

Third Quarter Ended Report

March 31, 2012

(Un-audited)

DADEX

Dadex Eternit Limited

www.dadex.com

Company Information

Board of Directors	Abu Talib H.K. Dada- Chairman Sikander Dada Maqbool H.H. Rahimtoola Qazi Sajid Ali Shahzad M. Husain Zulfiqar Ali Lakhani Samad Dada (Alternate: Shahid Islam)
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) Umar Rasheed – Secretary
Management Team	Sikander Dada - Chief Executive Officer Tanveer Saleem- Director (Technical Services & Quality Assurance)/ Acting Director (Marketing & Sales) Zahid Mahmood – Chief Financial Officer / Company Secretary
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Bankers	Bank Alfalah Limited (Islamic) Bank Al-Habib Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan Oman International Bank <small>S.A.O.G</small> Standard Chartered Bank (Pakistan) Limited
Legal Advisor	Surridge & Beecheno 3 rd 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	Gangjees Registrar Services (Pvt) Limited 516, Clifton Centre, Khayaban-e-Roomi, Kehkashan, Block-5, Clifton, Karachi- 75600 Tel: (92-21) 35836920, 35375714, 35377045 Fax: (92-21) 35837956, 35810289 Email: gangjees@super.net.pk
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 Third Quarter ended March 31, 2012.

Pursuant to the settlement agreement with the JS group arrived at earlier, all the related ongoing disputes / litigation and all the cases pending in the Court stand withdrawn with the permission from the Court.

In pursuance of the settlement agreement, the Board had approved two interim cash dividends of Rs.17.80 and Rs.40.50 per share in respect of the financial year ending June 30, 2012.

The shareholders of the Company in the Extraordinary General Meeting held on April 10, 2012, approved an amendment in the Articles of Association of the Company with the fixation of the number of directors on the Board of Directors of the Company to Seven (07).

The rising gap between demand and supply of gas and electricity has continued to be a serious challenge for the industrial sector in Pakistan. However, with improved efficiency in the management of resources, your Company is countering this challenging business and economic environment and has achieved encouraging results, especially in comparison to the corresponding period last year.

Your Company surpassed the Budget approved by the Directors for the nine months ended March 31, 2012 and has achieved a net turnover of Rs. 1.563 billion (March 2011: Rs. 1.385 billion), which is 12.8 % higher than the turnover achieved during the corresponding period last year. Overall the Company has achieved a profit after tax of Rs. 123.144 million (March 2011: Loss of Rs. 27.385 million) which includes a gain of Rs. 232.796 million related to the sale of the Company's property situated in Lahore. The earning per share of the Company is Rs. 11.44 (March 2011: Loss of Rs. 2.54 per share).

Being a manufacturer of building products in Pakistan, the Company sales also depend on the construction and other infrastructure activities taking place in country. With the expected increase in demand as a consequence of the recently announced public sector development projects and release of the related funding, the Company expects to see a growth in its revenues.

Amidst the global trend of rising energy, raw material and transportation costs, 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.

We wish to record our appreciation of continued commitment of our employees and patronage of our customers.

On behalf of the Board

Karachi: April 30, 2012

Sikander Dada
Chief Executive

Qazi Sajid Ali
Director

DADEX ETERNIT LIMITED

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2012

	Note	March 31, 2012 (Un-audited) ----- (Rupees in `000) -----	June 30, 2011 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	1,349,703	290,337
Intangible assets	4.1.5	-	451
		<u>1,349,703</u>	<u>290,788</u>
Investment property	4.1.2 & 4.1.6	14,987	13,176
Long-term investment	5	855	855
Long-term loans		3,298	3,993
Long-term deposits		6,668	6,740
Deferred tax assets		29,557	-
		<u>1,405,068</u>	<u>315,552</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		35,850	37,705
Stock-in-trade	6	685,948	626,914
Trade debts	7	89,122	151,312
Loans and advances	8	95,768	12,120
Trade deposits and short-term prepayments	9	21,973	13,455
Accrued interest and other receivables	10	986	11,266
Sales tax & excise duty - net		23,564	15,216
Taxation – net		55,973	58,500
Cash and bank balances	11	16,531	4,741
		<u>1,025,715</u>	<u>931,229</u>
TOTAL ASSETS		<u><u>2,430,783</u></u>	<u><u>1,246,781</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		(100,584)	398,563
		<u>7,056</u>	<u>506,203</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		1,095,089	
NON-CURRENT LIABILITY			
Deferred tax liability		-	1,916
CURRENT LIABILITIES			
Trade and other payables	12	633,402	527,147
Accrued mark-up		21,454	10,968
Short-term borrowings	13	673,782	200,547
		<u>1,328,638</u>	<u>738,662</u>
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		<u><u>2,430,783</u></u>	<u><u>1,246,781</u></u>

