

Condensed Interim Financial Statements
For the Half-Year Ended 31 December 2014
(Un-audited)

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Dadex Eternit Limited

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COMPANY INFORMATION

Board of Directors	Sikander Dada - Chairman Abu Talib H.K. Dada Maqbool H.H. Rahimtoola Shahzad M. Husain Danish Dada Syed Shahid Ali Bukhari Qazi Sajid Ali	(Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Independent Director) (Executive Director)
Chief Executive Officer	Qazi Sajid Ali	
Chief Financial Officer Company Secretary	Muhammad Yousuf Umar Rasheed	
Board Audit Committee	Shahzad M. Husain - Chairman Danish Dada Syed Shahid Ali Bukhari	
Human Resource and Remuneration Committee	Maqbool H.H. Rahimtoola - Chairman Abu Talib H.K. Dada Qazi Sajid Ali	
Management Team	Qazi Sajid Ali - Chief Executive Officer Tanveer Saleem- Chief Operating Officer (Technical & Operations) Syed Ashar Husain - Chief Operating Officer (Commercial Services) Muhammad Yousuf - Chief Financial Officer Munawar Abbas- General Manager (Operations)	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants	
Bankers	National Bank of Pakistan MCB Bank Limited The Bank of Punjab Habib Metropolitan Bank Limited United Bank Limited (UBL Ameen) Dubai Islamic Bank Pakistan Limited Standard Chartered Bank (Pakistan) Limited Habib Bank Limited Meezan Bank Limited	
Legal Advisor	Abrar Hasan & Co. 9 Mezzanine Floor, Beaumont Plaza, near PIDC House, 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. JWAFS Registrars 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 of your company are pleased to present their review together with the financial statements of the Company for the half-year ended December 31, 2014.

The period under review ended with satisfactory results as compared to the corresponding period last year, although the actual sales remained lower than the same of last year. First quarter sales efforts were affected by raw material shortage of certain pipes, political protests in the Capital affecting most of Punjab, followed by floods in the region. However, with improved political situation and a focused approach on raw material and production planning, these problems were sorted out in the second quarter. Demand was strong from the private as well as government segment. We capitalized on the private segment demand. The major factors contributing to lower than expected sales have been continued absence of gas tenders or new approvals for housing societies due to severe gas shortage in Punjab and non-competitive prices of certain plastic pipes used in government projects.

In the period under review, the Company achieved a net turnover of Rs. 889.78 million (December 2013: Rs. 957.08 million), being 7.03 % lower than the same period of last year. However, this shortfall was offset by better management of resources and cost reduction measures. This resulted in the improvement of gross profit margin which improved to 18.54% as compared to 5.82% during the corresponding period last year.

The management reduced the distribution cost, administrative and other expenses during the period under review, resulting in operating profit of Rs. 101.11 million (December 2013: Operating loss of Rs. 139.60 million). Although the financial cost increased by 21.3% as compared to corresponding period even then the Company achieved net profit after tax of Rs. 2.61 million (December 2013: Net loss of Rs. 190.35 million). Resultantly, we achieved earnings per share of Re. 0.24 compared with the per share loss of Rs. 17.68 for the same period last year.

The sales outlook for coming quarters is much stronger with better raw material and production planning; focus on sales to government projects by rationalizing of plastic pipes prices; improved political situation, and as well as strong demand of products from all segments. The Management will continue to focus on better utilization of resources, operational efficiencies and expanding the customer base to improve the profitability of the Company.

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the Management and Employees of the Company. On behalf of the Board of Directors and Employees of the Company, we express our gratitude and appreciation to all our valued customers, distributors, dealers and bankers for the trust and confidence reposed in the Company. We look forward to their continued support and participation in sustaining the growth of the Company and achieving a profitable year.

On behalf of the Board

Karachi: February 24, 2015

Qazi Sajid Ali
Chief Executive



Building a better
working world

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O.Box 15541, Karachi 75530
Pakistan

Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
eyfrsh.khi@pk.ey.com
ey.com/pk

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Dadex Eternit Limited** (the Company) as at **31 December 2014**, the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, and condensed interim statement of changes in equity and notes to the accounts for the six-month period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of International Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

Review Engagement Partner: **Omar Mustafa Ansari**

Date: February 24, 2015
Place: Karachi.

