



DADEX

44th ANNUAL REPORT

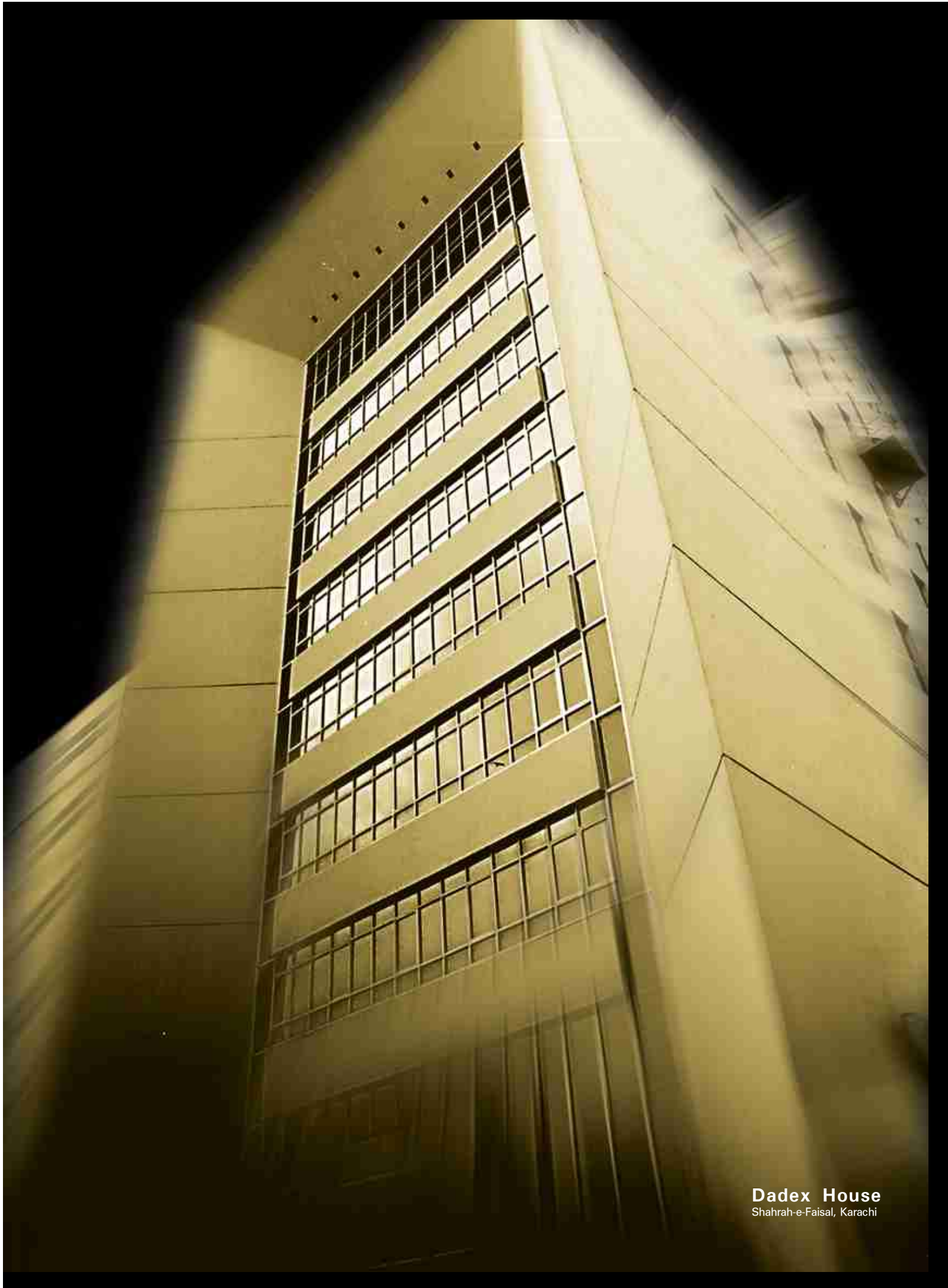




44th Annual Report

For the year ended June 2003

DADEX



Dadex House
Shahrah-e-Faisal, Karachi



Founder Chairman

KASSIM DADA

(1919-2001)

Kassim Dada was an individual of principles. An astute businessman, a philanthropist, an avid traveler and a man committed to basic values - Kassim Dada's individuality influenced many to add meaning and significance to their lives.

Following the simple principle of fairness, clarity and sincere application to all things in life - he worked to make Dadex a company that would not only be recognized for its quality of work and products but a company with integrity. As he wrote in his book **A Ramble Through Life**, "The conduct towards others must be based on kindness, service, fairness, charity, justice, honesty and the sanctity of promise, pledge or agreement."

The new Dadex Vision launched earlier this year signifies all those qualities that were an intrinsic part of existence for Kassim Dada. The strength and longevity of any successful company does not lie in merely the superiority of products - but in fact, in how it conducts business.

Dadex has evolved into a company that upholds authenticity as a crucial factor in its business practices. Be it in serving customers, product quality, relationship with clients - the underlying aim is the collective convergence of all values under the principle rule of truthfulness.

The new vision signifies Kassim Dada's legacy of fundamental righteousness in business and in personal life.

CHAIRMAN

Brooke Bond Pakistan Ltd.
Berger Paints Pakistan Ltd.
Dada Agencies Ltd.
Dadex Eternit Limited
Pakistan Welding Electrodes Ltd.
Sikander (Pvt) Ltd.
Smith Kline & French of Pakistan Ltd.
J&N Pakistan Ltd.

DIRECTOR

Adamjee Industries Ltd.
Adamjee Sugar Mills Ltd.
Adamjee Insurance Company Ltd.
Central Chemical's (Pvt) Ltd.
Dada (Pvt) Ltd.
First International Investment Bank Ltd.
First International Investment Fund Ltd.
Habib Insurance Company Ltd.
Mehran Jute Mills Ltd.
Metropolitan Bank Ltd.
State Bank of Pakistan

DADEX



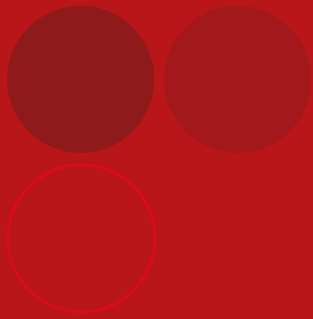
VISION

"...to be the most valued company for all stakeholders,
renowned for customer focus, innovation, quality,
reliability & ethical practices."





DADEX



Building Blocks of Dadex Values

customer focus

Superior Customer Support - Magnified Focus.



innovation

Boundless Thinking. Timeless Innovation.



quality

Quality Assured Is Quality Delivered.



reliability

Reliability And Trust - A Secure Balance.



ethical practices

Solid Links To Strong Principles.



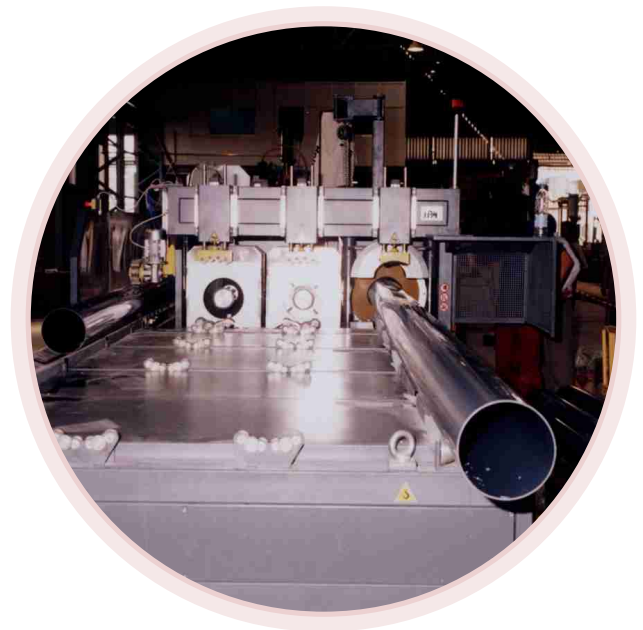
The guiding vision of Dadex was unveiled on June 8th, 2003 and encompasses the intrinsic values of Dadex. Each value is a fundamental building block of the company's existence and subsistence. These values - referred to as the "Building Blocks Of Dadex Values" - reflect the true spirit of the company and its employees and are now the foundation of all business practices.



