

35th ANNUAL REPORT 2018



**DADABHOJ
GROUP**

DADABHOJ SACK LIMITED

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Vision

**To be recognized and accepted
as leader in the country
for
manufacturing of
state of the art
three ply crafts bags
for Cement Industries**

Mission

- To have a diversified customer base
- To serve the market through innovation & creations
- To offer a high rate of return to Shareholders
- To create a good work environment for our employees and faster team work & career development
- To operate ethically
- To serve the country to achieve the national goals

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Hussain Dadabhoy
Mr. Fazal Karim Dadabhoy
Mrs. Humaira Dadabhoy
Mrs. Noor Bakht Dadabhoy
Mr. Danish Dadabhoy
Mr. Mohammad Irfan
Mr. Fazal Ur Rehman

Chairman
Chief Executive

CHIEF FINANCIAL OFFICER

Mr. Aslam Motan

COMPANY SECRETARY

Mr. Muhammad Rashid.

AUDITORS

M/s Reanda Haroon Zakaria & Company, Chartered Accountants

LEGAL ADVISOR

Mr. Salim Thepdawala & Company

BANKER

Summit Bank Limited

REGISTERED OFFICE

Noor Centre Office NO.4, 2nd Floor
Plot No.30-C Ittehad Lane 12 Phase
VII, D.H.A., Karachi.

SHARE REGISTRAR

Formerly M/s. Technology Trade (Pvt) Ltd.
Dagia House, 241-C, Block 2, P.E.C.H.S. Off
Shahrah-e-Quaideen, Karachi.

FACTORY

Nooriabad Deh Kalu Kohar, District Dadu (Sindh)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Mohammad Irfan - Chairman
Mr. Danish Dadabhoy
Mrs. Humaira Dadabhoy

AUDIT COMMITTEE

Mr. Fazal-ur-Rehman - Chairman
Mr. Muhammad Hussain Dadabhoy
Mr. Danish Dadabhoy

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of Dadabhoy Sack Limited will be held on Friday the 26th October, 2018 at 04:45 p.m. at Jinnah Club, Jinnah Co-operative Housing Society behind KESC Office, Tipu Sultan Road Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Extra Ordinary Meeting (EOGM) of the company held on May 28th, 2018.
2. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2018 together with Directors' and Auditors' Reports thereon.
3. To appoint auditor for the year ending June 30, 2019 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi. October 05th 2018

Muhammad Rashid
Company Secretary

Note:

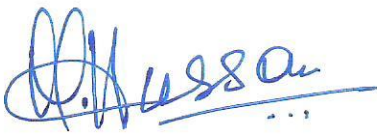
1. The Share Transfer Books of the company will remain closed from 19-10-2018 to 26-10-2018 (both days inclusive).
2. Any member of the company entitled to attend and vote may appoint another member as his / her proxy to attend and vote on his / her behalf.
3. Proxies must be received at the registered office of the company not less than 48 hours before the meeting.
4. The Financial Statement of the Company for the year ended June 30, 2018 will also be available at its official website:- www.mhdadabhoy.com

DADABHOY SACK LIMITED

REVIEW REPORT BY THE CHAIRMAN

I am pleased to inform that for the financial year ended June 30, 2018, the overall performance of the Board has been satisfactory based on an evaluation of engagement in strategic planning; formulation of policies; monitoring the organization's business activities; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business. Having said that, improvement is an ongoing process and I am confident that the Board will continue to deliver even better in the future.

The focus of the Board has been formulation of revenue growth strategies and the same is being communicated to the management. I am confident that the strategies developed will be implemented with full focus and by the grace of Allah their efforts will bring reward to our valuable shareholders.



Muhammad Hussain Dadabhoy
Chairman

Karachi – October 05, 2018

DIRECTORS' REPORT

In the name of Allah, the Most Merciful and the Most Benevolent

The directors of your company are pleased to present the Annual report and the audited financial statements for the year ended June 30, 2018 together with the auditor's report thereon.

FINANCIAL POSITION AT A GLANCE

The Comparative financial results of the company are summarized below:

	<i>June 30,</i>	<i>June 30</i>
	<i>2018</i>	<i>2017</i>
	<i>--- (Rupees in '000) ---</i>	
Sales-Net	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(17,741)	(18,032)
Finance cost	(0.180)	(50)
Operating loss	(17,741)	(18,082)
Other operating expenses	(143)	(80)
Other income	5,259	500
Loss before taxation	(12,625)	(17,662)
Taxation	(518)	5,336
Loss after taxation	(13,143)	(12,327)
Loss per share	(3.29)	(3.08)

The Company's financial position was almost consistent with prior year and continued to be in a loss position because of the Company being operationally inactive.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to certain inherent risks and uncertainties. However, we consider the following as key risks:

- Getting new customers onboard;
- Re-structuring of the operational team;
- Inability to attract and retain key employees.

The Company works with internal and external stakeholders to mitigate / reduce to acceptable level the likely impacts of aforesaid risks.

BUSINESS PERFORMANCE HIGHLIGHTS

The Company's performance from a business viewpoint remained status quo this year since the focus was on preparing and developing a strong strategic and financial plan. We are confident that in the coming years the Company's performance will see an upward growth.

CORPORATE SOCIAL RESPONSIBILITY

No significant activities were undertaken from the platform of the Company as far as CSR is concerned since the Company was not operationally active this year. However, in the coming years as the revenue grows the management will allocate a certain percentage to initiatives such as child education and health as we believe these are the two key areas which require the most attention.

OBSERVATION OF THE AUDITORS

As regards the material uncertainty to continue as a going concern, we would like state that the management is focused on reviving the operations of the Company which is further elaborated in 'Future Outlook' section of this Report.

AUDITORS

The present Auditors M/s. Reanda Haroon Zakaria & Company, Chartered Accountants, retired and being eligible have offered themselves for reappointment. Audit committee has recommended the reappointment.

REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

Owing to the financial outlook of the Company, Non-Executive and Independent Directors of the Company have voluntarily waived their remuneration for attending the Board and Committee meetings of the Company.

PATTERN OF SHARES HOLDING

Pattern of shareholding as at June 30, 2018 required under the reporting framework is annexed.

FUTURE OUTLOOK

The Board of directors and its management team are fully determined to move the Company from present situation of uncertainties to positive improvements in the foreseeable future. This is primarily due to recovery of substantial outstanding dues from one of the major customers of the Company. The funds recovered will be spent on improvement of plant and machinery which will subsequently help to revive the Company's operations.