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**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 DECEMBER, 2014**

			31 December 2014 (Un-audited)	30 June 2014 (Audited)
	Note		(Rupees in '000)	
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Property, plant and equipment	5		1,496,558	1,508,224
Intangible assets	6		-	-
			<u>1,496,558</u>	<u>1,508,224</u>
Investment property			48,224	49,493
Long-term investment	7		20	20
Long-term loans			2,216	1,619
Long-term deposits			6,597	6,597
Deferred tax asset	8		121,279	129,940
			<u>1,674,894</u>	<u>1,695,893</u>
CURRENT ASSETS				
Stores, spare parts and loose tools			34,822	34,694
Stock-in-trade	9		541,762	556,245
Trade debts	10		132,044	130,036
Loans and advances	11		55,283	26,146
Trade deposits and short-term prepayments			25,665	20,897
Other receivables			11,217	18,891
Taxation - net			169,529	159,166
Cash and bank balances			8,001	6,694
			<u>978,323</u>	<u>952,769</u>
TOTAL ASSETS			<u>2,653,217</u>	<u>2,648,662</u>
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital			107,640	107,640
Reserves			12,901	3,062
			<u>120,541</u>	<u>110,702</u>
SURPLUS ON REVALUATION OF FIXED ASSETS			773,544	780,772
NON-CURRENT LIABILITIES				
Long-term financing			177,405	237,256
CURRENT LIABILITIES				
Trade and other payables			578,856	515,064
Accrued mark-up			32,326	33,600
Short-term borrowings			833,984	840,871
Current portion of long-term financing			119,702	119,702
Sales tax and excise duty - net			16,859	10,695
			<u>1,581,727</u>	<u>1,519,932</u>
CONTINGENCIES AND COMMITMENTS	12			
TOTAL EQUITY AND LIABILITIES			<u>2,653,217</u>	<u>2,648,662</u>

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014**

	Note	Half Year ended December 31		Quarter ended December 31	
		2014	2013	2014	2013
(Rupees in '000)					
Turnover - net		889,780	957,093	465,024	421,649
Cost of sales	13	(717,470)	(901,395)	(384,141)	(407,933)
Gross profit		172,310	55,698	80,883	13,716
Distribution costs	14	(37,892)	(93,071)	(21,618)	(48,503)
Administrative expenses	15	(45,017)	(104,400)	(26,655)	(53,343)
Other operating expenses	16	(5,792)	(23,652)	1,740	(280)
Other income		17,505	25,821	13,180	16,312
Operating profit / (loss)		101,114	(139,604)	47,530	(72,098)
Finance costs	17	(76,039)	(62,697)	(39,232)	(35,228)
Profit / (loss) before taxation		25,075	(202,301)	8,298	(107,326)
Taxation	18	(22,464)	11,950	(14,994)	(1,056)
Profit / (loss) after taxation		2,611	(190,351)	(6,696)	(108,382)
Earnings / (loss) per share - basic and diluted		Re.0.24	Rs.(17.68)	Re. (0.62)	Rs. (10.07)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Half Year ended 31 December		Quarter ended 31 December	
	2014	2013	2014	2013
	(Rupees in '000)			
Profit / (loss) for the period	2,611	(190,351)	(6,696)	(108,382)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,611	(190,351)	(6,696)	(108,382)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014**

	Note	Half year ended	
		31 December 2014	31 December 2013
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	20	184,350	(133,347)
Income tax paid		(24,166)	(34,966)
Long-term loans - net		(597)	(136)
Long-term deposits - net		-	40,000
Net cash generated from / (used in) operating activities		159,587	(128,449)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(21,573)	(10,282)
Proceeds from disposal of property, plant and equipment		-	9,283
Interest received		-	2
Net cash used in investing activities		(21,573)	(997)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing - net		(59,851)	50,707
Interest / mark-up paid		(77,313)	(61,615)
Short-term borrowing - net		457	128,482
Dividends paid		-	(374)
Net cash (used in) / generated from financing activities		(136,707)	117,200
Net increase / (decrease) in cash and cash equivalents		1,307	(12,246)
Cash and cash equivalents at the beginning of the period		6,694	17,782
Cash and cash equivalents at the end of the period		8,001	5,536

