

**Interim Condensed Financial Statements
(Unaudited)
For the Three Months Ended
September 30, 2011**

DADEX

Dadex Eternit Limited

www.dadex.com

Company Information

Board of Directors	Abu Talib H.K. Dada- Chairman Maqbool H.H. Rahimtoola Qazi Sajid Ali Shahzad M. Husain Samad Dada (Alternate: Shahid M. Islam) Zulfiqar Ali Lakhani Mohammad Suleman Kanjiani Ghulam Mohammad Malkani Abdul Hamid Ahmed Dagia Syed Hasan Akbar Kazmi
Chief Executive Officer	Sikander Dada
Company Secretary / Acting Chief Financial Officer	Zahid Mahmood
Board Audit Committee	Qazi Sajid Ali – Chairman Samad Dada (Alternate: Shahid M. Islam) Shahzad M. Husain
Management Team	Sikander Dada - CEO Rizwan Amjed - Director (Operations) Suhail Nadeem - Director (Marketing & Sales) Tanveer Saleem- Director (Technical Services & Quality Assurance) Zahid Mahmood – Company Secretary / Acting CFO
Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Bankers	Habib Bank Limited Habib Metropolitan Bank Limited HSBC Bank Middle East Limited KASB Bank Limited MCB Bank Limited National Bank of Pakistan Oman International Bank S.A.O.G Standard Chartered Bank (Pakistan) Limited.
Legal Advisor	Surrige & Beecheno 3 rd Floor, Finlay House, I.I. Chundrigar Road, 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	Gangjees Registrar Services (Pvt) Limited 516, Clifton Centre, Khayaban-e-Roomi, Kehkashan, Block-5, Clifton, Karachi- 75600 Tel: (92-21) 35836920, 35375714, 35377045 Fax: (92-21) 35837956, 35810289 Email: gangjees@super.net.pk
Web Site	www.dadex.com

DIRECTORS' REVIEW

During the quarter under review the Company has been able to mitigate the losses to a great extent as compared to the corresponding quarter of the last year. This result has been achieved in depressed macroeconomic environment adversely affected by torrential rains and the resultant severe flooding in addition to the unfavorable economic and business conditions prevalent in the country.

Despite the gloomy macroeconomic environment, we have focused our efforts and secured business in line with our high budgetary targets for the current quarter.

Thermoplastic products remained the most vibrant product line in the quarter under review. This product group has posted a growth of 50%. Polyethylene remained a growth engine not only for the Thermoplastic product range but for the total sales during the quarter. Sales revenue of HDPE pipes increased to Rs.141 million as compared to Rs.84 million in the same quarter over last year. The quantity of PE pipes sold during this quarter has increased substantially as compared to the corresponding quarter of the last year.

PVC pressure pipe is another product of thermoplastics used in infrastructure projects. Although average selling price of PVC pressure pipes have declined but even then PVC pressure pipe sales grew by 29% in quantity and 14% in revenue. Although there is an overall growth of 25% in revenues as compared to the last year, the contribution of FC products in total sales have declined from 45% to 41%. This is because of faster growth in sales volumes of thermoplastic products than in the product lines.

During the quarter, the turnover of the Company was Rs.529 million [September 2010: Rs.424 million] which was 24% higher over the corresponding period of the last year, but the corresponding increase in cost of production has resulted in a small net loss of Rs.1.705 million [September 2010: Rs.11.406 million] with a loss per share of Re.0.16 [September 2010: Rs. (1.06)]. The results though overall after tax are negative but as compared to the corresponding quarter last year, are very encouraging.

Your Company is optimistic that in the coming periods it will be able to achieve positive results with a special effort to increase export sales to add another market for the Company's products. Declining rupee interest rates will hopefully revitalize the economic and business activity and improve the Company's performance better in times to come.

Your Directors and Management deeply appreciate the continued support and commitment of all our stakeholders and are also thankful for the continued hard and sincere work of all cadres of employees of Your Company.