The annexed notes from 1 to 24 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 NINE MONTHS ENDED MARCH 31, 2012
(UN-AUDITED)

	Note	Nine months ended		Quarter ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
		(Rupees in `000)			
Turnover – net		1,563,601	1,385,924	530,802	527,641
Cost of sales	15	(1,302,219)	(1,119,859)	(463,356)	(413,753)
Gross profit		261,382	266,065	67,446	113,888
Distribution cost		(202,120)	(190,888)	(86,912)	(68,519)
Administrative expenses		(122,076)	(79,196)	(54,318)	(24,486)
Other operating expenses		(28,052)	(3,183)	(12,168)	(54)
Other operating income	16	268,995	28,583	244,115	4,997
Operating profit		178,129	21,381	158,163	25,826
Finance cost	17	(49,260)	(42,915)	(22,593)	(18,340)
Share of loss on investment in an associate	5.2	-	(80)	-	-
Profit / (Loss) before taxation		128,869	(21,614)	135,570	7,486
Taxation	18	(5,725)	(5,771)	(37,429)	(2,194)
Profit / (Loss) for the period		123,144	(27,385)	98,141	5,292
		(Rupees)			
Earnings / (Loss) per share - Basic and diluted		Rs. 11.44	Rs. (2.54)	Rs. 9.12	Re. 0.50

The annexed notes from 1 to 24 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 COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2012
(UN-AUDITED)

Note	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Rupees in `000)			
Profit / (Loss) / profit for the period	123,144	(27,385)	98,141	5,292
Other comprehensive income / (loss) for the period				
(Accrual) / reversal of derivative financial liability – net of deferred tax	-	1,028	-	-
Depreciation (revaluation of land) effect	5,248	-	5,248	-
Net loss on interest rate swap	-	(1,507)	-	(230)
Total comprehensive income / (loss) for the period	128,392	(27,864)	103,389	5,062

The annexed notes from 1 to 24 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 CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2012
(UN-AUDITED)

	Note	Nine months ended	
		March 31, 2012	March 31, 2011
		----- (Rupees in `000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	20	(5,240)	(106,989)
Taxes paid		(34,671)	(21,170)
Long-term loans and advances – net		695	(575)
Long-term deposits – net		72	(34)
Net cash flows used in operating activities		(39,144)	(128,768)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(9,179)	(3,820)
Proceeds from disposal of fixed assets		1,204	3,166
Proceeds from sale of non current assets		235,000	-
Interest received		3,823	1
Net cash flows generated / (used in) from investing activities		230,848	(653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing		-	(30,000)
Short-term borrowing obtained (net of repayments)		473,235	173,930
Interest / mark-up paid		(38,774)	(37,966)
Payment for derivative financial instruments - cross currency swap		-	(7,687)
Payment for cash flow hedge – interest rate swap		-	(479)
Dividends paid	21	(614,375)	(26)
Net cash flows (used in) / generated from financing activities		(179,914)	97,772
Net increase / (decrease) in cash and cash equivalents		11,790	(31,649)
Cash and cash equivalents at the beginning of the period		4,741	38,001
Cash and cash equivalents at the end of the period		16,531	6,352

