

Nine Months Period Ended Report

March 31, 2016

(Un-audited)

DADEX

Dadex Eternit Limited

Contents

Company Information	2
Directors' Review	3
Condensed Interim Balance Sheet	4
Condensed Interim Profit and Loss Account	5
Condensed Interim Comprehensive Income	6
Condensed Interim Cash Flow Statement	7
Condensed Interim Statement of Changes in Equity	8
Notes to the Condensed Interim Financial Statements	9

COMPANY INFORMATION

Board of Directors	Sikander Dada - Chairman Abu Talib H.K. Dada Maqbool H.H. Rahimtoola Shahzad M. Husain Danish Dada Syed Shahid Ali Bukhari Qazi Sajid Ali	(Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Non - Executive Director) (Independent Director) (Executive Director)
Chief Executive Officer	Qazi Sajid Ali	
Chief Financial Officer Company Secretary	Muhammad Yousuf Umar Rasheed	
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- General Manager (Operations)	
Auditors	Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants	
Bankers	National Bank of Pakistan Bank Islami Pakistan Limited Habib Metropolitan Bank Limited MCB Bank Limited Sindh Bank Limited The Bank of Punjab United Bank Limited (UBL Ameen) Standard Chartered Bank (Pakistan) Limited Habib Bank Limited Meezan Bank Limited Dubai Islamic Bank Pakistan 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 407-408, Al-Ameera Centre Shahrah-e-Iraq, Saddar Karachi. Phone: (92-21) 35662023-24 Fax: (92-21) 35221192 Email: jwaffs@live.com - info@jwaffs.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 nine months ended March 31, 2016.

During the period under review, the Company achieved a net turnover of Rs. 1,468.79 million (March 2015: Rs. 1,448.35 million). The Company achieved operating profit of Rs. 144.57 million (March 2015: Operating profit of Rs. 158.49 million). Finance cost reduced by 16.72% as compared to corresponding period which have resulted in a net profit after tax of Rs. 10.49 million (March 2015: Net profit after tax of Rs. 13.96 million), resulting in earning per share of Re. 0.98 (March 2015: Earning per share of Rs. 1.30).

The sales outlook for coming quarter is much stronger, the Company remains confident that with release of Government Funds for the development schemes it will attain the forecast levels of revenues. The Management team will continue to focus on broadening customer base, exploring new markets with stringent control on expenditures and tightening of working capital management in order to achieve positive results.

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.

On behalf of the Board

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

Karachi: April 26, 2016

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2016**

	Note	March 31, 2016 (Un-audited) (Rupees in '000)	June 30, 2015 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	1,495,712	1,459,560
Intangible assets		-	-
		<u>1,495,712</u>	<u>1,459,560</u>
Investment property	5	45,051	46,955
Long-term investment	6	6	6
Long-term loans		1,806	1,927
Long-term deposits		18,903	6,597
Deferred tax assets		102,389	125,888
		<u>1,663,867</u>	<u>1,640,933</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		36,608	33,633
Stock-in-trade	7	579,043	561,514
Trade debts	8	211,239	80,926
Loans and advances	9	141,169	33,103
Trade deposits and short-term prepayments		25,321	18,674
Other receivables		12,996	16,042
Taxation - net		154,537	187,908
Cash and bank balances		10,730	15,712
		<u>1,171,643</u>	<u>947,512</u>
TOTAL ASSETS		<u>2,835,510</u>	<u>2,588,445</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		65,615	44,275
		<u>173,255</u>	<u>151,915</u>
SURPLUS ON REVALUATION OF FIXED ASSETS		755,477	766,318
NON-CURRENT LIABILITIES			
Long-term financing	11	127,778	117,554
Liabilities against asset subject to finance lease		59,020	-
		<u>186,798</u>	<u>117,554</u>
CURRENT LIABILITIES			
Trade and other payables	10	541,658	494,474
Accrued mark-up		23,926	24,948
Short-term borrowings	12	850,603	841,643
Current portion of long-term financing	11	199,702	119,702
Current portion of assets subject to finance lease		15,407	-
Sales tax and excise duty - net		88,684	71,891
		<u>1,719,980</u>	<u>1,552,658</u>
CONTINGENCIES AND COMMITMENTS	13		
TOTAL EQUITY AND LIABILITIES		<u>2,835,510</u>	<u>2,588,445</u>

