

Three Months Ended Report

September 30, 2015

(Un-audited)

The logo for DADDEX, 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	
Chief Financial Officer	Muhammad Yousuf	
Company Secretary	Umar Rasheed	
Head of Internal Audit / Secretary BAC	Mustafa Kamal Khan	
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- Director Operations	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants	
Bankers	National Bank of Pakistan MCB Bank Limited The Bank of Punjab Sindh Bank Limited 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 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 mail: 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, 2015.

During the period under review, the Company achieved a net turnover of Rs. 522.12 million (September 2014: Rs. 424.33 million), being 23% higher than the turnover achieved during the corresponding period last year. Cost of sales during the period increased by 29.38% which has resulted in a gross profit margin of 15.57%.

During the period, distribution cost has reduced by 19.4%, other expenses reduced by 6.45% as compared to corresponding period last year. Administrative expenses have increased slightly by 3.2%. Company achieved Operating profit of Rs. 39.77 million (September 2014: Operating profit of Rs. 53.58 million). Finance cost reduced by 19.8% as compared to corresponding period which have resulted in a net profit after tax of Rs. 3.12 million (September 2014: Net profit after tax of Rs. 9.307 million), resulting in earning per share of Re. 0.29 (September 2014: Earning per share of Re. 0.86).

The sales outlook for the second quarter is strong based on release of Government funds for projects and continuing construction boom in all segments. 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

Qazi Sajid Ali
Chief Executive

Karachi: October 27, 2015

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2015

	Note	September 30, 2015 (Un-audited) ———— (Rupees in '000) ————	June 30, 2015 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	1,445,947	1,459,560
Intangible assets		-	-
		<u>1,445,947</u>	<u>1,459,560</u>
Investment property	4.3	46,320	46,955
Long-term investment	5	6	6
Long-term loans		2,308	1,927
Long-term deposits		11,597	6,597
Deferred tax assets		126,242	125,888
		<u>1,632,420</u>	<u>1,640,933</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		38,810	33,633
Stock-in-trade	6	579,213	561,514
Trade debts	7	139,261	80,926
Loans and advances	8	60,965	33,103
Trade deposits and short-term prepayments	9	20,246	18,674
Accrued interest and other receivables	10	10,272	16,042
Taxation - net		146,781	187,908
Cash and bank balances	11	10,519	15,712
		<u>1,006,067</u>	<u>947,512</u>
TOTAL ASSETS		<u><u>2,638,487</u></u>	<u><u>2,588,445</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		51,003	44,275
		<u>158,643</u>	<u>151,915</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		762,705	766,318
NON-CURRENT LIABILITIES			
Long-term financing	12	87,629	117,554
CURRENT LIABILITIES			
Trade and other payables	13	562,359	494,474
Accrued mark-up		23,226	24,948
Short-term borrowings	14	856,616	841,643
Current portion of long-term financing		119,702	119,702
Sales tax and excise duty - net		67,607	71,891
		<u>1,629,510</u>	<u>1,552,658</u>
CONTINGENCIES AND COMMITMENTS	15		
TOTAL EQUITY AND LIABILITIES		<u><u>2,638,487</u></u>	<u><u>2,588,445</u></u>

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

	Note	Three months ended	
		September 30, 2015	September 30, 2014
		(Rupees in '000)	
Turnover - net	16	522,117	424,330
Cost of sales	17	(440,802)	(340,693)
Gross profit		81,315	83,637
Distribution cost		(21,070)	(26,151)
Administrative expenses		(28,490)	(27,604)
Other operating expenses		(7,046)	(7,532)
Other operating income	18	15,064	31,234
Operating profit		39,773	53,584
Finance cost	19	(29,507)	(36,807)
Share of profit / (loss) on investment in an associate	5.2	-	-
Profit before taxation		10,266	16,777
Taxation	20	(7,151)	(7,470)
Profit for the period		3,115	9,307
 Earnings per share - Basic and diluted		 Re. 0.29	 Re. 0.86

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

	Three months ended	
	September 30, 2015	September 30, 2014
	———— (Rupees in '000) ————	
Profit for the period	3,115	9,307
Other comprehensive income for the period	-	-
Total comprehensive income for the period	<u>3,115</u>	<u>9,307</u>

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

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**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