The annexed notes from 1 to 24 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 NINE MONTHS ENDED MARCH 31, 2012
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves					Grand Total
		Capital reserves - share premium	Revenue reserves		Other	Total	
			General	Unappr- opriated profit / (loss)			
----- (Rupees in `000) -----							
Balance as at July 1, 2010	107,640	5,655	395,000	16,858	(4,274)	413,239	520,879
Transfer to general reserve for the year ended June 30, 2010	-	-	-	-	-	-	-
Loss for the period	-	-	-	(27,385)	-	(27,385)	(27,385)
Other comprehensive loss for the period, net of tax	-	-	-	-	(479)	(479)	(479)
Total comprehensive income / (loss) for the period ended March 31, 2011	-	-	-	(27,385)	(479)	(27,864)	(27,864)
Balance as at March 31, 2011	107,640	5,655	395,000	(10,527)	(4,753)	385,375	493,015
Balance as at July 1, 2011	107,640	5,655	411,500	(18,592)	-	398,563	506,203
Transfer from general reserve to un-appropriated profit on December 01, 2011	-	-	(200,000)	200,000	-	-	-
Transfer from general reserve to un-appropriated profit on January 30, 2012	-	-	(211,500)	211,500	-	-	-
Transfer from un-appropriated profit to dividend account	-	-	-	(191,599)	-	(191,599)	(191,599)
Transfer from un-appropriated profit to dividend account	-	-	-	(435,940)	-	(435,940)	(435,940)
Profit for the period	-	-	-	123,144	-	123,144	123,144
Other comprehensive profit / (loss) for the period, net of tax	-	-	-	5,248	-	5,248	5,248
Total comprehensive profit for the period ended March 31, 2012	-	-	-	128,392	-	128,392	128,392
Balance as at March 31, 2012	107,640	5,655	-	(106,239)	-	100,584	7,056

The annexed notes from 1 to 24 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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2012

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.

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, 2011.

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, 2011.

	Note	March 31, 2012 (Un-audited) ----- (Rupees in `000) -----	June 30, 2011 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,342,985	282,668
Capital work-in-progress	4.2	6,718	7,669
		<u>1,349,703</u>	<u>290,337</u>
4.1 The following is the movement in operating fixed assets during the period/year:			
Opening balance		282,668	337,754
Add: Surplus on revaluation of fixed assets		1,100,337	-
Additions during the period/year	4.1.1	10,130	4,628
		<u>1,393,135</u>	<u>342,382</u>
Less: Transfer to investment property (WDV) [costing Rs. 7.422 million]	4.1.2	(3,195)	-
Transfer to non-current assets held for sale (WDV)		(2,204)	-
Disposals during the period / year (WDV)	4.1.3	(1,074)	(267)
Depreciation charge for the period / year	4.1.4	(43,677)	(59,447)
Operating fixed assets (WDV)		<u>1,342,985</u>	<u>282,668</u>
4.1.1 Additions including transfers during the period / year			
Building		225	1,094
Plant and machinery		9,135	1,668
Furniture & Fixture		34	165
Vehicle and transportation equipment		602	-
Office and factory equipment		134	1,701
		<u>10,130</u>	<u>4,628</u>

- 4.1.2 During the period, the company has reconsidered the current and expected future use of the part of the building on leasehold land. Keeping in view the business needs and requirements, the Company has decided to reclassify a portion of building on leasehold land from operating assets to "Investment Property". There is no impact of above change on condensed interim profit and loss account.

Further, based on the valuation carried out by K.G. Traders (Private) Limited, an independent valuer using present market value method, the fair value of aforementioned property was determined to be Rs.11.659 million as at February 13, 2012 and management is of the view that there is no significant change in the fair value of aforementioned property as at March 31, 2012.

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
Note	----- (Rupees in `000) -----	
4.1.3 Disposals during the period / year – at WDV		
Plant & Machinery costing Rs. 2.023 million (June 30, 2011: Rs. Nil)	1,048	-
Vehicle and transportation equipment costing Rs.1.205 million (June 30, 2011: Rs.5.333 million)	-	209
Office and factory equipments costing Rs.0.072 million (June 30, 2011: Rs.0.081 million)	26	58
	<u>1,074</u>	<u>267</u>

4.1.4 Depreciation charged during the period / year

Cost of sales	31,705	48,605
Distribution cost	3,801	5,329
Administrative expenses	2,923	5,513
	<u>38,429</u>	<u>59,447</u>

- 4.1.5 Includes amortization expense on intangible assets for the period amounting to Rs. 0.451 million (June 30, 2011: Rs. 5.202 million).

- 4.1.6 Includes depreciation expense on investment property for the period amounting to Rs. 1.384 million (June 30, 2011: Rs. 1.515 million).

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
Note	----- (Rupees in `000) -----	
4.2 Capital work-in-progress		
Plant and machinery – Green House Farming System	13,979	13,979
Impairment loss on plant and machinery	<u>(8,213)</u>	<u>(8,213)</u>
	5,766	5,766
Plant and Machinery - others	790	120
	<u>6,556</u>	<u>5,886</u>
Advance against purchase of operating fixed assets	162	1,783
	<u>6,718</u>	<u>7,669</u>

5. LONG-TERM INVESTMENT – Equity method

- 5.1 The Company has 48.04 (June 30, 2011: 48.04) percent shareholding [i.e. 625,000 (June 30, 2011: 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 audited financial statements of Berdex for the year ended June 30, 2011, Berdex has reported a profit of Rs.2.862 million and accumulated losses of Rs.11.230 million. Due to unavailability of the financial statements of the Berdex for the nine months ended March 31, 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.