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

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**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014**

	Issued, subscribed and paid-up capital	Reserves			Grand Total	
		Capital reserves- shares- premium	Revenue reserves			Total
			General	Unappr- opriated profit / accumulated (loss)		
(Rupees in '000)						
Balance as at 01 July 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/amortisation charged on related assets for the period	-	-	-	7,228	7,228	7,228
Loss for the period	-	-	-	(190,351)	(190,351)	(190,351)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(190,351)	(190,351)	(190,351)
Balance as at 31 December 2013	107,640	5,655	160,000	(170,836)	(5,181)	102,459
Balance as at 01 July 2014	107,640	5,655	160,000	(162,593)	3,062	110,702
Surplus on revaluation of fixed assets realized on account of incremental depreciation/amortisation charged on related assets for the period	-	-	-	7,228	7,228	7,228
Profit for the period	-	-	-	2,611	2,611	2,611
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,611	2,611	2,611
Balance as at 31 December 2014	107,640	5,655	160,000	(152,754)	12,901	120,541

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements.

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014
(UN-AUDITED)**

1. NATURE AND STATUS OF BUSINESS

- 1.1** DadexEternit Limited (the Company) is a limited liability company incorporated in Pakistan on 13 April 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, Shahrache-Faisal, Karachi. The Company has three factories situated at Karachi, Hyderabad and Sunder (Lahore). The principal business of the Company is to manufacture and sell 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. The Company had also entered into a Toll manufacturing agreement for the northern region with a U-PVC Company at the end of December 2013 for manufacturing of U-PVC pipes in order to make prices and logistics more competitive in that region.
- 1.2** Sikander (Private) Limited is the holding company, which held 6,800,648 (30 June 2014: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (30 June 2014: 63.18 percent) shareholding as of the balance sheet date.

2. STATEMENT OF COMPLIANCE

This condensed interim financial statements of the Company for the six months period ended 31 December 2014 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

3. BASIS OF PRESENTATION

- 3.1** These condensed interim financial statements are unaudited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2014.
- 3.2** The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 31 December 2013 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended 31 December 2014 and 31 December 2013.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2014 except as follows:

New, Amended and Revised Standards and Interpretations of IFRSs

The Company has adopted the following amendments and interpretation of IFRSs which became effective during the period:

IAS 19	- Employee Benefits (Amendment) - Defined Benefit Plans: Employee Contribution
IAS 32	- Financial Instruments: Presentation (Amendment) - Offsetting Financial Assets and Financial Liabilities
IAS 36	- Impairment of Assets - (Amendment)- Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	- Financial Instruments: Recognition and Measurement (Amendment)- Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	- Levies

The adoption of the above amendments and interpretations did not have any material effect on these condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any material effect on the Company's financial statements for the period.

	Note	31 December 2014 (Unaudited)	30 June 2014 (Audited)
(Rupees in '000)			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	1,476,797	1,496,501
Capital work-in-progress	5.2	19,761	11,723
		<u>1,496,558</u>	<u>1,508,224</u>
5.1	The following is the movement in operating assets during the period/year:		
Opening balance (WDV)		1,496,501	1,285,694
Add: Additions / transfers during the period/year	5.1.1	13,534	276,729
		1,510,035	1,562,423
Less: Disposals during the period / year (WDV)		-	(2,696)
Depreciation charge for the period / year	5.1.2	(33,238)	(63,226)
Operating assets (WDV)		<u>1,476,797</u>	<u>1,496,501</u>
5.1.1 Additions including transfers during the period / year			
Leasehold land		-	185,030
Building		593	35,680
Plant and machinery		12,866	55,605
Vehicles and transportation equipment		50	-
Office and factory equipment		25	414
		<u>13,534</u>	<u>276,729</u>
5.1.2 Depreciation charged during the period / year			
Cost of sales	13	26,654	53,763
Distribution cost		363	2,270
Administrative expenses		6,221	7,193
		<u>33,238</u>	<u>63,226</u>

