

# **Nine Months Period Ended Report**

**March 31, 2014  
(Un-audited)**

**DADEX**

**Dadex Eternit Limited**

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## COMPANY INFORMATION

<b>Board of Directors</b>	Abu Talib H.K. Dada- Chairman	(Non - Executive Director)
	Sikander Dada	(Executive Director)
	Maqbool H.H. Rahimtoola	(Non - Executive Director)
	Qazi Sajid Ali	(Non - Executive Director)
	Shahzad M. Husain	(Non - Executive Director)
	Zulfiqar Ali Lakhani	(Non - Executive Director)
	Samad Dada	(Non - Executive Director)
<b>Chief Executive Officer</b>	Sikander Dada	
<b>Chief Financial Officer/Company Secretary</b>	Shazam Butt	
<b>Board Audit Committee</b>	Qazi Sajid Ali	Chairman
	Shahzad M. Husain	
	Samad Dada	
<b>Human Resource and Remuneration Committee</b>	Maqbool H.H. Rahimtoola	Chairman
	Sikander Dada	
	Qazi Sajid Ali	
<b>Management Team</b>	Sikander Dada	Chief Executive Officer
	Tanveer Saleem	Chief Operating Officer (Technical & Operations)
	Syed Ashar Husain	Chief Operating Officer (Commercial Services)
	Shazam Butt	Financial Officer / Company Secretary
	Munawar Abbas	General Manager (Operations)
<b>Auditors</b>	Ernst & Young Ford Rhodes Sidat Hyder, Chartered	
<b>Bankers</b>	Dubai Islamic Bank Pakistan Limited	
	Habib Bank Limited	
	Habib Metropolitan Bank Limited	
	HSBC Bank Middle East Limited	
	MCB Bank Limited	
	National Bank of Pakistan	
	Standard Chartered Bank (Pakistan) Limited	
	The Bank of Punjab	
	United Bank Limited (UBL Ameen)	
<b>Legal Advisor</b>	SurrIDGE & Beecheno 3 <sup>rd</sup> Floor, Finlay House, I.I. Chundrigar Road, Karachi.	
<b>Registered Office</b>	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	
<b>Share Registrar</b>	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: <a href="mailto:jwaffs@live.com">jwaffs@live.com</a>	
<b>Web Site</b>	<a href="http://www.dadex.com">www.dadex.com</a>	

## **DIRECTORS' REVIEW**

The Directors are pleased to present the Financial Statements of the Company for the nine months period ended March 31, 2014.

During the period under review, the overall economic situation of the Country seems to be improving although law and order still remains a concern.

The period ended March 31, 2014 has been another challenging one for the Company, although we are on the right track in improving the KPI's.

The Company has been able to curtail its distribution cost by 25%, from Rs. 173 million to Rs. 130 million and administrative costs by 12 % from Rs. 161 million to Rs. 141 million as compared to corresponding period last year but the cost of sales increased from 76.8 % to 92.72%, due to lower production and sales compared to the same period last year, due to certain production obstacles, which have resulted in a Loss per share of Rs. 21.12 (March 31, 2013: Earning per share of Rs. 0.07).

The focused program to turn around the Company, initiated in last quarter is continuing, including targeted cost cutting measures, moving towards a lean and efficient human resource setup curtailing overtime expenses, as well as controlling Distribution and Administration expenditure, wastages and other losses.

The sales outlook for fourth quarter is much stronger with full production, in collaboration with the demand of the products from the market.