On behalf of the Board

Karachi: October 31, 2011

Sikander Dada
Chief Executive Officer

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2011

	Note	September 30, 2011 (Unaudited) ----- (Rupees in `000) -----	June 30, 2011 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	277,550	290,337
Intangible assets	5	-	451
		<u>277,550</u>	<u>290,788</u>
Investment property	6	15,930	13,176
Long-term investment	7	855	855
Long-term loans		3,347	3,993
Long-term deposits		<u>6,740</u>	<u>6,740</u>
TOTAL NON-CURRENT ASSETS		304,422	315,552
CURRENT ASSETS			
Stores, spare parts and loose tools		39,116	37,705
Stock-in-trade	8	681,931	626,914
Trade debts		156,680	151,312
Loans and advances		32,365	12,120
Trade deposits and short-term prepayments		19,177	13,455
Accrued interest and other receivables		13,903	11,266
Sales tax & excise duty – net		30,612	15,216
Taxation –net		64,212	58,500
Deferred Taxation		59	-
Cash and bank balances		<u>4,658</u>	<u>4,741</u>
TOTAL CURRENT ASSETS		1,042,713	931,229
TOTAL ASSETS		<u>1,347,135</u>	<u>1,246,781</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		107,640	107,640
Reserves		396,858	398,563
TOTAL SHARE HOLDER'S EQUITY		504,498	506,203
NON-CURRENT LIABILITY			
Deferred Taxation		-	1,916
CURRENT LIABILITIES			
Trade and other payables		436,404	527,147
Accrued mark-up		7,301	10,968
Short-term borrowings		<u>398,932</u>	<u>200,547</u>
TOTAL CURRENT LIABILITIES & PROVISIONS		842,637	738,662
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		<u>1,347,135</u>	<u>1,246,781</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
(UNAUDITED)

	September 30, 2011	September 30, 2010
Note	----- (Rupees in `000) -----	
Turnover – net	528,973	424,386
Cost of sales	(432,577)	(357,356)
Gross profit	96,396	67,030
Distribution cost	(58,783)	(56,323)
Administrative expenses	(32,060)	(30,482)
Other operating expenses	(2,382)	(913)
Other operating income	10,495	11,170
Operating profit / (loss)	13,666	(9,518)
Finance cost	(8,651)	(10,041)
Profit / (loss) before taxation	5,015	(19,559)
Taxation	10 (6,720)	8,153
Loss after taxation	(1,705)	(11,406)
Loss per share – Basic and diluted	Re. (0.16)	Re. (1.06)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
 (UNAUDITED)

Note	Three Months Ended	
	September 30, 2011	September 30, 2010
	----- (Rupees in `000) -----	
Loss for the period	(1,705)	(11,406)
Other comprehensive income / (loss) for the period		
Net movement in cash flow hedge –net Of deferred tax	-	386
Net loss on cash flow hedge	-	(596)
Total comprehensive loss for the period	-	(210)
	(1,705)	(11,616)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
(UNAUDITED)

	Note	Three Months Ended	
		September 30, 2011	September 30, 2010
----- (Rupees in `000) -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	12	(170,204)	(79)
Income tax paid		(14,407)	(6,233)
Long-term loans and advances – net		646	397
Net cash used in operating activities		(183,965)	(5,915)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(3,249)	(1,149)
Proceeds from disposal of fixed assets		125	-
Net cash used in investing activities		(3,124)	(1,149)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short-term borrowing - net		198,385	(11,898)
Interest / mark-up paid		(11,379)	(12,980)
Dividends paid	13	-	(20)
Net cash generated / (used in) financing activities		187,006	(24,898)
Net decrease in cash and cash equivalents		(83)	(31,962)
Cash and cash equivalents at the beginning of the period		4,741	38,001
Cash and cash equivalents at the end of the period		4,658	6,039

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
(UNAUDITED)

