

DADABHOY SACK LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

- | | |
|---------------------------------|-----------------|
| • Mr. Muhammad Hussain Dadabhoy | Chairman |
| • Mr. Muhammad Amin Dadabhoy | Director |
| • Mr. Fazal Karim Dadabhoy | Chief Executive |
| • Mrs. Humaira Dadabhoy | Director |
| • Mrs. Yasmeen Dadabhoy | Director |
| • Mrs. Noor Bukht | Director |
| • Mr. Naseemuddin | Director |

COMPANY SECRETARY

- Mr. Ejaz Ahmad

AUDITORS

- Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR

- Mr. Saleem Thepdawala

BANKERS

- Saudi Pak Commercial Bank Ltd
- National Bank of Pakistan Ltd
- PICIC Commercial Bank Ltd
- Askari Commercial Bank Ltd

REGISTERED OFFICE

- 5th Floor, Maqbool Commercial Complex
Jinnah Co-operative Housing Society
Block 7 & 8 , Shahrah-e-Faisal
Karachi. Telephone#021-4545704-06
Fax 4548625, E-mail: mhdadabhoy@cyber.net.pk
Website: www.mhdadabhoy.com

SHARE REGISTRAR

- Technology Trade (Pvt) Ltd
Dagja House, 241-C, Block 2,
P.E.C.H.S, off Shahrah-e-Qaideen
Karachi.

FACTORY LOCATION

- Nooriabad Deh Kalu Kohar,
Dist. Jamshoro (Sindh)

AUDIT COMMITTEE

- | | |
|---------------------------------|----------|
| • Mr. Muhammad Hussain Dadabhoy | Chairman |
| • Mr. Muhammad Amin Dadabhoy | Member |
| • Mr. Naseemuddin | Member |

DADABHOY SACK LIMITED
DIRECTORS' REVIEW REPORT
FOR THE QUARTER ENDED 31 MARCH 2008

The Board of Directors is pleased to present un-audited financial statements for the quarter ended 31 March 2008.

Market review and future prospects

As the construction industry is operating very well, it is expected that demand of our products (especially paper bags for cement) will increase accordingly and we have plans to increase our production to meet this demand.

FINANCIAL RESULTS

	31 March 2008 <i>Amounts in absolute Pak. Rs.</i>	31 March 2007 <i>Amounts in absolute Pak. Rs.</i>
Sales revenue	29,758,180	43,396,250
Gross profit for the period	12,262,574	11,338,610
Profit after tax	711,978	336,301
Earnings per share	0.18	0.08

Operations

We are confident to improve operations considerably in near future in order to make it a more profitable concern.

Debt obligation

The only debt obligation is the lease liability and the company is paying it.

Acknowledgment

We would like to express our thanks to our customers for their continued patronage, employees for their hard work and shareholders for their trust in the Board.

Karachi
29 April 2008

For and on behalf of the
Board of Directors

FAZAL KARIM DADABHOY
Chief Executive

DADABHOY SACK LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT 31 MARCH 2008

Amounts in absolute Pak. Rs.

	31-Mar-2008	30-Jun-2007
	Rupees	Rupees
<u>NET ASSETS</u>		
ASSETS		
Non-current assets		
Property, plant and equipment	49,426,183	54,290,112
Long term deposits	6,118,516	6,118,516
Current assets		
Stores, spares and loose tools	2,580,293	2,793,198
Stock-in-trade	5,441,482	4,837,209
Trade debts	15,989,116	17,976,918
Advances	10,365,125	6,575,484
Deposits & prepayments	87,963	88,335
Advance income tax	89,044	51,465
Cash and bank balances	1,567,988	320,459
	36,121,011	32,643,068
Total assets	91,665,710	93,051,696
LIABILITIES		
Non current liabilities		
Liabilities subject to finance lease	11,515,504	12,659,715
Deferred liabilities		
Taxation	4,451,761	4,298,576
Gratuity	2,220,556	2,182,092
	6,672,317	6,480,668
Current liabilities		
Current maturities of lease liabilities	3,032,119	2,932,209
Creditors, accrued and other liabilities	4,896,548	7,629,590
Taxation	2,956,530	1,468,800
	10,885,197	12,030,599
Total liabilities	29,073,018	31,170,982
Contingencies and commitments	-	-
NET ASSETS	62,592,692	61,880,714

REPRESENTED BY

Authorized share capital		
4,000,000 ordinary shares of Rs. 10 each	40,000,000	40,000,000
Share capital and reserves		
Issued, subscribed and paid-up capital	40,000,000	40,000,000
Accumulated profit	7,728,332	5,869,083
Total Equity	47,728,332	45,869,083
Surplus on revaluation of fixed assets	14,864,360	16,011,631
	62,592,692	61,880,714

The annexed notes form an integral part of these financial statements.

