

First Quarter Ended Report

September 30, 2013

(Un-audited)

DADEX

Dadex Eternit Limited

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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	(Non - Executive Director) (Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director)
Chief Executive Officer	Sikander Dada	
Chief Financial Officer/ Company Secretary	Shazam Butt	
Board Audit Committee	Qazi Sajid Ali - Chairman Shahzad M. Husain Samad Dada	
Human Resource and Remuneration Committee	Maqbool H.H. Rahimtoola - Chairman Sikander Dada Qazi Sajid Ali	
Management Team	Sikander Dada - Chief Executive Officer Tanveer Saleem- Chief Operating Officer (Technical & Operations) Syed Ashar Husain - Chief Operating Officer (Commercial Services) Shazam Butt - Chief Financial Officer / Company Secretary Muhammad Ebrahim - General Manager (Zarkaasht) Munawar Abbas- General Manager (Operations)	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants	
Bankers	Dubai Islamic Bank Pakistan Limited Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited MCB Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited (UBL Ameen)	
Legal Advisor	SurrIDGE & 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	M/s. JWAFFS Registrar Services (Private) Limited 505, 5th Floor, Kashif Centre, Near Hotel Mehran, Main Shahrah-e-Faisal, Karachi. Phone: (92-21) 35643871-72 Fax: (92-21) 35643873 Email: jwaffs@live.com	
Web Site	www.dadex.com	

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DIRECTORS' REVIEW

The Directors are pleased to present their review together with the financial statements of the Company for the three months ended September 30, 2013.

Factors like energy crisis, economic slowdown and restricted purchasing power (for both manufacturers and consumers) affected sales throughout the quarter, while dearth of raw material and shortage of essential fittings continued to hamper sales efforts for the first two months of the quarter. However, the sales outlook for the second quarter is much stronger with full production of the complete PPR and PVC range of products, and strong demand for these products from the markets.

In the period under review, the Company achieved a net turnover of Rs. 535.44 million (September 2012: Rs. 579.11 million), being 7.54% lower than the turnover achieved during the corresponding previous period. The net loss after tax of the Company is Rs. 81.97 million for the three months (September 2012: Profit of Rs. 1.17 million). The major contributors being the ijarah rental of Rs. 25.14 million (September 2012: Rs. 12.7 million), exchange loss of Rs. 23 million (September 2012: Rs. 3.3 million) and the financial cost of Rs. 23.5 million (September 2012: Rs. 30.7).

The business environment in coming days seems to be extremely challenging as a whole. High inflation, devaluation of Pak rupees, increases in both Turnover tax and Interest rates, increase in diesel prices and energy crisis prevailing in the country may imbalance the equation thus posing significant business risk for the management to maintain the margins. The continued internal general law and order situation in the country means that the general economic uncertainty weighs heavily on the industrial growth in the country. Rising inflationary trends have further exacerbated this situation.

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.

The Directors would like to extend their thanks to the management team and appreciate the continued support and commitment of all the stakeholders and all cadres of employees of the Company for their continued hard and sincere work and expect them to put in extra efforts in the coming quarter to help the Company to achieve a profitable year.

On behalf of the Board

Karachi: October 30, 2013

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2013**

	Note	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
(Rupees in '000)			
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	1,294,458	1,301,522
Intangible assets		-	-
		<u>1,294,458</u>	<u>1,301,522</u>
Long-term investment	5	-	-
Long-term loans		2,515	2,225
Long-term deposits		46,668	46,668
Deferred tax assets		83,911	62,105
		<u>1,427,552</u>	<u>1,412,520</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		37,551	33,147
Stock-in-trade	6	869,952	982,607
Trade debts	7	163,004	161,080
Loans and advances	8	86,887	61,713
Trade deposits and short-term prepayments	9	25,826	25,994
Accrued interest and other receivables	10	12,074	13,096
Sales tax & excise duty - net		28,087	28,157
Taxation - net		156,199	144,964
Cash and bank balances	11	7,433	17,782
		<u>1,387,013</u>	<u>1,468,540</u>
TOTAL ASSETS		<u><u>2,814,565</u></u>	<u><u>2,881,060</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		99,586	177,942
		<u>207,226</u>	<u>285,582</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		791,613	795,226
NON-CURRENT LIABILITIES			
Long-term financing		88,889	88,889
CURRENT LIABILITIES			
Trade and other payables	12	920,178	854,271
Accrued mark-up		21,941	21,691
Short-term borrowings		773,607	824,290
Current portion of long-term financing	13	11,111	11,111
		<u>1,726,837</u>	<u>1,711,363</u>
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		<u><u>2,814,565</u></u>	<u><u>2,881,060</u></u>

