

Three Months Ended Report

September 30, 2014

(Un-audited)

The logo for DADEX, featuring the word "DADEX" in a bold, red, sans-serif font.

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	
Company Secretary	Umar Rasheed	
Acting Chief Financial Officer	Muhammad Yousuf	
Board Audit Committee	Shahzad M. Husain - Chairman Danish Dada Syed Shahid Ali Bukhari	
Head of Internal Audit / Secretary Board Audit Committee	Mustafa Kamal Khan	
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 -Acting 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 HSBC Bank Middle East 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 Registrar Services (Private) Limited 505, 5th Floor, Kashif Centre, Near Hotel Mehran, Main Shahrah-e-Faisal, Karachi. Phone: (92-21) 35643871-72 Fax: (92-21) 35643873 Email: jwaffs@live.com	
Web Site	www.dadex.com	

DIRECTORS' REVIEW

The Directors are pleased to present their review together with the financial statements of the Company for three months ended September 30, 2014.

The period under review has ended with satisfactory results given the challenging economic scenario due to political protests in the Capital affecting most of Punjab initially. Devastation caused by the recent flooding has meant that the construction industry in particular and the overall economy has suffered losses. This limited economic activity, especially the Public & Private construction segments, due to funds being diverted to flood relief, as well as some large housing sites or their access coming under water.

The sales target for the quarter was lowest in the fiscal year due to curtailed working hours in the month of Ramadan, Eid holidays, slowdown of sales in pre Eid-ul-Adha period. Factors like energy crisis and shortage of raw material have affected our sales efforts and we could not achieve sales target for the quarter.

In the period under review, the Company achieved a net turnover of Rs. 424.76 million (September 2013: Rs. 535.44 million), being 20.6% lower than the turnover achieved during the corresponding period last year. However, this shortfall was offset by better management of resources and cost reduction measures taken by the Management have resulted in improvement in the gross profit margin which increased to 19.7% as compared to 7.8% during the corresponding period last year.

Distribution cost, Administrative expenses and other expenses have all reduced during the period under review, resulting in Operating profit of Rs. 53.58 million (September 2013: Operating loss of Rs. 67.50 million). Although the finance cost increased by 33.9% as compared to corresponding period even then the Company achieved net profit after tax of Rs. 9.307 million (September 2013: Net loss of Rs. 81.969 million), resulting in earning per share of Re. 0.86 (September 2013: Loss per share of Rs. 7.62).

The sales outlook for the second quarter is much stronger with full production, rationalization of products and prices, as well as strong demand of products from all segments; we expect that the shortfall in sales caused due to abovementioned factors will be recovered as projects are expected to start again soon. The Management will continue to focus on cost minimization, operational efficiencies and expanding the customer base to improve the profitability of the Company in the coming periods.

The Directors would like to 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 and look forward to their continued support and participation in sustaining the growth of the Company and achieving a profitable year in the coming quarters.

On behalf of the Board

Karachi: October 23, 2014

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

**CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2014**

	Note	September 30, 2014 (Un-audited) ———— (Rupees in '000) ————	June 30, 2014 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	1,508,633	1,508,224
Intangible assets		-	-
		<u>1,508,633</u>	<u>1,508,224</u>
Investment property	5	48,859	49,493
Long-term investment	6	20	20
Long-term loans		2,141	1,619
Long-term deposits		6,597	6,597
Deferred tax assets		128,460	129,940
		<u>1,694,710</u>	<u>1,695,893</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		35,210	34,694
Stock-in-trade	7	596,482	556,245
Trade debts	8	139,582	130,036
Loans and advances	9	29,693	26,146
Trade deposits and short-term prepayments	10	21,228	20,897
Accrued interest and other receivables	11	16,157	18,891
Taxation - net		166,872	159,166
Cash and bank balances	12	20,294	6,694
		<u>1,025,518</u>	<u>952,769</u>
TOTAL ASSETS		<u><u>2,720,228</u></u>	<u><u>2,648,662</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		15,982	3,062
		<u>123,622</u>	<u>110,702</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		777,159	780,772
NON-CURRENT LIABILITIES			
Long-term financing	13	207,330	237,256
CURRENT LIABILITIES			
Trade and other payables	14	602,322	515,064
Accrued mark-up		29,582	33,600
Short-term borrowings	15	852,553	840,871
Current portion of long-term financing	13	119,702	119,702
Sales tax and excise duty - net		7,958	10,695
		<u>1,612,117</u>	<u>1,519,932</u>
CONTINGENCIES AND COMMITMENTS	16		
TOTAL EQUITY AND LIABILITIES		<u><u>2,720,228</u></u>	<u><u>2,648,662</u></u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