Expansion in Manufacturing Line

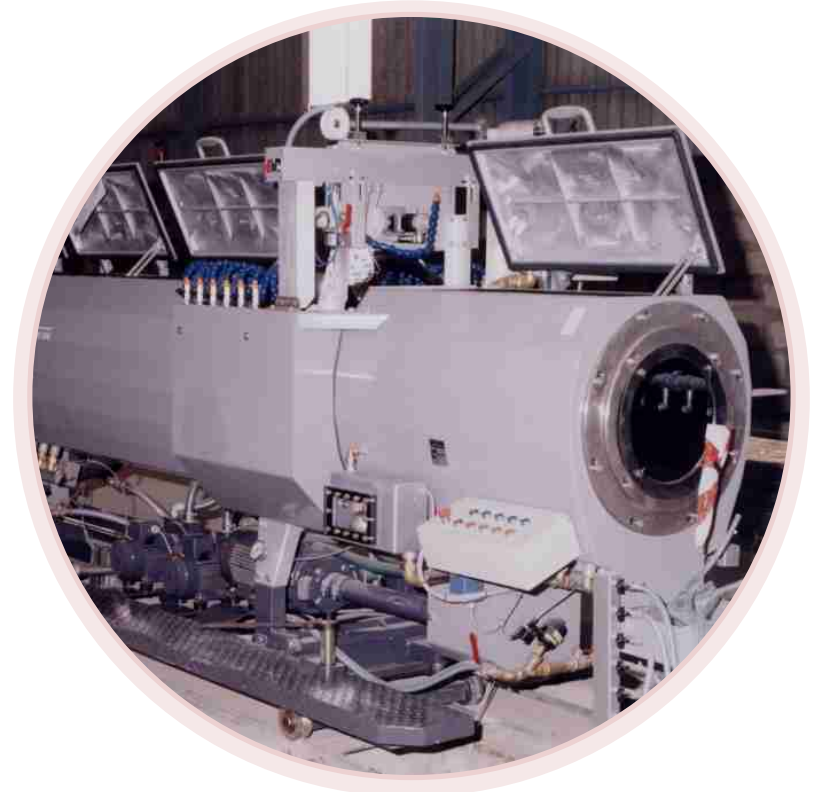
Through the years Dadex has continuously been investing in top-of-the-line machinery and equipment in order to maintain its competitive edge in the market especially when it comes to the plastics division. Since 1991, investments have been made on a regular basis.

- 1991 First uPVC extruder for launching of PVC pipes
- 1992 First PE extruder for launching of PE
- 2000 Second PE extruder
- 2001 First injection molding machine
- 2003 Second uPVC extruder



With the introduction of the second uPVC extruder, Dadex is now equipped to produce quality uPVC pipes up to 16 inch diameter, being the first in Pakistan to be able to do so.

The above investments have placed Dadex in a unique position in the local market as the only company in the country which can offer a wide range of piping systems under one roof.



DADEX



ANNUAL REPORT 2003





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Board Of Directors

- MAQBOOL H. H. RAHIMTOOLA - **Chairman**
- ABDUR RAZZAK DADA
(Alternate: TARIQ ALI JAFRI)
- ABU TALIB H.K. DADA
- ZAHID ZAHEER
- DR. MAHMOOD AHMED
(Alternate: MUHAMMAD HANIF IDREES)
- TOWFIQ H. CHINOY
- RIYAZ T. CHINOY
- ZAFAR IQBAL
- KEMAL SHOAB
- QAZI SAJID ALI

Chief Executive

- SIKANDER DADA

Chief Financial Officer & Company Secretary

- MUHAMMAD HANIF IDREES

Board Audit Committee

- ZAHID ZAHEER - **Chairman**
- ABU TALIB H. K. DADA
- QAZI SAJID ALI
- SIKANDER DADA

Auditors

- A. F. FERGUSON & CO. - **Chartered Accountants**
- HYDER BHIMJI & CO. - **Chartered Accountants**

Bankers

- AMERICAN EXPRESS BANK LIMITED
- HABIB BANK LIMITED
- MUSLIM COMMERCIAL BANK LIMITED
- OMAN INTERNATIONAL BANK S.A.O.G.
- PICIC COMMERCIAL BANK LIMITED
- STANDARD CHARTERED BANK
- THE HONG KONG & SHANGHAI BANKING CORPORATION LIMITED
- UNION BANK LIMITED

Registered Office

- Dadex House, 34-A/1, Block 6, P.E.C.H.S.,
Shahrah-e-Faisal, Karachi-75400

Website

- www.dadex.com



● Notice Of Annual General Meeting

Notice is hereby given that the 44th Annual General Meeting of the Dadex Eternit Limited will be held on Wednesday, October 22, 2003 at 12.00 noon at Dadex House, 34-A/1, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi to transact the following business:

1. To receive, consider and adopt the following:
 - a) Financial statements for the year ended June 30, 2003 and the Auditors' Report thereon; and
 - b) The Report of the Board of Directors for the year ended June 30, 2003.
2. To consider and approve payment of 20% dividend in cash for the year ended June 30, 2003 as recommended by the Board of Directors.
3. To appoint Auditors for the year ended June 30, 2004, and authorize the Directors to fix their remuneration. As required by Code of Corporate Governance, the Audit Committee has recommended and further a shareholder has proposed that only Messrs. A.F. Ferguson & Co., Chartered Accountants be appointed as auditor for the year ending June 30, 2004 in place of the retiring auditors Messrs. A.F. Ferguson & Co., Chartered Accountants & Messrs. Hyder Bhimji & Co., Chartered Accountants.

By Order of the Board

(MUHAMMAD HANIF IDREES)
Company Secretary

Karachi, September 10, 2003

NOTES:

1. The Register of Members and the Share Transfer Books of the Company will be closed from October 15, 2003 to October 22, 2003 (both days inclusive) for the purpose of determining names of shareholders for the entitlement of cash dividend in respect of the year ended June 30, 2003. Transfers received in order at the Registered Office of the Company by the close of business hours on October 14, 2003 will be treated in time for the entitlement of the above.
2. Only those persons whose names appear in the Register of Members of the Company as at October 22, 2003 are entitled to attend and participate in and vote at the Annual General Meeting.
3. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
4. Members are requested to notify immediately changes, if any, in their registered address.
5. CDC Account Holders will further have to follow the undermentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
 - A. For Attending The Meeting:
 - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting.
 - ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
 - B. For Appointing Proxies:
 - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
 - iii. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original NIC or original passport at the time of the meeting.
 - v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the company.
6. Transport will be available for members at 11:00 a.m. sharp outside the premises of the Karachi Stock Exchange Building to take them to the venue of the meeting.



● Report Of The Board Of Directors

Dear Shareholders

The Directors of your company take pleasure in presenting you their Annual Report together with the Audited Financial Statements of the company for the year ended June 30, 2003 which is the 44th year of the company's operations.

I. ECONOMIC OVERVIEW

During the fiscal year 2002-2003, global economy remained subdued, owing to adverse developments unfolded on the international economic scene, which included bursting of equity markets, sharp rise in oil prices, outbreak of SARS, affecting the international business environment.

In spite of the frustrations of the world economy, macro economic stability of the country strengthened during the year which is evident by GDP growth, reduction in fiscal deficit and increased foreign exchange reserves. Monetary policy measures and improved economic governance resulted in low interest rates. Inflow of capital reduced burden of debt servicing and provided the Government the necessary fiscal space to enlarge the Public Sector Development Programme.

However, in spite of increased liquidity and improved foreign exchange reserves, the economy did not witness any major investment activity. Investment decisions in the economy continued to be affected by the geo-political situation and perceptions of political stability in the country.

II. BUSINESS OVERVIEW

Your company has achieved a turnover of Rs. 717 million as compared to Rs. 562 million in the previous year, which is approximately 28% higher than the previous year. The increase in turnover is mainly on account of improved volumes due to concerted efforts by Sales and Marketing and increase in new development schemes initiated by the Government. Capturing of further market share in the growing segments of Thermoplastic Division has also contributed to increase in volumes.

Your company is striving hard to expand by making relevant investments and exploring new market segments through current and new products. During the year capacity and capability to manufacture plastic pipes was increased with the installation of new state-of-the-art PVC extruder for manufacturing larger diameter pipes. Lately, two new pipe systems were launched within Thermoplastic Division, as a part of the strategy of capturing the mass market and tapping a new segment of industry with the current product portfolio.

Thermoplastic Division, especially PVC, continued to face severe unfair competition, from influx of imported finished goods stimulated by tariff anomalies and from manufacturers who provide inferior quality pipes and evade taxes. The Government needs to avoid creating uneven playing fields which hamper the progress and growth of domestic industry by tariff rationalization. There is also need to create awareness amongst the Government departments for quality plastic piping systems.

Chrysotile Cement Division continued to have a major share in total exports as compared to Thermoplastic Division. However, overall exports during the year registered decline mainly due to increasing price competition in the international market, uncertainties in the international markets due to Iraq conflict and sluggishness in world economy.