6. STOCK-IN-TRADE

		March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
	Note	----- (Rupees in `000) -----	
Raw materials			
- in hand	6.1	157,981	186,536
- in transit		<u>106,821</u>	<u>17,052</u>
		264,802	203,588
Work-in-process	6.2	94,438	72,903
Finished goods			
- Manufactured	6.3	<u>201,285</u>	<u>217,411</u>
- Trading [including in transit of Rs.2.014 million (June 30, 2011: Rs.10.696 million)]	6.4	<u>125,423</u>	<u>133,012</u>
		<u>326,708</u>	<u>350,423</u>
		<u>685,948</u>	<u>626,914</u>

- 6.1 Includes products costing Rs.6.630 million (June 30, 2011: Rs.163.832 million) which are carried at net realizable value of Rs. 5.834 million (June 30, 2011: Rs.146.912 million).
- 6.2 Includes product costing Rs. Nil (June 30, 2011: Rs.6.671 million) which are carried at net realizable value of Rs. Nil (June 30, 2011: Rs. 2.829 million)
- 6.3 Includes products costing Rs.58.589 million (June 30, 2011: Rs.31.205 million) which are carried at net realizable value of Rs.41.317 million (June 30, 2011: Rs.16.473 million).
- 6.4 Includes products costing Rs.62.972 million (June 30, 2011: Rs.64.115 million) which are carried at net realizable value of Rs.43.025 million (June 30, 2011: Rs.41.456 million).

7. TRADE DEBTS

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.123.798 million (June 30, 2011: Rs.123.796 million). Such provision includes an amount of Rs.15.632 million (June 30, 2011: 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.91.896 million and Rs.Nil (June 30, 2011: Rs.9.658 million and Rs.0.362 million) respectively on account of purchase of raw materials.

March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
----- (Rupees in `000) -----	

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	13,558	13,772
Provision for doubtful trade deposits	<u>(5,958)</u>	<u>(5,958)</u>
	7,600	7,814
Other deposits	7,994	4,481
Prepayments		
Rent	<u>2,869</u>	<u>72</u>
Others	<u>3,510</u>	<u>1,088</u>
	<u>6,379</u>	<u>1,160</u>
	<u>21,973</u>	<u>13,455</u>

10. ACCRUED INTEREST AND OTHER RECEIVABLES

Included herein accrued interest on PLS saving account and receivable from tenant amounting to Rs.0.209 million and Rs. 0.777 million (June 30, 2011: Rs.Nil and Rs. Nil) respectively.

March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
----- (Rupees in `000) -----	

11. CASH AND BANK BALANCES

Cash in hand	1,414	262
Cash at banks in:		
Current accounts		
- Foreign currency	<u>251</u>	<u>2,265</u>
- Local currency	<u>2,105</u>	<u>2,214</u>
	2,356	4,479
PLS saving account	12,761	-
	<u>16,531</u>	<u>4,741</u>

12. TRADE AND OTHER PAYABLES

Included herein advance from customers and unclaimed dividend amounting to Rs.167.584 million and Rs.21.990 million (June 30, 2011: Rs.229.780 million and Rs.8.826 million) respectively.

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
Note	----- (Rupees in `000) -----	
13. SHORT-TERM BORROWINGS - secured		
Running finances utilized under mark-up arrangements	572,861	123,119
Foreign currency term finances	100,921	46,428
Export refinance	<u>-</u>	<u>31,000</u>
16.1	<u>673,782</u>	<u>200,547</u>
13.1 Represents facilities obtained from various commercial banks amounting to Rs.700 million (June 30, 2011: Rs.780 million) out of which Rs.26.218 million (June 30, 2011: Rs.579.257 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, 2011.		

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

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 judge 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.