DADEX

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
(UN-AUDITED)**

	Note	Three months ended	
		September 30, 2014	September 30, 2013
		(Rupees in '000)	
Turnover - net	17	424,756	535,444
Cost of sales	18	(340,693)	(493,462)
Gross profit		84,063	41,982
Distribution cost		(26,577)	(44,568)
Administrative expenses		(27,604)	(51,057)
Other operating expenses		(7,532)	(23,372)
Other operating income	19	31,234	9,509
Operating profit / (loss)		53,584	(67,506)
Finance cost	20	(36,807)	(27,469)
Share of loss on investment in an associate	6.2	-	-
Profit / (loss) before taxation		16,777	(94,975)
Taxation	21	(7,470)	13,006
Profit / (loss) for the period		9,307	(81,969)
Earnings / (loss) per share - Basic and diluted		Re. 0.86	Rs. (7.62)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
(UNAUDITED)**

Note	Three months ended	
	September 30, 2014	September 30, 2013
	(Rupees in '000)	
Profit / (loss) for the period	9,307	(81,969)
Other comprehensive income for the period	-	-
Total comprehensive income / (loss) for the period	<u>9,307</u>	<u>(81,969)</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
(UN-AUDITED)**

	Note	Three months ended	
		September 30, 2014	September 30, 2013
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	23	103,802	95,808
Taxes paid		(13,696)	(20,035)
Long-term loans and advances - net		(522)	(290)
Net cash flows generated from operating activities		89,584	75,483
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(16,915)	(7,715)
Proceeds from disposal of fixed assets		-	75
Interest received		-	-
Net cash flows used in investing activities		(16,915)	(7,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowing obtained (net of repayments)		11,682	(50,683)
Interest / mark-up paid		(40,825)	(27,219)
Long term financing		(29,926)	-
Dividends paid	24	-	(290)
Net cash flows used in financing activities		(59,069)	(78,192)
Net increase / (decrease) in cash and cash equivalents		13,600	(10,349)
Cash and cash equivalents at the beginning of the period		6,694	17,782
Cash and cash equivalents at the end of the period		20,294	7,433

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Grand Total
		Capital reserves- shares premium	Revenue reserves		Total	
			General	Unapp- ropriated profit / (loss)		
Balance as at July 1, 2013	107,640	5,655	160,000	12,287	177,942	285,582
Surplus on Revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the period	-	-	-	3,613	3,613	3,613
Loss for the period	-	-	-	(81,969)	(81,969)	(81,969)
Balance as at September 30, 2013	<u>107,640</u>	<u>5,655</u>	<u>160,000</u>	<u>(66,069)</u>	<u>99,586</u>	<u>207,226</u>
Balance as at July 1, 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 charged on related assets for the period	-	-	-	3,613	3,613	3,613
Profit for the period	-	-	-	9,307	9,307	9,307
Balance as at September 30, 2014	<u>107,640</u>	<u>5,655</u>	<u>160,000</u>	<u>(149,673)</u>	<u>15,982</u>	<u>123,622</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014**

1. NATURE AND STATUS OF BUSINESS

Dadex Eternit Limited (the Company) is a limited liability company incorporated in Pakistan on April 13, 1959 as a public limited company under the Companies Ordinance, 1984 and is quoted on Karachi Stock Exchange. The registered office of the Company is situated at Dadex House, 34-A/1, Block 6, P.E.C.H.S, Sharah-e-Faisal, Karachi. The Company has three factories situated at Karachi, Hyderabad and Sunder (Lahore). The principal business of the Company is to manufacture and the sale of construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building products. The Company is also engaged in providing irrigation solutions for agriculture and landscaping. During last year, the Company 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.

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

2. BASIS OF PRESENTATION

These interim condensed financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984, directives issued by the Securities & Exchange Commission of Pakistan (SECP) and International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. These should be read in conjunction with the financial statements of the Company for the year ended June 30, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2014.