● Report Of The Board Of Directors

III. APPROPRIATIONS

Together with the unappropriated profit of Rs.2.112 million brought forward from the previous year, a total of Rs.30.526 million is available for appropriation. The Directors are pleased to propose a final cash dividend of 20%. The proposed appropriations of profit of the company are as under:-

	(Rupees '000)
Net Profit Before Taxation	58,620
Less: Provision For Taxation	30,206
Net Profit After Taxation	28,414
Add: Unappropriated Profit Brought Forward	2,112
Profit Available For Appropriation	30,526
Your Directors Have Decided To appropriate As Under:	
Transferred To Revenue Reserve, General	5,000
Proposed Final Dividend Rs.2.00 (2002: Rs.1.25) Per Share	21,528
	26,528
Unappropriated Profit Carried Forward	3,998

Estimated break-up value per share as at June 30, 2003 is Rs. 40.00 (2002 - Restated : Rs. 39.37)

Earning per share for the year ended June 30, 2003 is Rs. 2.64 (2002 - Restated : Rs. 0.79)

Further your directors have proposed to transfer following balances as at June 30, 2003 to general reserve:

	(Rupees '000)
Fixed Assets Replacement Reserve	104,345
Dividend Equalization Reserve	22,000

IV. BOARD OF DIRECTORS

Since the last report, Mr. Philippe Coens, Mr. Ray Hemstock, Mr. M. Irshad Uddin and Mr. Qazi Sajid Ali, nominees of Team S.A. who were holding shares, resigned due to disposal of shares by Team S.A. Further, Mr. Tariq Ali Jafri, also left the Board as he resigned. We welcome to the Board Mr. Towfiq H. Chinoy, Mr. Riyaz T. Chinoy, Mr. Kemal Shoaib and Mr. Zafar Iqbal who joined the Board in replacement of nominees of Team S.A. with effect from July 8, 2003 for the remainder of the term. Mr. Qazi Sajid Ali joined the Board in place of Mr. Tariq Ali Jafri with effect from July 8th, 2003 for the remainder of his term.

Further, Mr. Tariq Ali Jafri and Muhammad Hanif Idrees were nominated to act as Alternate Directors for Mr. Abdul Razzak Dada and Dr. Mahmood Ahmed respectively during their absence from Pakistan.

The term of office of the present Directors will expire on July 12, 2005.

During the year six [6] meetings of the Board of Directors were held. Attendance by Chief Executive & each director is given on page 7.

V. TAXATION

Your company was admitted with effect from July 1, 2002 for handling of its tax matters under Large Tax Payers Unit (LTU). LTU has been established to provide quality service to Large Tax Payers through focussed arrangements. The establishment of LTU is one of the major objectives of the tax reform strategy of the Government.



● Report Of The Board Of Directors

VI. HUMAN RESOURCE

Industrial relations remained cordial and satisfactory throughout the year. A satisfactory agreement with CBA of Hyderabad Factory was signed and negotiations with CBA, Karachi Factory are in progress. Your company is making considerable investment to safeguard the future of the company as well as those working for it and we seek understanding from the unions, particularly in the wake of difficulties and challenges which lie ahead for the business.

Your company attaches great importance to motivated, satisfied and skilled employees at all levels. Trainings were imparted keeping in view the organizational requirements with the objective of developing people.

VII. AUDITORS

The present auditors Messrs. A.F. Ferguson & Co., Chartered Accountants and Messrs. Hyder Bhimji & Co., Chartered Accountants, retire at the conclusion of the meeting. Being eligible, they have offered themselves for reappointment. Further, as required by Code of Corporate Governance, the Audit Committee has recommended the appointment of only Messrs. A.F. Ferguson & Co. Chartered Accountants as auditors of the company for the ensuing year.

The Board of Directors wish to place on record and acknowledge the highest standard of professional independence, objectivity and effectiveness shown by Messrs. Hyder Bhimji & Co., who have been the statutory auditors since the formation of the company in 1959.

VIII. CORPORATE AND FINANCIAL REPORTING FRAME WORK

Your Board of Directors is pleased to confirm that your company has applied the principles contained in the Code of Corporate Governance as narrated in the "Statement of Compliance With The Code of Corporate Governance for the year ended June 30, 2003" on page 8. The Directors hereby confirm and the Auditors in their report to the members have also certified that:

- a. The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Proper books of account of the company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, except for the changes as stated in notes 2.5, 2.6 and 2.14 of the accounts. Accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented and monitored. The system is being continuously reviewed by internal audit. The process of review will continue and any weaknesses in controls identified in the process will be removed.
- f. There are no significant doubts upon the company's ability to continue as going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

IX. KEY OPERATING AND FINANCIAL DATA

Key operating and financial data of the current year and the last 6 years is provided on page 37.



● Report Of The Board Of Directors

X. INVESTMENTS OF PROVIDENT FUND

The following is the value of investments of Provident Fund based on the latest audited accounts as at June 30, 2003:

• 2003	• 2002
(Rupees '000)	
97,479	109,570

XI. PATTERN OF SHARE HOLDING

á A statement showing pattern of shareholding of the company as at June 30, 2003 is provided on pages 35 and 36.

á No trades in the shares of the listed company were carried out by the directors, CEO, CFO & Company Secretary and their spouses and minor children.

XII. FUTURE OUTLOOK

Growth of your company's sales and profitability largely depends on the general economic environment, Government's initiatives for infrastructure development and construction industry. Presently, due to availability of fiscal space with the Government, adequate allocations for infrastructure development are expected. Due to ample liquidity coupled with incentives for housing and construction, activity in private and public sector is expected to gain further momentum, and borrowing rates are expected to remain stable.

Your company is looking for opportunities to make viable investments by taking advantage of stable mark-up rates and increase its market share in all products. One such step has been the investment made in the state-of-the-art new PVC extruder for manufacturing larger diameter PVC pipes. Company is also planning to further broaden the product range, explore export markets especially Afghanistan. Liaison with Government for removal of fiscal and tariff anomalies (which are promoting traders at the cost of local manufacturers) will continue. Focus on continuous improvement in efficiency of operations, to assure its continued growth and financial viability in the future is also on the agenda.

XIII. ACKNOWLEDGEMENTS

We are thankful to the Government, Shareholders, Suppliers for their support and to Customers for their cooperation and patronage. We would also like to acknowledge the banks and financial institutions that have reposed their confidence in the company by extending financial facilities.

Our employees including all staff members and workers who are the real strength and whose untiring efforts, commitment and hard work has enabled the management to achieve the results, deserve our applaud. We look forward to the continued zeal and enthusiasm from our total work force to achieve even better results in future.

On behalf of the Board of Directors

MAQBOOL H. H. RAHIMTOOLA
CHAIRMAN

Karachi: September 5, 2003



● Attendance At Board Meeting For The Year Ended June 30, 2003

Name Of Director	Total No. Of Board Meetings	No. Of Meetings Attended
Maqbool H.H. Rahimtoola	6	6
Abdur Razzak Dada	6	-
Abu Talib H.K. Dada	6	5
M. Irshad Uddin	6	5
Zahid Zaheer	6	5
Dr. Mahmood Ahmed	6	5
Philippe Coens	6	-
Ray Hemstock	6	-
Qazi Sajid Ali	6	5
Tariq Ali Jafri	6	6
Sikander Dada - Chief Executive	6	6

□



Statement Of Compliance With The Code Of Corporate Governance For The Year Ended June 30, 2003

This statement is being presented to comply with the Code of Corporate Governance as contained in the listing regulations of Karachi Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present there is no executive director in the Company's Board of Directors, other than the CEO.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company have confirmed that they are registered taxpayers.
4. All the resident directors have confirmed that none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
5. All the casual vacancies occurring during the year in the Board were filled up by the directors within 30 days.
6. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and senior management employees of the Company.
7. The Board of Directors has adopted a vision/mission statement. Any amendments in significant policies are approved by the Board and a complete record of amendments in significant policies along with the dates on which they were approved has been maintained.
8. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO have been taken by the Board.
9. The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda were circulated at least seven days before the meeting, unless an urgency warranted otherwise. The minutes of the meeting were appropriately recorded and circulated.
10. Directors are well conversant with the listing regulations and legal requirements and as such are fully aware of their duties and responsibilities.
11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
12. The CFO (who is also the Company Secretary) is an associate member of the Institute of Chartered Accountants of Pakistan and an associate member of the Institute of Cost & Management Accountants of Pakistan.
13. The Company Secretary (who is also the CFO) attends Board Meetings of the Company.
14. The director's report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
15. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
16. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
17. The Company has complied with all the corporate and financial reporting requirements of the Code.



● Statement Of Compliance With The Code Of Corporate Governance For The Year Ended June 30, 2003

18. The Board has formed an audit committee. It comprises four members, of whom three are non-executive directors including the chairman of the committee.
19. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
20. The Board has set-up an effective internal audit function.
21. The statutory auditors of the Company have confirmed that:
 - a. they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan;
 - b. they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company; and
 - c. the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
22. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
23. We confirm that all other material principles contained in the Code have been complied with.

Karachi: September 05, 2003

MAQBOOL H. H. RAHIMTOOLA
Chairman



● Auditors' Review Report On Statement Of Compliance

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Dadex Eternit Limited to comply with the Listing Regulation No.37 of the Karachi Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of the various documents prepared by the Company to comply with the Code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2003.

