 30, 2012	September 30, 2011
----- (Rupees in '000) -----			
<b>15. TURNOVER - NET</b>			
LOCAL			
- manufactured		575,590	557,989
- trading		55,989	36,302
- others		12,909	-
		<u>644,487</u>	<u>594,291</u>
EXPORT		19,751	20,223
		<u>664,238</u>	<u>614,514</u>
Less:			
Returns		1,919	3,471
Special excise duty		-	82
Sales Tax		83,205	81,988
		<u>85,124</u>	<u>85,541</u>
		<u>579,114</u>	<u>528,973</u>
<b>16. COST OF SALES</b>			
<b>Manufactured</b>			
Raw materials consumed			
Opening stock		464,842	203,588
Purchases		631,476	342,764
Closing stock	6	(736,263)	(191,487)
		<u>360,055</u>	<u>354,865</u>
Net Stores, spare parts and loose tools consumed		10,662	12,420
Salaries, wages and benefits [including Rs. 0.900 million (September 30, 2011: Rs.Nil) in respect of bonus to workers]		28,005	27,743
Procured services		9,374	8,495
Fuel, water and power		28,868	25,200
Insurance		1,513	1,513
Traveling		36	45
Communication		503	549
Depreciation	4.1.3	13,597	10,525
Rent, rates and taxes		1,411	1,100
Repairs and maintenance		7,352	4,020
Printing and stationery		166	215
Other expenses		394	250
		<u>101,881</u>	<u>92,075</u>
Opening stock of work-in-process		91,979	72,904
Closing stock of work-in-process	6	(94,344)	(90,910)
Cost of goods manufactured		<u>459,571</u>	<u>428,934</u>
Opening stock of finished goods		186,232	217,407
Closing stock of finished goods	6	(224,041)	(233,589)
		<u>421,762</u>	<u>412,752</u>
<b>Trading</b>			
Opening stock		53,369	133,013
Purchases		27,328	53,902
		80,697	186,915
Closing stock	6	(46,613)	(165,944)
		34,084	20,971
Sale of scrap		(267)	(1,146)
		<u>455,579</u>	<u>432,577</u>

	Note	Three months ended	
		September 30, 2012	September 30, 2011
<b>17. OTHER OPERATING INCOME</b>		----- (Rupees in '000) -----	
<b>Income from financial assets</b>			
Income from bank deposits		39	-
<b>Income from non-financial assets</b>			
Gain on disposal of operating assets		-	125
Rental income - investment property		9,601	9,879
Sundry Income/Receipts		10,227	-
Product Installation revenue		48	491
		<u>19,915</u>	<u>10,495</u>
<b>18. FINANCE COST</b>			
Mark-up on short-term borrowings		30,675	7,712
Bank and other charges		611	939
		<u>31,286</u>	<u>8,651</u>
<b>19. TAXATION</b>			
Current - for the year		5,817	8,695
Deferred		-	(1,975)
		<u>5,817</u>	<u>6,720</u>
<b>20. TRANSACTIONS WITH RELATED PARTIES</b>			

The related parties and associated undertakings comprise of associated companies, group companies, staff retirement funds, chief executive, directors and key management personnel. The transactions and balances with related parties and associated undertakings are as follows:

Related parties	Nature of transaction	Three months ended	
		September 30, 2012	September 30, 2011
		----- (Rupees in '000) -----	
<b>Transactions with associated companies due to common directorship:</b>			
Berger Paints Pakistan Limited	Purchase and sale of goods	-	86
Sikander (Private) Limited	Rent paid	-	319
Cyber Internet Services (Private) Limited	Sale of goods	-	5,822
Century Insurance Company Limited (CICL)	General Insurance Insurance premium paid to Habib Insurance Company Limited (CICL is co-insurer with 20% share)	500	318
<b>Staff retirement benefits</b>			
Dadex Eternit Limited - Provident Fund	Employer Contribution	2,512	2,197
<b>Key management personnel</b>			
Sikander Dada (Chief Executive)	Salary and other employment benefits	3,808	1,979