Revenue growth will be the focus in the upcoming years. The management has been given instructions to actively restore relations with previous customers and approach prospective customers including cement factories situated in the locality which will result in new orders and subsequently improve the overall financial and operational outlook of the Company.

INTERNAL FINANCIAL CONTROLS

The directors are aware of their responsibility with respect to internal financial controls and these will be strengthened as the Company becomes operationally active in the upcoming years.

EARNING PER SHARE

The loss per share of the company as at 2018 stood at Rs. 3.29 (2017: Rs. 3.08) per share.

STATEMENT ON CORPORATE AND FINANCIAL FRAME WORK

The Directors of the Company are well aware of their responsibilities under the Code of Corporate Governance incorporated in the Listing Regulations of the stock exchange where the Company is listed. All necessary steps are being taken to ensure appropriate Corporate Governance in the Company as required by the Code.

- a) The Financial Statements prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting and Financial reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) As already stated above the Company has recovered funds from a major customer and will be utilizing them to repair the plant and machinery. Efforts are underway to get new customers on board. As such the management does not see that there is no significant doubt to continue as going concern.
- f) Key operating and financial data for last six years is annexed with financial statement.
- g) The Company has neither declared dividend nor issued bonus shares for the current financial year because of operating and accumulated losses incurred.
- h) Information about taxes and levies is given in the notes to and forming part of financial statements.

- i) The Company does not have any scheme for its employees.
- j) During the year, 5 meetings of the Board of Directors, 5 meetings of the audit committee and 1 meeting of the Human Resource and Remuneration (HR&R) Committee were held separately. Attendance by each Director and member of the Committees is annexed below.
- k) The Company has no overdue of any loan
- l) There was no trading in shares of the Company by its directors, CEO, CFO, Company Secretary and their spouses and minor children.

THE COMPOSITION OF THE BOARD

Total number of directors are seven as per the following:

- a) Male: Five
b) Female: Two

Composition of the Board is as follows:

Category	Names
a. Independent Directors	Mr. Fazal-ur-Rehman Mr. Mohammad Irfan
b. Other Non-Executive Director	Mr. Muhammad Hussain Dadabhoy Mr. Danish Dadabhoy Mrs. Humaira Dadabhoy
c. Executive Directors	Mr. Fazal Karim Dadabhoy Mrs. Noor Bakht Dadabhoy

MEETINGS OF THE BOARD OF DIRECTORS

During the year five meetings of Board of directors were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meetings Attended</i>
Mr. Muhammad Hussain Dadabhoy	5
Mrs. Noor Bakht Dadabhoy	5
Mrs. Humaira Dadabhoy	5
Mr. Fazal Karim Dadabhoy	5
Mr. Fazal-ur-Rehman	1
Mr. Mohammad Irfan	1
Mr. Danish Dadabhoy	5

MEETINGS OF THE AUDIT COMMITTEE

During the year five meetings of Audit Committee were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meetings Attended</i>
Mr. Fazal-ur-Rehman - Chairman	1
Mr. Muhammad Hussain Dadabhoy	5
Mr. Danish Dadabhoy	5

MEETINGS OF THE HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year one meeting of HR & R Committee were held. Attendance by each director is as follows.

<i>Name of Directors</i>	<i>No. of Meeting Attended</i>
Mr. Mohammad Irfan - Chairman	1
Mr. Danish Dadabhoy	1
Mrs. Humaira Dadabhoy	1

ACKNOWLEDGEMENT

We are pleased to record their appreciation for the continued dedications, commitment and loyalty of the employees of your company.

We are also thankful to all stakeholders for the loyalty they have shown during our difficult period.

We also appreciate the assistance and continued support of the various Government Departments, Bankers, Customers and Shareholders.

For and on behalf of the Board



Fazal Karim Dadabhoy
Chief Executive



Danish Dadabhoy
Director

Karachi: October 05, 2018

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2017
Dadabhoysack Limited
For the Year Ended June 30, 2018**

The company has complied with the requirements of the Regulations in the following manner:

1) The total number of directors are seven as per the following:

- a) Male: Five
- b) Female: Two

2) The composition of board is as follows:

Category	Names
a. Independent Directors	Mr. Fazal-ur-Rehman Mr. Mohammad Irfan
b. Other Non-Executive Director	Mr. Muhammad Hussain Dadabhoysack Mr. Danish Dadabhoysack Mrs. Humaira Dadabhoysack
c. Executive Directors	Mr. Fazal Karim Dadabhoysack Mrs. Noor Bakht Dadabhoysack

- 3) The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.**
- 4) The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.**
- 5) The board has developed a vision/mission statement, overall corporate strategy. While significant policies of the company are being formulated as the Company is planning for revival within the next financial year.**
- 6) All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.**

- 7) The meetings of the board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8) The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9) The Board has not arranged any training program during the year but ensures that, other than the exempt Directors, all the Directors acquire the prescribed certification under the training program within the stipulated time.
- 10) There has been no change in the position of Chief Financial Officer and the Company Secretary. While no appointment of head of internal audit has been made during the year due to operational inactivity of the Company.
- 11) CFO and CEO duly endorsed the financial statements before approval of the board.
- 12) The board has formed committees comprising of members given below:

Committees	Names and Designation
a. Audit Committee	Mr. Fazal-ur-Rehman - Chairman Mr. Muhammad Hussain Dadabhoy Mr. Danish Dadabhoy
b. HR and Remuneration Committee	Mr. Mohammad Irfan - Chairman Mr. Danish Dadabhoy Mrs. Humaira Dadabhoy

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14) The frequency of meetings of the committees were as per following:

Committees	Frequency of Meetings
a. Audit Committee	Five meetings were held in FY 2017-18.
b. HR and Remuneration Committee	One annual meeting held before June 30, 2018

- 15) Due to operational inactivity of the Company, the Board has not formed any internal audit function during the year.