	Note	September 30, 2014 (Un-audited) — (Rupees in '000) —	June 30, 2014 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,480,021	1,496,501
Capital work-in-progress	4.2	28,612	11,723
		<u>1,508,633</u>	<u>1,508,224</u>
4.1	The following is the movement in operating fixed assets during the period/year:		
Opening balance		1,496,501	1,285,694
Add: Additions during the period/year	4.1.1	26	276,729
		1,496,527	1,562,423
Less: Disposals during the period / year (WDV)	4.1.2	-	(2,696)
Depreciation charge for the period / year	4.1.3	(16,506)	(63,226)
Operating fixed assets (WDV)		<u>1,480,021</u>	<u>1,496,501</u>
4.1.1 Additions including transfers during the period / year			
Freehold / Leasehold land		-	185,030
Building		-	35,680
Plant and machinery		-	55,605
Furniture & Fixture		-	-
Vehicle and transportation equipment		-	-
Office and factory equipment		26	414
		<u>26</u>	<u>276,729</u>
4.1.2 Disposals during the period / year - at WDV			
Plant & Machinery costing Rs. NIL (June 30, 2014: Rs. 13.851 million)		-	2,053
Vehicle & Transportation equipment costing Rs. NIL (June 30, 2014: Rs. 13.640 million)		-	417
Furniture & Fixture costing Rs. NIL (June 30, 2014: Rs. 0.169 million)		-	15
Office and factory equipments costing Rs. NIL (June 30, 2014: Rs. 1.575 million)		-	211
		-	<u>2,696</u>
4.1.3 Depreciation charged during the period / year			
Cost of sales		13,215	53,763
Distribution cost		180	2,270
Administrative expenses		3,111	7,193
		<u>16,506</u>	<u>63,226</u>
4.2 Capital work-in-progress			
Plant and machinery - Green House Farming System		13,979	13,979
Impairment loss on plant and machinery		(9,312)	(9,312)
		4,667	4,667
Advance against purchase of operating fixed assets		23,945	7,056
		<u>28,612</u>	<u>11,723</u>

	Note	September 30, 2014 (Un-audited) ———— (Rupees in '000) ————	June 30, 2014 (Audited) ———— (Rupees in '000) ————
5. Investment Property			
Opening balance		49,493	-
Add: Additions during the period/year		-	50,762
		<u>49,493</u>	<u>50,762</u>
Less: Depreciation charge for the period		(634)	(1,269)
		<u>48,859</u>	<u>49,493</u>

6. LONG-TERM INVESTMENT - Equity method

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

6.2 Based on the un-audited financial statements of Berdex for the year ended June 30, 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 three months ended September 30, 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.

	Note	September 30, 2014 (Un-audited) ———— (Rupees in '000) ————	June 30, 2014 (Audited) ———— (Rupees in '000) ————
7. STOCK-IN-TRADE			
Raw materials			
- in hand	7.1	208,935	178,744
- in transit		39,810	23,158
		<u>248,745</u>	<u>201,902</u>
Work-in-process	7.2	91,373	79,764
Finished goods			
- Manufactured	7.3	174,203	178,576
- Trading [including in transit of Rs. NIL (June 30, 2014: Rs. Nil)]	7.3	82,161	96,003
		<u>256,364</u>	<u>274,579</u>
		<u>596,482</u>	<u>556,245</u>

7.1 Includes raw materials costing Rs.NIL (June 30, 2014: Rs. Nil) which are carried at net realizable value of Rs. NIL (June 30, 2014: Rs. Nil).

7.2 Includes product costing Rs. 47.048 million (June 30, 2014: Rs.47.048 million) which are carried at net realizable value of Rs. 31.537 million (June 30, 2014: Rs. 31.537 million)

7.3 Includes products costing Rs. NIL (June 30, 2014: Rs. Nil) which are carried at net realizable value of Rs. NIL (June 30, 2014: Rs. Nil).

8. TRADE DEBTS

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs. 117.272 million (June 30, 2014: Rs.117.029 million). Such provision includes an amount of Rs.15.632 million (June 30, 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.