	Issued, subscribed and paid-up capital	Reserves				Total	Total
		Capital reserves (for issue of bonus share)	Revenue reserves		Other		
			General	Unappr- opriated profit / (loss)			
----- (Rupees in `000) -----							
Balance as at July 1, 2010	107,640	5,655	395,000	16,858	(4,274)	413,239	520,879
Loss for the period	-	-	-	(11,406)	-	(11,406)	(11,406)
Other comprehensive loss for the period, net of tax	-	-	-	-	(210)	(210)	(210)
Total comprehensive loss for the period	-	-	-	(11,406)	(210)	(11,616)	(11,616)
Balance as at September 30, 2010	<u>107,640</u>	<u>5,655</u>	<u>395,000</u>	<u>5,452</u>	<u>(4,484)</u>	<u>401,623</u>	<u>509,263</u>
Balance as at July 1, 2011	107,640	5,655	411,500	(18,592)	-	398,563	506,203
Loss for the period	-	-	-	(1,705)	-	(1,705)	(1,705)
Balance as at September 30, 2011	<u>107,640</u>	<u>5,655</u>	<u>411,500</u>	<u>(20,297)</u>	-	<u>396,858</u>	<u>504,498</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

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DADEX ETERNIT LIMITED
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011

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.

2. BASIS OF PRESENTATION

These condensed interim financial statements are unaudited 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, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim 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, 2011.

	Note	September 30, 2011 (Unaudited) ----- (Rupees in `000) -----	June 30, 2011 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	267,022	282,668
Capital work-in-progress	4.2	<u>10,528</u>	<u>7,669</u>
		<u>277,550</u>	<u>290,337</u>
4.1 The following is the movement in operating fixed assets during the period/year:			
Opening balance		282,668	337,754
Add: Additions during the period/year	4.1.1	<u>390</u>	<u>4,628</u>
		283,058	342,382
Less: Transfer to investment property (WDV)		(3,195)	-
Disposals during the period / year (WDV)	4.1.2	-	(267)
Depreciation charge for the period / year	4.1.3	<u>(12,841)</u>	<u>(59,447)</u>
Operating fixed assets (WDV)		<u>267,022</u>	<u>282,668</u>
4.1.1 Additions including transfers during the period / year			
Building		-	1,094
Plant and machinery		390	1,668
Furniture and Fixture		-	165
Office and factory equipment		-	1,701
		<u>390</u>	<u>4,628</u>
4.1.2 Disposals during the period / year – at WDV			
Vehicle and transportation equipment costing Rs.1.204 million (June 30, 2011: Rs.5.334 million)		-	210
Office and factory equipments costing Rs. (NIL) million (June 30, 2011: Rs.0.080 million)		-	57
		<u>-</u>	<u>267</u>
4.1.3 Depreciation charged during the period / year			
Cost of sales		10,525	48,605
Distribution cost		1,335	5,329
Administrative expenses		<u>981</u>	<u>5,513</u>
		<u>12,841</u>	<u>59,447</u>

	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
Note	----- (Rupees in `000) -----	
4.2 Capital work-in-progress		
Plant and machinery	13,979	13,979
Impairment loss on plant and machinery	<u>(8,213)</u>	<u>(8,213)</u>
	5,766	5,766
Advance against purchase of operating fixed assets	<u>4,762</u>	<u>1,903</u>
	<u>10,528</u>	<u>7,669</u>
5. INTANGIBLE ASSETS		
Opening balance	451	5,653
Addition during the year	-	-
	<u>451</u>	<u>5,653</u>
Less: Amortization charge for the period / year	<u>(451)</u>	<u>(5,202)</u>
	<u>-</u>	<u>451</u>
6. INVESTMENT PROPERTY		
Opening balance	13,176	14,691
Transfer from property, plant & equipment	<u>3,195</u>	<u>-</u>
	<u>16,371</u>	<u>14,691</u>
Less: Depreciation charge for the period / year	<u>(441)</u>	<u>(1,515)</u>
Investment property WDV	<u>15,930</u>	<u>13,176</u>
7. LONG-TERM INVESTMENT – Equity method		
In an associate		
625,000 ordinary shares of Rs. 10/- each	5,000	5,000
Share of loss	<u>(4,145)</u>	<u>(4,145)</u>
	<u>855</u>	<u>855</u>

7.1 The Company has 48.04 (June 30, 2011: 48.04) percent shareholding [i.e. 625,000 (June 30, 2011: 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.