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
(UN-AUDITED)**

		September 30, 2013	September 30, 2012
	Note	———— (Rupees in ‘000) ————	
Turnover - net	15	535,444	579,114
Cost of sales	16	<u>(493,462)</u>	<u>(455,579)</u>
Gross profit		41,982	123,535
Distribution cost		(44,568)	(54,553)
Administrative expenses		(51,057)	(46,310)
Other operating expenses		(23,372)	(4,310)
Other operating income	17	<u>9,509</u>	<u>19,915</u>
Operating (loss) / profit		(67,506)	38,277
Finance cost	18	(27,469)	(31,286)
Share of loss on investment in an associate	5.2	<u>-</u>	<u>-</u>
(Loss) / profit before taxation		(94,975)	6,991
Taxation	19	13,006	(5,817)
(Loss) / profit for the period		<u>(81,969)</u>	<u>1,174</u>
(Loss) / Earnings per share - Basic and diluted		<u>Rs. (7.62)</u>	<u>Re. 0.11</u>

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
(UNAUDITED)**

Note	Three months ended	
	September 30, 2013	September 30, 2012
	(Rupees in '000)	
(Loss) / profit for the period	(81,969)	1,174
Other comprehensive income for the period	-	-
Total comprehensive (loss) / income for the period	<u>(81,969)</u>	<u>1,174</u>

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
(UN-AUDITED)**

		September 30, 2013	September 30, 2012
Note	———— (Rupees in ‘000) ————		
CASH FLOWS FROM OPERATING ACTIVITIES			
	21	95,808	(194,610)
Cash generated/(used in) from operations			
		(20,035)	(26,969)
Taxes paid			
		(290)	(282)
Long-term loans and advances - net			
Net cash flows generated/(used in) operating activities		<u>75,483</u>	<u>(221,861)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
		(7,715)	(7,236)
Capital expenditure			
		75	-
Proceeds from disposal of fixed assets			
		-	39
Interest received			
Net cash flows used in investing activities		<u>(7,640)</u>	<u>(7,197)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		(50,683)	288,676
Short-term borrowing (paid)/obtained (net of repayments)			
		(27,219)	(3,438)
Interest/mark-up paid			
	22	(290)	(941)
Dividends paid			
Net cash flows (used in)/generated from financing activities		<u>(78,192)</u>	<u>284,297</u>
Net (decrease)/increase in cash and cash equivalents		<u>(10,349)</u>	<u>55,239</u>
Cash and cash equivalents at the beginning of the period		<u>17,782</u>	<u>4,676</u>
Cash and cash equivalents at the end of the period		<u><u>7,433</u></u>	<u><u>59,915</u></u>

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Grand Total
		Capital reserves- shares- premium	Revenue reserves		Total	
			General	Unapp- ropriated profit / (loss)		
Balance as at July 1, 2012	107,640	5,655	-	170,143	175,798	283,438
Surplus on Revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the year	-	-	-	3,613	3,613	3,613
Profit for the period	-	-	-	1,174	1,174	1,174
Balance as at September 30, 2012	107,640	5,655	-	174,930	180,585	288,225
Balance as at July 1, 2013	107,640	5,655	160,000	12,287	177,942	285,582
Surplus on Revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the year	-	-	-	3,613	3,613	3,613
Loss for the period	-	-	-	(81,969)	(81,969)	(81,969)
Balance as at September 30, 2013	107,640	5,655	160,000	(66,069)	99,586	207,226

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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**NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

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.