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

**On behalf of the Board**

**Karachi:** April 26, 2014

Sikander Dada  
**Chief Executive**

Shahzad M. Husain  
**Director**

**CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2014**

	Note	March 31, 2014 (Un-audited) ----- (Rupees in `000) -----	June 30, 2013 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets			
Property, plant and equipment	4	1,525,464	1,301,522
Intangible assets		-	-
Investment property	5	51,856	-
		1,577,320	1,301,522
Long-term investment	6	-	-
Long-term loans		1,765	2,225
Long-term deposits		6,668	46,668
Deferred tax assets		113,648	62,105
		1,699,401	1,412,520
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		34,155	33,147
Stock-in-trade	7	710,241	982,607
Trade debts	8	144,617	161,080
Loans and advances		49,437	61,713
Trade deposits and short-term prepayments		22,501	25,994
Accrued interest and other receivables	9	11,478	13,096
Sales tax & excise duty – net		3,211	28,157
Taxation – net		161,566	144,964
Cash and bank balances		18,802	17,782
		1,156,008	1,468,540
<b>TOTAL ASSETS</b>		<b>2,855,409</b>	<b>2,881,060</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		107,640	107,640
Reserves		(38,531)	177,942
		69,109	285,582
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>		<b>784,386</b>	<b>795,226</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	11	267,181	88,889
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	642,995	854,271
Accrued mark-up		33,918	21,691
Short-term borrowings	12	902,428	824,290
Murahaba financing		35,690	-
Current portion of long-term financing	11	119,702	11,111
		1,734,733	1,711,363
<b>CONTINGENCIES AND COMMITMENTS</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,855,409</b>	<b>2,881,060</b>

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director

**DADEX**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE NINE MONTHS ENDED MARCH 31, 2014  
(UN-AUDITED)**

	Note	Nine months ended		Quarter ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
----- (Rupees in `000) -----					
<b>Turnover – net</b>	14	<b>1,417,322</b>	1,724,560	<b>460,229</b>	532,182
Cost of sales	15	<b>(1,314,177)</b>	(1,324,499)	<b>(412,782)</b>	(406,805)
<b>Gross profit</b>		<b>103,145</b>	400,061	<b>47,447</b>	125,377
Distribution cost		<b>(130,194)</b>	(173,006)	<b>(37,123)</b>	(41,375)
Administrative expenses		<b>(141,761)</b>	(161,479)	<b>(37,361)</b>	(57,154)
Other operating expenses		<b>(13,782)</b>	(16,766)	<b>9,870</b>	(2,501)
Other operating income		<b>35,002</b>	40,745	<b>9,181</b>	18,253
<b>Operating (loss) / profit</b>		<b>(147,590)</b>	89,555	<b>(7,986)</b>	42,600
Finance cost	16	<b>(107,928)</b>	(87,025)	<b>(45,231)</b>	(28,394)
Share of loss on investment in an associate	6.2	-	-	-	-
<b>(Loss) / profit before taxation</b>		<b>(255,518)</b>	2,530	<b>(53,217)</b>	14,206
Taxation	17	<b>28,205</b>	(1,811)	<b>16,255</b>	(8,361)
<b>(Loss) / profit for the period</b>		<b>(227,313)</b>	719	<b>(36,962)</b>	5,845
----- (Rupees) -----					
<b>(Loss) / Earnings per share</b>					
- Basic and diluted		<b>(21.12)</b>	0.07	<b>(3.44)</b>	0.54

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director

**DADEX**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE NINE MONTHS ENDED MARCH 31, 2014  
(UN-AUDITED)**

	Nine months ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Note	----- (Rupees in `000) -----			
<b>(Loss) / profit for the period</b>	<b>(227,313)</b>	719	<b>(36,962)</b>	5,845
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive (loss) / income for the period</b>	<u><b>(227,313)</b></u>	<u>719</u>	<u><b>(36,962)</b></u>	<u>5,845</u>

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED MARCH 31, 2014  
(UN-AUDITED)**

	Note	Nine months ended	
		March 31, 2014 ----- (Rupees in `000) -----	March 31, 2013 -----
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash flow from / (used in) operations	19	10,528	(24,497)
Taxes paid		(39,940)	(47,010)
Long-term loans and advances – net		460	(280)
Long-term deposits – net		40,000	-
<b>Net cash generated from / (used in) operating activities</b>		<b>11,048</b>	<b>(71,787)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(323,976)	(50,933)
Proceeds from disposal of fixed assets		9,319	-
Interest received		3	47
<b>Net cash used in investing activities</b>		<b>(314,654)</b>	<b>(50,886)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short-term borrowing obtained (net of repayments)		78,138	236,167
Interest / mark-up paid		(95,701)	(86,343)
Long-term financing		286,883	-
Murahaba financing		35,690	-
Dividends paid	20	(384)	(1,145)
<b>Net cash generated from financing activities</b>		<b>304,626</b>	<b>148,679</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,020</b>	<b>26,006</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>17,782</b>	<b>4,676</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>18,802</b>	<b>30,682</b>