	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
Note	----- (Rupees in `000) -----	
8. STOCK-IN-TRADE		
Raw materials		
- in hand	8.1 185,262	186,536
- in transit	<u>6,225</u>	<u>17,052</u>
	191,487	203,588
Work-in-process	8.2 90,910	72,903
Finished goods		
- Manufactured	8.3 233,589	217,411
- Trading [including in transit of Rs.7.786 million (June 30, 2011: Rs.10.7 million)]	8.4 165,945	133,012
	<u>399,534</u>	<u>350,423</u>
	<u>681,931</u>	<u>626,914</u>

8.1 Includes raw materials costing Rs.10.689 million (June 30, 2011: Rs.163.832 million) which are carried at net realizable value of Rs. 5.331 million (June 30, 2011: Rs. 146.912 million).

8.2 Includes products costing Rs. 6.671 million (June 30, 2011: Rs. 6.671 million) which are carried at net realizable value of Rs. 2.829 million (June 30, 2011: Rs. 2.829 million).

8.3 Includes products costing Rs. 38.924 million (June 30, 2011: Rs. 31.205 million) which are carried at net realizable value of Rs. 26.275 million (June 30, 2011: Rs. 16.473 million).

8.4 Includes products costing Rs. 3.686 million (June 30, 2011: Rs. 64.115 million) which are carried at net realizable value of Rs. 3.000 million (June 30, 2011: Rs. 41.456 million).

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

A suit has been filed by some of the directors of the Company (Plaintiffs) in the Honorable High Court of Sindh (the Court), praying for certain reliefs wherein the Company including some directors / employees have been made defendants. In addition, the Plaintiffs had filed several Applications including those relating to the grant of a temporary injunction for the appointment of an inspector and forensic auditors, as well as, an interim injunction application for restraining the Company from incurring further capital expenditure. The Court in its Order dated July 10, 2009 vacated the Plaintiffs' Applications with respect to restraining the Company from incurring capital expenditure (subject to prior approval of the Board of Directors) and for the appointment of forensic auditors. However, except for the above, the remaining Applications are pending before the Court for a hearing.

Some members of the Company have filed two Petitions in the Court mainly alleging the violation of Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Ordinance, 2002 (Takeovers Ordinance), wherein the Securities and Exchange Commission of Pakistan (SECP) and the Company have also been made parties. The matter is still pending in the Court for adjudication. The Petitioners have also referred to the proceedings by SECP on the matter in their respective Petitions. SECP by its Order dated July 28, 2009 has held that the Takeovers Ordinance has not been violated in which respect certain parties have also filed an Appeal to the Appellate Bench of the SECP. However, this aspect of the matter is also pending in the Court.

As mentioned above, during the year ended June 30, 2010, the Company has filed Applications for becoming a party to the Petitions and restraining the members who are Parties to the Petitions from the sale and purchase of shares of the Company. In addition, certain applications have been filed by the Company / members of the Company seeking to stay the Board Meeting and Annual General Meeting (AGM) of the Company and alleging violations of a Court Order. The Court in its Order dated June 17, 2010 has disposed off the Application pertaining to becoming a party to the petitions in favor of the Company. However, except for the above, the remaining Applications are pending before the Court for hearing.

As per legal counsel of the Company, no significant damages have been claimed by the Plaintiffs in the Suit against the Company other than for recovery on behalf of the Company including certain amounts allegedly paid to a related party and an ex-employee. The legal counsel further states that since no damages have been claimed by the Plaintiffs against the Company in the above Suit, it would appear that the Suit and its related Applications would have no financial exposure to the Company.