		31 December 2014 (Unaudited)	30 June 2014 (Audited)
	Note	(Rupees in '000)	
5.2 Capital work-in-progress			
Plant and machinery - Green House Farming System		13,979	13,979
Impairment loss on plant and machinery		<u>(9,312)</u>	<u>(9,312)</u>
		4,667	4,667
Advances against purchase of operating assets	5.2.1	<u>15,094</u>	<u>7,056</u>
		<u>19,761</u>	<u>11,723</u>

5.2.1 During the period, additions of Rs. 21.512 million were made to capital work-in-process, which majorly relate to plant and machinery, assets of Rs. 13.474 million were transferred to operating assets.

6. INTANGIBLE ASSETS

Represents SAP software and licenses having cost of Rs.20.7 million which has been fully amortised.

7. LONG-TERM INVESTMENT

7.1 The Company has 48.04 percent (30 June 2014: 48.04 percent) shareholding i.e. 625,000 (30 June 2014: 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.

7.2 Based on the un-audited financial statements of Berdex for the year ended 30 June 2014, Berdex has reported a loss of Rs. 0.011 million and accumulated losses of Rs.12.732 million. Due to unavailability of the financial statements of the Berdex for the six months period ended 31 December 2014, 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.

		31 December 2014 (Unaudited)	30 June 2014 (Audited)
	Note	(Rupees in '000)	
8. DEFERRED TAX ASSET			
Deferred tax liabilities on taxable temporary difference:			
- accelerated tax depreciation on owned assets		(35,947)	(39,620)
Deferred tax assets on deductible temporary differences:			
- provision for slow moving and obsolete stores, spare parts and loose tools		4,814	4,814
- provision for doubtful debts		39,930	39,790
- other deductible temporary differences		6,945	6,874
- tax losses		145,706	156,154
		197,395	207,632
Minimum tax		76,605	67,981
		<u>274,000</u>	<u>235,993</u>
Temporary differences not expected to be reversed due to applicability of final tax regime		(977)	(1,398)
Deferred tax assets not expected to be recovered with reasonable certainty including minimum tax credit		<u>(115,797)</u>	<u>(104,655)</u>
		<u>121,279</u>	<u>129,940</u>

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	31 December 2014 (Unaudited)	30 June 2014 (Audited)
Note	———— (Rupees in '000) ————	
9. STOCK-IN-TRADE		
Raw materials		
- in hand	159,294	178,744
- in transit	62,470	23,158
	<u>221,764</u>	<u>201,902</u>
Work-in-process	101,950	79,764
Finished goods		
- Manufactured	153,850	178,576
- Trading	64,197	96,003
	<u>218,048</u>	<u>274,579</u>
	<u>541,762</u>	<u>556,245</u>

10. TRADE DEBTS- unsecured

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.117.440 million (30 June 2014: Rs.117.029 million). Such provision includes an amount of Rs.15.632 million (30 June 2014: 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.

11. LOANS AND ADVANCES

Included herein advance given to various local and foreign suppliers of Rs. 53.021 million (30 June 2014: Rs. 25.439 million).

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended 30 June 2014.