Sikander (Private) Limited is the holding company, which held 6,800,648 (2012: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (2012: 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, 2013.

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, 2013.

4. PROPERTY, PLANT AND EQUIPMENT

		September 30, 2013 (Un-audited) — (Rupees in '000) —	June 30, 2013 (Audited)
Operating fixed assets	4.1	1,274,066	1,285,694
Capital work-in-progress	4.2	<u>20,392</u>	<u>15,828</u>
	1,294,458	<u><u>1,301,522</u></u>	<u><u>1,301,522</u></u>

		September 30, 2013 (Un-audited) (Rupees in '000)	June 30, 2013 (Audited)
4.1	The following is the movement in operating fixed assets during the period/year:		
	Opening balance	1,285,694	1,291,077
	Add: Additions during the period/year	3,199	55,646
		1,288,893	1,346,723
	Less: Disposals during the period/year (WDV)	(48)	-
	Depreciation charge for the period/year	(14,779)	(61,029)
	Operating fixed assets (WDV)	1,274,066	1,285,694
4.1.1	Additions including transfers during the period/year		
	Building	-	9,625
	Plant and machinery	3,014	43,516
	Furniture & Fixture	-	562
	Office and factory equipment	185	1,943
		3,199	55,646
4.1.2	Disposals during the period/year - at WDV		
	Plant & Machinery costing Rs. 0.879 million (June 30, 2013: Rs. Nil)	-	-
	Office and factory equipments costing Rs.0.055 million (June 30, 2013: Rs. Nil)	48	-
		48	-
4.1.3	Depreciation charged during the period / year		
	Cost of sales	13,502	54,739
	Distribution cost	779	3,956
	Administrative expenses	498	2,334
		14,779	61,029
4.2	Capital work-in-progress		
	Plant and machinery - Green House Farming System	13,979	13,979
	Impairment loss on plant and machinery	(8,811)	(8,811)
		5,168	5,168
	Advance against purchase of operating fixed assets	15,224	10,660
		20,392	15,828
5.	LONG-TERM INVESTMENT - Equity method		
5.1	The Company has 48.04 percent (June 30, 2013: 48.04 percent) shareholding [i.e. 625,000 (June 30, 2013: 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, 2013, Berdex has reported a loss of Rs. 0.401 million and accumulated losses of Rs.13.175 million. Due to unavailability of the financial statements of the Berdex for the three months ended September 30, 2013, 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, 2013 (Un-audited) — (Rupees in '000) —	June 30, 2013 (Audited)
6. STOCK-IN-TRADE			
Raw materials			
- in hand	6.1	397,273	364,579
- in transit		47,733	187,909
		<u>445,006</u>	<u>552,488</u>
Work-in-process	6.2	79,969	83,853
Finished goods			
- Manufactured	6.3	238,835	235,764
- Trading [including in transit of Rs. 11.840 million (June 30, 2013: Rs.15.089 million)]	6.4	106,142	110,502
		<u>344,977</u>	<u>346,266</u>
		<u>869,952</u>	<u>982,607</u>

- 6.1 Includes raw materials costing Rs.2.563 million (June 30, 2013: Rs.2.563 million) which are carried at net realizable value of Rs. 1.383 million (June 30, 2013: Rs. 1.383 million).
- 6.2 Includes product costing Rs. 43.428 million (June 30, 2013: Rs.43.428 million) which are carried at net realizable value of Rs. 27.946 million (June 30, 2013: Rs. 27.946 million)
- 6.3 Includes products costing Rs.70.645 million (June 30, 2013: Rs.70.645 million) which are carried at net realizable value of Rs. 37.434 million (June 30, 2013: Rs. 37.434 million).

7. TRADE DEBTS

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs. 116.453 million (June 30, 2013: Rs.116.517 million). Such provision includes an amount of Rs.15.632 million (June 30, 2013: 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.