- 16) The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- 17) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18) We confirm that all other requirements of the Regulations have been complied with except the following non-compliances with the Regulations which occurred due to the operational inactivity of the Company, but we assure our members that reasonable progress is being made by the Company's management and its Board to seek compliance by the end of next financial year:
- a) Independent Directors of the Company were elected on May 28, 2018;
 - b) Formal and effective mechanism is yet to be put in place for the annual evaluation of Board members;
 - c) Related party transactions could not be reviewed by the Audit Committee nor approved by the Board;
 - d) No orientation program could be arranged for the Directors during the year;
 - e) Subsequent to year end, CFO has been appointed who is qualified for the position under the Regulations; and
 - f) Directors' Report on the affairs of the Company could not be annexed with the financial statements of the 1st and 3rd quarters of the financial year.



Fazal Karim Dadabhoy
Chief Executive



Danish Dadabhoy
Director

Karachi

Dated: October 5, 2018

DADABHOY SACK LIMITED

DADABHOY SACK LIMITED

(Rupees in '000)

FINANCIAL REVIEW FOR SIX YEARS

Particulars	2018	2017	2016	2015	2014	2013
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PRODUCTION SUMMARY

Production in Bags	Nil	Nil	Nil	Nil	Nil	Nil
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ASSETS EMPLOYED

Total Assets Employed	168,517	188,620	206,262	45,489	56,056	58,996
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FINANCED BY

Shareholders' Equity	124,514	136,267	147,049	30,906	41,527	44,638
Long term Liabilities	-	-	-	2,699	2,699	2,699
Deferred Liabilities	42,007	42,130	49,010	1,253	1,461	1,461
Current Liabilities	1,996	10,223	10,203	10,631	10,365	10,198
Total Funds Invested	168,514	188,620	206,262	45,489	56,056	58,996

TURNOVER AND PROFIT

Turnover (Net)	-	-	-	-	-	-
Operating Profit (Loss)	-	-	-	-	-	-
Loss before Taxation	(12,625)	(17,662)	(6,478)	(2,015)	(3,108)	(5,211)
Loss after Taxation	(13.143)	(12,327)	(2,961)	(3,527)	(3,108)	(5,211)
Cash Dividend	-	-	-	-	-	-
Profit (Loss) carried forward	(22,744)	(20,564)	(20,246)	(18,774)	(12,142)	(9,034)

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DADABHOY SACK LIMITED**

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the 'Regulations'), prepared by the Board of Directors of **Dadabhoj Sack Limited** for the year ended **June 30, 2018** in accordance with the requirements of Regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references, where it is stated in the Statement of Compliance:

S. No.	Reference	Description
i	Para 5	Company is in the process of formulating significant policies.
ii	Para 10 and 15	There is no internal audit function in the Company.
iii	Para 18 a	Independent Directors were on the Board after May 28, 2018.
iv	Para 18 b	There is no mechanism for the annual evaluation of Board members.
v	Para 18 c	Related party transactions could not be reviewed by the Audit Committee nor approved by the Board.
vi	Para 18 d	No orientation program could be arranged for the Directors during the year.
vii	Para 18 e	CFO during the year was not qualified for the position until the qualified appointment made after the year end.
viii	Para 18 f	Directors' Report was not annexed with the 1 st and 3 rd quarters financial statements.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: October 5, 2018

Engagement Partner
Mohammad Iqbal

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DADABHOY SACK LIMITED
ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Adverse Opinion

We have audited the annexed financial statements of **Dadabhoj Sack Limited** which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

Owing to the significance of the matter stated in the *Basis for Adverse Opinion* Section of our report, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss and its comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

During the current year, the Company has incurred loss after taxation amounting to Rs. 13.143 (2017: Rs. 12.326) million rising its accumulated losses to Rs. 22.744 (2017: Rs. 20.563) million. Further, current liabilities of the Company exceeded its current assets by Rs. 1.993 (2017: Rs. nil). The operations of the Company were closed since financial year 2008 due to which the Company was facing financial and operational difficulties and was unable to discharge its liabilities in due course of business. The Company is reporting nil sales since then and is totally dependent on the financial support of its Directors and Sponsors to fulfill its operational and financial obligations. Moreover, the management of the Company has not made assessment of going concern of the Company.

These factors indicate the existence of material uncertainty that may cast doubts regarding the Company's ability to continue as a going concern and accordingly, Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business. The financial statements do not disclose this fact. Further, the mitigating factors disclosed by the management in the financial statements in note # 1.2 reflect only initial steps taken by the management for restarting the operational activities of the Company which have not been materialized till the issue of these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Basis for Adverse Opinion* Section, we have determined the matter described below to be the key audit matter to be communicated in our report:

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<i>1. Preparation of financial statements under the Companies Act, 2017</i>	
<p>(Refer note 3.1 to the accompanying financial statements)</p> <p>The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due to the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.</p>

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Further, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property, plant and equipment as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policies has been disclosed in notes 9.3 to the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p>	<p>In respect of the change in accounting policy for the measurement and presentation of revaluation surplus as referred to note no. 9.3 to the financial statements, we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matter stated in *Basis for Adverse Opinion* Section, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Mohammad Iqbal**.


Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: 05 OCT 2018


DADABHOY SACK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>	<i>2016</i> <i>Rupees</i>
			---- <i>Restated</i> ----	
<u>ASSETS</u>				
Non-Current Assets				
Property, plant and equipment	5	168,514,388	167,777,237	185,419,154
Current Assets				
Trade debts	6	-	20,841,679	20,841,679
Bank balance	7	2,830	733	923
		2,830	20,842,412	20,842,602
Total Assets		168,517,218	188,619,649	206,261,756
<u>EQUITY AND LIABILITIES</u>				
Authorized Capital				
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000	100,000,000
Issued, subscribed and paid up capital	8	40,000,000	40,000,000	40,000,000
Capital reserves				
Surplus on revaluation of property, plant and equipment	9	107,257,038	116,830,180	127,295,443
Accumulated losses		(22,743,501)	(20,563,520)	(20,246,131)
Shareholders' equity		124,513,538	136,266,660	147,049,312
Non Current Liabilities				
Deferred liabilities	10	42,007,890	42,130,011	49,009,658
Current Liabilities				
Accrued and other payables	11	964,850	5,258,895	5,698,403
Short term borrowings	12	615,290	3,798,703	3,339,003
Unclaimed dividend		415,650	415,650	415,650
Provision for taxation		-	749,730	749,730
		1,995,790	10,222,978	10,202,786
Contingencies and commitments	13			
Total Equity and Liabilities		168,517,218	188,619,649	206,261,756