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED MARCH 31, 2014  
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Grand Total	
		Capital reserves - share premium	Revenue reserves		Other		Total
			General	Unappr- opriated profit / (loss)			
----- (Rupees in `000) -----							
<b>Balance as at July 1, 2012</b>	107,640	5,655	-	170,143	-	175,798	283,438
Transfer from general reserve for the year ended June 30, 2012	-	-	160,000	(160,000)	-	-	-
Surplus on revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the year	-	-	-	10,840	-	10,840	10,840
Profit for the period	-	-	-	719	-	719	719
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2013	-	-	-	719	-	719	719
<b>Balance as at March 31, 2013</b>	<b>107,640</b>	<b>5,655</b>	<b>160,000</b>	<b>21,702</b>	<b>-</b>	<b>187,357</b>	<b>294,997</b>
<b>Balance as at July 1, 2013</b>	<b>107,640</b>	<b>5,655</b>	<b>160,000</b>	<b>12,287</b>	<b>-</b>	<b>177,942</b>	<b>285,582</b>
Transfer to general reserve for the year ended June 30, 2013	-	-	-	-	-	-	-
Surplus on revaluation of fixed assets realized on account of incremental depreciation charged on related assets for the year	-	-	-	10,840	-	10,840	10,840
Loss for the period	-	-	-	(227,313)	-	(227,313)	(227,313)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive loss for the period ended March 31, 2014	-	-	-	(227,313)	-	(227,313)	(227,313)
<b>Balance as at March 31, 2014</b>	<b>107,640</b>	<b>5,655</b>	<b>160,000</b>	<b>(204,186)</b>	<b>-</b>	<b>(38,531)</b>	<b>69,109</b>

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE NINE MONTHS ENDED MARCH 31, 2014**

**1. NATURE AND STATUS OF BUSINESS**

- 1.1** 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, Shahr-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 period, 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.
- 1.2** Sikander (Private) Limited is the holding company, which held 6,800,648 (June 30, 2013: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (June 30, 2013: 63.18 percent) shareholding as of the balance sheet date.

**2. BASIS OF PRESENTATION**

These interim condensed interim financial statements are un-audited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984. These accounts have been prepared in accordance with the requirements of the Companies Ordinance, 1984, directives issued by the Securities & Exchange Commission of Pakistan (SECP) and International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan. These should be read in conjunction with the financial statements of the Company for the year ended June 30, 2013.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these interim condensed financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2013.

	Note	March 31, 2014 (Un-audited)	June 30, 2013 (Audited)
		----- (Rupees in `000) -----	
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	1,511,545	1,285,694
Capital work-in-progress	4.2	13,919	15,828
		1,525,464	1,301,522
<b>4.1</b>	The following is the movement in operating fixed assets during the period:		
Opening balance		1,285,694	1,291,077
Add: Additions during the period/year	4.1.1	273,374	55,646
		1,559,068	1,346,723
Less: Disposals during the period / year (WDV)	4.1.2	(2,144)	-
Depreciation charge for the period / year	4.1.3	(45,379)	(61,029)
Operating fixed assets (WDV)		1,511,545	1,285,694
<b>4.1.1</b>	<b>Additions including transfers during the period</b>		
Freehold land	11.1	226,850	-
Building	11.1	36,250	9,625
Plant and machinery		10,034	43,516
Furniture & Fixture		-	562
Office and factory equipment		240	1,943
		273,374	55,646