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Note	(Rupees in '000)	
8. LOANS AND ADVANCES		
Loans - secured, considered good		
Current portion of long-term loans	940	657
Employees	9,352	7,145
Suppliers	76,455	53,771
Others	140	140
	85,947	61,056
Advances - considered doubtful		
Suppliers / contractors	500	500
Provision for doubtful advances	(500)	(500)
	-	-
	86,887	61,713
9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	8,274	11,354
Provision for doubtful trade deposits	(5,242)	(5,107)
	3,032	6,247
Margin deposits	15,301	15,301
Other deposits	5,735	1,930
	24,068	23,478
Prepayments		
Rent & Others	1,758	2,516
	25,826	25,994
10. ACCRUED INTEREST AND OTHER RECEIVABLES		
Included herein accrued interest on PLS saving account and receivable from tenant amounting to Rs.0.005 million and Rs. 1.473 million (June 30, 2013: Rs. 0.006 million and Rs. 1.585 million) respectively.		
11. CASH AND BANK BALANCES		
Cash in hand	2,299	488
Cash at banks in:		
Current accounts		
- Local currency	4,934	16,919
PLS saving account	200	375
	7,433	17,782

12. TRADE AND OTHER PAYABLES

Included herein advance from customers and unclaimed dividend amounting to Rs. 215.594 million and Rs. 17.568 million (June 30, 2013: Rs. 177.433 million and Rs. 17.858 million) respectively.

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Note	———— (Rupees in '000) ————	

13. SHORT-TERM BORROWINGS - secured

Running finances utilized under mark-up arrangements	13.1 & 13.2	769,252	760,780
Demand Finance	13.1 & 13.2	<u>4,355</u>	<u>63,510</u>
		<u>773,607</u>	<u>824,290</u>

13.1 These finance facilities have been obtained from various commercial banks aggregating to Rs.900 million (June 30, 2013: Rs.900 million) out of which Rs. 126.393 million (June 30, 2013: Rs.75.710 million) remains unutilized as at the balance sheet date. These facilities are secured by the creation of a first pari passu charge against hypothecation of the company's stock-in-trade and trade debts of Rs. 1,287.333 million and equitable mortgage charge of Rs. 134 million over property situated at plots # 36-37 N, Jinnah Park Industrial Area, Gulberg II, Lahore.

13.2 These facilities carry mark-up rate of 10.28 to 11.51 percent (June 30, 2013: 10.78 to 12.38 percent) per annum.

13.3 During the year, the Company has availed and repaid the finance against trust receipt facility of Rs. 67 million carrying markup at the rate of 3 months KIBOR plus 1.75 percent per annum.

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 There is no change in the status of Contingencies as disclosed in the Audited Financial Statements for the year ended June 30, 2013.

	September 30, 2013 (Un-audited)	June 30, 2013 (Audited)
Note	———— (Rupees in '000) ————	

14.1.2 Bonds and letters of guarantee issued by banks 52,498 64,897

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

	Note	September 30,	June 30,
		2013 (Un-audited)	2013 (Audited)
		(Rupees in '000)	
14.2 Commitments			
Commitments are as follows:			
Letters of credit		67,492	249,281
Post dated cheques	14.2.1	130,021	110,781
Import contracts		208,992	144,722
Local purchase contract		110,938	18,171
		<u>517,443</u>	<u>522,955</u>

14.2.1 Represents post dated cheques of Rs. 130.021 million (June 30, 2013: Rs. 110.781 million) issued in favour of Collector of Customs on account of import of raw material under SRO 565(I)/2006 dated June 05, 2006 as amended vide SRO 564(I)2008 dated June 11, 2008.

