

**DADABHOY SACK LIMITED  
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS PERIOD ENDED  
SEPTEMBER 30, 2018**

**DADABHOY SACK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT QUARTER ENDED 30 SEPTEMBER 2018**

		<i>2018</i> <i>September</i> <i>Rupees</i>	<i>2018</i> <i>June</i> <i>Rupees</i>
	<i>Note</i>		
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		<b>164,526,528</b>	168,514,388
<b>Current Assets</b>			
Trade debts	6	-	-
Bank balance	7	<b>2,847</b>	2,830
		<b>2,847</b>	2,830
<b>Total Assets</b>		<b>164,529,375</b>	168,517,218
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Authorized Capital</b>			
10,000,000 Ordinary shares of Rs. 10 each		<b>100,000,000</b>	100,000,000
<b>Issued, subscribed and paid up capital</b>	8	<b>40,000,000</b>	40,000,000
<b>Capital reserves</b>			
Surplus on revaluation of property, plant and equipment		<b>107,257,038</b>	107,257,038
<b>Accumulated losses</b>		<b>(26,848,890)</b>	(22,743,501)
<b>Shareholders' equity</b>		<b>120,408,149</b>	124,513,538
<b>Non Current Liabilities</b>			
Deferred liabilities	9	<b>42,007,919</b>	42,007,890
<b>Current Liabilities</b>			
Accrued and other payables	10	<b>826,267</b>	964,850
Short term borrowings	11	<b>871,390</b>	615,290
Unclaimed dividend		<b>415,650</b>	415,650
Provision for taxation		-	-
		<b>2,113,307</b>	1,995,790
<b>Contingencies and commitments</b>			
<b>Total Equity and Liabilities</b>		<b>164,529,375</b>	168,517,218

The annexed notes from 1 to 22 form an integral part of these financial statements.

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director

**DADABHOY SACK LIMITED**  
**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)**  
**For the Quarter Ended September 30, 2018**

	<i>Note</i>	<i>2018 September Rupees</i>	<i>2017 September Rupees</i>
Sales		-	-
Cost of sales		-	-
<b>Gross profit</b>		<u>-</u>	<u>-</u>
Administrative expenses	13	(4,105,360)	(4,656,359)
Finance cost		-	(35)
<b>Operating loss</b>		<u>(4,105,360)</u>	<u>(4,656,394)</u>
Other charges		-	-
Other income		-	-
<b>Loss before taxation</b>		<u>(4,105,360)</u>	<u>(4,656,394)</u>
Taxation		-	-
<b>Loss after taxation</b>		<u>(4,105,360)</u>	<u>(4,656,394)</u>
<b>Other comprehensive income for the period</b>		-	-
<b>Total comprehensive loss for the period</b>		<u><u>(4,105,360)</u></u>	<u><u>(4,656,394)</u></u>
<b>Loss per share - basic and diluted</b>	15	<u><u>(1.03)</u></u>	<u><u>(1.16)</u></u>

The annexed notes from 1 to 22 form an integral part of these financial statements.



*Chief Executive*



*Chief Financial Officer*



*Director*

**DADABHOY SACK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the Quarter Ended September 30, 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 -----				
<b>Balance as at June 30, 2016 - before restatement</b>	40,000,000	-	(20,246,131)	19,753,869
Effect of restatement (note no. 9.3)	-	127,295,443	-	127,295,443
<b>Balance as at June 30, 2016 - restated</b>	<b>40,000,000</b>	<b>127,295,443</b>	<b>(20,246,131)</b>	<b>147,049,312</b>
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
<b>Balance as at June 30, 2017 - restated</b>	<b>40,000,000</b>	<b>116,830,180</b>	<b>(20,563,520)</b>	<b>136,266,660</b>
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(13,142,772)</b>	<b>(13,142,772)</b>
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
<b>Balance as at June 30, 2018</b>	<b>40,000,000</b>	<b>107,257,038</b>	<b>(22,743,501)</b>	<b>124,513,538</b>
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(4,105,360)</b>	<b>(4,105,360)</b>
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	-	-	-	-
Effect of tax rate adjustment on revaluation surplus	-	-	-	-
<b>Balance as at September 30, 2018</b>	<b>40,000,000</b>	<b>107,257,038</b>	<b>(26,848,861)</b>	<b>120,408,178</b>

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 22 form an integral part of these financial statements.