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

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

	Note	Nine months ended		Quarter ended	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
(Rupees in '000)					
Turnover - net	14	1,468,799	1,448,351	565,143	558,571
Cost of sales	15	(1,203,607)	(1,163,915)	(456,064)	(446,445)
Gross profit		265,192	284,436	109,079	112,126
Distribution cost		(70,905)	(66,291)	(28,718)	(28,399)
Administrative expenses		(81,103)	(73,923)	(32,253)	(28,906)
Other operating expenses		(14,374)	(10,701)	(3,555)	(4,909)
Other operating income		45,762	24,974	10,597	7,469
Operating profit		144,572	158,495	55,150	57,381
Finance cost	16	(90,674)	(108,882)	(34,562)	(32,843)
Share of loss on investment in an associate	6.2	-	-	-	-
Profit before taxation		53,898	49,613	20,588	24,538
Taxation	17	(43,399)	(35,652)	(16,021)	(13,188)
Profit for the period		10,499	13,961	4,567	11,350
----- (Rupees) -----					
Earnings per share					
- basic and diluted		0.98	1.30	0.42	1.05

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

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

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**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

Note	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Rupees in '000)			
Profit for the period	10,499	13,961	4,567	11,350
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u><u>10,499</u></u>	<u><u>13,961</u></u>	<u><u>4,567</u></u>	<u><u>11,350</u></u>

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

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

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**CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

	Note	Nine months ended	
		March 31, 2016	March 31, 2015
(Rupees in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from / (used in) operations	19	(22,256)	282,688
Income Tax paid		13,471	(46,887)
Long-term loans - net		121	(515)
Long-term deposits - net		(12,306)	-
Net cash generated from operating activities		(20,970)	235,286
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,546)	(20,782)
Proceeds from disposal of fixed assets		21,055	-
Interest received		1	1
Net cash used in investing activities		17,510	(20,781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowing - net		200,000	-
Interest / mark-up paid		(91,696)	(113,923)
Long-term financing		(8,942)	-
Murahaba financing		90,224	(89,777)
Dividends paid	20	(68)	(422)
Net cash (used in)/generated from financing activities		189,518	(204,122)
Net increase in cash and cash equivalents		186,058	10,383
Cash and cash equivalents at the beginning of the period		(825,931)	(834,177)
Cash and cash equivalents at the end of the period		(639,873)	(823,794)
CASH AND CASH EQUIVALENTS COMPRISE			
Cash and Bank balances		10,730	9,857
Short-term borrowings		(650,603)	(833,651)
		(639,873)	(823,794)

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

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

	Issued, subscribed and paid-up capital	Reserves				Grand Total	
		Capital reserves- shares premium	Revenue reserves		Other		Total
			General	Unappr- opriated profit / accumulated (loss)			
(Rupees in '000)							
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 year	-	-	-	10,840	-	10,840	10,840
Profit for the period	-	-	-	13,961	-	13,961	13,961
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2015	-	-	-	13,961	-	13,961	13,961
Balance as at March 31, 2015	107,640	5,655	160,000	(137,792)	-	27,863	135,503
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 year	-	-	-	10,841	-	10,841	10,841
Profit for the period	-	-	-	10,499	-	10,499	10,499
Other comprehensive income for the period, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period ended March 31, 2016	-	-	-	10,499	-	10,499	10,499
Balance as at March 31, 2016	107,640	5,655	160,000	(100,040)	-	65,615	173,255

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

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

DADEX

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2016
(UN-AUDITED)**

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, Shahrah-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 sell construction material, which mainly includes piping systems and other allied products manufactured from chrysotile cement, rubber and plastics, merchandising of imported pipe fittings, accessories and other building products. The Company is also engaged in providing irrigation solutions for agriculture and landscaping. The Company had also entered into a Toll manufacturing agreement for the northern region with a U-PVC Company at the end of December 2013 for manufacturing of U-PVC pipes in order to make prices and logistics more competitive in that region.
- 1.2** Sikander (Private) Limited is the holding company, which held 6,800,648 (June 30, 2015: 6,800,648) ordinary shares of Rs.10/- each of the Company representing 63.18 percent (June 30, 2015: 63.18 percent) shareholding as of the balance sheet date.

2. BASIS OF PRESENTATION

These 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, 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.