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
14.2 Commitments	----- (Rupees in `000) -----	
Commitments are as follows:		
Bonds and letters of guarantee issued by banks	67,019	84,422
Letters of credit	161,398	141,807
Post dated cheques	42,696	74,893
Import contracts	7,559	45,893
Local purchase contract	57,557	12,253
	<u>336,229</u>	<u>359,268</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:

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
	----- (Rupees in `000) -----	
Not later than one year	38,586	32,973
Later than one year	44,178	58,967
	<u>82,764</u>	<u>91,940</u>

Note	Nine months ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Rupees in `000)			
15. COST OF SALES				
Manufactured				
Raw materials consumed				
Opening stock	203,588	332,318	218,862	408,945
Purchases	1,004,978	757,114	361,396	212,163
Closing stock	(264,802)	(310,741)	(264,802)	(310,741)
	6 & 15.1			
	943,764	778,691	315,456	310,367
Export rebate – Duties	(421)	(218)	-	-
	943,343	778,473	315,456	310,367
Net Stores, spare parts and loose tools consumed	36,531	39,143	11,864	15,148
Salaries, wages and benefits [including Rs.9.136 million (March 31, 2011: Rs.2.7 million) in respect of bonus to workers]	92,813	88,209	35,009	29,497
Procured services	20,408	22,146	8,715	8,175
Fuel, water and power	65,687	58,193	19,931	21,660
Insurance	4,540	4,282	1,514	1,269
Traveling	303	284	212	67
Communication	1,440	949	471	322
Depreciation	35,286	36,543	14,202	12,179
Rent, rates and taxes	3,540	1,804	895	527
Repairs and maintenance	15,555	15,005	6,835	5,920
Technical assistance fee	-	6,898	-	2,695
Printing and stationery	523	497	210	129
Other expenses	1,139	1,019	366	327
	4.1.4			
	277,765	274,972	100,224	97,915
Opening stock of work-in-process	72,903	104,734	81,441	67,531
Closing stock of work-in-process	(94,438)	(73,628)	(94,438)	(73,628)
	6			
Cost of goods manufactured	1,199,573	1,084,551	402,683	402,185
Opening stock of finished goods	217,411	216,548	225,116	237,195
Closing stock of finished goods	(201,285)	(244,278)	(201,285)	(244,278)
	6 & 15.1			
	1,215,699	1,056,821	426,514	395,102
Trading				
Opening stock	133,012	129,612	141,084	130,932
Purchases	85,592	78,269	23,513	26,152
	218,604	207,881	164,597	157,084
Closing stock	(125,423)	(133,455)	(125,423)	(133,455)
	6			
	93,181	74,426	39,174	23,629
Sale of scrap	(6,661)	(11,388)	(2,332)	(4,978)
	1,302,219	1,119,859	463,356	413,753

15.1 These are net of adjustments of Rs.0.439 million (March 31, 2011: Rs. Nil) relating to raw material and manufactured finished goods written off during the period.

	Nine months ended	
	March 31, 2012	March 31, 2011
	(Rupees in `000)	
16. OTHER OPERATING INCOME		
Income from financial assets		
Income from bank deposits	4,032	1
Reversal of provision against doubtful debts – net	-	1,963
Income from non-financial assets		
Gain on disposal of operating assets	1,130	3,111
Gain on sale of non current assets	232,796	-
Rental income – investment property	29,770	21,393
Net income from services	1,267	1,674
Gain on fair value of cross currency swap	-	441
	268,995	28,583

17. FINANCE COST

Mark-up on long-term financing	-	4,300
Mark-up on short-term borrowings	45,624	36,932
Bank and other charges	3,636	1,683
	<u>49,260</u>	<u>42,915</u>

Nine months ended	
March 31, 2012	March 31, 2011
----- (Rupees in `000) -----	

18. TAXATION

Current – for the year	23,420	18,846
- prior year	13,778	-
	<u>37,198</u>	<u>18,846</u>
Deferred	(31,473)	(13,075)
	<u>5,725</u>	<u>5,771</u>

19. TRANSACTIONS WITH RELATED PARTIES

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	Note	Nine months ended	
			March 31, 2012	March 31, 2011
			----- (Rupees in `000) -----	
Transactions with associated companies due to common directorship:				
Berger Paints Pakistan Limited	Purchase and sale of goods		<u>86</u>	<u>343</u>
Sikander (Private) Limited	Rent paid		<u>319</u>	<u>290</u>
Cyber Internet Services (Private) Limited	Sale of goods		<u>24,678</u>	<u>-</u>
Century Insurance Company Limited (CICL)	General Insurance Insurance premium paid to New Jubilee Insurance Company Limited and Habib Insurance Company Limited [CICL is co-insurer with 20% share (March 31, 2011:25% share)]		<u>581</u>	<u>3,545</u>
Staff retirement benefits				
Dadex Eternit Limited - Provident Fund	Employer Contribution		<u>6,775</u>	<u>7,344</u>
Key management personnel				
Sikander Dada (Chief Executive)	Salary and other employment benefits		<u>4,930</u>	<u>6,042</u>