	Note	March 31, 2014 (Un-audited) ----- (Rupees in `000) -----	June 30, 2013 (Audited)
<b>4.1.2 Disposals during the period (WDV)</b>			
Plant & Machinery		2,053	-
Office and factory equipments		91	-
		<u>2,144</u>	<u>-</u>
<b>4.1.3 Depreciation charged during the period / year</b>			
Cost of sales		40,280	54,739
Distribution cost		1,857	3,956
Administrative expenses		3,242	2,334
		<u>45,379</u>	<u>61,029</u>
<b>4.2 Capital work-in-progress</b>			
Plant and machinery – Green House Farming System		13,979	13,979
Impairment loss on plant and machinery		(8,811)	(8,811)
		<u>5,168</u>	<u>5,168</u>
Advance against purchase of operating fixed assets		8,751	10,660
		<u>13,919</u>	<u>15,828</u>
<b>5. Investment Property</b>			
Opening balance		-	-
Add: Additions during the period/year	11.1	52,512	-
		<u>52,512</u>	<u>-</u>
Less: Depreciation charge for the period		(656)	-
		<u>51,856</u>	<u>-</u>

#### 6. LONG-TERM INVESTMENT – Equity method

**6.1** The Company has 48.04 (June 30, 2013: 48.04) percent shareholding [i.e. 625,000 (June 30, 2013: 625,000) in the ordinary shares of Rs.10/- each] of Berdex Construction Chemicals (Private) Limited (Berdex). Berdex is engaged in marketing and distribution of construction chemicals in Pakistan. The investment in Berdex amounted to Rs.5 million.

**6.2** Based on the un-audited financial statements of Berdex for the year ended June 30, 2013 and 2012, Berdex has accumulated loss of Rs.13.175 million and Rs. 12.774 million, respectively. The Company has discontinued recognizing its share of further loss of Rs. 0.080 million as it exceeds its interest in the associate.

	March 31, 2014 (Un-audited) ----- (Rupees in `000) -----	June 30, 2013 (Audited)
<b>7. STOCK-IN-TRADE</b>		
Raw materials		
- in hand	267,797	364,579
- in transit	-	187,909
	<u>267,797</u>	<u>552,488</u>
Work-in-process	75,110	83,853
Finished goods		
- Manufactured	242,634	235,764
- Trading [including in transit of Rs.0.878 million (June 30, 2013: Rs.15.089 million)]	124,700	110,502
	<u>367,334</u>	<u>346,266</u>
	<u>710,241</u>	<u>982,607</u>

#### 8. TRADE DEBTS - unsecured

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.117.279 million (June 30, 2013: Rs.116.517 million). Such provision includes an amount of Rs.15.632 million (June 30, 2013: Rs.15.632 million) recoverable from an ex-employee who had reportedly collected the amount from customers and did not surrender the same to the Company. A law suit has been filed against the ex-employee to recover the above amount.

## 9. ACCRUED INTEREST AND OTHER RECEIVABLES

Included herein receivable from K-Electric Limited (K-Electric) [formerly Karachi Electric Supply Company Limited (KESC)] of Rs. 10.227 (30 June 2013: Rs. 10.227) million on account of excess electricity charges billed by K-Electric to the Company. Last year, based on the advice of the Company's legal counsel in light of the favorable decision of Honorable High Court of Sindh dated 22 March 2011 the company has made an adjustment for aforesaid amount being an excess amount paid in prior years. In this respect, the company is in process of taking legal action to recover the above amount from K-Electric.

## 10. TRADE AND OTHER PAYABLES

Included herein creditors, bills payable and advances from customers of Rs. 139.417 million, Rs. 65.961 million and Rs. 226.158 million (30 June 2013: Rs. 109.916 million, Rs. 384.203 million and Rs. 177.433 million), respectively.

## 11. LONG-TERM FINANCING

**11.1** During the period the Company caused an early termination of its Ijarah agreement by purchasing Ijarah asset (commercial property – see note 4.1.1 & 5) from UBL Ameen as per agreed purchasing price option dated 15 June 2012. In order to arrange the required funds for the early termination of Ijarah agreement, the Company simultaneously entered into a financing arrangement with the Bank of Punjab ('BOP') and obtained Rs. 292.438 million from the BOP for a period of 3 years with no grace period, carrying mark-up rate at the rate of 6 months KIBOR plus 2 percent per annum. The facility is repayable in 12 quarterly installments latest by 21 January 2017. This facility is secured against first exclusive charge of Rs. 498.925 million by way of equitable mortgage on Company's land, building & Hypothecation over machinery & equipment located at plot no. 34-A/1, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