12.2 Commitments

	31 December 2014 (Unaudited)	30 June 2014 (Audited)
Note	———— (Rupees in '000) ————	
Letters of credit	28,849	225,742
Postdated cheques	23,730	114,687
Import contracts	240,384	4,204
Duties payable on goods in transit	-	7,079
Local purchase contract	113,438	92,175
	<u>406,401</u>	<u>443,887</u>

12.2.1 Represents post-dated cheques 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 11 June 2008.

	Half Year Ended		Quarter Ended	
	31 December		31 December	
	2014	2013	2014	2013
	(Unaudited)			
NOTE	(Rupees in '000)			
13. COST OF SALES				
Manufactured				
Raw materials consumed				
Opening stock	201,902	552,488	248,745	445,006
Purchases	527,032	463,896	241,171	228,481
Closing stock	9 (221,764)	(414,688)	9 (221,764)	(414,688)
	507,170	601,696	268,152	258,799
Stores, spare parts and loose tools consumed	20,073	24,183	9,542	9,901
Salaries, wages and benefits	37,330	61,050	22,440	29,626
Procured services	16,475	28,548	9,162	15,583
Fuel, water and power	40,747	47,851	20,211	24,065
Insurance	3,026	2,469	1,513	956
Traveling	80	106	32	84
Communication	617	808	285	542
Depreciation	5.1.2 26,654	26,825	13,439	13,323
Rent, rates and taxes	6,913	2,369	2,554	1,558
Repairs and maintenance	10,076	14,415	5,475	7,354
Technical assistance fee	4,113	4,577	2,130	2,246
Printing and stationery	291	433	137	249
Other expenses	533	918	277	393
	166,928	214,552	87,179	105,880
Opening stock of work-in-process	79,764	83,853	91,141	79,969
Closing stock of work-in-process	9 (101,950)	(68,555)	9 (101,950)	(68,555)
Cost of goods manufactured	651,912	831,546	344,522	376,093
Opening stock of finished goods	178,576	235,764	174,435	238,835
Closing stock of finished goods	9 (153,850)	(223,955)	9 (153,850)	(223,955)
	676,638	843,355	365,107	390,973
Trading				
Opening stock	96,003	110,502	82,161	106,142
Purchases	9,026	90,533	1,070	51,815
	105,029	201,035	83,231	157,957
Closing stock	9 (64,197)	(123,590)	9 (64,197)	(123,590)
	40,832	77,445	19,034	34,367
Sale of scrap	-	(19,405)	-	(17,407)
	717,470	901,395	384,141	407,933

14. DISTRIBUTION COSTS

Included herein salaries and other benefits, transportation charges on local sales, commission expense and rent, rates and taxes amounting to Rs.16.794 million, Rs. 8.80 million, Rs. 0.512 million and Rs. 1.973 million (31 December 2013: Rs. 41.035 million, Rs. 17.879 million, Rs.4.197 million and Rs.9.280 million respectively).

15. ADMINISTRATIVE EXPENSES

Included herein salaries and other benefits, ljarah rentals of commercial property and depreciation charge of Rs.12.312 million, Rs.Nil and Rs.7.490 million (31 December 2013:Rs. 28.026 million, Rs. 49.977 million and Rs. 0.976 million) respectively.

16. OTHER OPERATING EXPENSES

Included herein exchange loss (net) of Rs. 4.012 million (31 December 2013: Rs.22.140 million).

17. FINANCE COSTS

Included herein markup on long-term financing and short-term borrowings of Rs.14.533 million and Rs. 54.992 million (31 December2013:Rs. Nil and Rs. 54.732 million) respectively.

Half year ended	
31 December	31 December
2014	2013
(Unaudited)	
(Rupees in '000)	

18. TAXATION

Current	13,803	16,258
Deferred	8,661	(28,207)
	<u>22,464</u>	<u>(11,950)</u>

19. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise of holding company, associated companies, staff retirement funds, Chief Executive, directors and key management personnel. Transactions with related parties and associated undertakings during the period, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Half year ended	
31 December	31 December
2014	2013
(Unaudited)	
(Rupees in '000)	

Related parties	Nature of transaction		
Holding company			
Sikandar (Private) Limited	Rent paid	<u>425</u>	<u>387</u>
Associated companies due to common directorship			
Berger Paints Pakistan Limited	Purchase of goods	<u>-</u>	<u>60</u>
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	<u>3,876</u>	<u>5,622</u>
Key management personnel			
Qazi Sajid Ali (Chief Executive)	Salary and other employment benefits	<u>6,853</u>	<u>-</u>
Sikandar Dada (Chairman)	Remuneration and other benefits	<u>3,174</u>	<u>8,564</u>
	Loan received and repaid during the period	<u>-</u>	<u>32,500</u>