A.F. FERGUSON & CO.
Chartered Accountants

HYDER BHIMJI & CO.
Chartered Accountants

Karachi, September 5, 2003

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● Auditors' Report To The Members

We have audited the annexed balance sheet of **Dadex Eternit Limited** as at June 30, 2003 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in notes 2.5, 2.6 and 2.14 with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2003 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

A.F.FERGUSON & CO.
Chartered Accountants

Karachi, September 5, 2003

HYDER BHIMJEE & CO.
Chartered Accountants



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● Balance Sheet As At June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
Tangible fixed assets			
Operating fixed assets	3	205,663	168,285
Capital work-in-progress	4	-	94
		205,663	168,379
Long-term investment			
Long-term loans and advances	5	5,000	5,000
Long-term deposits	6	712	1,461
Deferred taxation	7	3,559	7,086
	8	-	3,506
		214,934	185,432
Current assets			
Stores and spares	9	48,141	50,483
Stock-in-trade	10	287,832	184,663
Trade debts	11	59,413	86,530
Loans and advances	12	13,345	15,222
Trade deposits and short-term prepayments	13	10,612	13,937
Other receivables	14	376	596
Investments - held to maturity	15	295	2,996
Taxation recoverable		39,615	41,183
Cash and bank balances	16	36,477	70,359
		496,106	465,969
Current liabilities and provisions			
Short-term finances	17	94,048	40,000
Creditors, accrued and other liabilities	18	136,577	118,906
Current portion of liabilities against assets subject to finance lease	19	26,012	24,522
Proposed dividend		21,528	13,455
		278,165	196,883
Net current assets			
Liabilities against assets subject to finance lease	19	217,941	269,086
Deferred taxation	8	357	30,766
Commitments	20	1,880	
Net assets		430,638	423,752
Financed by:			
Issued, subscribed and paid-up capital			
	22	107,640	107,640
Reserves			
Capital	23	5,655	110,000
Revenue	23	313,345	204,000
Unappropriated profit		3,998	2,112
		322,998	316,112
Shareholders' equity		430,638	423,752

The annexed notes form an integral part of these accounts.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive

Maqbool H. H. Rahimtoola
Chairman

DADEX

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● Profit And Loss Account For The Year Ended June 30, 2003

	Note	● 2003	● 2002
		(Rupees '000)	
			Restated
Turnover	24	717,168	562,226
Cost of goods sold	25	503,898	411,282
Gross profit		213,270	150,944
Administration, selling and distribution expenses	26	154,642	142,639
Operating profit		58,628	8,305
Other income	27	14,255	30,152
		72,883	38,457
Financial charges	28	8,997	23,828
Other charges	29	5,266	2,085
		14,263	25,913
Profit before taxation		58,620	12,544
Taxation	30	30,206	4,046
Profit after taxation		28,414	8,498
Unappropriated profit brought forward		2,112	7,069
Profit available for appropriation		30,526	15,567
Appropriations:			
General reserve		5,000	-
Proposed final dividend Rs.2.00 (2002: Rs.1.25) per share		21,528	13,455
		26,528	13,455
Unappropriated profit carried forward		3,998	2,112
		Rupees	Rupees
Earnings per share	31	2.64	0.79

The annexed notes form an integral part of these accounts.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive

Maqbool H. H. Rahimtoola
Chairman



DADEX

Annual Report 2003 **13**

Cash Flow Statement For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	36	49,524	188,892
Interest / mark-up paid		(2,059)	(21,722)
Taxes paid		(23,252)	(21,868)
Long-term loans and advances (net)		749	442
Long-term deposits (net)		3,527	92
Net cash inflow from operating activities		28,489	145,836
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(83,057)	(27,960)
Investments		2,701	54,343
Proceeds from disposal of fixed assets		3,060	2,470
Interest received		2,336	5,281
Net cash (outflow) on / inflow from investing activities		(74,960)	34,134
CASH FLOW FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance lease		(28,919)	(20,440)
Short-term borrowing obtained (net of repayment) / repayment		50,000	(11,492)
Dividends paid		(12,540)	(19,927)
Net cash inflow from / (outflow) on financing activities		8,541	(51,859)
Net (decrease) / increase in cash and cash equivalents		(37,930)	128,111
Cash and cash equivalents at beginning of the year		70,359	(57,752)
Cash and cash equivalents at end of the year	37	32,429	70,359

The annexed notes form an integral part of these accounts.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive

Maqbool H. H. Rahimtoola
Chairman

DADEX

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Statement Of Changes In Equity For The Year Ended June 30, 2003

Note	Share Capital	Capital Reserves		Revenue Reserves		Unappropriated Profit	Total
		Fixed Assets Replacement	Share Premium	Dividend Equalisation	General		
							(Rupees '000)
Balance as at June 30, 2001	107,640	104,345	5,655	22,000	182,000	1,318	Restated 422,958
Effects of changes in accounting policies in respect of							
- stock-in-trade	2.6	-	-	-	-	3,256	3,256
- stores and spares	2.5	-	-	-	-	2,495	2,495
Balance as at July 1, 2001 - Restated	107,640	104,345	5,655	22,000	182,000	7,069	428,709
Profit after taxation for the year ended June 30, 2002 as previously reported	-	-	-	-	-	12,737	12,737
Effects of changes in accounting policies in respect of							
- stock-in-trade	2.6	-	-	-	-	(4,194)	(4,194)
- stores and spares	2.5	-	-	-	-	(45)	(45)
Profit after taxation for the year ended June 30, 2002 as restated	-	-	-	-	-	8,498	8,498
Proposed dividend	-	-	-	-	-	(13,455)	(13,455)
Balance as at June 30, 2002 - Restated	107,640	104,345	5,655	22,000	182,000	2,112	423,752
Transfer to general reserve	-	(104,345)	-	(22,000)	126,345	-	-
	107,640	-	5,655	-	308,345	2,112	423,752
Profit after taxation for the year ended June 30, 2003	-	-	-	-	-	28,414	28,414
Transfer to general reserve	-	-	-	-	5,000	(5,000)	-
Proposed dividend	-	-	-	-	-	(21,528)	(21,528)
Balance as at June 30, 2003	107,640	-	5,655	-	313,345	3,998	430,638

The annexed notes form an integral part of these accounts.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive

Maqbool H. H. Rahimtoola
Chairman



DADEX

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● Notes To The Accounts For The Year Ended June 30, 2003

1. THE COMPANY AND ITS OPERATIONS

The company is a limited liability company incorporated in Pakistan and is listed on the Karachi Stock Exchange. The address of its registered office is Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

It is engaged in the manufacture and sale of construction material which mainly includes piping system and other allied products manufactured from chrysotile cement, rubber and plastics; and merchandising of imported fittings, accessories and other building products.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement Of Compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except that certain exchange elements referred to in note 2.15 have been incorporated in the cost of the relevant fixed assets.

In the current year the following International Accounting Standards became applicable to the company:

- IAS 12 Income Taxes (Revised 2000)
- IAS 40 Investment Property

Consequent to the applicability of the IAS 12, the company has changed its accounting policy with respect to deferred taxation as disclosed in note 2.14 .

The applicability of IAS 40 did not have any impact on the financial statements of the company.

2.3 Tangible Fixed Assets

a) Owned

Operating fixed assets are stated at cost less accumulated depreciation except freehold land and capital-work-in progress which are stated at cost. Cost in relation to certain fixed assets signifies historical cost and exchange differences capitalised as referred to in note 2.15.

Depreciation is charged to income applying the straight-line method whereby the cost of an asset is written off over its estimated useful life.

Cost of leasehold land is amortised equally over the period of lease.

Depreciation on additions to fixed assets during the year is charged for the whole year while no depreciation is charged on fixed assets disposed of during the year.

Gains and losses on disposal of assets are taken to the profit and loss account.



● Notes To The Accounts For The Year Ended June 30, 2003

Maintenance and normal repairs and replacements are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

b) Leased

Assets subject to finance lease are stated at the lower of the present value of minimum lease payments under the lease agreements and their fair value. Depreciation is charged using the same basis and rates used for similar owned assets whereby the cost of assets less residual value is written off over their estimated useful lives.

2.4 Investment

Investment in non-listed equity securities of an associated undertaking and those which are held to maturity are stated at cost less provision for diminution in value. Provision in respect of any diminution in the value of long-term investment is considered only if there is a permanent impairment in the value of the investment.

2.5 Stores And Spares

During the year the company has changed its accounting policy in respect of valuation of felt and sievemesh included in stores and spares and has decided to value all items at cost determined using the moving average basis. Previously, felt and sievemesh included in stores and spares were valued at cost using the last-in-first-out basis while all other items were valued at cost using the moving average basis. The change has been made to comply with the benchmark treatment specified in International Accounting Standard 2: Inventories. The change in policy has been applied retrospectively and the comparative information has been restated. The effect of the change in policy on the opening unappropriated profit for the current and prior period is disclosed in the Statement of Changes in Equity. Had the accounting policy not been changed, the profit for the year before taxation would have been higher by Rs. 2.734 million.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

2.6 Stock-In-Trade

a) Raw materials

During the year the company has changed its accounting policy in respect of valuation of chrysotile included in raw materials and has decided to value all items at cost determined using the moving average basis. Previously, chrysotile included in raw material was valued at cost using the last-in-first-out basis while all other items were valued at cost using the moving average basis. The change has been made to comply with the benchmark treatment specified in International Accounting Standard 2: Inventories. The change in accounting policy has been applied retrospectively and the comparative information has been restated. The effect of the change in policy on the opening unappropriated profit for the current and prior period is disclosed in the Statement of Changes in Equity. Had the accounting policy not been changed, the profit for the year before taxation would have been higher by Rs. 0.394 million.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

b) Work-in-process

Work-in-process is valued at prime cost and an appropriate portion of manufacturing overheads.