**11.2** The Company has also obtained a diminishing musharika financing of Rs. 100 million from United Bank Limited for a period of 5 years with a grace period of six months, carrying mark-up at the rate of 6 months KIBOR plus 2 percent per annum with a floor of 10 percent and collar of 18 percent. The facility is repayable in 54 monthly installments latest by 28 June 2018 with a grace period of six months and is subject to revision bi-annually. This facility is secured against first charge of Rs. 130.42 million on land and buildings situated at Plot No. 561 & 561A, Sunder Industrial Estate, Multan Road, Raiwind, Lahore.

## 12. SHORT-TERM BORROWINGS - secured

	March 31, 2014 (Un-audited) ----- (Rupees in `000) -----	June 30, 2013 (Audited)
Running finances utilized under mark-up arrangements	902,428	760,780
Demand Finance	-	63,510
	<u>902,428</u>	<u>824,290</u>

**12.1** Represents facilities obtained from various commercial banks amounting to Rs. 960 million (June 30, 2013: Rs.900 million) out of which Rs. 57.572 million (June 30, 2013: Rs.75.710 million) remains unutilized as at the balance sheet date.

**12.2** The principal terms and conditions of the outstanding borrowings have remained the same as disclosed in the annual financial statements of the Company for the year ended June 30, 2013 except for the running finance facility increased from Rs. 500 million to Rs. 700 million during the period carrying markup at the rate of 3 months KIBOR plus 2.25 percent per annum.

## 13. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2013 except the following:

### 13.1 Commitments

Commitments are as follows:

	March 31, 2014 (Un-audited) ----- (Rupees in `000) -----	June 30, 2013 (Audited)
Bonds and letters of guarantee issued by banks	48,551	-
Letters of credit	15,653	249,281
Post dated cheques	29,079	110,781
Import contracts	2,985	144,722
Local purchase contract	28,013	18,171
	<u>124,281</u>	<u>522,955</u>

**DADEX**

	March 31, 2014	March 31, 2013
	----- (Un-audited) -----	
	----- (Rupees in `000) -----	
<b>14. TURNOVER – NET</b>		
LOCAL		
- manufactured	1,461,591	1,717,959
- trading	165,279	170,439
- others	27,854	57,319
	<u>1,654,724</u>	<u>1,945,717</u>
EXPORT	-	31,341
	<u>1,654,724</u>	<u>1,977,058</u>
Less:		
Returns	1,499	3,962
Special excise duty	-	-
Sales Tax	235,903	248,536
	<u>237,402</u>	<u>252,498</u>
	<u>1,417,322</u>	<u>1,724,560</u>

	Nine months ended		Quarter ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	----- (Un-audited) -----			
	----- (Rupees in `000) -----			
Note				

#### 15. COST OF SALES

##### Manufactured

Raw materials consumed				
Opening stock	552,488	464,842	414,688	589,449
Purchases	629,231	960,727	165,335	153,390
Closing stock	7 (267,797)	(373,454)	(267,797)	(373,454)
	<u>913,922</u>	<u>1,052,115</u>	<u>312,226</u>	<u>369,385</u>
Export rebate – Duties	-	(99)	-	(99)
	<u>913,922</u>	<u>1,052,016</u>	<u>312,226</u>	<u>369,286</u>
Net Stores, spare parts and loose tools consumed	34,228	26,327	10,045	9,917
Salaries, wages and benefits [including Rs. Nil (March 31, 2013: Rs.2.700 million) in respect of bonus to workers]	88,889	80,018	27,839	27,139
Procured services	47,458	26,062	18,910	8,597
Fuel, water and power	63,987	55,167	16,136	20,481
Insurance	4,035	4,539	1,566	1,513
Traveling	184	60	78	2
Communication	1,194	1,142	386	340
Depreciation	4.1.3 40,280	40,789	13,455	13,583
Rent, rates and taxes	5,859	3,232	3,490	923
Repairs and maintenance	18,402	20,883	3,987	4,977
Technical assistance fee	6,682	-	2,105	-
Printing and stationery	807	485	374	135
Other expenses	1,324	1,368	406	441
	<u>313,329</u>	<u>260,072</u>	<u>98,777</u>	<u>88,048</u>
Opening stock of work-in-process	83,853	91,979	68,555	58,236
Closing stock of work-in-process	7 (75,110)	(100,383)	(75,110)	(100,383)
Cost of goods manufactured	<u>1,235,994</u>	<u>1,303,684</u>	<u>404,448</u>	<u>415,187</u>
Opening stock of finished goods	235,764	186,232	223,955	185,617
Closing stock of finished goods	7 (242,634)	(231,771)	(242,634)	(231,771)
	<u>1,229,124</u>	<u>1,258,145</u>	<u>385,769</u>	<u>369,033</u>