		Three months ended	
		September 30, 2012	September 30, 2011
		----- (Rupees in '000) -----	
<b>21. CASH USED IN OPERATIONS</b>	<b>Note</b>		
Profit before taxation		6,991	5,015
Adjustments for non cash charges and other items:			
Depreciation - operating fixed assets	4.1.3	11,608	12,841
Depreciation - investment property		-	441
Amortization	4.1.4	-	451
Depreciation - revaluation of land		3,613	-
Gain on disposal of fixed assets - net		-	(125)
Interest income		(39)	-
Interest / mark-up expense		31,286	7,712
Working capital changes	21.1	(248,069)	(196,539)
		<u>(194,610)</u>	<u>(170,204)</u>
<b>21.1 Working capital changes</b>			
<b>Decrease / (increase) in current assets</b>			
Stores, spare and loose tools		(934)	(1,411)
Stock-in-trade		(304,839)	(55,017)
Trade debts		(3,570)	(5,368)
Loans and advances		(2,477)	(20,245)
Trade deposits and short-term prepayments		(4,746)	(5,722)
Other receivables		(10,068)	(2,637)
Sales tax and excise duty payable (net)		(21,533)	(15,396)
		<u>(348,167)</u>	<u>(105,796)</u>
<b>(Decrease) / increase in current liabilities</b>			
Trade and other payables		100,098	(90,743)
		<u>(248,069)</u>	<u>(196,539)</u>
<b>22. DIVIDEND PAID</b>			
Paid during the period		941	-

### 23. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
<b>Three months ended September 30, 2012</b>				
<b>TURNOVER - net</b>	<u>210,813</u>	<u>368,160</u>	<u>141</u>	<u>579,114</u>
<b>RESULT</b>				
Segment result	<u>31,999</u>	<u>(8,853)</u>	<u>(425)</u>	<u>22,720</u>
<b>Unallocated expense</b>				
Other operating expenses				(4,310)
Other operating income				19,867
Finance cost				(31,286)
Taxation				(5,817)
Profit for the period				<u>1,174</u>
<b>Three months ended September 30, 2011</b>				
<b>TURNOVER - net</b>	<u>224,438</u>	<u>302,152</u>	<u>2,383</u>	<u>528,973</u>
<b>RESULT</b>				
Segment result	<u>14,246</u>	<u>(7,916)</u>	<u>(286)</u>	6,044
<b>Unallocated expense</b>				
Other operating expenses				(2,382)
Other operating income				10,004
Finance cost				(8,651)
Taxation				(6,720)
Loss for the period				<u>(1,705)</u>



	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
<b>ASSETS AND LIABILITIES</b>				
<b>September 30, 2012</b>				
Segment assets	<u>468,503</u>	<u>1,240,203</u>	<u>69,505</u>	1,778,211
Unallocated corporate assets				<u>1,236,693</u>
Total assets				<u>3,014,904</u>
Segment liabilities	<u>424,882</u>	<u>327,659</u>	<u>2,921</u>	755,462
Unallocated corporate liabilities				<u>1,165,150</u>
Total liabilities				<u>1,920,6120</u>
<b>June 30, 2012</b>				
Segment assets	<u>409,557</u>	<u>918,945</u>	<u>44,638</u>	1,373,140
Unallocated corporate assets				<u>1,224,908</u>
Total assets				<u>2,598,048</u>
Segment liabilities	<u>182,304</u>	<u>394,947</u>	<u>146,306</u>	723,557
Unallocated corporate liabilities				<u>781,373</u>
Total liabilities				<u>1,504,930</u>

### 23.1 Geographical information

#### Turnover

The Company's turnover represents local and export sales of Rs.559.363 million and Rs 19.751 million (September 30, 2011: Rs. 508.750 million and Rs. 20.223 million) respectively.

	Three months ended	
	September 30, 2012	September 30, 2011
	----- (Rupees in '000) -----	
<b>Non-Current assets</b>		
Pakistan	<u>1,390,328</u>	<u>1,398,031</u>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment property, long-term investment, loans and deposits, deferred tax assets.

### 24. DATE OF AUTHORISATION FOR ISSUE

24.1 These condensed interim financial statements have been authorised for issue on October 31, 2012 by the Board of Directors of the Company.

### 25. GENERAL

25.1 Certain prior period figures have been reclassified, wherever necessary. However, there are no material reclassifications to report.

25.2 All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.

**Zahid Mahmood**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Qazi Sajid Ali**  
Director

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

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