● Notes To The Accounts For The Year Ended June 30, 2003

c) Finished goods

Finished goods are valued at lower of moving average cost and net realisable value. Cost includes prime cost and an appropriate portion of manufacturing overheads.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessarily to be incurred to make the sale.

2.7 Trade Debts

Trade debts are carried at original invoice amount less an estimate for doubtful receivable balances based on review of outstanding amounts at year end. Bad debts are written off when identified.

2.8 Provisions

Provisions are recognised when:

- a) the company has a present obligation (legal or constructive) as a result of past events;
- b) it is probable that an outflow of resources will be required to settle the obligation; and
- c) a reliable estimate of the amount can be made.

2.9 Liabilities And Finance Charge Against Assets Subject To Finance Lease

Liabilities against assets subject to finance lease are accounted for at net present value of minimum payments under the lease arrangements. Finance charges under the lease arrangements are allocated to periods during the lease term so as to produce a constant periodic rate of financial cost on the outstanding balance of the principal liability of each period.

2.10 Revenue Recognition

- Sales are recorded on despatch of goods to customers.
- Dividend income is recognised when the right to receive the dividend is established.
- Income on short-term investments is recognised on accrual basis.
- Rental income is recorded on accrual basis.

2.11 Turnkey Projects

Revenue is recognised on the basis of approved quantities of pipes supplied. The value of pipes supplied to date and the related costs incurred in respect thereof are recognised as an expense. Any anticipated losses on these contracts are recognised immediately by transferring the related revenue to contingency account. Revenue arising from work variations and claims is not accounted for unless it is probable that the customer will approve the variation/claim and the amount of revenue arising from variation/claim can be measured reliably.



● Notes To The Accounts For The Year Ended June 30, 2003

2.12 Retirement Benefits

The company operates an approved contributory provident fund for all permanent employees.

2.13 Compensated Absences

The company provides for its estimated liability towards leaves accumulated by employees on an accrual basis using current salary levels.

2.14 Taxation

a) Current

Provision for current taxation is based on taxable income after taking into account tax credits available, if any.

b) Deferred

During the current year the company has changed its accounting policy in respect of deferred taxation. The change has been made to comply with the requirements of the revised International Accounting Standard 12; " Income Taxes " which became applicable for financial periods beginning on or after January 1, 2002. Accordingly, deferred tax is now recognised on all major temporary differences between the carrying amount for financial reporting purposes and the amounts used for taxation purposes. Until last year, the company accounted for deferred taxation on all material timing differences using the liability method. The change in accounting policy did not have any effect on the profit and loss account for the year.

2.15 Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date.

Exchange differences in respect of foreign currency loans obtained for acquisition of fixed assets are incorporated in the cost of the relevant assets. All other exchange differences are taken to the profit and loss account.

2.16 Cash And Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

2.17 Financial Instruments

Financial Instruments carried on the balance sheet include investments, receivables, cash and bank balances and trade creditors. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.



● Notes To The Accounts For The Year Ended June 30, 2003

3. OPERATING FIXED ASSETS

3.1 The following is a statement of operating fixed assets :

	Cost			Accumulated Depreciation			Book value at June 30, 2003	Depreciation rate % per annum
	At July 1, 2002	Additions/ (disposals)	At June 30, 2003	At July 1, 2002	Charge for the year / (accumulated depreciation on disposals)	At June 30, 2003		
(Rupees '000)								
OWNED ASSETS								
Freehold land	4,638	-	4,638	-	-	-	4,638	-
Leasehold land	5,292	-	5,292	1,432	66	1,498	3,794	1 to 2.5
Building on freehold land	1,932	-	1,932	831	117	948	984	5
Factory buildings on leasehold land	36,128	114	36,242	28,116	1,378	29,494	6,748	10
Building on leasehold land other than factory	66,224	276	66,500	15,738	3,082	18,820	47,680	5
Plant and machinery	291,226	72,936	364,162	244,308	21,782	266,090	98,072	20 & 25
Furniture and fixtures	2,919	179	3,098	1,208	273	1,481	1,617	10
Vehicles and transportation equipment	8,134	7,942	14,222	7,547	1,566	8,748	5,474	20
		(1,854)			(365)			
Office and factory equipment	3,072	1,704	4,776	851	1,125	1,976	2,800	10 & 33.33
ASSETS UNDER FINANCE LEASE								
Plant and machinery	76,173	-	76,173	28,946	14,473	43,419	32,754	20
Office and factory equipment	1,156	-	1,156	440	220	660	496	10
Vehicles and transportation equipment	1,010	-	1,010	202	202	404	606	20
	2003	497,904	83,151	579,201	329,619	44,284	373,538	205,663
			(1,854)			(365)		
	2002	475,938	24,990	497,904	295,937	35,072	329,619	168,285
			(3,024)			(1,390)		



● Notes To The Accounts For The Year Ended June 30, 2003

3.2 The Depreciation Charge For The Year Has Been Allocated As Follows:

	Note	• 2003	• 2002
(Rupees '000)			
Cost of goods sold	25	31,302	22,947
Administration, selling and distribution expenses	26	12,982	12,125
		44,284	35,072

3.3 The Following Fixed Assets Were Disposed Of During The Year:

	Cost	Accumulated Depreciation	Book Value	Sale Proceeds/ Insurance Claim	Mode Of Disposal	Particulars Of Buyers
Vehicles and transportation equipment	75	43	32	252	Negotiation	Mr. Salim Rajan - Ex-employee - Karachi
	36	21	15	100	Negotiation	Mr. Abdul Majeed Suleman - Executive
	48	27	21	133	Negotiation	Mr. Javed Yusuf Khan - Ex-employee - Karachi
	75	43	32	211	Negotiation	Mr. Shahid Anvery - Executive
	27	16	11	75	Negotiation	Mr. Khwaja Muntajibuddin - Executive
	3	-	3	400	Negotiation	Mr. Rahim Khan Ranizai - Ex-employee - Karachi
	298	-	298	548	Negotiation	Mr. Zaimuddin Ahmed - Ex-employee - Karachi
	299	204	95	154	Negotiation	Mr. Abdul Aman - Karachi
	54	11	43	248	Negotiation	Mr. Jawaid - Karachi
	939	-	939	939	Insurance claim	Adamjee Insurance Company Limited
	1,854	365	1,489	3,060		

	• 2003	• 2002
(Rupees '000)		

4 CAPITAL WORK-IN-PROGRESS

Plant and machinery

	-	94
	5,000	5,000

5 LONG-TERM INVESTMENT

Associated Undertaking

625,000 ordinary shares of Rs.10 each in
Berdex Construction Chemicals (Private) Limited

The company holds 50% shareholding in Berdex Construction Chemicals (Private) Limited. Berdex is engaged in marketing and distribution of construction chemicals in Pakistan. The value of the company's investment on the basis of net assets of Berdex, as disclosed in the audited accounts for the year ended June 30, 2003 amounted to Rs. 6.357 million (2002: Rs. 6.345 million).



● Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
6 LONG-TERM LOANS AND ADVANCES			
considered good			
Due from executives		892	1,621
Less: receivable within one year	12	333	567
		559	1,054
Due from employees		452	1,151
Less: receivable within one year	12	299	744
		153	407
		712	1,461

Loans to executives and employees are given for purchase of motor cars, motorcycles, cycles, computers and festivals advances. These are repayable between two months to five years. All the loans are granted in accordance with the terms of employment.

The maximum aggregate amount of loans due from executives at the end of any month during the year was Rs. 1.165 million (2002: Rs. 1.765 million).

