

**DADABHOY SACK LIMITED  
FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS PEIOD ENDED  
MARCH 31, 2022**

**DADABHOY SACK LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT MARCH 31, 2022**

		<i>(Un-audited)</i> <b>March 31,</b> <b>2022</b> <i>Rupees</i>	<i>(Audited)</i> <b>June 30,</b> <b>2021</b> <i>Rupees</i>
	<i>Note</i>		
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	116,564,539	125,285,988
<b>Current Assets</b>			
Inventory		361,000	-
Bank balance		2,847	2,847
		<b>363,847</b>	<b>2,847</b>
<b>Total Assets</b>		<b>116,928,386</b>	<b>125,288,835</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Authorized Capital</b>			
10,000,000 ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid up capital		40,000,000	40,000,000
Surplus on revaluation of property, plant and equipment		76,922,447	80,518,790
Accumulated losses		(33,509,445)	(29,530,889)
<b>Shareholders' Equity</b>		<b>83,413,002</b>	<b>90,987,901</b>
<b>Non-Current Liabilities</b>			
Deferred tax liability		29,855,627	31,282,202
<b>Current Liabilities</b>			
Trade and other payables	6	1,441,992	1,393,392
Unclaimed dividend		415,650	415,650
Short term borrowings	7	1,802,115	1,209,690
		<b>3,659,757</b>	<b>3,018,732</b>
<b>Contingencies and commitments</b>	8		
<b>Total Equity and Liabilities</b>		<b>116,928,386</b>	<b>125,288,835</b>

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



Chief Executive



Chief Financial Officer



Director

**DADABHOY SACK LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<i>Nine months period ended</i>		<i>Quarter ended</i>	
	<i>March 31,</i>		<i>March 31,</i>	
	<i>2022</i>	<i>2021</i>	<i>2022</i>	<i>2021</i>
	<i>----- Rupees -----</i>			
Sales	-	-	-	-
Cost of sales	<b>(99,000)</b>	-	-	-
<b>Gross loss</b>	<b>(99,000)</b>	-	-	-
Administrative expenses	<b>(8,902,474)</b>	(9,927,400)	<b>(3,039,575)</b>	(3,230,167)
Other charges	-	-	-	-
<b>Operating loss</b>	<b>(9,001,474)</b>	(9,927,400)	<b>(3,039,575)</b>	(3,230,167)
Other income	-	-	-	-
<b>Loss before taxation</b>	<b>(9,001,474)</b>	(9,927,400)	<b>(3,039,575)</b>	(3,230,167)
Taxation	<b>1,426,575</b>	1,873,497	-	-
<b>Loss after taxation</b>	<b>(7,574,899)</b>	(8,053,903)	<b>(3,039,575)</b>	(3,230,167)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(7,574,899)</b>	(8,053,903)	<b>(3,039,575)</b>	(3,230,167)
<b>Loss per share</b>	<b>(1.89)</b>	(2.01)	<b>(0.76)</b>	(0.81)

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.



*Chief Executive*



*Chief Financial Officer*



*Director*

**DADABHOY SACK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<u>Capital reserve</u>			<i>Total</i>
	<i>Share capital</i>	<i>Surplus on revaluation of property, plant and equipment</i>	<i>Accumulated losses</i>	
	----- <i>Rupees</i> -----			
<b>Balance as at June 30, 2020- Audited</b>	40,000,000	88,510,665	(27,463,898)	101,046,767
Total comprehensive loss for the period	-	-	(8,053,903)	(8,053,903)
Transferred from revaluation surplus on account of incremental depreciation - net of deferred tax	-	(3,995,937)	3,995,937	-
<b>Balance as at March 31, 2021</b>	<u>40,000,000</u>	<u>84,514,728</u>	<u>(31,521,864)</u>	<u>92,992,864</u>
<b>Balance as at June 30, 2021- Audited</b>	<b>40,000,000</b>	<b>80,518,790</b>	<b>(29,530,889)</b>	<b>90,987,901</b>
Total comprehensive loss for the period	-	-	(7,574,899)	(7,574,899)
Transferred from revaluation surplus on account of incremental depreciation - net of deferred tax	-	(3,596,344)	3,596,344	-
<b>Balance as at March 31, 2022</b>	<u><b>40,000,000</b></u>	<u><b>76,922,447</b></u>	<u><b>(33,509,445)</b></u>	<u><b>83,413,002</b></u>

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 10 form an integral part of these condensed interim financial statements.