		March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
		(Rupees in '000)	
Note			
4. PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	4.1 1,483,433	1,450,827
	Capital work-in-progress	4.2 12,279	8,733
		1,495,712	1,459,560
4.1 The following is the movement in operating fixed assets during the period:			
	Opening balance	1,450,827	1,496,501
	Add: Additions during the period/year	4.1.1 83,369	21,547
		1,534,196	1,518,048
	Less: Disposals during the period/year(WDV)	4.1.2 (148)	(318)
	Depreciation charge for the period/year	4.1.3 (50,615)	(66,903)
	Operating fixed assets(WDV)	1,483,433	1,450,827

Note	March 31, 2016 (Un-audited) (Rupees in '000)	June 30, 2015 (Audited)
4.1.1 Additions including transfers during the period		
Building	-	2,174
Plant and machinery	34,309	19,235
Vehicles and transportation equipment	48,816	50
Office and factory equipment	244	88
	<u>83,369</u>	<u>21,547</u>
4.1.2 Disposals during the period (WDV)		
Plant & Machinery costing Rs. Nil (June 30, 2015: Rs. 3.977 million)	-	318
Vehicle & Transportation equipment costing Rs. 29.725 million (June 30, 2015: Rs. 0.362 million)	148	-
	<u>148</u>	<u>318</u>
4.1.3 Depreciation charged during the period / year		
Cost of sales	38,967	53,667
Distribution cost	2,088	789
Administrative expenses	11,464	12,447
	<u>52,519</u>	<u>66,903</u>
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	10,479	6,933
	<u>12,279</u>	<u>8,733</u>
5. Investment Property		
Opening balance	46,955	50,762
Add: Additions during the period/year	-	-
	46,955	50,762
Less: Depreciation charge for the period	(1,904)	(3,807)
	<u>45,051</u>	<u>46,955</u>
6. LONG-TERM INVESTMENT - Equity method		
6.1	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.	
6.2	Based on the un-audited financial statements of Berdex for the year ended June 30, 2015, Berdex has accumulated loss of Rs.12.762 million. Due to unavailability of the financial statements of the Berdex for the nine months period ended March 31, 2016, 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.	

		March 31, 2016 (Un-audited) (Rupees in '000)	June 30, 2015 (Audited)
7. STOCK-IN-TRADE			
Raw materials			
- in hand		121,977	90,324
- in transit		<u>120,715</u>	<u>88,607</u>
		242,692	178,931
Work-in-process		78,461	114,915
Finished goods			
- Manufactured		226,963	224,932
- Trading [including in transit of Rs.Nil million (June 30, 2015: Rs.Nil)]		30,927	42,736
		<u>257,890</u>	<u>267,668</u>
		579,043	561,514

8. TRADE DEBTS - unsecured

The carrying value of the trade debts is adjusted after taking the effect of the provision of Rs.149.533 million (June 30, 2015: Rs.148.093 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.

9. LOANS AND ADVANCES

Included herein advance given to various local and foreign suppliers of Rs. 139.098 million (June 30, 2015: Rs. 31.957 million).

10. TRADE AND OTHER PAYABLES

Included herein creditors, bills payable and advances from customers of Rs. 117.857 million, Rs. 207.583 million and Rs. 109.377 million (June 30, 2015: Rs. 80.228 million, Rs. 150.340 million and Rs. 112.651 million), respectively.

		March 31, 2016 (Un-audited) (Rupees in '000)	June 30, 2015 (Audited)
11. LONG-TERM FINANCING - secured			
Long-term financing			
Bank of Punjab	11.1	97,480	170,589
United Bank Limited - Diminishing Musharika		50,000	66,667
National Bank of Pakistan	11.2	<u>180,000</u>	-
		327,480	237,256
Less: Current portion of Long-term Financing			
Bank of Punjab		(97,480)	(97,480)
United Bank Limited - Diminishing Musharika		(22,222)	(22,222)
National Bank of Pakistan		(80,000)	-
		<u>(199,702)</u>	<u>(119,702)</u>
		127,778	117,554

- 11.1** The Company obtained long term financing of Rs. 292.438 million from the BOP for a period of 3 years with no grace period, carrying mark-up 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.
- 11.3** During the period, the Company has converted its utilized running finance facility of Rs. 200 million from National Bank of Pakistan into medium term loan of Rs. 200 million for re-profiling of balance sheet. The loan is repayable in 10 equal quarterly installments, commencing from 31 January 2016 to 30 April 2018, carrying markup at the rate of 3 months KIBOR plus 2% per annum. The said loan is secured by creation of first pari-pasu charge against hypothecation of the Company's stock-in-trade and trade debts of Rs. 934 million (June 30, 2015: Nil) 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.

	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
	———— (Rupees in '000) ————	

12. SHORT-TERM BORROWINGS - secured

Running finances utilized under mark-up arrangements	650,603	841,643
Bank Islami - Karobar Finance - secured	200,000	-
	<u>850,603</u>	<u>841,643</u>

- 12.1** Represents facilities obtained from various commercial banks amounting to Rs. 950 million (June 30, 2015: Rs.942 million) out of which Rs. 99.397 million (June 30, 2015: Rs.101.363 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, 2015.
- 12.3** These facilities carry mark-up at the rate of 8.24 to 9.49 percent (June 30, 2015: 8.78 to 10.24 percent) per annum.