	Note	• 2003	• 2002
(Rupees '000)			
7 LONG-TERM DEPOSITS			
Deposits with leasing companies		3,150	3,150
Less: Current portion of deposits with leasing companies	13	3,099	-
		51	3,150
Other deposits		3,508	3,936
		3,559	7,086
8 DEFERRED TAXATION			
Deferred tax credit arising due to accelerated tax depreciation allowances and finance leases		(7,247)	(5,799)
Deferred debit arising in respect of certain short-term provisions		5,367	9,305
		(1,880)	3,506

		• 2003	• 2002
(Rupees '000)			
9 STORES AND SPARES			Restated
Stores		5,186	5,182
Spares		43,843	44,326
Consumable accessories		5,143	7,858
Loose tools		1,299	1,156
Items in transit		761	167
		56,232	58,689
Provision for slow moving and obsolete spares		(8,091)	(8,206)
		48,141	50,483



● Notes To The Accounts For The Year Ended June 30, 2003

	• 2003	• 2002
	(Rupees '000)	
10 STOCK-IN-TRADE		Restated
Raw materials		
- in hand	136,671	56,641
- in transit	19,753	-
	<u>156,424</u>	<u>56,641</u>
Work-in-process	21,704	22,597
Finished goods (including in transit Rs. NIL; 2002: Rs. 0.416 Million)	<u>109,704</u>	<u>105,425</u>
	<u>287,832</u>	<u>184,663</u>

	• 2003	• 2002
	(Rupees '000)	
11 TRADE DEBTS		
unsecured		
Against turnkey projects - considered good	18,595	31,007
- considered doubtful	19,366	12,234
	<u>37,961</u>	<u>43,241</u>
Less: Provision for doubtful debts	<u>19,366</u>	<u>12,234</u>
	18,595	31,007
Other than turnkey projects - considered good	40,818	55,523
- considered doubtful	29,011	17,771
	<u>69,829</u>	<u>73,294</u>
Less: Provision for doubtful debts	<u>29,011</u>	<u>17,771</u>
	40,818	55,523
	<u>59,413</u>	<u>86,530</u>

Provision for doubtful debts against turnkey projects represents estimate of the loss expected to be incurred on pipes supplied but not installed/certified to date on various projects.

Amounts due from associated undertakings at the year end aggregated to Rs.0.128 Million (2002: Rs.0.259 Million). The amount outstanding at June 30, 2003 was due from Berger Paints Pakistan Limited and Berdex Construction Chemicals (Pvt) Limited.

The maximum aggregate amount due from associated undertakings at the end of any month during the year was Rs. 0.232 million (2002: Rs. 1.395 million).



● Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
12	LOANS AND ADVANCES - considered good		
Loans to:			
- executives	6	333	567
- employees	6	299	744
Advances to:			
- executives		588	341
- employees		413	244
- associated undertaking		229	-
- suppliers / contractors		5,506	7,321
- contractors for turnkey projects		5,837	5,865
- others		140	140
		13,345	15,222

The maximum aggregate amount of advances due from associated undertaking and executives at the end of any month during the year was Rs. 0.229 million (2002: Rs. Nil) and Rs. 1.891 million (2002 : Rs. 0.352 million) respectively.

	Note	• 2003	• 2002
(Rupees '000)			
13	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits		7,307	10,669
Provision against doubtful trade deposits		(3,000)	-
		4,307	10,669
Other deposits		40	-
Current portion of deposits with leasing companies	7	3,099	-
Advance against purchase of fixed assets		976	939
Short-term prepayments		2,190	2,329
		10,612	13,937
14	OTHER RECEIVABLES - considered good		
Accrued income on investments		334	489
Others		42	107
		376	596
15	INVESTMENTS - held to maturity		
Defence Savings Certificates		295	295
Special US \$ Bonds		-	2,701
		295	2,996

Profit on Defence Savings Certificates is accrued for each completed year in accordance with the rates specified at the time of issue.



● Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
16 CASH AND BANK BALANCES			
Deposit accounts		16,174	55,597
Current accounts			
- Foreign currency		15	523
- Local currency		20,179	13,750
Cash in hand		109	489
		36,477	70,359
17 SHORT-TERM FINANCES - secured			
Running finances utilised under mark-up arrangements	17.1	4,048	-
Term finances	17.2	90,000	40,000
		94,048	40,000

17.1 The facilities for short-term running finances under mark-up arrangements available from various banks amount to Rs. 345 million (2002 : Rs. 375 million). The facilities expire on various dates by April 2004. The facilities carry mark-up at 8% to 9% (2002 : 12.05% to 16.79%) per annum. These arrangements are secured by pari-passu charge against hypothecation of the company's stock-in-trade and trade debts.

17.2 The facilities for secured term finance available from various banks amount to Rs. 90 million (2002 : Rs. 75 million) and are repayable by December 2003. These arrangements are secured by pari-passu charge against hypothecation of the company's stock-in-trade and trade debts. The mark-up rates on these finances range from 3.12% to 3.65% (2002 : 8.00% to 13.50%) per annum.

	Note	• 2003	• 2002
(Rupees '000)			
18 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Trade creditors		3,821	3,796
Bills payable		18,275	-
Sales tax payable		11,823	11,281
Accrued liabilities		49,291	42,798
Liability for capital expenditure		2,106	2,497
Advance from contractors against turnkey projects		6,541	8,283
Contingencies - turnkey projects	2.11	12,212	7,089
Accrued mark-up on secured short-term finances		701	725
Advances from customers		14,599	22,720
Workers' Profit Participation Fund	18.1	3,164	919
Workers' Welfare Fund		2,559	5,027
Advances from tenants		-	2,029
Dividend payable		9,168	8,253
Other liabilities		2,317	3,489
		136,577	118,906

Amount due to an associated undertaking at the year end was Rs. 0.223 million (2002 : Rs. 0.008 million).



Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
18.1 Workers' Profit Participation Fund			
Balance at July 1		919	1,692
Allocation for the year	29	3,160	919
		4,079	2,611
Interest on funds utilised in the company's business	28	51	181
Less: Amounts paid on behalf of the fund		966	1,788
Deposited with the Government		-	85
		966	1,873
Balance at June 30		3,164	919

19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The company has entered into lease agreements for lease of various fixed assets. The liabilities under these agreements are payable by the year 2005 and are subject to finance charge at compounded annual rates ranging from 11.02% to 16.0% (2002: 15.73% to 19.33%).

The company intends to exercise its option to purchase the leased assets for Rs.3.013 million upon completion of the lease periods.

The amount of future payments for finance lease and the period in which these payments will become due are as follows:

	Orix Leasing	First Grindlays Modaraba	Crescent Leasing Corporation Limited	First Habib Modaraba	Total 2003	Total 2002
(Rupees '000)						
Year to June 30, 2003	-	-	-	-	-	31,722
Year to June 30, 2004	7,581	10,585	4,748	4,300	27,214	32,979
Year to June 30, 2005	-	-	-	377	377	377
	7,581	10,585	4,748	4,677	27,591	65,078
Less: Finance charges not yet due	600	271	147	204	1,222	9,790
	6,981	10,314	4,601	4,473	26,369	55,288
Less: Current portion shown under current liabilities	(6,981)	(10,314)	(4,601)	(4,116)	(26,012)	(24,522)
	-	-	-	357	357	30,766

	• 2003
(Rupees '000)	
20 COMMITMENTS	
a) Commitment in respect of rent of assets under operating leases - arising in 2003-2004	2,046
b) Letters of credit	72,077
c) Letters of guarantee	37,628
d) Import contracts	3,320



Notes To The Accounts For The Year Ended June 30, 2003

21 AUTHORISED CAPITAL • 2003 • 2002 (Rupees '000)

Number of shares

12,000,000	ordinary shares of Rs.10 each
8,000,000	'B' class ordinary shares of Rs.10 each
<u>20,000,000</u>	

120,000	120,000
80,000	80,000
<u>200,000</u>	<u>200,000</u>

22 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

914,264	ordinary shares of Rs.10 each fully paid in cash
476,386	ordinary shares of Rs.10 each issued as fully paid for consideration other than cash
5,282,773	ordinary shares of Rs.10 each issued as fully paid bonus shares
800,000	'B' class ordinary shares of Rs.10 each fully paid in cash
3,290,536	'B' class ordinary shares of Rs.10 each issued as fully paid bonus shares
<u>10,763,959</u>	

9,143	9,143
4,764	4,764
52,828	52,828
8,000	8,000
32,905	32,905
<u>107,640</u>	<u>107,640</u>

23 RESERVES

Movement in and composition of reserves are as follows:

	CAPITAL			REVENUE		TOTAL		
	Fixed Assets Replacement	Share Premium	Total	Dividend Equalisation	General	Total	2003	2002
At July 1,	104,345	5,655	110,000	22,000	182,000	204,000	314,000	314,000
Transferred from profit and loss account	-	-	-	-	5,000	5,000	5,000	-
Transfer to general reserve from								
- Fixed assets replacement reserve	(104,345)	-	(104,345)	-	104,345	104,345	-	-
- Dividend equalisation reserve	-	-	-	(22,000)	22,000	-	-	-
At June 30,	<u>-</u>	<u>5,655</u>	<u>5,655</u>	<u>-</u>	<u>313,345</u>	<u>313,345</u>	<u>319,000</u>	<u>314,000</u>

24 TURNOVER • 2003 • 2002 (Rupees '000)

Local - manufactured	799,732	609,867
- purchased	35,944	25,709
Export	11,788	36,587
	<u>847,464</u>	<u>672,163</u>
Returns	2,802	6,321
Rebates and allowances	8,982	11,919
Sales tax	118,512	91,697
	<u>130,296</u>	<u>109,937</u>
Turnover	<u>717,168</u>	<u>562,226</u>