  
 Chief Executive

  
 Chief Financial Officer

  
 Director

**DADABHOY SACK LIMITED**  
**STATEMENT OF CASH FLOWS**  
*For the Quarter Ended September 30, 2018*

	<i>Note</i>	<i>2018 September Rupees</i>	<i>2017 September Rupees</i>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Loss before taxation</b>		<b>(4,105,360)</b>	(4,656,394)
<b>Adjustments for:</b>			
Depreciation	13	<b>3,987,860</b>	4,410,479
Liabilities written back		-	-
Finance cost		-	35
<b>Cash outflows before working capital changes</b>		<b>(117,500)</b>	(245,880)
<b>Working capital changes:</b>			
<b>Decrease in current assets</b>			
Trade debts		-	-
<b>Increase in current liabilities</b>			
Accrued and other payables		-	-
<b>Cash generated from / (used in) operations</b>		<b>(117,500)</b>	(245,880)
Finance cost paid		-	(35)
<b>Net cash generated from / (used in) operating activities</b>		<b>(117,500)</b>	(245,915)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred	0	-	-
<b>Net cash used in investing activities</b>		-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term borrowings (repaid) / obtained		<b>256,100</b>	245,690
<b>Net cash (used in) / generated from financing activities</b>		<b>256,100</b>	245,690
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>138,600</b>	(225)
<b>Cash and cash equivalents at beginning of the year</b>		<b>2,830</b>	923
<b>Cash and cash equivalents at end of the year</b>	7	<b>141,430</b>	698

The annexed notes from 1 to 22 form an integral part of these financial statements.

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Chief Financial Officer

  
 \_\_\_\_\_  
 Director

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

**8 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

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

**9 DEFERRED LIABILITIES**

Deferred taxation	9.1	<u>42,007,919</u>	<u>42,130,011</u>
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**10 ACCRUED AND OTHER PAYABLES**

Accrued liabilities		148,917	4,658,730
Workers' Profit Participation Fund		-	561,544
Workers' Welfare Fund		-	38,621
Other payables	10.1	<u>677,350</u>	<u>-</u>
		<u>826,267</u>	<u>5,258,895</u>

**11 SHORT TERM BORROWINGS**

*- From Related Parties - unsecured*

From Directors	11.1	<u>871,390</u>	<u>3,798,703</u>
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**12 CONTINGENCIES AND COMMITMENTS**

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

	<i>Note</i>	<i>2018 Rupees</i>	<i>2017 Rupees</i>
<b>13 ADMINISTRATIVE EXPENSES</b>			
Salaries and other benefits		-	164,890
Security expenses		-	225,000
Legal and professional charges		-	-
Fees and subscription		117,500	-
Depreciation	5	<u>3,987,860</u>	<u>17,641,917</u>
		<u>4,105,360</u>	<u>18,031,807</u>

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>14 OTHER CHARGES</b>			
Auditor's remuneration	14.1	137,500	80,000
Penalty from PSX		-	-
		<u>137,500</u>	<u>80,000</u>

**14.1 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>

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>15 LOSS PER SHARE - BASIC AND DILUTED</b>		
<b>Loss after taxation</b>	<u>(4,105,360)</u>	<u>(12,326,707)</u>
Weighted average number of ordinary shares outstanding	<u>4,000,000</u>	<u>4,000,000</u>
<b>Loss per share - basic and diluted</b>	<u>(1.03)</u>	<u>(3.08)</u>

**16 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.

**18 TRANSACTIONS WITH RELATED PARTIES**

**18.1** 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>
<b>Key Management Personnel - Directors</b>		
Loan received	871,390	459,700
Loan repaid	3,798,703	-
<b>Dadabhoy Cement Industries Limited - Common Directorship and 6.90% holding</b>		
Reimbursable expenses payable	677,350	-

	<i>Note</i>	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
<b>19 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<i>Financial Assets</i>			
<i>- Loans and receivables at amortized cost</i>			
Trade debts	6	-	20,841,679
Bank balance	7	<b>2,847</b>	923
		<b>2,847</b>	20,842,602
<i>Financial Liabilities</i>			
<i>- At amortized cost</i>			
Accrued and other payables	10	<b>826,267</b>	4,658,730
Short term borrowings	11	<b>871,390</b>	3,339,003
Unclaimed dividend		<b>415,650</b>	415,650
		<b>2,113,307</b>	8,413,383

## 20 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.

### 20.1 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:

	<i>2018</i> <i>Rupees</i>	<i>2017</i> <i>Rupees</i>
Trade debts	-	20,841,679
Bank balance	<b>2,847</b>	923
	<b>2,847</b>	20,842,602



## **20.4 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.

## **20.4 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.

## **20.5 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 maximizing 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.

## 21 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.

## 22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.



*Chief Executive*



*Chief Financial Officer*



*Director*