14.2.2 The Company has entered into an Ijarah agreement dated June 15, 2012 with United Bank Limited in respect of commercial property (representing leasehold land, building and plant and machinery) for a period of five years. Total Ijarah payments due under the agreement is Rs. 499.726 million and are payable in monthly installments latest by June 15, 2017. Taxes, repairs (other than major repairs) and replacement cost incidental to ownership and insurance costs are to be borne by the Company (lessee). These payments are secured against a promissory note in favor of lessor for the entire amount of the Ijarah rentals and security deposit of Rs. 40 million. Under an Ijarah agreement, the lessee has a right to sub lease the portion of said commercial property. Future minimum rentals payable under Ijarah agreement as at period / year end are as follows:

	Note	September 30,	June 30,
		2013 (Un-audited)	2013 (Audited)
		(Rupees in '000)	
Not later than one year		99,348	99,348
Later than one year		269,060	293,897
		<u>368,408</u>	<u>393,245</u>

15. TURNOVER - NET

LOCAL			
- manufactured		557,433	575,590
- trading		59,154	55,989
- others		1,420	12,909
		<u>618,007</u>	644,487
EXPORT			
		-	19,751
		<u>618,007</u>	664,238
Less:			
Returns		-	1,919
Sales Tax		82,563	83,205
		<u>82,563</u>	85,124
		<u>535,444</u>	<u>579,114</u>

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		Three months ended	
		September 30,	September 30,
		2013	2012
		(Un-audited)	
		(Rupees in '000)	
16. COST OF SALES	Note		
Manufactured			
Raw materials consumed			
Opening stock		552,488	464,842
Purchases		235,415	631,476
Closing stock	6	<u>(445,006)</u>	<u>(736,263)</u>
		342,897	360,055
Net Stores, spare parts and loose tools consumed		14,282	10,662
Salaries, wages and benefits [including Rs. Nil (September 30, 2012: Rs.0.900 million) in respect of bonus to workers]		31,424	28,005
Procured services		12,965	9,374
Fuel, water and power		23,786	28,868
Insurance		1,513	1,513
Traveling		22	36
Communication		266	503
Depreciation	4.1.3	13,502	13,597
Rent, rates and taxes		811	1,411
Repairs and maintenance		7,061	7,352
Technical Assistance Fee		2,331	-
Printing and stationery		184	166
Other expenses		525	394
		108,672	101,881
Opening stock of work-in-process		83,853	91,979
Closing stock of work-in-process	6	<u>(79,969)</u>	<u>(94,344)</u>
Cost of goods manufactured		455,453	459,571
Opening stock of finished goods		235,764	186,232
Closing stock of finished goods	6	<u>(238,835)</u>	<u>(224,041)</u>
		452,382	421,762
Trading			
Opening stock		110,502	53,369
Purchases		38,718	27,328
		149,220	80,697
Closing stock	6	<u>(106,142)</u>	<u>(46,613)</u>
		43,078	34,084
Sale of scrap		(1,998)	(267)
		493,462	455,579
17. OTHER OPERATING INCOME			
Income from financial assets			
Income from bank deposits		-	39
Income from non-financial assets			
Gain on disposal of operating assets		75	-
Rental income - investment property		9,185	9,601
Sundry Income/Receipts		8	10,227
Product Installation revenue		241	48
		9,509	19,915

	Note	Three months ended	
		September 30, 2013	September 30, 2012
		(Un-audited)	
		(Rupees in '000)	
18. FINANCE COST			
Mark-up on short-term borrowings		26,871	30,675
Bank and other charges		598	611
		<u>27,469</u>	<u>31,286</u>
19. TAXATION			
Current - for the year		9,799	5,817
Deferred		(21,805)	-
		<u>(13,006)</u>	<u>5,817</u>

20. 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	Three months ended	
		September 30, 2013	September 30, 2012
		(Un-audited)	
		(Rupees in '000)	
Transactions with associated companies due to common directorship:			
Berger Paints Pakistan Limited	Purchase and sale of goods	<u>55</u>	<u>-</u>
Sikander (Private) Limited	Rent paid	<u>387</u>	<u>-</u>
Cyber Internet Services (Private) Limited	Sale of goods	<u>1,466</u>	<u>-</u>
Century Insurance Company Limited (CICL)	General Insurance Insurance premium paid to Habib Insurance Company Limited [CICL is co-insurer with 20% share (September 30, 2012:20% share)]	<u>-</u>	<u>500</u>
Staff retirement benefits			
Dadex Eternit Limited-Provident Fund	Employer Contribution	<u>2,731</u>	<u>2,512</u>
Key management personnel			
Sikander Dada (Chief Executive)	Salary and other employment benefits	<u>4,188</u>	<u>3,808</u>