13. CONTINGENCIES AND COMMITMENTS

Contingencies

There are no material changes in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2015 except the following:

		March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
	Note	(Rupees in '000)	
13.1 Commitments			
Commitments are as follows:			
Letters of credit		20,871	40,115
Post dated cheques	13.1.1	107,886	43,597
Import contracts		34,945	210,506
Duties payable on goods in transit		10,476	6,223
Local purchase contract		57,767	41,339
		<u>231,945</u>	<u>341,780</u>

13.1.1 Represents post-dated cheques issued in favour of Collector of Customs on account of import of raw material under SRO 565(I)/2006 dated June 05, 2006 as amended vide SRO 564(I)2008 dated 11 June 2008.

		March 31, 2016 (Un-audited)	March 31, 2015
	Note	(Rupees in '000)	
14. TURNOVER - NET			
LOCAL			
- manufactured		1,676,825	1,619,410
- trading		46,233	70,932
- others		16,053	239
		<u>1,739,111</u>	1,690,581
EXPORT			
		-	-
		<u>1,739,111</u>	1,690,581
Less:			
Returns		6,548	519
Sales Tax		263,764	241,711
		<u>270,312</u>	242,230
		<u>1,468,799</u>	<u>1,448,351</u>

	Nine months ended		Quarter ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	(Un-audited)			
Note	(Rupees in '000)			
15. COST OF SALES				
Manufactured				
Raw materials consumed				
Opening stock	178,931	201,902	285,381	221,764
Purchases	902,978	984,881	281,546	457,849
Closing stock	7 (242,692)	(288,780)	(242,962)	(288,780)
	839,217	898,003	324,235	390,833
Export rebate - Duties	-	-	-	-
	839,217	898,003	324,235	390,833
Net Stores, spare parts and loose tools consumed	26,634	33,967	8,386	13,894
Salaries, wages and benefits [including Rs. 2,447 million (March 31, 2015: Rs. 2.123 million) in respect of bonus to workers]	75,817	63,059	27,961	25,729
Procured services	53,654	28,385	18,612	11,910
Fuel, water and power	59,050	69,062	19,422	28,315
Insurance	4,219	3,813	1,404	787
Traveling	172	136	90	56
Communication	961	916	319	299
Depreciation	38,967	40,141	13,410	13,487
Rent, rates and taxes	3,590	8,150	882	1,237
Repairs and maintenance	16,971	16,194	5,354	6,118
Technical assistance fee	6,089	6,106	2,044	1,993
Printing and stationery	535	401	223	110
Other expenses	1,472	1,202	604	669
	288,131	271,532	98,711	104,604
Opening stock of work-in-process	114,975	79,764	82,792	101,950
Closing stock of work-in-process	7 (78,461)	(115,469)	(78,461)	(115,469)
Cost of goods manufactured	1,163,802	1,133,830	427,277	481,918
Opening stock of finished goods	224,932	178,576	242,915	153,850
Closing stock of finished goods	7 (226,963)	(204,822)	(226,963)	(204,822)
	1,161,771	1,107,584	443,229	430,946
Trading				
Opening stock	42,736	96,003	36,530	64,197
Purchases	30,027	9,558	7,232	532
	72,763	105,561	43,762	64,729
Closing stock	7 (30,927)	(49,230)	(30,927)	(49,230)
	41,836	56,331	12,835	15,499
	1,203,607	1,163,915	456,064	446,445

	Note	Nine months ended	
		March 31, 2016 (Un-audited)	March 31, 2015
(Rupees in '000)			
16. FINANCE COST			
Mark-up on short-term borrowings		66,831	79,236
Mark-up on long-term financing		14,259	27,812
Interest on Workers' Profit Participation Fund		-	-
Financial charges on assets subject to finance lease		2,288	-
Bank and other charges		7,296	1,834
		<u>90,674</u>	<u>108,882</u>
17. TAXATION			
Current - for the period		19,900	21,194
- prior period		-	3,000
		<u>19,900</u>	<u>24,194</u>
Deferred		23,499	11,458
		<u>43,399</u>	<u>35,652</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:

	Nature of transaction	Nine months ended	
		March 31, 2016 (Un-audited)	March 31, 2015
(Rupees in '000)			
Related parties			
Transactions with associated companies due to common directorship:			
Berger Paints Pakistan Limited	Purchase of goods	<u>188</u>	<u>239</u>
Sikander (Private) Limited	Rent paid	<u>468</u>	<u>425</u>
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	<u>5,977</u>	<u>5,695</u>
Key management personnel			
Qazi Sajid Ali (Chief Executive)	Salary and other employment benefits	<u>10,928</u>	<u>10,242</u>
Sikander Dada (Chairman)	Remuneration and other benefits	<u>6,020</u>	<u>4,965</u>
	Loan received and repaid during the period	<u>5,000</u>	<u>-</u>
Danish Dada (Consultant)	Remuneration	<u>300</u>	<u>-</u>