*Chief Executive*



*Chief Financial Officer*



*Director*

**DADABHOY SACK LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2022**

	<i>Quarter ended</i>	
	<i>(Un-audited)</i>	
	<i>March 31,</i>	
	<i>2022</i>	<i>2021</i>
	<i>----- Rupees -----</i>	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(9,001,474)	(9,927,400)
Adjustments for:		
Depreciation	8,721,449	9,690,500
Cash outflow before working capital changes	(280,025)	(236,900)
Working capital changes:		
Increase in current assets		
Prepayments	-	(50,000)
Inventory	(361,000)	-
	(361,000)	(50,000)
Increase in current liabilities		
Trade and other payables	48,600	48,600
Net cash used in operating activities	(592,425)	(238,300)
<b>B. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	592,425	238,300
Net cash generated from financing activities	592,425	238,300
Net increase / (decrease) in cash and cash equivalents (A+B)	-	-
Cash and cash equivalents at beginning of the period	2,847	2,847
Cash and cash equivalents at end of the period	2,847	2,847

The annexed notes from 1 to 10 form an integral part of these condensed interim financial statements.

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

  
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 Chief Financial Officer

  
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 Director

**DADABHOY SACK LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE QUARTER ENDED MARCH 31, 2022**

**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 under the repealed Companies Act, 1913. The Company was converted into Public Limited Company on October 27, 1994 while its name was changed to Dadabhoj 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 (now the PSX Rule Book).

**1.2 Going concern assumption:**

During the half year ended March 31, 2022, the Company has incurred loss after taxation amounting to Rs. 7.5750 (March 31, 2021: Rs. 8.053) Million, rising its accumulated losses to Rs. 33.509 (June 30, 2021: Rs. 29.531) Million. Further, current liabilities of the Company exceeded its current assets by Rs. 3.296 (June 30, 2021: Rs. 3.016) Million. The operations of the Company are closed since financial year 2008 due to which the Company is facing financial and operational difficulties and is 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 condensed interim financial statements on going concern basis due to the following reasons:

- a)** The Company has revaluation surplus on property, plant and equipment amounting to Rs. 76.92 (June 30, 2021: Rs. 80.52) Million as on the reporting date, which is far more than the accumulated losses of the Company as stated above.
- b)** Management of the Company has firm intention to revive the overall operations of the Company for which the Company is seeking finance from external sources to fulfill the working capital requirements. Further, Management is currently corresponding with prospective customers including cement factories situated adjacent to the premises 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 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements of the Company are unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (The Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

- 2.2 The figures of condensed interim statement of profit or loss and other comprehensive income for the period ended March 31, 2022 have not been reviewed by the auditors of the Company as they have reviewed the cumulative figures for the half year ended December 31, 2021. These condensed interim financial statements does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2021.
- 2.3 These condensed interim financial statements has been prepared under 'historical cost convention.
- 2.4 These condensed interim financial statements are presented in Pakistani Rupees which is also the functional currency of the Company.
- 2.5 The comparative statement of financial position presented has been extracted from the annual financial statements for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2021.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies, applied in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2021.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in these condensed interim financial statements.

### **4 ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT**

- 4.1 The preparation of these condensed interim financial statements in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2021.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2021.

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
<i>Opening WDV of operating fixed assets</i>		<b>125,285,988</b>	138,206,654
Less: depreciation for the period / year		<b>(8,721,449)</b>	(12,920,666)
<i>Closing WDV of operating fixed assets</i>		<b><u>116,564,539</u></b>	<u>125,285,988</u>

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>6 TRADE AND OTHER PAYABLES</b>			
Accrued liabilities		<b>190,000</b>	190,000
Other payable	6.1	<b>1,251,992</b>	1,203,392
		<b><u>1,441,992</u></b>	<u>1,393,392</u>

6.1 This represents amount payable on demand to Dadabhoy Cement Industries Limited - associated Company, on account of reimbursable expenses incurred by the associated Company on behalf of the Company.

		<i>(Un-audited)</i>	<i>(Audited)</i>
		<i>March 31,</i>	<i>June 30,</i>
		<i>2022</i>	<i>2021</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>7 SHORT TERM BORROWINGS</b>			
<i>- From related parties</i>			
Directors	7.1	<b><u>1,802,115</u></b>	<u>1,209,690</u>

7.1 The loan is unsecured, interest free and payable on demand. Loan was given by the Directors to facilitate the Company for fulfilling its working capital requirements. 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).

#### **8 CONTINGENCIES AND COMMITMENTS**

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

#### **9 GENERAL**

Figures have been rounded off to the nearest Rupees.

#### **10 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements has been authorized for issue on 29 March, 2022 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director