	Note	Three months ended	
		September 30,	September 30,
		2013	2012
		(Un-audited)	
		(Rupees in '000)	
21. CASH USED IN OPERATIONS			
(Loss) / Profit before taxation		(94,975)	6,991
Adjustments for non cash charges and other items:			
Depreciation - operating fixed assets	4.1.4	11,166	11,608
Depreciation - revaluation of land		3,613	3,613
Gain on disposal of fixed assets - net		(75)	-
Interest income		-	(39)
Interest / mark-up expense		27,469	31,286
Working capital changes	20.1	148,610	(248,069)
		<u>95,808</u>	<u>(194,610)</u>
21.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spare and loose tools		(4,404)	(934)
Stock-in-trade		112,655	(304,839)
Trade debts		(1,924)	(3,570)
Loans and advances		(25,174)	(2,477)
Trade deposits and short-term prepayments		168	(4,746)
Other receivables		1,022	(10,068)
Sales tax and excise duty payable (net)		70	(21,533)
		<u>82,413</u>	<u>(348,167)</u>
Decrease / (increase) in current liabilities			
Trade and other payables		66,197	100,098
		<u>148,610</u>	<u>(248,069)</u>
22. DIVIDEND PAID			
Declared and paid during the three months period			
Final cash dividend Nil (September 30, 2012: Nil)		290	941

23. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	(Rupees in '000)			
Three months ended September 30, 2013				
TURNOVER - net	<u>221,391</u>	<u>312,123</u>	<u>1,930</u>	535,444
RESULT				
Segment result	<u>379</u>	<u>(53,537)</u>	<u>(308)</u>	(53,466)
Unallocated expense				
Other operating expenses				(23,372)
Other operating income				9,332
Finance cost				(27,469)
Taxation				13,006
Loss for the period				<u>(81,969)</u>
Three months ended September 30, 2012				
TURNOVER - net	<u>210,813</u>	<u>368,160</u>	<u>141</u>	579,114
RESULT				
Segment result	<u>31,999</u>	<u>(8,853)</u>	<u>(425)</u>	22,720
Unallocated expense				
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>
ASSETS AND LIABILITIES				
September 30, 2013				
Segment assets	<u>467,616</u>	<u>1,010,666</u>	<u>123,576</u>	1,601,858
Unallocated corporate assets				1,212,707
Total assets				<u>2,814,565</u>
Segment liabilities	<u>476,336</u>	<u>265,318</u>	<u>32,273</u>	773,926
Unallocated corporate liabilities				952,911
Total liabilities				<u>1,726,837</u>
June 30, 2013				
Segment assets	<u>478,330</u>	<u>1,113,523</u>	<u>125,021</u>	1,716,874
Unallocated corporate assets				1,164,186
Total assets				<u>2,881,060</u>
Segment liabilities	<u>391,710</u>	<u>397,185</u>	<u>5,414</u>	794,309
Unallocated corporate liabilities				1,005,943
Total liabilities				<u>1,800,252</u>

23.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs. 535.444 million and Rs. Nil (September 30, 2012: Rs. 559.363 million and Rs. 19.751 million) respectively.

	<u>Three months ended</u>	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2013</u>	<u>2012</u>
	<u>(Un-audited)</u>	
	<u>(Rupees in '000)</u>	
Non-Current assets		
Pakistan	<u>1,427,552</u>	<u>1,390,328</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 asset.

24. DATE OF AUTHORISATION FOR ISSUE

24.1 These condensed interim financial statements have been authorised for issue on October 30, 2013 by the Board of Directors of the Company.

25. GENERAL

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

Shazam Butt
Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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