	September 30, 2014 (Un-audited) ———— (Rupees in '000) ————	June 30, 2013 (Audited) ———— (Rupees in '000) ————
9. LOANS AND ADVANCES		
Loans - secured, considered good		
Current portion of long-term loans	669	297
Employees	2,051	270
Suppliers	26,833	25,439
Others	140	140
	29,024	25,849
Advances - considered doubtful		
Suppliers / contractors	500	500
Provision for doubtful advances	(500)	(500)
	-	-
	29,693	26,146
10. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits	5,629	5,662
Provision for doubtful trade deposits	(4,955)	(4,747)
	674	915
Margin deposits	13,141	11,997
Other deposits	3,708	2,167
	16,849	15,079
Prepayments		
Rent & Others	3,705	5,818
	21,228	20,897
11. ACCRUED INTEREST AND OTHER RECEIVABLES		

Included herein accrued interest on PLS saving account and receivable from tenant amounting to Rs.0.002 million and Rs. 0.687 million (June 30, 2014: Rs. 0.005 million and Rs. 1.473 million) respectively.

	Note	September 30, 2014 (Un-audited) —— (Rupees in '000) ——	June 30, 2014 (Audited)
12. CASH AND BANK BALANCES			
Cash in hand		4,147	2,964
Cash at banks in:			
Current accounts			
Local currency		15,843	3,426
PLS saving account		304	304
		<u>20,294</u>	<u>6,694</u>
13. LONG-TERM FINANCING - secured			
Long-term financing			
Bank of Punjab		243,699	268,069
United Bank Limited - Diminishing Musharika		83,333	88,889
		<u>327,032</u>	<u>356,958</u>
Less: Current portion of Long-term Financing			
Bank of Punjab		(97,480)	(97,480)
United Bank Limited - Diminishing Musharika		(22,222)	(22,222)
		<u>(119,702)</u>	<u>(119,702)</u>
		<u>207,330</u>	<u>237,256</u>
14. TRADE AND OTHER PAYABLES			
Included herein advance from customers and unclaimed dividend amounting to Rs. 248.864 million and Rs. 17.475 million (June 30, 2014: Rs. 232.416 million and Rs. 17.475 million) respectively.			
		September 30, 2014 (Un-audited) —— (Rupees in '000) ——	June 30, 2014 (Audited)
15. SHORT-TERM BORROWINGS - secured			
Running finances utilized under mark-up arrangements	15.1 & 15.2	852,553	840,871
		<u>852,553</u>	<u>840,871</u>
15.1	These finance facilities have been obtained from various commercial banks aggregating to Rs.942 million (June 30, 2014: Rs.942 million) out of which Rs. 89.447 million (June 30, 2014: Rs. 101.129 million) remains unutilized as at the balance sheet date. These facilities are secured by the creation of a first pari passu charge against hypothecation of the Company's stock-in-trade and trade debts of Rs. 1,354.333 million and equitable mortgage charge of Rs. 134 million over property situated at plots # 36-37 N, Jinnah Park Industrial Area, Gulberg II, Lahore and first exclusive mortgage charge of Rs. 934 million over land and building of the Company situated at 21-22, Manghopir Road, Tapo Manghopir, Karachi.		
15.2	These facilities carry mark-up rate of 11.43 to 12.23 percent (June 30, 2014: 11.43 to 12.23 percent) per annum.		

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

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

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

Being aggrieved by the Judgment of HCS, the Company filed petition for leave to appeal against the judgment of HCS before Honorable Supreme Court of Pakistan (SCP). The SCP has granted leave to appeal to the Company vide its Order dated June 23, 2011 and converted the petition into Appeal. Thereafter, after the partial hearing of the civil appeal, the SCP vide its order dated October 25, 2011 has directed a commission constituted by the Tribunal to submit the report of the environmental audit of the Company's factory and surrounding premises. Pursuant to the direction of SCP, a report was filed ostensibly on behalf of a commission constituted by the Tribunal to which objections have been filed by the Company before SCP. The hearing of civil appeal on merits is now pending.

Based on the opinion of the legal counsel of the Company, the Company management expects favorable outcome of the case. Accordingly, no provision in respect of above has been made in these condensed interim financial statements.

	September 30, 2013 (Un-audited) ———— (Rupees in '000) ————	June 30, 2013 (Audited) ———— (Rupees in '000) ————
16.1.2 Bonds and letters of guarantee issued by banks	<u><u>57,286</u></u>	<u><u>57,286</u></u>

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

16.2 Commitments

Commitments are as follows:

Letters of credit		9,014	225,742
Post dated cheques	14.2.1	21,469	114,687
Import contracts		309,789	4,204
Duties payable on goods in transit		-	7,079
Local purchase contract		84,175	92,175
		<u><u>424,447</u></u>	<u><u>443,887</u></u>

16.2.1 Represents post dated cheques of Rs. 21.469 million (June 30, 2014 Rs. 114.687 million) issued in favour of Collector of Customs on account of import of raw material

under SRO 565(I)/2006 dated June 05, 2006 as amended vide SRO 564(I)2008 dated June 11, 2008.