Half year ended
31 December 2014 31 December 2013
—————(Unaudited)—————
—————(Rupees in '000)—————

20. CASH GENERATED FROM / (USED IN) OPERATIONS

Profit / (loss) before taxation		25,075	(202,301)
Adjustments for non-cash charges and other items:			
Depreciation - property, plant and equipment	5.1	33,238	29,242
Depreciation - investment property		1,269	-
Gain on disposal of property, plant and equipment		-	(7,182)
Interest income		-	(2)
Finance costs		76,039	62,697
Provision against doubtful trade debts - net		411	898
Provision against doubtful trade deposits - net		208	-
Working capital changes	20.1	48,110	(16,699)
		184,350	(133,347)

20.1 Working capital changes

Decrease / (increase) in current assets			
Stores, spare parts and loose tools		(128)	(986)
Stock-in-trade		14,483	151,820
Trade debts		(2,419)	17,430
Loans and advances		(29,137)	(46,201)
Trade deposits and short-term prepayments		(4,975)	(37,019)
Other receivables		9,804	985
Sales tax and excise duty - net		-	2,818
		(12,372)	88,847
Increase / (decrease) in current liabilities			
Trade and other payables		54,319	(105,546)
Sales tax and excise duty - net		6,163	-
		60,482	(105,546)
		48,110	(16,699)

21. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic (Rupees in `000)	Others	Total
Half year ended 31 December 2014 (Un-audited)				
TURNOVER - net	<u>441,936</u>	<u>441,736</u>	<u>6,108</u>	<u>889,780</u>
RESULT				
Segment result	<u>84,764</u>	<u>1,981</u>	<u>2,656</u>	<u>89,401</u>
Unallocated expense				
Other operating expenses				(5,792)
Other income				17,505
Finance costs				(76,039)
Taxation				(22,464)
Profit for the period				<u>2,611</u>
Half year ended 31 December 2013(Un-audited)				
TURNOVER - net	<u>384,898</u>	<u>568,232</u>	<u>3,963</u>	<u>957,093</u>
RESULT				
Segment result	<u>(21,427)</u>	<u>(119,722)</u>	<u>(615)</u>	<u>(141,764)</u>
Unallocated expense				
Other operating expenses				(23,651)
Other income				25,811
Finance costs				(62,697)
Taxation				11,950
Loss for the period				<u>(190,351)</u>
ASSETS AND LIABILITIES				
31 December 2014 (Un-audited)				
Segment assets	<u>288,202</u>	<u>810,293</u>	<u>120,620</u>	<u>1,219,115</u>
Unallocated corporate assets				<u>1,434,102</u>
Total assets				<u>2,653,217</u>
Segment liabilities	<u>264,537</u>	<u>258,769</u>	<u>3,857</u>	<u>527,163</u>
Unallocated corporate liabilities				<u>1,213,969</u>
Total liabilities				<u>1,759,132</u>
30 June 2014 (Audited)				
Segment assets	<u>283,407</u>	<u>795,081</u>	<u>131,721</u>	<u>1,210,209</u>
Unallocated corporate assets				<u>1,438,453</u>
Total assets				<u>2,648,662</u>
Segment liabilities	<u>246,711</u>	<u>245,533</u>	<u>4,330</u>	<u>496,574</u>
Unallocated corporate liabilities				<u>1,260,614</u>
Total liabilities				<u>1,757,188</u>

21.1 Geographical information

Turnover

The Company's turnover represents local sales of Rs. 889.780 million (31 December 2013: Rs. 957.091 million). No export sales were made during the current and corresponding period.

Non-current assets

All non-current assets of the Company are situated in Pakistan.

22. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on February 24, 2015 by the Board of Directors of the Company.

23. GENERAL

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

Qazi Sajid Ali
Chief Executive

Danish Dada
Director

Muhammad Yousuf
Chief Financial Officer

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