9.2 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 through its Chief Executive Officer.

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

Being aggrieved by the Judgment of SHC, the Company filed petition for leave to appeal against the judgment of SHC 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. Further, the SCP has stayed the proceedings before the Environmental Protection Tribunal pending final decision in the case.

Based on the opinion of the legal counsel of the Company, the Company has an arguable case and it is not possible at this stage to give a definitive opinion on the ultimate outcome or any losses that may be incurred by the Company. In view of the above, the management is confident that the ultimate outcome will be in favour of the Company. Accordingly, no provision in respect of above has been made in these financial statements.

September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
----- (Rupees in `000) -----	

9.3 Commitments

Commitments are as follows:

Letters of guarantee issued by banks	68,086	84,422
Letters of credit	213,626	141,807
Post dated cheques	70,608	74,893
Import contracts	6,007	45,893
Local purchase contract	19,851	12,253
	<u>378,178</u>	<u>359,268</u>

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	September 30, 2011 (Unaudited) ----- (Rupees in `000) -----	September 30, 2010 (Unaudited) ----- (Rupees in `000) -----
10 TAXATION		
Current	8,695	6,155
Deferred	<u>(1,975)</u>	<u>(14,308)</u>
	<u>6,720</u>	<u>(8,153)</u>

11 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:

	Note	Three Months Ended	
		September 30, 2011 (Unaudited) ----- (Rupees in `000) -----	September 30, 2010 (Unaudited) ----- (Rupees in `000) -----
Related parties			
	Nature of transaction		
Transactions with associated companies due to common directorship:			
Berger Paints Pakistan Limited	Purchase of goods	31	148
Berger Paints Pakistan Limited	Sale of goods	<u>55</u>	<u>-</u>
Sikander Private Limited	Rent paid	<u>319</u>	<u>290</u>
Cyber Internet Services (Pvt) Ltd.	Sale of Goods	<u>5,822</u>	<u>-</u>
Century Insurance Company Limited (CICL)	General Insurance Insurance premium paid to New Jubilee Insurance Company Limited (CICL is co-insurer with 20% share).	<u>318</u>	<u>890</u>
Staff retirement benefits			
Dadex Eternit Limited - Provident Fund	Employer Contribution	<u>2,197</u>	<u>2,252</u>
Key management personnel			
Sikander Dada (Chief Executive)	Salary and other employment benefits	<u>1,979</u>	<u>2,039</u>

11.1 Mr. Danish Dada was an employee since May 06, 2008 and then was elected as a director at the election of directors held at the Extraordinary General Meeting on July 10, 2008. After his election as a director, the monthly remuneration being paid to him as an employee remained unchanged. As regards to non-compliance with section 218 of the Ordinance, relating to disclosure of interest, the legal counsel states, "it was well within the knowledge of all concerned that Mr. Sikander Dada is the father of Mr. Danish Dada and thus had constructive notice about the interest of Mr. Danish Dada in the appointment of Mr. Sikander Dada as the Chief Executive of the Company." Mr. Danish Dada resigned on March 17, 2010 from the directorship of the Company.

During the previous year, the directors representing 38% shareholding (as at March 31, 2011 and till the date of issuance of these financial statements, Mahvash & Jahangir Siddiqui Foundation, Jahangir Siddiqui Securities Services Limited, Jahangir Siddiqui & Sons Limited, Jahangir Siddiqui and Ali Jahangir Siddiqui are the shareholders of the 38% shareholding) filed an application under Suit No. 166 of 2009 pending, in the High Court of Sindh for restraining the Company "from approving the accounts for the year ending 30 June 2009" at "the Board meeting on 15.04.10 or thereafter and/or the general body meeting". The Court has issued the following Order dated 14.04.2010 on the said application:

"2. Counsel for the plaintiff states that on 15.04.2010, the accounts are being submitted to the Board for approval wherein inter alia three items i.e., remuneration of Chief Executive, Remuneration to Director Mr. Danish Dada and authorization of Chief Executive on the basis of Power of Attorney, may be ordered not to be approved as their approval would be unlawful.