##### Trading

Opening stock	110,502	53,369	123,590	79,433
Purchases	129,526	118,105	38,993	59,575
	<u>240,028</u>	<u>171,474</u>	<u>162,583</u>	<u>139,008</u>
Closing stock	7 (124,700)	(99,202)	(124,700)	(99,202)
	<u>115,328</u>	<u>72,272</u>	<u>37,883</u>	<u>39,806</u>
Sale of scrap	(30,275)	(5,918)	(10,870)	(2,034)
	<u>1,314,177</u>	<u>1,324,499</u>	<u>412,782</u>	<u>406,805</u>

	Nine months ended	
	March 31, 2014	March 31, 2013
	----- (Un-audited) -----	
	----- (Rupees in `000) -----	
<b>16. FINANCE COST</b>		
Mark-up on short-term borrowings	88,146	82,042
Mark-up on long-term financing	15,591	-
Interest on Workers' Profit Participation Fund	-	2,576
Bank and other charges	4,191	2,407
	<u>107,928</u>	<u>87,025</u>
<b>17. TAXATION</b>		
Current – for the period	23,337	15,835
- prior period / year	-	-
	<u>23,337</u>	15,835
Deferred	(51,542)	(14,024)
	<u>(28,205)</u>	<u>1,811</u>

#### 18. 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:

		Nine months ended	
		March 31, 2014	March 31, 2013
		----- (Un-audited) -----	
		----- (Rupees in `000) -----	
	<b>Note</b>		
	<b>Related parties</b>		
	<b>Nature of transaction</b>		
<b>Transactions with associated companies due to common directorship:</b>			
Berger Paints Pakistan Limited	Purchase and sale of goods	<u>93</u>	<u>101</u>
Sikander (Private) Limited	Rent paid	<u>387</u>	<u>-</u>
Cyber Internet Services (Private) Limited	Sale of goods	<u>11,385</u>	<u>26,600</u>
Century Insurance Company Limited (CICL)	General Insurance Insurance premium paid to Habib Insurance Company Limited [CICL is co-insurer with 20% share (March 31, 2013: 20% share)]	<u>1,116</u>	<u>1,200</u>
<b>Staff retirement benefits</b>			
Dadex Eternit Limited - Provident Fund	Employer Contribution	<u>8,399</u>	<u>7,501</u>
<b>Key management personnel</b>			
Sikander Dada (Chief Executive)	Salary and other employment benefits	<u>12,247</u>	<u>11,456</u>
	Loan received and repaid during the period	<u>32,500</u>	<u>-</u>