	Note	Three months ended	
		September 30, 2014	September 30, 2013
		(Un-audited)	
		(Rupees in '000)	
17. TURNOVER - NET			
LOCAL			
- manufactured		468,635	557,433
- trading		27,098	59,154
- others		1,167	1,420
		<u>496,900</u>	<u>618,007</u>
EXPORT		-	-
		<u>496,900</u>	<u>618,007</u>
Less:			
Returns		726	-
Special excise duty		-	-
Sales Tax		71,418	82,563
		<u>72,144</u>	<u>82,563</u>
		<u>424,756</u>	<u>535,444</u>
18. COST OF SALES			
Manufactured			
Raw materials consumed			
Opening stock		201,902	552,488
Purchases		285,861	235,415
Closing stock	7	(248,745)	(445,006)
		<u>239,018</u>	<u>342,897</u>
Net Stores, spare parts and loose tools consumed		10,549	14,282
Salaries, wages and benefits [including Rs. Nil (September 30, 2013: Rs. Nil) in respect of bonus to workers]		22,254	31,424
Procured services		7,313	12,965
Fuel, water and power		20,536	23,786
Insurance		1,513	1,513
Traveling		48	22
Communication		332	266
Depreciation	4.1.3	13,215	13,502
Rent, rates and taxes		4,359	811
Repairs and maintenance		4,601	7,061
Technical Assistance Fee		1,983	2,331
Printing and stationery		154	184
Other expenses		256	525
		<u>87,113</u>	<u>108,672</u>
Opening stock of work-in-process		79,764	83,853
Closing stock of work-in-process	7	(91,373)	(79,969)
Cost of goods manufactured		<u>314,522</u>	<u>455,453</u>
Opening stock of finished goods		178,576	235,764
Closing stock of finished goods	7	(174,203)	(238,835)
		<u>318,895</u>	<u>452,382</u>
Trading			
Opening stock		96,003	110,502
Purchases		7,956	38,718
		103,959	149,220
Closing stock	7	(82,161)	(106,142)
		<u>21,798</u>	<u>43,078</u>
Sale of scrap		-	(1,998)
		<u>340,693</u>	<u>493,462</u>

	Three months ended	
	September 30, 2014	September 30, 2013
Note	(Un-audited)	
	(Rupees in '000)	
19. OTHER OPERATING INCOME		
Income from financial assets		
Income from bank deposits	-	-
Income from non-financial assets		
Gain on disposal of operating assets	-	75
Rental income - investment property	8,564	9,185
Sale of Raw Material	2,670	-
Sundry Income/Receipts	20,000	8
Product Installation revenue	-	241
	<u>31,234</u>	<u>9,509</u>
20. FINANCE COST		
Mark-up on:		
- short-term borrowings	25,607	23,500
- long-term financing	10,384	3,371
Bank and other charges	816	598
	<u>36,807</u>	<u>27,469</u>
21. TAXATION		
Current - for the period / year	5,990	8,799
Deferred	1,480	(21,805)
	<u>7,470</u>	<u>(13,006)</u>
22. TRANSACTIONS WITH RELATED PARTIES		
The related parties and associated undertakings comprise of associated companies, group companies, staff retirement funds, chief executive, directors and key management personnel. The transactions and balances with related parties and associated undertakings are as follows:		

Three months ended
September 30, 2014 **September 30,**
2013
(Un-audited)
(Rupees in '000)

Related parties	Nature of transaction		
Transactions with associated companies due to common directorship:			
Berger Paints Pakistan Limited	Purchase and sale of goods	-	55
Sikander (Private) Limited	Rent paid	425	387
Cyber Internet Services (Private) Limited	Sale of goods	-	1,466
Century Insurance Company Limited (CICL) General Insurance	Insurance premium paid to Habib Insurance Company Limited [CICL is co-insurer with 20% share (September 30, 2013: 20% share)]	301	-
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	1,998	2,731
Key management personnel			
Qazi Sajid Ali (Chief Executive)	Salary and other employment benefits	3,555	-
Sikander Dada (Chairman)	Salary and other employment benefits	1,514	4,188