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


 Chief Executive


 Chief Financial Officer


 Director

DADABHOY SACK LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2018

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees Restated</i>
Sales		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	14	(17,740,688)	(18,031,807)
Finance cost		(180)	(50,492)
Operating loss		(17,740,868)	(18,082,299)
Other charges	15	(143,000)	(80,000)
Other income	16	5,258,895	500,000
Loss before taxation		(12,624,973)	(17,662,299)
Taxation	17	(517,799)	5,335,592
Loss after taxation		(13,142,772)	(12,326,707)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(13,142,772)	(12,326,707)
Loss per share - basic and diluted	18	(3.29)	(3.08)

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



 Chief Executive



 Chief Financial Officer



 Director

DADABHOY SACK LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2018

	<i>Share Capital</i>	<i>Capital Reserve Surplus on Revaluation of Property, Plant and Equipment</i>	<i>Accumulated Losses</i>	<i>Total</i>
	----- Rupees -----			
Balance as at June 30, 2016 - before restatement	40,000,000	-	(20,246,131)	19,753,869
Effect of restatement (note no. 9.3)	-	127,295,443	-	127,295,443
Balance as at June 30, 2016 - restated	40,000,000	127,295,443	(20,246,131)	147,049,312
Total comprehensive loss for the year	-	-	(12,326,707)	(12,326,707)
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	(12,009,318)	12,009,318	-
Effect of tax rate adjustment on revaluation surplus	-	1,544,055	-	1,544,055
Balance as at June 30, 2017 - restated	40,000,000	116,830,180	(20,563,520)	136,266,660
Total comprehensive loss for the year	-	-	(13,142,772)	(13,142,772)
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	(10,962,791)	10,962,791	-
Effect of tax rate adjustment on revaluation surplus	-	1,389,650	-	1,389,650
Balance as at June 30, 2018	40,000,000	107,257,038	(22,743,501)	124,513,538

Capital reserves will be utilized for any purpose only after they are realized and transferred to unappropriated profits. However, these reserves can be individually offset against losses arising in future periods (if any) from revalued assets.

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


 Chief Executive


 Chief Financial Officer


 Director

DADABHOY SACK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(12,624,973)	(17,662,299)
Adjustments for:			
Depreciation	14	16,303,746	17,641,917
Liabilities written back	16	(5,258,895)	(500,000)
Finance cost		180	50,492
Cash outflows before working capital changes		<u>(1,579,942)</u>	<u>(469,890)</u>
Working capital changes:			
Decrease in current assets			
Trade debts		20,841,679	-
Increase in current liabilities			
Accrued and other payables		964,850	60,492
Cash generated from / (used in) operations		<u>20,226,587</u>	<u>(409,398)</u>
Finance cost paid		(180)	(50,492)
Net cash generated from / (used in) operating activities		<u>20,226,407</u>	<u>(459,890)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred	5	(17,040,897)	-
Net cash used in investing activities		<u>(17,040,897)</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES			
Short term borrowings (repaid) / obtained		(3,183,413)	459,700
Net cash (used in) / generated from financing activities		<u>(3,183,413)</u>	<u>459,700</u>
Net increase / (decrease) in cash and cash equivalents		2,097	(190)
Cash and cash equivalents at beginning of the year		733	923
Cash and cash equivalents at end of the year	7	<u>2,830</u>	<u>733</u>

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



 Chief Executive



 Chief Financial Officer



 Director

DADABHOY SACK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

1 STATUS AND NATURE OF BUSINESS

1.1 The Company was incorporated on September 27, 1983 as a Private Limited Company by the name of Paperpro Industries (Private) Limited. The Company was converted into Public Limited Company on October 27, 1994 and its name was changed to Dadabhoy Sack Limited on January 19, 1995 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal activity of the Company is the manufacturing and sale of paper bags. In February 1996, the Company was listed at Stock Exchanges of Karachi and Lahore (now the Pakistan Stock Exchange Limited - PSX). The Company's registered office is situated at suite # 4, 2nd floor, plot no. 28-30/C, noor centre, Khayaban-e-Ittehad, Lane no.12, Phase VII, D.H.A., Karachi, Sindh. Manufacturing facility of the Company is located at Deh, Hatal Buth, Thana Bula Khan, Main Super Highway, Jamshoro, Sindh.

Trading in shares of the Company was suspended by the Stock Exchanges on October 26, 2009 due to non compliances with respect to listing regulations.

1.2 Going Concern Assumption:

During the current year, the Company has incurred loss after taxation amounting to Rs. 13.143 (2017: Rs. 12.326) million rising its accumulated losses to Rs. 22.744 (2017: Rs. 20.563) million. Further, current liabilities of the Company exceeded its current assets by Rs. 1.993 (2017: Rs. nil). The operations of the Company were closed since financial year 2008 due to which the Company was facing financial and operational difficulties and was unable to discharge its liabilities in due course of business. The Company is reporting nil sales since then and is totally dependent on the financial support of its Directors.

The management of the Company has prepared these financial statements on going concern basis due to the following reasons:

- a) The Company has revaluation surplus on fixed assets amounting to Rs. 107.257 (2017: 116.830) million as on the balance sheet date, which is far more than the amount of accumulated losses of the company as stated above.
- b) During the current financial year, DCIL, major customer of the Company, has disposed off its non current assets to satisfy the Decree of its lenders, due to which the Company has recovered the outstanding dues from DCIL amounting to Rs. 20.841 million. The funds have been utilized to refurbish the plant of the Company and to revive the overall operations of the Company. Company is also seeking finance from external sources to fulfill the working capital requirements. Management is currently corresponding with prospective customers including cement factories situated adjacent to the location of the Company and is confident to achieve new orders and business which would result in wiping off the accumulated losses and would improve the overall financial and operational outlook of the Company.

2 SIGNIFICANT EVENTS AFFECTING THE FINANCIAL POSITION

- i* Due to the applicability of Companies Act, 2017 certain disclosures of the financial statements have been presented in accordance with the Fourth Schedule of the Act as notified by the Securities and Exchange Commission of Pakistan vide S.R.O. 1169 dated November 7, 2017. Major changes include the identification of all the operational geographical locations of the Company (note no. 1), change in accounting policy with respect to surplus on revaluation of property, plant and equipment (note no. 9.3), classification of unclaimed dividend on the face of the statement of financial position, etc.
- ii* Company has incurred Rs. 17.041 million during the year on overhauling of its plant.
- iii* Company has recovered the long outstanding trade debts from Dadabhoy Cement Industries Limited (note no. 6.1).