799,732	609,867
35,944	25,709
11,788	36,587
<u>847,464</u>	<u>672,163</u>
2,802	6,321
8,982	11,919
118,512	91,697
<u>130,296</u>	<u>109,937</u>
<u>717,168</u>	<u>562,226</u>



● Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
		(Rupees '000)	
25 COST OF GOODS SOLD			Restated
Raw materials consumed			
Opening stock		56,641	152,469
Purchases		402,675	143,975
Closing stock		(156,424)	(56,641)
		302,892	239,803
Stores and spares		32,870	28,087
Salaries, wages and benefits		58,615	54,786
Bonus to staff and workers		3,085	2,016
Installation and laying cost		-	232
Fuel, water and power		29,579	25,771
Insurance		5,984	5,809
Travelling		1,018	511
Communication		434	526
Depreciation	3.2	31,302	22,947
Rent, rates and taxes		3,690	4,840
Repairs and maintenance		4,545	6,601
Technical assistance fee		3,961	3,269
Printing and stationery		493	655
Sundry expenses		1,492	1,462
Opening stock of work-in-process		22,597	21,434
Closing stock of work-in-process		(21,704)	(22,597)
Cost of goods manufactured		480,853	396,152
Opening stock of finished goods		105,425	99,929
Finished goods purchased		27,324	20,626
		613,602	516,707
Closing stock of finished goods		(109,704)	(105,425)
		503,898	411,282

25.1 Staff Retirement Benefits

Salaries, wages and benefits include Rs. 2.269 million (2002: Rs. 2.373 million) in respect of staff retirement benefits.



Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
26 ADMINISTRATION, SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits		35,028	34,548
Rent, rates and taxes [including Rs.0.240 million (2002: Rs.0.220 million) to an associated undertaking]		5,704	6,316
Insurance		1,251	1,160
Depreciation	3.2	12,982	12,125
Repairs and maintenance		6,674	9,103
Advertising and sales promotion		14,621	8,229
Printing, stationery and subscription		2,693	3,265
Communication		3,415	4,013
Travelling		6,517	6,109
Transportation and other charges		33,798	36,820
Fuel, water and power		3,127	1,702
Legal and professional		2,140	1,622
Provision for doubtful debts			
- turnkey projects		10,732	11,928
- other than turnkey projects		11,260	3,881
Provision against doubtful trade deposits		3,000	-
Sundries		1,700	1,818
		154,642	142,639

26.1 Staff Retirement Benefits

Salaries and benefits include Rs.1.458 million (2002: Rs.1.651 million) in respect of staff retirement benefits.

	• 2003	• 2002
(Rupees '000)		
27 OTHER INCOME		
Income from - investments	77	2,262
- bank deposits	1,969	1,694
- employee loans	135	78
	2,181	4,034
Export rebate	1,200	-
Profit on disposal of fixed assets - net	1,571	836
Exchange gain	-	19,153
Sale of scrap and waste	238	452
Recovery of receivables against provisions:		
- turnkey projects	3,600	-
- other than turnkey projects	20	43
Recovery against bad debts written off	207	-
Provisions against stores and spares no longer required written back	115	155
Rental income	4,840	4,823
Sundries [includes Rs.0.180 million (2002: Rs.0.180 million) received from an associated undertaking]	283	656
	14,255	30,152



Notes To The Accounts For The Year Ended June 30, 2003

	Note	• 2003	• 2002
(Rupees '000)			
28 FINANCIAL CHARGES			
Mark-up on short-term finances		1,984	12,622
Interest on Workers' Profit Participation Fund	18.1	51	181
Finance charge on liabilities against assets subject to finance leases		6,337	10,239
Bank charges		625	786
		8,997	23,828
29 OTHER CHARGES			
Auditors' remuneration	32	371	480
Directors' fee		155	155
Audit Committee fee		70	-
Workers' Profit Participation Fund	18.1	3,160	919
Workers' Welfare Fund		1,357	503
Donations		112	15
Exchange loss		41	-
Zakat on Special Savings Certificates		-	13
		5,266	2,085
30 TAXATION			
Current - for the year		24,820	8,400
Deferred		5,386	(4,354)
		30,206	4,046

30.1 Relationship Between Tax Expense And Accounting Profit

Accounting profit before tax	58,620
Tax rate	35%
Tax on accounting profit	20,517
Tax effect of differences relating to permanent differences	9,408
Exempt income	(448)
Others	729
Tax expense for the current year	30,206

	• 2003	• 2002
(Rupees '000)		
31 EARNINGS PER SHARE		Restated
Net profit for the year after taxation	28,414	8,498
Average ordinary shares in issue during the year	10,763,959	10,763,959
Earnings per share	2.64	0.79



Notes To The Accounts For The Year Ended June 30, 2003

	A.F. Ferguson & Co	Hyder Bhimji & Co	2003	2002
(Rupees '000)				
32 AUDITORS' REMUNERATION				
Audit fee	185	77	262	262
Special certifications and sundry advisory services	60	10	70	182
Audit of Workers' Profit Participation Fund	-	4	4	4
Out of pocket expenses	35	-	35	32
	<u>280</u>	<u>91</u>	<u>371</u>	<u>480</u>

33 REMUNERATION OF DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for the year for remuneration and benefits to the chief executive, director and executives of the company were as follows:

	Chief Executive		Directors		Executives	
	2003	2002	2003	2002	2003	2002
(Rupees '000)						
Managerial remuneration	1,500	1,500	445	1,065	14,637	16,125
Housing						
- Rent	600	600	198	477	5,576	5,986
- Utilities	241	472	44	106	1,389	1,492
- Other items	164	109	69	54	339	389
Medical	150	150	-	-	1,253	1,341
Retirement benefits	165	165	-	-	1,276	1,498
	<u>2,820</u>	<u>2,996</u>	<u>756</u>	<u>1,702</u>	<u>24,470</u>	<u>26,831</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>57</u>	<u>64</u>

In addition, the chief executive, one director and certain executives are provided with company maintained cars.

Aggregate amount charged in the accounts for the year for fee to six directors was Rs.0.155 million (2002: Rs. 0.155 million to seven directors).

34 CAPACITY AND PRODUCTION

	Chrysotile Cement				Rubber		Plastic			
	Karachi Factory		Hyderabad Factory		Karachi Factory		Karachi Factory		Hyderabad Factory	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Capacity of production (tons)	46,850	46,850	14,100	14,100	120	120	7,560	4,860	144	144
Actual production (tons)	29,295	19,969	3,375	3,743	48	48	1,475	1,674	20	17
Percentage of capacity utilised	63	43	24	27	40	40	20	34	14	12

The company's production was according to the market demand.



Notes To The Accounts For The Year Ended June 30, 2003

	• 2003	• 2002
	(Rupees '000)	
35 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS		
Purchase of goods	366	803
Sale of goods	104	16
Income on services rendered	180	180
Expenditure on services	57	-
Rent paid	240	220

Sales and purchase transactions with associated undertakings are carried out on commercial terms and conditions.

	Note	• 2003	• 2002
		(Rupees '000)	
36 CASH GENERATED FROM OPERATIONS			Restated
Profit before taxation		58,620	12,544
Adjustments for non cash charges and other items:			
Depreciation		44,284	35,072
Profit on disposal of fixed assets - net		(1,571)	(836)
Interest income		(2,181)	(4,034)
Interest / mark-up expense		2,035	12,803
Working capital changes	36.1	(51,663)	133,343
		49,524	188,892
36.1 Working Capital Changes			
(Increase)/decrease in current assets			
Stores and spares		2,342	6,155
Stock-in-trade		(103,169)	89,169
Trade debts		27,117	25,198
Loans and advances		1,877	(3,224)
Trade deposits and short-term prepayments		3,325	(2,488)
Other receivables (net)		65	138
		(68,443)	114,948
Increase in current liabilities			
Creditors, accrued and other liabilities (net)		16,780	18,395
		(51,663)	133,343
37 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents include:			
Cash and bank balances	16	36,477	70,359
Short-term running finances utilised under mark-up arrangements	17	(4,048)	-
		32,429	70,359



Notes To The Accounts For The Year Ended June 30, 2003

38 FINANCIAL ASSETS AND LIABILITIES

	Interest/Mark-up Bearing			Non-Interest Bearing			Total
	Maturity Up to One Year	Maturity After One Year	Sub-Total	Maturity Up to One Year	Maturity After One Year	Sub-Total	
(Rupees '000)							
Financial assets							
Long-term investment	-	-	-	-	5,000	5,000	5,000
Investments	295	-	295	-	-	-	295
Loans to employees	136	6	142	496	706	1,202	1,344
Deposits	-	-	-	7,406	3,559	10,965	10,965
Trade debts	-	-	-	59,413	-	59,413	59,413
Other receivables	-	-	-	376	-	376	376
Cash and bank balances	16,174	-	16,174	20,303	-	20,303	36,477
	16,605	6	16,611	87,994	9,265	97,259	113,870
Financial liabilities							
Short-term finances	94,048	-	94,048	-	-	-	94,048
Creditors	-	-	-	97,891	-	97,891	97,891
Proposed dividend	-	-	-	21,528	-	21,528	21,528
Liabilities against assets subject to finance leases	26,012	357	26,369	-	-	-	26,369
On balance sheet gap	120,060	357	120,417	119,419	-	119,419	239,836
Off balance sheet items							
Financial liabilities							
Commitment under operating lease	-	-	-	2,046	-	2,046	2,046
Letters of credit	-	-	-	72,077	-	72,077	72,077
Letters of guarantee	-	-	-	37,628	-	37,628	37,628
Import contracts	-	-	-	3,320	-	3,320	3,320
	-	-	-	115,071	-	115,071	115,071

As at June 30, 2003, interest / mark-up rates per annum on financial assets and financial liabilities are as follows:

	2003
Loans to employees	6% - 10%
Deposit and saving accounts included in cash and bank balances	2.5% - 6%
Short term finance	3.12% - 3.65%
Liabilities against assets subject to finance leases	11.02% - 16%



● Notes To The Accounts For The Year Ended June 30, 2003

38.1 Concentration Of Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs.113.870 million, the financial assets which are subject to credit risk amounted to Rs.113.761 million. The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk the company applies credit limits to its customers.