Three months ended
September 30, 2014 **September 30,**
2013
(Un-audited)
(Rupees in '000)

23. CASH GENERATED FROM OPERATIONS

	Note		
Profit before taxation		16,777	(94,975)
Adjustments for non cash charges and other items:			
Depreciation - operating fixed assets	4.1.3	12,893	11,166
Depreciation - investment property	5	634	-
Amortization		-	-
Depreciation - revaluation of land		3,613	3,613
Gain on disposal of fixed assets - net		-	(75)
Interest income		-	-
Interest / mark-up expense		36,807	27,469
Working capital changes	23.1	33,078	148,610
		<u>103,802</u>	<u>95,808</u>

	Note	Three months ended	
		September 30, 2014	September 30, 2013
		(Un-audited)	
		(Rupees in '000)	
23.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spare and loose tools		(516)	(4,404)
Stock-in-trade		(40,237)	112,655
Trade debts		(9,546)	(1,924)
Loans and advances		(3,547)	(25,174)
Trade deposits and short-term prepayments		(331)	168
Other receivables		2,734	1,022
Sales tax and excise duty payable (net)		-	70
		<u>(51,443)</u>	<u>82,413</u>
(Decrease) / increase in current liabilities			
Trade and other payables		87,258	66,197
Sales tax and excise duty payable (net)		(2,737)	-
		<u>33,078</u>	<u>148,610</u>
24. DIVIDEND PAID			
Declared and paid during the three months period			
Final cash dividend Nil (September 30, 2013: Nil)		-	290
		<u>-</u>	<u>290</u>

25. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic (Rupees in '000)	Others	Total
Three months ended September 30, 2014				
TURNOVER - net	<u>209,390</u>	<u>211,490</u>	<u>3,877</u>	<u>424,756</u>
RESULT				
Segment result	<u>31,592</u>	<u>(1,771)</u>	<u>61</u>	<u>29,882</u>
Unallocated expense				
Other operating expenses				(7,532)
Other operating income				31,234
Finance cost				(36,807)
Taxation				(7,470)
Profit for the period				<u>9,307</u>

	Chrysotile Cement	Plastic (Rupees in '000)	Others	Total
Three months ended September 30, 2013				
TURNOVER - net	<u>221,391</u>	<u>312,123</u>	<u>1930</u>	535,444
RESULT				
Segment result	<u>379</u>	<u>(53,537)</u>	<u>(308)</u>	(53,466)
Unallocated expense				
Other operating expenses				(23,372)
Other operating income				9,332
Finance cost				(27,469)
Taxation				13,006
Loss for the period				<u>(81,969)</u>
ASSETS AND LIABILITIES				
September 30, 2014				
Segment assets	<u>294,309</u>	<u>825,916</u>	<u>132,934</u>	1,253,159
Unallocated corporate assets				1,467,069
Total assets				<u>2,720,228</u>
Segment liabilities	<u>276,963</u>	<u>268,157</u>	<u>3,872</u>	548,992
Unallocated corporate liabilities				1,270,455
Total liabilities				<u>1,819,447</u>
June 30, 2014				
Segment assets	<u>283,407</u>	<u>795,081</u>	<u>131,721</u>	1,210,209
Unallocated corporate assets				1,438,453
Total assets				<u>2,648,662</u>
Segment liabilities	<u>246,711</u>	<u>245,533</u>	<u>4,330</u>	496,574
Unallocated corporate liabilities				1,260,614
Total liabilities				<u>1,757,188</u>

25.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs. 424.756 million and Rs. Nil (September 30, 2013: Rs. 535.444 million and Rs. Nil) respectively.

	<u>Three months ended</u>	
	<u>September 30,</u>	<u>September 30,</u>
	<u>2014</u>	<u>2013</u>
	<u>(Un-audited)</u>	
Note	<u>(Rupees in '000)</u>	

Non-Current assets

Pakistan	<u>1,566,250</u>	<u>1,343,641</u>
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Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment property, long-term investment, loans and deposits, deferred tax assets.

26. DATE OF AUTHORISATION FOR ISSUE

26.1 These condensed interim financial statements have been authorised for issue on October 23, 2014 by the Board of Directors of the Company.

27. GENERAL

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

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

Muhammad Yousuf
Acting Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Syed Shahid Ali Bukhari
Director