3 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act) and provisions and directives issued under the Act. Where provisions of or directives issued under the Act differ from the IFRS Standards, the provisions of or directives issued under the Act have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention. Further, accrual basis of accounting is followed except for cash flow information.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

3.4 Use of estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standard as, applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are as follows: -

Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. This also includes estimating the residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property and equipment with a corresponding affect on the depreciation charge and impairment (if any).

Trade debts

The Company reviews its trade debts against any provision required for any doubtful balances on a on-going basis. The provision is made while taking into consideration expected recoveries, if any.

3.5 Amendments to standards that are effective for the year ended June 30, 2018

The following amendments to accounting standards are effective for the year ended June 30, 2018. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	<i>Effective for period beginning on or after</i>
IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative	January 1, 2017
IAS 12 'Income Taxes' - Amendments with respect to recognition of deferred tax assets for unrealized losses	January 1, 2017

Certain annual improvements have also been made to a number of standards, which have not ben enumerated here for brevity.

3.6 Amendments to standards and IFRS interpretations that are not yet effective

The following amendments to accounting standards and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

	<i>Effective from accounting period beginning on or after</i>
IFRS 2 'Share-based Payment' - Amendments with respect to clarification on the classification and measurement of share-based payment transactions	January 1, 2018
IFRS 4 'Insurance Contracts': Applying IFRS 9 with IFRS 4	January 1, 2018
IFRS 9 'Financial Instruments'	January 1, 2018
IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Amendments with respect to sale or contribution of assets between an investor and its associate or joint venture	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.

*Effective from
accounting period
beginning on or after*

IFRS 15 'Revenue From Contracts With Customers'	January 1, 2018
IFRS 16 'Leases'	January 1, 2019
IAS 19 'Employee Benefits': Amendments with respect to plan amendments, curtailments or settlements	January 1, 2019
IAS 28 'Investments in Associates and Joint Ventures': Amendment with respect to long-term interests in associates and joint ventures	January 1, 2019
IAS 40 'Investment Property': Amendments with respect to clarification on transfers of property to or from investment property	January 01, 2018 Earlier application is permitted.
IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.	January 01, 2018 Earlier application is permitted.
IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.	January 1, 2019

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual period beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Certain annual improvements have also been made to a number of standards, which have not been enumerated here for brevity.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 17 - Insurance Contracts

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost or revaluation less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at revalued amount. Depreciation is charged on all assets using the reducing balance method at the rates stated in note 5.

Depreciation on addition is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed.

Gain or loss on disposal, if any, are included in the statement of profit or loss currently.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the statement of profit or loss.

Revalued assets

Revaluation of property, plant and equipment is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of property, plant and equipment is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as “surplus on revaluation of property, plant and equipment, in accordance with the change in accounting policy during the current year as fully disclosed in note no. 9.3 to the financial statements, except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognised in the statement of profit or loss, in which case the increase is first recognized in the statement of profit or loss to the extent of the decrease previously charged. Any decrease that reverses previous increase of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decrease are charged to the statement of profit or loss. The revaluation reserve is not available for distribution to the Company’s shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss and depreciation based on the asset’s original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

Gains and losses on disposal of revalued assets

Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings.

4.2 Trade debts

Trade debts are carried at original invoice amount less provision made for doubtful receivable balances, if any. Debts are written off when identified as irrecoverable.

4.3 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash at bank in current account.

4.4 Accrued and other payables

Accrued and other payables are stated at their nominal values which is the fair value of the consideration required to settle the related obligations whether or not billed to the Company. Liabilities are written back and recognized as other income when these are considered to be no longer payable.

4.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to the items recognized directly in other comprehensive income or in equity, in which case it is recognized there.

Current

Provision for taxation is based on current year taxable income determined in accordance with the provisions of Income Tax Ordinance, 2001, enacted on the date of statement of financial position and carry adjustment to tax payable in respect of previous year.

Deferred

Deferred tax is provided in full using the balance sheet liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

The Company recognizes a deferred tax asset only to the extent that it is probable that future taxable profit for the foreseeable future will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4.6 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.7 Borrowing cost

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently.

4.8 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized, as an expense in the statement of profit or loss, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.9 *Financial instruments*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument and are measured initially at fair value. Fair value is the amount for which assets could be exchanged, or liabilities settled, between knowledgeable willing parties in an arm's length transaction on the measurement date. When available, the company measures the fair value of an investment using quoted price in an active market for the instrument. A market is regarded as active if quoted price are readily and regularly available and represent actual and regularly occurring market transaction on an arm's length basis.

Financial assets are derecognized when the contractual right to cash flow from the financial assets expired or is transferred. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired. The particular recognition method adopted are disclosed in the individual policy statement associated with each item.

Financial assets and financial liabilities offsets each other and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the transaction and also intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.10 *Earnings per share*

The company presents basic and diluted earnings per share for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares. Diluted EPS is determined by adjusting profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares.

5 **PROPERTY, PLANT AND EQUIPMENT**

	Note	2018 Rupees	2017 Rupees
Operating fixed assets - tangible	5.1	168,514,388	167,777,237

5.1 **Operating fixed assets - tangible**

Description	As at June 30, 2018								
	COST / REVALUED AMOUNTS*				Rate %	ACCUMULATED DEPRECIATION			Written Down Value as at June 30, 2018
	As at July 01, 2017	Additions during the year	As at June 30, 2018			As at July 01, 2017	Depreciation for the year	As at June 30, 2018	
	----- (Rupees)-----					----- (Rupees)-----			
Owned Assets									
Land - freehold*	9,000,000	-	9,000,000		-	-	-	9,000,000	
Building on freehold land*	25,050,000	-	25,050,000	10	2,687,668	2,236,233	4,923,901	20,126,099	
Plant and machinery*	152,500,000	17,040,897	169,540,897	10	16,393,750	14,036,647	30,430,397	139,110,500	
Office equipment	420,705	-	420,705	10	376,844	4,386	381,230	39,475	
Electrical equipment	862,077	-	862,077	10	780,929	8,115	789,044	73,033	
Furniture & fittings	670,288	-	670,288	10	486,642	18,365	505,007	165,281	
<i>June 30, 2018</i>	188,503,070	17,040,897	205,543,967		20,725,833	16,303,746	37,029,579	168,514,388	