		Three months ended	
		September 30, 2015	September 30, 2014
	Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated / (used in) from operations	22	15,109	103,802
Taxes paid		33,622	(13,696)
Long-term loans and advances - net		(381)	(522)
Long-term Deposits - net		(5,000)	-
Net cash flows generated / (used in) operating activities		43,350	89,584
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(2,362)	(16,915)
Proceeds from disposal of fixed assets		-	-
Interest received		-	-
Net cash flows used in investing activities		(2,362)	(16,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowing obtained (net of repayments)		-	-
Interest / mark-up paid		(31,229)	(40,825)
Long term financing		(29,925)	(29,926)
Dividends paid		-	-
Net cash flows (used in) / generated from financing activities		(61,154)	(70,751)
Net (decrease) / increase in cash and cash equivalents		20,166	1,918
Cash and cash equivalents at the beginning of the period		(825,931)	(834,177)
Cash and cash equivalents at the end of the period		(846,097)	(832,259)
CASH AND CASH EQUIVALENTS COMPRISE			
Cash and bank balances		10,519	20,294
Short-term borrowings		(856,616)	(852,553)
		(846,097)	(832,259)

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Grand Total
		Capital reserves- shares premium	Revenue reserves		Total	
			General	Unappr- opriated profit / (loss)		
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>
Balance as at July 1, 2015	107,640	5,655	160,000	(121,380)	44,275	151,915
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	-	-	-	3,115	3,115	3,115
Balance as at September 30, 2015	<u>107,640</u>	<u>5,655</u>	<u>160,000</u>	<u>(114,652)</u>	<u>51,003</u>	<u>158,643</u>

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

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**NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015**

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 the year ended June 30, 2013 the Company entered into a Toll manufacturing agreement for the northern region with a U-PVC Company 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 (2014: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (2014: 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, 2015.

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, 2015.

	Note	September 30, 2015 (Un-audited)	June 30, 2015 (Audited)
		———— (Rupees in '000) ————	
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,434,851	1,450,827
Capital work-in-progress	4.2	11,096	8,733
		<u>1,445,947</u>	<u>1,459,560</u>

4.1 The following is the movement in operating fixed assets during the period/year:

		September 30, 2015	June 30, 2015
	Note	(Un-audited)	(Audited)
		———— (Rupees in '000) ————	
Opening balance		1,450,827	1,496,501
Add: Additions during the period/year	4.1.1	-	21,547
		1,450,827	1,518,048
Less: Disposals during the period / year (WDV)	4.1.2	-	(318)
Depreciation charge for the period/ year	4.1.3	(15,975)	(66,903)
Operating fixed assets (WDV)		1,434,852	1,450,827

4.1.1 Additions including transfers during the period / year

Freehold / Leasehold land	-	-
Building	-	2,174
Plant and machinery	-	19,235
Furniture & Fixture	-	-
Vehicle and transportation equipment	-	50
Office and factory equipment	-	88
	-	21,547

4.1.2 Disposals during the period / year - at WDV

Plant & Machinery costing Rs. NIL (June 30, 2015: Rs. 3.977 million)	-	318
Vehicle & Transportation equipment costing Rs. NIL (June 30, 2015: Rs. 0.362 million)	-	-
Furniture & Fixture costing Rs. NIL (June 30, 2015: Rs. NIL)	-	-
Office and factory equipments costing Rs. NIL (June 30, 2015: Rs. NIL)	-	-
	-	318

4.1.3 Depreciation charged during the period / year

Cost of sales	12,758	53,667
Distribution cost	219	789
Administrative expenses	2,998	12,447
	15,975	66,903

	September 30, 2015	June 30, 2015
	(Un-audited)	(Audited)
	———— (Rupees in '000) ————	
4.2 Capital work-in-progress		
Plant and machinery - Green House Farming System	13,979	13,979
Impairment loss on plant and machinery	(12,179)	(12,179)
	1,800	1,800
Advance against purchase of operating fixed assets	9,296	6,933
	11,096	8,733
4.3 Investment Property		
Opening balance	46,955	49,493
Add: Additions during the period/year	-	-
	46,955	49,493
Less: Depreciation charge for the period	(635)	(2,538)
	46,320	46,955

5. LONG-TERM INVESTMENT - Equity method

5.1 The Company has 48.04 percent (June 30, 2015: 48.04 percent) shareholding [i.e. 625,000 (June 30, 2015: 625,000) in the ordinary shares of Rs.10/- each] of Berdex Construction Chemicals (Private) Limited (Berdex). Berdex is engaged in marketing and distribution of construction chemicals in Pakistan. The investment in Berdex amounted to Rs. 5 million.