38.2 Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. Significant exposures to foreign currency risks are covered through forward exchange contracts, where considered appropriate by the company.

38.3 Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. The company has adopted appropriate policies to minimise its exposure to this risk and during the year the management renegotiated the rates in respect of certain borrowings based on current interest rate scenario.

38.4 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. The management of the company believes that it is not exposed to significant level of liquidity risk.

38.5 Fair Value Of Financial Assets And Liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

39 NUMBER OF EMPLOYEES

Total number of employees at June 30, 2003 was 547 (2002: 545).

40 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on September 5, 2003 by the Board of Directors of the company.

41 GENERAL

Figures of the previous year have been restated and rearranged wherever necessary for the purposes of comparison.

Muhammad Hanif Idrees
Chief Financial Officer

Sikander Dada
Chief Executive

Maqbool H. H. Rahimtoola
Chairman

DADEX

34 Annual Report 2003



● Pattern Of Share Holding As At June 30, 2003

Categories of Share Holders	Number of Shares Held	Percentage of Issued Capital
Associated Companies, Undertakings and Related Parties	598,158	5.56
Bandenawaz Limited	2,050	0.02
Sikander (Pvt) Limited	596,108	5.54
NIT and ICP	12,351	0.11
National Bank of Pakistan, Trustee Department	11,841	0.11
Investment Corporation of Pakistan	510	-
Directors, CEO & their Spouse and Minor Children	4,778,744	44.40
Maqbool H.H. Rahimtoola (Chairman) & Family	5,300	0.05
Sikander Dada (CEO) & Family	387,848	3.60
Abu Talib H. K. Dada (Director) & Family	340,316	3.16
Abdur Razzak Dada (Director) & Family	1	-
Qazi Sajid Ali (Director) & Family	-	-
Zahid Zaheer (Director) & Family	5	-
Dr. Mahmood Ahmed (Director) & Family	6	-
Towfiq H. Chinoy (Director) & Family	2,000,000	18.58
Riyaz Chinoy (Director) & Family	45,268	0.42
Zafar Iqbal (Director) & Family	1,000,000	9.29
Kemal Shoaib (Director) & Family	1,000,000	9.29
Executive	5,000	0.05
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas And Mutual Funds	89,079	0.83
Adamjee Insurance Company Limited	63,080	0.59
Habib Insurance Co Limited	22,000	0.20
Ideal Life Assurance Company Limited	25	-
Pakistan Insurance Corporation	533	-
Karachi Investment Trust (Pvt) Limited	399	-
Naeem Investment Trust Limited	243	-
Commerce Bank Limited	17	-
Habib Bank Limited	1,994	0.02
Muslim Commercial Bank Limited	440	-
United Bank Limited	348	-
Shareholders holding ten percent or more voting interest in the company	1,465,000	13.61
Province Limited		
Individuals	3,762,667	34.96
Others	52,960	0.49
Abandoned Properties	11,210	0.10
Corporate Law Authority	1	-
Bantva Memon Khidmat Committee	500	-
The Karachi Rural Association For Woman	50	-
Abbasi & Co (Pvt) Limited	500	-
B.C.G.A. Punjab (Pvt) Limited	11,884	0.11
S.H. Bukhari Securities (Pvt) Limited	4	-
Fikree Development Corporation Limited	1,331	0.01
M.M. Esmail Co. Limited	233	-
M.F. Corporation Limited	454	-
Roberts Cotton Association Limited	23,776	0.22
Sarfraz Mahmood (Pvt) Limited	22	-
Naeem Securities Limited	34	-
Wajeha Tahir & Co.	2	-
Jamshaid & Hasan Securities (Pvt) Limited	429	-
A. Sattar Motivala Securities (Pvt) Limited	200	-
Burma Garments (Pvt) Limited	2,000	-
Oriental Securities (Pvt) Limited	195	-
Taurus Securities Limited	135	-
TOTAL	10,763,959	100.00



● Pattern Of Share Holding As At June 30, 2003

Number of Share Holders	Share Holding From	To	Total Shares Held
3,031	1	100	59,110
664	101	500	152,607
219	501	1,000	145,554
173	1,001	5,000	347,611
16	5,001	10,000	98,060
7	10,001	15,000	84,445
2	20,001	25,000	45,776
1	25,001	30,000	29,751
1	30,001	35,000	30,433
2	45,001	50,000	90,536
1	60,001	65,000	63,080
3	90,001	95,000	274,906
1	110,001	115,000	113,337
1	180,001	185,000	184,408
1	215,001	220,000	217,364
1	290,001	295,000	290,841
1	310,001	315,000	310,469
1	330,001	335,000	333,856
1	385,001	390,000	386,328
1	410,001	415,000	411,700
1	416,001	420,000	416,824
1	455,001	460,000	459,474
1	750,001	755,000	754,989
2	995,001	1,000,000	1,997,500
1	1,460,001	1,465,000	1,465,000
1	1,995,001	2,000,000	2,000,000
4,135			10,763,959

Categories of Share Holders	Number of Share Holders	Number of Shares Held	Percentage of Issued Capital
Individual	4,101	8,546,411	79.40
Joint Stock Companies	17	639,357	5.94
Investment Companies	2	642	0.01
Insurance Companies	4	85,638	0.80
Financial Institutions	6	15,150	0.14
Foreign Shareholding	1	1,465,000	13.61
Co-operative & Welfare Organisations	2	550	0.01
Corporate Law Authority	1	1	0.00
The Administrator Abandoned Properties, Govt. of Pakistan	1	11,210	0.10
	4,135	10,763,959	100.00



● Last Six Years At A Glance

Fiscal Year Ending June 30	Turnover	Profit After Taxation	Assets	Dividend	
				Amount	Percentage
	(Rupees '000)				
2003	717,168	28,414	711,040	21,528	20.00%
2002	Restated	562,226	8,498	651,401	13,455 12.50%
2001	599,026	21,912	747,121	21,528	20.00%
2000	615,904	66,071	770,321	43,056	40.00%
1999	581,743	59,774	638,973	43,056	40.00%
1998	587,365	65,880	645,180	40,365	37.50%
1997	492,215	49,793	688,976	40,365	37.50%





Form of Proxy



Form Of Proxy

The Company Secretary
Dadex Eternit Limited
34-A/1, Block 6, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-75400

44th Annual General Meeting

I / We _____ son / daughter / wife of _____

of _____ (full address)

being member(s) of DADEX ETERNIT LIMITED holding _____

Ordinary shares hereby appoint _____

of _____ (full address)

who is/are also member(s) of Dadex Eternit Limited as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 44th Annual General Meeting of the Company to be held on October 22, 2003 and at any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ 2003

Signed by the said _____
in the presence of

1. _____
2. _____

Folio/CDC Account No.

Signature on
Revenue Stamp
of Appropriate
Value

This signature should
agree with the
specimen registered
with the Company

Important:

1. This Proxy duly completed and signed, must be received at the Registered Office of the Company, Dadex House, 34-A/1, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
- ii) Attested copies of NIC and of the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original NIC or original passport at the time of meeting.
- iv) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.



Affix
correct
postage

The Company Secretary
Dadex Eternit Limited
34-A/1, Block 6, P.E.C.H.S.
Shahrah-e-Faisal
Karachi-75400

Dadex Eternit Limited

Dadex House, 34-A/1, Block 6,

P.E.C.H.S., Shahrah-e-Faisal,

P.O.Box 20040, Karachi 75400

Pakistan

t. (9221) 111-000-789

f. (9221) 4315716

The image features a dark red background with a grid of lighter red circles. The circles are arranged in a regular pattern, with some appearing slightly more vibrant than others. In the center of the grid, the text 'www.dadex.com' is displayed in a white, sans-serif font.

www.dadex.com