Description	As at June 30, 2017								
	COST / REVALUED AMOUNTS*				Rate %	ACCUMULATED DEPRECIATION			Written Down Value as at June 30, 2017
	As at July 01, 2016	Addition	As at June 30, 2017			As at July 01, 2016	Depreciation for the year	As at June 30, 2017	
	----- (Rupees)-----					----- (Rupees)-----			
Owned Assets									
Land - freehold*	9,000,000	-	9,000,000		-	-	-	9,000,000	
Building on freehold land*	25,050,000	-	25,050,000	10	202,964	2,484,704	2,687,668	22,362,332	
Plant and machinery*	152,500,000	-	152,500,000	10	1,270,833	15,122,917	16,393,750	136,106,250	
Office equipment	420,705	-	420,705	10	371,970	4,874	376,844	43,861	
Electrical equipment	862,077	-	862,077	10	771,912	9,017	780,929	81,148	
Furniture & fittings	670,288	-	670,288	10	466,237	20,405	486,642	183,646	
<i>June 30, 2017</i>	188,503,070	-	188,503,070		3,083,916	17,641,917	20,725,833	167,777,237	

5.2 Reconciliation of written down value:

<i>Particulars</i>	WRITTEN DOWN VALUE			
	<i>As at July 01, 2017</i>	<i>Additions During the Year</i>	<i>Depreciation for the Year</i>	<i>As at June 30, 2018</i>
	----- Rupees -----			
Land - freehold*	9,000,000	-	-	9,000,000
Building on freehold land*	22,362,332	-	(2,236,233)	20,126,099
Plant and machinery*	136,106,250	17,040,897	(14,036,647)	139,110,500
Office equipment	43,861	-	(4,386)	39,475
Electrical equipment	81,148	-	(8,115)	73,033
Furniture & fittings	183,646	-	(18,365)	165,281
	June 30, 2018	17,040,897	(16,303,746)	168,514,388
	June 30, 2017	-	(17,641,917)	167,777,237

5.3 Company owns 3 acres of land at Deh, Hatal Buth, Thana Bula Khan, Main Super Highway, Jamshoro, Sindh.

5.4 Had there been no revaluation, the written down values of specific classes of property, plant and equipment would have been amounted to:

	2018	2017
	Rupees	Rupees
Land	82,115	82,115
Building on freehold land	790,566	878,407
Plant and machinery	19,481,073	3,184,664
	20,353,754	4,145,186

5.5 Forced sale value of the revalued assets as on the revaluation date was amounting to Rs. 139.912 million.

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
6 TRADE DEBTS			
- <i>Considered good</i>			
From related party	6.1	-	20,841,679

6.1 This represented amount due from Dadabhoy Cement Industries Limited (DCIL) - associated company which has been recovered during the current financial year.

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
7 BANK BALANCE		
- in current account	2,830	733

8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

<i>Number of shares</i>				
<i>2018</i>	<i>2017</i>			
4,000,000	4,000,000	Ordinary shares of Rs. 10 each	40,000,000	40,000,000
		fully paid in cash		

8.1 1,739,370 (2017: 1,739,370), 276,000 (2017: 276,000) and 1,600,000 (2017: 1,600,000) Ordinary shares of Rs. 10 each are held by the associated companies - Dadabhoy Trading Corporation (Pvt.) Limited, Dadabhoy Cement Industries Limited and Dadabhoy Hydrocarbon Limited as at the year end, representing 43.48%, 6.90% and 40.00% of the total shareholding in the Company respectively.

8.2 Ordinary shareholders are entitled to attend and vote in the company meetings and are also entitled to any distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company.

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
<i>Balance as at July 01,</i>	163,323,396	180,479,564
Transfer to equity in respect of incremental depreciation - net of deferred tax	(10,962,791)	(12,009,318)
Related deferred tax liability of incremental depreciation	(4,477,760)	(5,146,850)
	(15,440,551)	(17,156,168)
<i>Balance as at June 30,</i>	147,882,845	163,323,396
<i>Less: Related deferred tax liability</i>		
- at the beginning of the year	(46,493,216)	(53,184,121)
- effect of revaluation surplus during the year	-	-
- effect of tax rate adjustment	1,389,650	1,544,055
- on incremental depreciation for the year	4,477,760	5,146,850
- at the end of the year	(40,625,807)	(46,493,216)
	107,257,038	116,830,180

9.1 The latest revaluation of its land, building on freehold land and plant and machinery was carried out under market value basis by an independent valuer, M/s. Zafar Iqbal & Company as on June 20, 2016, resulting in a surplus of Rs. 170.480 million, over book values which were credited to surplus on revaluation of fixed assets.

Earlier, the Company had carried out the revaluation of its land, building on freehold land and plant and machinery under the market value basis by an independent valuer, M/s. Zafar Iqbal & Company as on August 10, 2005, resulting in a surplus of Rs. 26.408 million, over book values which were credited to surplus on revaluation of fixed assets.

9.2 In accordance with the requirements of IFRS 13 Fair value measurement, the Company classifies its property and equipment in terms of following fair value hierarchy:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Fair value measurements using Inputs for assets or liability that are not based on observable market data (i.e. unobservable inputs).

Details of the Company's property, plant and equipment in terms of fair value hierarchy, explained above, at June 30, 2018 is as follows:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
	<i>----- Rupees -----</i>		
<i>Assets measured at fair value</i>			
Operating fixed assets - Freehold Land	-	9,000,000	-
- Buildings on freehold land	-	20,126,099	-
- Plant and machinery	-	139,110,500	-
June 30, 2018	-	168,236,599	-
<i>June 30, 2017</i>	-	167,468,582	-

9.3 Change in accounting policy

During the year, the Company changed its accounting policy in respect of the measurement and presentation of surplus on revaluation of property, plant and equipment due to the adoption of the Companies Act, 2017 (the Act) which became applicable for the first time for the preparation of financial statements for the year ended June 30, 2018. Previously, the Company's accounting policy was in accordance with the provisions of the repealed Companies Ordinance, 1984 according to which the surplus on revaluation of property, plant and equipment was shown as a separate item below equity. The Company has changed the accounting policy to bring it in conformity with the accounting treatment and presentation of surplus on revaluation of property, plant and equipment as specified in IAS 16 - "Property, Plant and Equipment", according to the surplus on revaluation of property, plant and equipment is now presented as part of equity in the statement of financial position and the statement of changes in equity as a capital reserve.