5.2 Based on the un-audited financial statements of Berdex for the year ended June 30, 2015, Berdex has reported a loss of Rs. 0.030 million and accumulated losses of Rs.12.762 million (2014: reported a loss of Rs. 0.011 million and accumulated losses of Rs. 12.732) million.

		September 30, 2015	June 30, 2015
		(Un-audited)	(Audited)
		———— (Rupees in '000) ————	
6. STOCK-IN-TRADE	Note		
Raw materials			
- in hand		114,700	90,324
- in transit		92,053	88,607
		206,753	178,931
Work-in-process		98,029	114,915
Finished goods			
- Manufactured	6.1	236,826	224,932
- Trading [including in transit of Rs. NIL (June 30, 2015: Rs. Nil)]		37,605	42,736
		274,431	267,668
		579,213	561,514

- 6.1 Includes product costing Rs. 41.257 (June 30, 2015: Rs.41.257) million which are carried at net realizable value of Rs. 26.460 (June 30, 2015: Rs. 26.460) million.

7. TRADE DEBTS

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs. 139.707 million (June 30, 2015: Rs.148.092 million). Such provision includes an amount of Rs.15.632 million (June 30, 2015: 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, 2015 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	
8. LOANS AND ADVANCES		
Loans - secured, considered good		
Current portion of long-term loans	483	184
Employees	1,347	822
Suppliers	58,995	31,957
Others	140	140
	60,482	32,919
Advances - considered doubtful		
Suppliers / contractors	500	500
Provision for doubtful advances	(500)	(500)
	-	-
	60,965	33,103

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits	5,518	5,533
Provision for doubtful trade deposits	(5,058)	(4,970)
	460	563
Margin deposits	14,030	12,995
Other deposits	5,831	4,835
	20,321	18,393
Prepayments		
Rent & Others	(75)	281
	20,246	18,674

10. ACCRUED INTEREST AND OTHER RECEIVABLES

Included herein receivable of Rs. 10.227 million (June 30, 2015: Rs. 10.227 million) from K-Electric Limited (KE) on account of excess electricity charges billed by KE to the Company.

	September 30, 2015 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	
11. CASH AND BANK BALANCES		
Cash in hand	6,050	6,593
Cash at banks in:		
Current accounts		
- Local currency	4,262	8,910
PLS saving account	<u>207</u>	<u>209</u>
	<u>10,519</u>	<u>15,712</u>
12. LONG-TERM FINANCING - secured		
Long-term financing		
Bank of Punjab	146,220	170,589
United Bank Limited - Diminishing Musharika	<u>61,111</u>	<u>66,667</u>
	207,331	237,256
Less: Current portion of Long-term Financing		
Bank of Punjab	(97,480)	(97,480)
United Bank Limited - Diminishing Musharika	<u>(22,222)</u>	<u>(22,222)</u>
	<u>(119,702)</u>	<u>(119,702)</u>
	<u>87,629</u>	<u>117,554</u>
13. TRADE AND OTHER PAYABLES		
Included herein advance from customers and unclaimed dividend amounting to Rs. 102.740 million and Rs. 17.052 million (June 30, 2015: Rs. 112.651 million and Rs. 17.052 million) respectively.		
	September 30, 2015 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	
14. SHORT-TERM BORROWINGS - secured		
Running finances utilized under mark-up arrangements	<u>856,616</u>	<u>841,643</u>
	<u>856,616</u>	<u>841,643</u>
14.1 These finance facilities have been obtained from various commercial banks aggregating to Rs.942 million (June 30, 2015: Rs.942 million) out of which Rs. 85.384 million (June 30, 2015: Rs. 100.357 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.

- 14.2** These facilities carry mark-up rate of 11.43 to 12.23 percent (June 30, 2015: 8.78 to 10.24 percent) per annum.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- 15.1.1** 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.

- 15.1.2** In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision off the Honorable Supreme Court on the subject, where it upheld that the earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'. In May 2015, the Government passed the GIDC Act 2015.