In so far as the objections as to the remuneration of the Chief Executive and his power of attorney are concerned any interim order at this stage may hamper the smooth running of the company, therefore no interim orders can be passed at this stage unless the other side is also heard. As regards objection to the remuneration of son of Chief Executive is concerned, it is hereby directed that accounts relating to his remuneration shall not be approved till the next date of hearing. Issue notice for 23.04.2010. Office to fix all pending applications on the said date."

Accordingly, the remuneration of the director aggregating to Rs.7.479 million for the years ended June 30, 2009 and June 30, 2010, was not considered and hence not approved by the Board of Directors / Members of the Company.

	Note	Three Months Ended	
		September 30, 2011 (Unaudited) ----- (Rupees in `000) -----	September 30, 2010 (Unaudited)
12 CASH USED IN OPERATIONS			
Profit / (loss) before taxation		5,015	(19,560)
Adjustments for non cash charges and other items:			
Depreciation – operating fixed assets	4.1.3	12,841	14,953
Depreciation – investment property	6	441	379
Amortization	5	451	1,725
Gain on disposal of fixed assets – net		(125)	-
(Gain) / loss on fair value of cross currency swap		-	344
Interest / mark-up expense		7,712	10,041
Working capital changes	12.1	(196,539)	(7,691)
		<u>(170,204)</u>	<u>(79)</u>
12.1 Working capital changes			
<i>Decrease / (increase) in current assets</i>			
Stores, spare parts and loose tools		(1,411)	619
Stock-in-trade		(55,017)	107,255
Trade debts		(5,368)	40,655
Loans and advances		(20,245)	(32,099)
Trade deposits and short-term prepayments		(5,722)	(22,667)
Other receivables		(2,637)	(1,207)
Sales tax and excise duty payable (net)		(15,396)	-
		<u>(105,796)</u>	<u>92,556</u>
<i>(Decrease) / increase in current liabilities</i>			
Trade and other payables		(90,743)	(100,517)
		<u>(196,539)</u>	<u>(7,961)</u>
13 DIVIDEND PAID			
Declared and paid during the three months period			
Final cash dividend Nil (September 30, 2010: Nil)		-	20

14 INFORMATION ABOUT OPERATING SEGMENTS

For management purposes, the activities of the Company are organized into business units based on their products and has two reportable operating segments as follows:

- The 'Chrysotile Cement' segment relates to manufacturing and supply of corrugated sheets and pipes, and manufacturing and supply of rubber rings.
- 'Plastic' products segment includes PVC, Polydex and Polyethylene pipes, and products relating to 'Agriculture and Irrigation'.
- All other segments include merchandising of imported other building's products and services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on certain key performance indicators, including business volume, gross profit and reduction in operating cost.