In accordance with the requirements of IAS 8 'Accounting policies, estimates and errors', the above explained changes in accounting policy has been accounted for retrospectively, with the restatement of the comparative information. As a result, a third statement of financial position as at the beginning of the preceding period is presented (i.e. July 01, 2016) in accordance with the requirements of IAS 1 - "Presentation of Financial Statements".

Retrospective impact of change in accounting policy
Statement of Financial Position

	2017			2016		
	As Previously Reported	Adjustments - Increase / (Decrease)	As Restated	As Previously Reported	Adjustments - Increase / (Decrease)	As Restated
	----- Rupees -----					
Surplus on revaluation of property and equipment (within equity)	-	116,830,180	116,830,180	-	127,295,443	127,295,443
Net impact on equity	-	116,830,180	116,830,180	-	127,295,443	127,295,443
Surplus on revaluation of property and equipment (below equity)	116,830,180	(116,830,180)	-	127,295,443	(127,295,443)	-

Had the accounting policy not been changed during the year, the shareholders' equity as on June 30, 2018 would have reduced by Rs. 107.2570 million while surplus on revaluation of property, plant and equipment would have been disclosed below the equity by the same amount.

There was no change in the reported amount of the statement of profit or loss and other comprehensive income as there was no decrease in the carrying amount of asset as a result of revaluation except the retrospective effect stated above for the year ended June 30, 2018. There was no cash flow impact as a result of the retrospective application of change in accounting policy.

	Note	2018 Rupees	2017 Rupees
10 DEFERRED LIABILITIES			
Deferred taxation	10.1	42,007,890	42,130,011
10.1 Deferred Tax Liability			
<i>Deferred taxation comprises differences relating to</i>			
<i>Taxable temporary differences</i>			
Accelerated depreciation for tax purposes		46,259,173	47,633,171
<i>Deductible temporary differences</i>			
Unused tax losses		(4,251,282)	(5,503,160)
		42,007,890	42,130,011
11 ACCRUED AND OTHER PAYABLES			
Accrued liabilities		287,500	4,658,730
Workers' Profit Participation Fund		-	561,544
Workers' Welfare Fund		-	38,621
Other payables	11.1	677,350	-
		964,850	5,258,895

11.1 This represents payable on demand to Dadabhoy Cement Industries Limited - associated company, on account of reimbursable expense incurred by the related party on behalf of the Company.

12 SHORT TERM BORROWINGS	Note	2018 Rupees	2017 Rupees
- From Related Parties - unsecured			
From Directors	12.1	<u>615,290</u>	<u>3,798,703</u>

12.1 These loans are unsecured, interest free and payable on demand. These have been given by the Directors to facilitate the Company for fulfilling its operational and financial obligations. The treatment has been done in accordance with the guidelines given under Technical Release (TR) 32 "Accounting Directors' Loan" as issued by the Institute of Chartered Accountants of Pakistan (ICAP).

13 CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments binding on the Company as on the balance sheet date.

14 ADMINISTRATIVE EXPENSES	Note	2018 Rupees	2017 Rupees
Salaries and other benefits		531,178	164,890
Security expenses		520,500	225,000
Legal and professional charges		80,264	-
Fees and subscription		305,000	-
Depreciation	5	<u>16,303,746</u>	<u>17,641,917</u>
		<u>17,740,688</u>	<u>18,031,807</u>

15 OTHER CHARGES

Auditor's remuneration	15.1	137,500	80,000
Penalty from PSX		5,500	-
		<u>143,000</u>	<u>80,000</u>

15.1 Auditors' remuneration

Annual Audit		80,000	60,000
Half Yearly Review		25,000	-
Review of Code of Corporate Governance		25,000	15,000
Out of pocket		7,500	5,000
		<u>137,500</u>	<u>80,000</u>

16 OTHER INCOME

Income from other than financial asset

Liabilities written back		<u>5,258,895</u>	<u>500,000</u>
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17 TAXATION

Current	17.1	-	-
Prior		(749,730)	-
Deferred		1,267,529	(5,335,592)
		<u>517,799</u>	<u>(5,335,592)</u>

17.1 The Company is not liable to current tax, including minimum tax, on account of nil sales.

17.2 Income Tax Returns of the Company have been finalized up to and including the tax year 2017 which are considered to be the deemed assessment subject to amendment u/s 122 of the Income Tax Ordinance, 2001.

17.3 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed that no tax provision is required in the financial statements. A comparison of last three years of income tax provision with tax assessed is not presented as the Company had nil tax liability on account of operational inactivity.

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
18 LOSS PER SHARE - BASIC AND DILUTED		
Loss after taxation	<u><u>(13,142,772)</u></u>	<u><u>(12,326,707)</u></u>
Weighted average number of ordinary shares outstanding	<u><u>4,000,000</u></u>	<u><u>4,000,000</u></u>
Loss per share - basic and diluted	<u><u>(3.29)</u></u>	<u><u>(3.08)</u></u>

19 REMUNERATION TO CHIEF EXECUTIVE OFFICER AND DIRECTORS

In view of the current operational and financial position of the Company, the Directors of the Company have voluntarily waived their remuneration.

	<i>No. of bags</i>	
20 PLANT CAPACITY		
Installed capacity	<u><u>54,000,000</u></u>	<u><u>54,000,000</u></u>
Utilized capacity	<u><u>-</u></u>	<u><u>-</u></u>
Utilized capacity % age	<u><u>-</u></u>	<u><u>-</u></u>

The Company is in the process of revival, therefore, there was no capacity utilized during the year.