	Note	Nine months ended	
		March 31, 2016	March 31, 2015
		(Un-audited)	
		———— (Rupees in '000) ————	
19. CASH USED IN OPERATIONS			
Profit before taxation		53,898	49,613
Adjustments for non cash charges and other items:			
Depreciation - operating fixed assets	4.1.3	50,615	50,043
Depreciation - investment property	5	1,904	1,904
Gain on disposal of fixed assets - net		(20,907)	-
Interest income		(1)	(1)
Finance costs		90,674	108,882
Provision against doubtful trade debts		1,442	558
Provision against doubtful trade deposits		88	215
Working capital changes	19.1	(199,969)	71,474
		(22,256)	282,688
19.1 Working capital changes			
Decrease / (increase) in current assets			
Stores, spare and loose tools		(2,975)	4,879
Stock-in-trade		(17,529)	(102,056)
Trade debts		(131,755)	(11,350)
Loans and advance		(108,066)	(23,756)
Trade deposits and short-term prepayments		(6,735)	(1,130)
Other receivables		3,046	5,497
		(264,014)	(127,916)
(Decrease) / increase in current liabilities			
Trade and other payables		47,252	193,481
Sales tax and excise duty payable (net)		16,793	5,909
		64,045	199,390
		(199,969)	71,474
20. DIVIDEND PAID			
Declared and paid during the nine months period			
Interim cash dividend declared Rs. Nil (March 31, 2015: Rs.Nil)			
Cash dividend paid		68	422

21. INFORMATION ABOUT OPERATING SEGMENTS

	Chrysotile Cement	Plastic (Rupees in '000)	Others	Total
Nine months ended				
<u>March 31, 2016 - (Un-audited)</u>				
TURNOVER - net	<u>517,238</u>	<u>951,298</u>	<u>263</u>	<u>1,468,799</u>
RESULT				
Segment result	<u>59,482</u>	<u>55,574</u>	<u>(1,872)</u>	113,184
Unallocated expense				
Other operating expenses				(14,374)
Other operating income				45,762
Finance cost				(90,674)
Share of profit / (loss) on investment in an associate				-
Taxation				<u>(43,399)</u>
Profit for the period				<u>10,499</u>
Nine months ended				
<u>March 31, 2015 - (Un-audited)</u>				
TURNOVER - net	<u>702,555</u>	<u>739,289</u>	<u>6,506</u>	<u>1,448,351</u>
RESULT				
Segment result	<u>148,451</u>	<u>(4,857)</u>	<u>628</u>	144,222
Unallocated expense				
Other operating expenses				(10,701)
Other operating income				24,974
Finance cost				(108,882)
Share of profit / (loss) on investment in an associate				-
Taxation				<u>(35,652)</u>
Profit for the period				<u>13,961</u>
ASSETS AND LIABILITIES				
<u>March 31, 2016 (Un-audited)</u>				
Segment assets	<u>368,193</u>	<u>881,888</u>	<u>135,023</u>	1,385,104
Unallocated corporate assets				1,450,406
Total assets				<u>2,835,510</u>
Segment liabilities	<u>192,914</u>	<u>291,497</u>	<u>10,087</u>	494,498
Unallocated corporate liabilities				1,225,482
Total liabilities				<u>1,719,980</u>
<u>June 30, 2015 (Audited)</u>				
Segment assets	<u>289,717</u>	<u>791,660</u>	<u>99,464</u>	1,180,841
Unallocated corporate assets				1,407,604
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				1,102,381
Total liabilities				<u>1,552,658</u>

21.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs.1,468,799 million and Rs. Nil (March 31, 2015: Rs. 1,448.351 million and Rs. Nil million) respectively.

Note	March 31, 2016 (Un-audited)	June 30, 2015 (Audited)
	<u>1,561,478</u>	<u>1,515,045</u>

Non-Current assets

Pakistan	<u>1,561,478</u>	<u>1,515,045</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.

22. DATE OF AUTHORISATION FOR ISSUE

22.1 These condensed interim financial statements have been authorised for issue on April 26, 2016 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.

Muhammad Yousuf
Chief Financial Officer

Qazi Sajid Ali
Chief Executive

Abu Talib H.K. Dada
Director

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