Note	Nine months ended	
	March 31, 2014	March 31, 2013
	----- (Un-audited) ----- ----- (Rupees in `000) -----	
<b>19. CASH USED IN OPERATIONS</b>		
(Loss) / profit before taxation	(255,518)	2,530
Adjustments for non cash charges and other items:		
Depreciation – operating fixed assets	4.1.3 45,379	45,610
Depreciation – investment property	5 656	-
Gain on disposal of fixed assets – net	(7,176)	-
Interest income	(3)	(47)
Interest / mark-up expense	107,928	87,025
Working capital changes	19.1 119,262	(159,615)
	<u>10,528</u>	<u>(24,497)</u>
<b>19.1 Working capital changes</b>		
<b><i>Decrease / (increase) in current assets</i></b>		
Stores, spare and loose tools	(1,008)	(1,852)
Stock-in-trade	272,366	(8,388)
Trade debts	16,463	(8,226)
Loans and advance	12,276	(51,791)
Trade deposits and short-term prepayments	3,493	(3,093)
Other receivables	1,618	(8,887)
	<u>305,208</u>	<u>(82,237)</u>
<b><i>(Decrease) / increase in current liabilities</i></b>		
Trade and other payables	(210,892)	(120,036)
Sales tax and excise duty payable (net)	24,946	42,658
	<u>(185,946)</u>	<u>(77,378)</u>
	<u>119,262</u>	<u>(159,615)</u>
<b>20. DIVIDEND PAID</b>		
Declared and paid during the nine months period		
Interim cash dividend declared Rs. Nil (March 31, 2013: Rs.Nil)		
Cash dividend paid	<u>384</u>	<u>1,145</u>

## 21. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000) -----			
<b><u>Nine months ended March 31, 2014 – (Un-audited)</u></b>				
<b>TURNOVER – net</b>	<u>574,456</u>	<u>837,385</u>	<u>5,481</u>	<u>1,417,322</u>
<b>RESULT</b>				
Segment result	<u>(8,793)</u>	<u>(157,843)</u>	<u>(2,164)</u>	(168,800)
<b>Unallocated expense</b>				
Other operating expenses				(13,782)
Other operating income				34,992
Finance cost				(107,928)
Share of profit / (loss) on investment in an associate				-
Taxation				<u>28,205</u>
Loss for the period				<u>(227,313)</u>
<b><u>Nine months ended March 31, 2013 – (Un-audited)</u></b>				
<b>TURNOVER – net</b>	<u>558,669</u>	<u>1,161,092</u>	<u>4,799</u>	<u>1,724,560</u>
<b>RESULT</b>				
Segment result	<u>21,288</u>	<u>46,764</u>	<u>(1,052)</u>	67,000
<b>Unallocated expense</b>				
Other operating expenses				(16,766)
Other operating income				39,321
Finance cost				(87,025)
Share of profit / (loss) on investment in an associate				-
Taxation				<u>(1,811)</u>
Profit for the period				<u>719</u>
<b>ASSETS AND LIABILITIES</b>				
<b><u>March 31, 2014 (Un-audited)</u></b>				
Segment assets	<u>272,751</u>	<u>981,161</u>	<u>137,970</u>	<u>1,391,882</u>
Unallocated corporate assets				<u>1,463,528</u>
Total assets				<u>2,855,410</u>
Segment liabilities	<u>358,793</u>	<u>173,796</u>	<u>6,940</u>	<u>539,528</u>
Unallocated corporate liabilities				<u>1,195,202</u>
Total liabilities				<u>1,734,730</u>
<b><u>June 30, 2013 (Audited)</u></b>				
Segment assets	<u>478,330</u>	<u>1,113,523</u>	<u>125,021</u>	1,716,874
Unallocated corporate assets				1,163,384
Total assets				<u>2,880,258</u>
Segment liabilities	<u>391,710</u>	<u>397,185</u>	<u>5,414</u>	794,309
Unallocated corporate liabilities				1,002,582
Total liabilities				<u>1,796,891</u>



## 21.1 Geographical information

### Turnover

The Company's turnover represents local and export sales of Rs.1,417.322 million and Rs. Nil (March 31, 2013: Rs. 1,693.219 million and Rs. 31.341 million) respectively.

	March 31, 2014 (Un-audited) ----(Rupees in '000)----	June 30, 2013 (Audited)
<b>Non-Current assets</b>		
Pakistan	<u>1,585,753</u>	<u>1,350,415</u>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets, investment property, long-term investment, loans and deposits, deferred tax assets.

## 22. DATE OF AUTHORISATION FOR ISSUE

22.1 These condensed interim financial statements have been authorised for issue on April 26, 2014 by the Board of Directors of the Company.

## 23. GENERAL

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

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

**Shazam Butt**  
Chief Financial Officer

**Sikander Dada**  
Chief Executive

**Shahzad M. Husain**  
Director