21 TRANSACTIONS WITH RELATED PARTIES

21.1 The related parties comprise of group companies (associated companies), Directors and their close family members, executives, major shareholders of the Company. The transactions with related parties are as follows:

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
Key Management Personnel - Directors		
Loan received	615,290	459,700
Loan repaid	3,798,703	-
Dadabhoj Cement Industries Limited - Common Directorship and 6.90% holding		
Reimbursable expenses payable	677,350	-

22 FINANCIAL INSTRUMENTS BY CATEGORY	Note	2018 Rupees	2017 Rupees
Financial Assets			
- Loans and receivables at amortized cost			
Trade debts	6	-	20,841,679
Bank balance	7	2,830	923
		2,830	20,842,602
Financial Liabilities			
- At amortized cost			
Accrued and other payables	11	964,850	4,658,730
Short term borrowings	12	615,290	3,339,003
Unclaimed dividend		415,650	415,650
		1,995,790	8,413,383

23 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (interest / mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

23.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fails to meet its contractual obligation and it mainly arises from balances with banks and financial institutions, trade debts, loans, advances, deposits and other receivables. The credit risk on liquid fund is limited because the counter parties are banks with reasonably high credit ratings.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk before any provisions at the reporting date is:

	2018 Rupees	2017 Rupees
Trade debts	-	20,841,679
Bank balance	2,830	923
	2,830	20,842,602

Quality of financial assets

The Company keeps its fund with bank having good credit rating. Currently the funds are kept with a bank having short term rating of A-1 and long term rating of A-.

23.2 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with the financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of Company's reputation. The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to fulfill its obligation, monitoring balance sheet liquidity ratios against internal and external requirements and maintaining debt financing plans.

Following are the contractual maturities of the financial liabilities:

	2018			
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Six months or less</i>	<i>Six to twelve months</i>
	<i>----- (Rupees) -----</i>			
<i>Financial Liabilities</i>				
Accrued and other payables	964,850	964,850	964,850	-
Unclaimed dividend	415,650	415,650	415,650	-
Short term borrowings	615,290	615,290	-	615,290
	1,995,790	1,995,790	1,380,500	615,290

	2017			
	<i>Carrying amount</i>	<i>Contractual cash flows</i>	<i>Six months or less</i>	<i>Six to twelve months</i>
	<i>----- (Rupees) -----</i>			
<i>Financial Liabilities</i>				
Accrued and other payables	4,658,730	4,658,730	4,658,730	-
Unclaimed dividend	3,339,003	3,339,003	3,339,003	-
Short term borrowings	415,650	415,650	-	415,650
	8,413,383	8,413,383	7,997,733	415,650

23.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is not exposed to any foreign exchange risk, interest rate risk and other price risk as at the balance sheet date.

23.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with processes technology and infrastructure supporting the company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risk arising from the company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. The responsibility encompasses the controls in the following areas:

- i* Requirements for appropriate segregation of duties between various functions, roles and responsibility;
- ii* Requirements for the reconciliation and monitoring of transactions;
- iii* Compliance with regulatory and other legal requirements;
- iv* Documentation of control and procedures;
- v* Requirements for the periodic assessment of operational risk faced, and the adequacy of controls and procedures to address the risk identified;
- vi* Ethical and business standards; and
- vii* Risk mitigation, including insurance where this is effective.

23.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The carrying values of all the financial assets and liabilities reported in the financial statements approximate their fair values.

23.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensurate to the circumstances. The Company finances its expansion projects through equity, borrowings and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk and maximize profitability.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings from banking companies including any finance cost thereon, less cash and bank balances. The Company's strategy is to maintain leveraged gearing. Since the Company has not taken any loan or borrowings from financial institutions, hence its gearing ratio is nil as on the balance sheet date.

24 GENERAL

- Figures have been rounded off to the nearest Rupee.
- Comparative figures have been reclassified, where ever considered necessary, for better presentation. Major reclassification include unclaimed dividend amounting to Rs. 415,650 reclassified from trade and other payables to the face of the statement of financial position.
- Number of employees as on the balance sheet date and average number of employees during the year were 2 (2017 : 1) and 1 (2017 : 1) respectively.

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 05 OCT 2018 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director

DADABHOY SACK LIMITED
PATTERN OF SHAREHOLDING
AS ON 30TH JUNE, 2018

NO. OF SHAREHOLDERS	SHAREHOLDING		TOTAL SHARES HELD
	FROM	TO	
59	101	500	29,200
18	501	1,000	17,400
2	1,001	5,000	7,500
1	10,001	50,000	10,000
5	50,001	100,000	320,530
1	100,001	300,000	276,000
2	300,001	1,740,000	3,339,370
88			4,000,000

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage %
Individuals	84	284,630	7.12
Joint Stock Companies	3	3,615,370	90.38
Financial Institutions	1	100,000	2.50
	88	4,000,000	100.00

INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE AS ON 30-06-2018

SHAREHOLDERS CATEGORY	NO. OF SHARE HOLDER	SHAREHOLDING
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ASSOCIATED COMPANIES

DADABHOY TRADING CORPORATION (PVT) LTD.	1	1,739,370
DADABHOY CEMENT INDUSTRIES LTD.	1	276,000
DADABHOY HYDROCARBON LIMITED	1	1,600,000

DIRECTORS

MR. MUHAMMAD HUSSAIN DADABHOY	1	700
MR. FAZAL UR REHMAN	1	56,616
MR. FAZAL KARIM DADABHOY(CHIEF EXECUTIVE)	1	52,178
MRS. HUMAIRA DADABHOY	1	55,207
MR. MOHAMMAD IRFAN	1	56,529
MRS. NOOR BAKTH DADABHOY	1	700
MR. DANISH DADABHOY	1	500

BANKS, DFIS, NBFIS, INSURANCE COMP.ETC.

NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT	1	100,000
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GENERAL PUBLIC		284,630
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SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST

DADABHOY TRADING CORPORATION (PVT) LTD.	1	1,739,370
DADABHOY HYDROCARBON LIMITED	1	1,600,000

DADABHOY SACK LIMITED

35TH ANNUAL GENERAL MEETING 2018

FORM OF PROXY

I / We _____

Of _____ being

A member of DADABHOY SACK LIMITED and holder of _____ Ordinary Shares
as per registered Folio No. _____ Hereby

appoint _____

Of _____

Or failing him _____

Of _____

Vide Registered Folio No. _____

As my / our proxy to vote for me/us and on my/our behalf at the 35th Annual General Meeting of the Company to be held on 26th October 2018 and at any adjournment thereof.

Signed my me/us this _____ day of _____ 2018

Signed by the Shareholders

Important :

This form of Proxy duly complete must be deposited at the Company's

Registered Office, Noor Centre Office No. 4, 2nd Floor, Plot No. 30-C
Ittehad Lane 12 Phase VII, D.H.A., Karachi. Not later than 48 hours before
the time of holding the meeting.

A proxy should also be a shareholder of the Company.

Five Rupees Revenue Stamps

For Office use

35TH ANNUAL REPORT