	Chrysotile Cement	Plastic	Others	Total
	----- (Rupees in '000') -----			
JULY TO SEPTEMBER, 2011 (UNAUDITED)				
TURNOVER – net	<u>224,438</u>	<u>302,152</u>	<u>2,383</u>	<u>528,973</u>
RESULT				
Segment result	<u>14,246</u>	<u>(7,916)</u>	<u>(286)</u>	6,044
Unallocated expense				
Other operating expenses				(2,382)
Other operating income				10,004
Finance cost				(8,651)
Share of profit on investment in an associate				-
Taxation				<u>(6,720)</u>
Loss for the period				<u>(1,705)</u>
OTHER INFORMATION				
Capital expenditure	<u>-</u>	<u>390</u>	<u>-</u>	390
Unallocated corporate capital expenditure				-
Total capital expenditure				<u>390</u>
Depreciation	<u>1,501</u>	<u>10,113</u>	<u>-</u>	11,614
Unallocated corporate depreciation and amortization				2,119
Total depreciation and amortization				<u>13,733</u>
ASSETS AND LIABILITIES				
Segment assets	<u>388,031</u>	<u>693,294</u>	<u>31,967</u>	1,113,292
Unallocated corporate assets				233,843
Total assets				<u>1,347,135</u>
Segment liabilities	<u>210,282</u>	<u>150,331</u>	<u>939</u>	361,553
Unallocated corporate liabilities				481,084
Total liabilities				<u>842,637</u>
JULY TO SEPTEMBER, 2010 (UNAUDITED)				
TURNOVER – net	<u>201,175</u>	<u>216,109</u>	<u>7,102</u>	424,386
RESULT				
Segment result	<u>(78)</u>	<u>(17,223)</u>	<u>(1,642)</u>	(18,943)
Unallocated expense				
Other operating expenses				(913)
Other operating income				10,338
Finance cost				(10,041)
Share of profit on investment in an associate				-
Taxation				<u>(8,153)</u>
Loss for the period				<u>(11,406)</u>
OTHER INFORMATION				
Capital expenditure	<u>30</u>	<u>1,146</u>	<u>-</u>	1,176
Unallocated corporate capital expenditure				-
Total capital expenditure				<u>1,176</u>
Depreciation	<u>1,579</u>	<u>10,254</u>	<u>-</u>	11,833
Unallocated corporate depreciation and amortization				5,224
Total depreciation and amortization				<u>17,057</u>
ASSETS AND LIABILITIES				
Segment assets	<u>240,492</u>	<u>489,500</u>	<u>20,589</u>	750,581
Unallocated corporate assets				546,755
Total assets				<u>1,297,336</u>
Segment liabilities	<u>242,389</u>	<u>219,013</u>	<u>500</u>	461,902
Unallocated corporate liabilities				326,171
Total liabilities				<u>788,073</u>

14.1 Geographical information

Turnover

The Company's turnover represents local and export sales of Rs. 508.750 million and Rs. 20.223 million (September 30, 2010: Rs. 410.744 million and Rs. 13.642 million) respectively.

	September 30, 2011 (Unaudited) ----(Rupees in '000)----	June 30, 2011 (Audited)
Non-Current assets		
Pakistan	<u>304,422</u>	<u>315,552</u>

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

14.2 Segment assets and liabilities

Segment assets include all operating assets by a segment and consist principally of property, plant and equipment, stores and spare parts and loose tools, stock-in-trade, trade debts and loans and advances net of impairment and provisions, if any. Segment liabilities include all operating liabilities and consist principally of trade and other payables.

- 14.3 Finance cost has not been allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Company. Further, income taxes are not allocated to operating segments.

There are no inter segment sales/purchases.

15 DATE OF AUTHORISATION FOR ISSUE

- 15.1 These condensed interim financial statements have been authorized for issue on October 31, 2011 by the Board of Directors of the Company.
- 15.2 During the period from May 19 2009 to January 25, 2010 (for a period of approximately eight months), the members of the Board of Directors (the Board) were restrained from attending the meetings of the Board as directors or its various committees as a consequence of the Orders issued by the Honorable High Court of Sindh (Court) in the Petitions referred in note 23.1. In view of such restraint, over which the Company had no control, the powers which had to be exercised by the Board, as required, were not possible. During that period the Chief Executive Officer (CEO) continued to act in his capacity as CEO based on the powers incidental to his appointment as a CEO under the Companies Ordinance, 1984 and the Power of Attorney executed in his name dated March 30, 1989. The above restraint placed on the Board was removed by the Court on January 25, 2010, whereby the Board became functional again.

16 GENERAL

- 16.1 Certain prior year's figures have been reclassified consequent upon certain changes in current period / year presentation for more appropriate comparison. However, there are no material reclassifications to report.
- 16.2 All figures have been rounded off to the nearest thousand rupees, unless otherwise stated.
- 16.3 The corresponding figures will be approved in the forthcoming Annual General Meeting fixed on October 31, 2011.

Zahid Mahmood
Acting Chief Financial Officer

Sikander Dada
Chief Executive

Shahzad M. Husain
Director

DADEX