		Nine months ended	
		March 31, 2012	March 31, 2011
Note		----- (Rupees in `000) -----	
20. CASH USED IN OPERATIONS			
	Profit / (loss) before taxation	128,869	(21,614)
	Adjustments for non cash charges and other items:		
	Depreciation – operating fixed assets	4.1.4 43,677	44,844
	Depreciation – investment property	4.1.6 1,384	1,137
	Amortization	4.1.5 451	4,750
	Gain on disposal of fixed assets – net	(130)	(3,110)
	Gain from sale of non current assets – net	(232,796)	-
	Interest income	(4,032)	(1)
	Gain on fair value of cross currency swap	-	(441)
	Share of loss on investment in an associate	-	80
	Interest / mark-up expense	49,260	42,915
	Reversal of provision against doubtful debts - net of provision	-	(2,643)
	Working capital changes	20.1 8,077	(172,906)
		<u>(5,240)</u>	<u>(106,989)</u>
20.1 Working capital changes			
<i>Decrease / (increase) in current assets</i>			
	Stores, spare and loose tools	1,855	3,995
	Stock-in-trade	(59,034)	21,109
	Trade debts	62,190	(63,309)
	Loans and advances	(83,648)	(64,134)
	Trade deposits and short-term prepayments	(8,518)	(491)
	Other receivables	10,489	(8,980)
		<u>(76,666)</u>	<u>(111,810)</u>
<i>(Decrease) / increase in current liabilities</i>			
	Trade and other payables	93,091	(73,973)
	Sales tax and excise duty payable (net)	(8,348)	12,877
		<u>84,743</u>	<u>(61,096)</u>
		<u>8,077</u>	<u>(172,906)</u>

		Nine months ended	
		March 31, 2012	March 31, 2011
Note		----- (Rupees in `000) -----	

21. DIVIDEND PAID

Declared and paid during the nine months period

Interim cash dividend declared in December 2011 Rs. 191.599 million
Interim cash dividend declared in January 2012 Rs. 435.940 million
(March 31, 2011: Nil)

Cash dividend paid	614,375	-
Final cash dividend Nil (March 31, 2011: Nil)	-	26

22. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
<u>Nine months ended March 31, 2012</u>				
TURNOVER – net	683,550	855,089	24,962	1,563,601
RESULT				
Segment result	878	(63,333)	908	(61,547)
Unallocated expense				
Other operating expenses				(28,052)
Other operating income				267,728
Finance cost				(49,260)
Share of profit / (loss) on investment in an associate				-
Taxation				(5,725)
Profit for the period				123,144
<u>Nine months ended March 31, 2011</u>				
TURNOVER – net	613,250	758,099	14,575	1,385,924
RESULT				
Segment result	36,480	(37,697)	(1,128)	(2,345)
Unallocated expense				
Other operating expenses				(3,183)
Other operating income				26,909
Finance cost				(42,915)
Share of profit / (loss) on investment in an associate				(80)
Taxation				(5,771)
Loss for the period				(27,385)
ASSETS AND LIABILITIES				
<u>March 31, 2012</u>				
Segment assets	759,509	920,939	490,162	2,170,610
Unallocated corporate assets				260,173
Total assets				2,430,783
Segment liabilities	257,497	153,926	59,492	470,915
Unallocated corporate liabilities				857,723
Total liabilities				1,328,638
<u>June 30, 2011</u>				
Segment assets	323,409	621,091	22,578	967,078
Unallocated corporate assets				279,703
Total assets				1,246,781
Segment liabilities	161,092	141,078	402	302,572
Unallocated corporate liabilities				438,006
Total liabilities				740,578

22.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs.1,477.474 million and Rs.86.127 million (March 31, 2011: Rs. 1,345.856 million and Rs. 40.068 million) respectively.

	March 31, 2012 (Un-audited)	June 30, 2011 (Audited)
	---(Rupees in '000)---	
Non-Current assets		
Pakistan	<u>1,405,068</u>	<u>315,552</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.

23. DATE OF AUTHORISATION FOR ISSUE

23.1 These condensed interim financial statements have been authorised for issue on April 30, 2012 by the Board of Directors of the Company.

24. GENERAL

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

24.2 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