Subsequent to the year end, the Company has challenged GIDC Act, 2015 and filed writ petition in the Sindh High Court (SHC) including retrospective treatment of the provision of the GIDC Act. The Court has granted stay against charging of the GIDC Act, 2015. However, the Company on prudence basis has paid the full amount of GIDC at the relevant rate and has recorded as an expense in its financial statements for the year ended June 30, 2015.

15.1.3 The Company is defending various suits filed in various courts of Pakistan for sums aggregating to Rs. 10 million. However, the Company's management is confident based on the advise of its legal advisors, that these suits will be decided in its favor, and, accordingly no provision has been made for any liability against these law suits in these financial statements.

	September 30, 2015 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	
15.1.4 Bonds and letters of guarantee issued by banks	<u>42,535</u>	<u>35,635</u>

These are secured by a first pari passu hypothecation charge as disclosed in note 14.1.

	September 30, 2015 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	
Note		

15.2 Commitments

Commitments are as follows:

Letters of credit		105,797	40,115
Post dated cheques	15.2.1	43,597	43,597
Import contracts		71,240	210,506
Duties payable on goods in transit		99,153	6,223
Local purchase contract		30,271	41,339
		<u>350,058</u>	<u>341,780</u>

15.2.1 Represents post dated cheques of Rs. 43,597 million (June 30, 2015 Rs. 43,597 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.

	Three months ended	
	September 30, 2015	September 30, 2014
	———— (Un-audited) ————	
	———— (Rupees in '000) ————	

16. TURNOVER - NET

LOCAL

- manufactured	590,018	468,209
- trading	26,466	27,098
- others	31	1,167
	<u>616,515</u>	<u>496,474</u>

EXPORT

	616,515	496,474
Less: Returns	-	726
Special excise duty	-	-
Sales Tax	94,398	71,418
	<u>94,398</u>	<u>72,144</u>
	<u>522,117</u>	<u>424,330</u>

Three months ended
September 30, 2015 **September 30,**
2014
 (Un-audited)
 (Rupees in '000)

17. COST OF SALES

Manufactured

Raw materials consumed

Opening stock		178,931	201,902
Purchases		332,381	285,861
Closing stock	6	(206,753)	(248,745)
		304,559	239,018

Net Stores, spare parts and loose tools consumed		13,655	10,549
Salaries, wages and benefits [including Rs. Nil (September 30, 2014: Rs. Nil) in respect of bonus to workers]		26,122	22,254
Procured services		19,224	7,313
Fuel, water and power		24,438	20,536
Insurance		1,409	1,513
Traveling		47	48
Communication		263	332
Depreciation	4.1.3	12,758	13,215
Rent, rates and taxes		1,200	4,359
Repairs and maintenance		5,610	4,601
Technical Assistance Fee		2,035	1,983
Printing and stationery		150	154
Other expenses		496	256
		107,407	87,113

Opening stock of work-in-process		114,915	79,764
Closing stock of work-in-process	6	(98,029)	(91,373)
Cost of goods manufactured		428,852	314,522

Opening stock of finished goods		224,932	178,576
Closing stock of finished goods	6	(236,826)	(174,203)
		416,958	318,895

Trading

Opening stock		42,736	96,003
Purchases		18,713	7,956
		61,449	103,959
Closing stock	6	(37,605)	(82,161)
		23,844	21,798
Sale of scrap		-	-
		440,802	340,693

Three months ended
September 30, 2015 **September 30, 2014**
 (Un-audited)
 (Rupees in '000)

18. OTHER OPERATING INCOME

Income from financial assets

Income from bank deposits	1	-
Reversal of Provision against doubtful debt	8,296	-

Income from non-financial assets

Gain on disposal of operating assets	-	-
Rental income - investment property	6,560	8,564
Sale of Raw Material	-	2,670
Sundry Income/Receipts	-	20,000
Product Installation revenue	207	-
	<u>15,064</u>	<u>31,234</u>

19. FINANCE COST

Mark-up on:

- short-term borrowings	19,877	25,607
- long-term financing	5,431	10,384
Bank and other charges	4,199	816
	<u>29,507</u>	<u>36,807</u>

20. TAXATION

Current - for the year	7,505	5,990
Deferred	(354)	1,480
	<u>7,151</u>	<u>7,470</u>

21. 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, 2015 **September 30, 2014**
 (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	<u>119</u>	<u>-</u>
Sikander (Private) Limited	Rent paid	<u>468</u>	<u>425</u>
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	<u>1,897</u>	<u>1,998</u>
Key management personnel			
Qazi Sajid Ali (Chief Executive)	Salary and other employment benefits	<u>3,677</u>	<u>3,555</u>
Sikander Dada (Chairman)	Remuneration and other benefits	<u>1,871</u>	<u>1,514</u>
	Loan received	<u>5,000</u>	<u>-</u>
22. CASH USED IN OPERATIONS			
	Profit before taxation	10,266	16,777
	Adjustments for non cash charges and other items:		
	Depreciation - operating fixed assets 4.1.3	12,362	12,893
	Depreciation - investment property 4.3	635	634
	Amortization	-	-
	Depreciation - revaluation of land	3,613	3,613
	Gain on disposal of fixed assets - net	-	-
	Interest income	-	-
	Interest / mark-up expense	29,507	36,807
	Working capital changes 22.1	(41,274)	33,078
		<u>15,109</u>	<u>103,802</u>
22.1 Working capital changes			
Decrease / (increase) in current assets			
	Stores, spare and loose tools	(5,177)	(516)
	Stock-in-trade	(17,699)	(40,237)
	Trade debts	(58,335)	(9,546)
	Loans and advances	(27,862)	(3,547)
	Trade deposits and short-term prepayments	(1,572)	(331)
	Other receivables	5,770	2,734
	Sales tax and excise duty payable (net)	-	-
		<u>(104,875)</u>	<u>(51,443)</u>

DADEX

Three months ended
September 30, 2015 September 30, 2014
 (Un-audited)
 (Rupees in '000)

Decrease / (increase) in current liabilities		
Trade and other payables	67,885	87,258
Sales tax and excise duty payable (net)	(4,284)	(2,737)
	<u>(41,274)</u>	<u>33,078</u>

23. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
Three months ended September 30, 2015				
TURNOVER - net	<u>218,398</u>	<u>303,639</u>	<u>80</u>	<u>522,117</u>
RESULT				
Segment result	<u>30,884</u>	<u>858</u>	<u>13</u>	<u>31,755</u>
Unallocated expense				
Other operating expenses				(7,046)
Other operating income				15,064
Finance cost				(29,507)
Taxation				(7,151)
Profit for the period				<u>3,115</u>
Three months ended September 30, 2014				
TURNOVER - net	<u>209,390</u>	<u>211,490</u>	<u>3,450</u>	<u>424,330</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>
ASSETS AND LIABILITIES				
September 30, 2015				
Segment assets	<u>325,568</u>	<u>817,584</u>	<u>111,799</u>	<u>1,254,950</u>
Unallocated corporate assets				<u>1,383,537</u>
Total assets				<u>2,665,590</u>
Segment liabilities	<u>268,130</u>	<u>240,648</u>	<u>6,649</u>	<u>515,427</u>
Unallocated corporate liabilities				<u>1,114,083</u>
Total liabilities				<u>1,629,510</u>

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
June 30, 2015				
Segment assets	<u>289,717</u>	<u>791,660</u>	<u>99,464</u>	1,180,841
Unallocated corporate assets				<u>1,407,604</u>
Total assets				<u>2,588,445</u>
Segment liabilities	<u>217,480</u>	<u>226,148</u>	<u>6,649</u>	450,277
Unallocated corporate liabilities				<u>1,102,381</u>
Total liabilities				<u>1,552,658</u>

23.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs. 522.117 million and Rs. Nil (September 30, 2014: Rs. 424.330 million and Rs. Nil) respectively.

Three months ended	
September 30, 2015	September 30, 2014
----- (Un-audited) -----	
----- (Rupees in '000) -----	

Non-Current assets

Pakistan	<u>1,506,178</u>	<u>1,566,250</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.

24. DATE OF AUTHORISATION FOR ISSUE

24.1 These condensed interim financial statements have been authorised for issue on October 27, 2015 by the Board of Directors of the Company.

25. GENERAL

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

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

Sikander Dada
Chairman

Qazi Sajid Ali
Chief Executive

Muhammad Yousuf
Chief Financial Officer