FAZAL KARIM DADABHOY
Chief Executive

MUHAMMAD AMIN DADABHOY
Director

DADABHOY SACK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED 31 MARCH 2008

Amounts in absolute Pak. Rs.

	Year to date Mar-08	Quarter Ended Mar-08	Year to date Mar-07	Quarter Ended Mar-07
Net sales	29,758,180	15,105,000	43,396,250	14,544,700
Cost of sale	(17,495,607)	(5,624,810)	(32,057,640)	(10,248,281)
Gross profit	<u>12,262,574</u>	<u>9,480,191</u>	<u>11,338,610</u>	<u>4,296,419</u>
Other income	398,000	-	5,841	456
	<u>12,660,574</u>	<u>9,480,191</u>	<u>11,344,451</u>	<u>4,296,875</u>
Administrative & general expenses	(9,612,140)	(959,579)	(8,895,532)	(2,572,141)
Operating profit	<u>3,048,434</u>	<u>8,520,612</u>	<u>2,448,919</u>	<u>1,724,734</u>
Financial charges	(695,362)	(51,072)	(1,054,254)	(220,687)
Profit before tax	<u>2,353,072</u>	<u>8,469,540</u>	<u>1,394,665</u>	<u>1,504,047</u>
Taxation - current	(1,487,909)	(1,414,644)	(488,132)	(343,873)
deferred	(153,185)	(25,728)	(570,232)	700,508
	<u>(1,641,094)</u>	<u>(1,440,372)</u>	<u>(1,058,364)</u>	<u>356,635</u>
Profit after tax	<u><u>711,978</u></u>	<u><u>7,029,168</u></u>	<u><u>336,301</u></u>	<u><u>1,860,682</u></u>
Earning per share	<u>0.18</u>	<u>1.76</u>	<u>0.08</u>	<u>0.47</u>

The annexed notes form an integral part of these financial statements.

FAZAL KARIM DADABHOY
Chief Executive

MUHAMMAD AMIN DADABHOY
Director

DADABHOY SACK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - UNAUDITED
FOR THE QUARTER ENDED 31 MARCH 2008

Amounts in absolute Pak. Rs.

	31-Mar-2008	31-Mar-2007
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,353,072	1,394,665
Adjustments for :		
Depreciation	4,863,930	3,731,344
Financial charges	695,362	1,054,254
Provisuon for gratuity	37,579	150,500
Profit on bank deposit	904	(5,841)
	5,597,775	4,930,257
Cash flow from operating activates before working capital changes	7,950,848	6,324,922
Working capital changes		
(Increase)/Decrease in current assets		
Stores & spares	212,905	(149,783)
Stock in trade	(604,273)	4,761,982
Trade debts	1,987,802	(6,672,186)
Loans and advances	(3,789,641)	(4,166,276)
Deposits prepayments and other receivables	372	133,381
	(2,192,835)	(6,092,882)
(Decrease) / increase in current liabilities		
Trade and other payables	(2,961,507)	(1,080,568)
	2,796,505	2,294,225
Taxes paid	(37,579)	(45,430)
Financial charges Paid	(466,897)	(1,054,254)
Gratuity paid	-	134,605
Dividend Paid	-	(1,275)
Profit received on bank deposits	904	5,841
	(503,572)	(960,513)
Net cash flow from operating activities	2,292,933	1,333,712
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(15,491)
Net cash used in investing activities	-	(15,491)
CASH FLOW FROM FINANCING ACTIVITIES		
Lease rentals paid	(1,045,404)	(1,743,427)
Net cash used in financing activities	(1,045,404)	(1,743,427)
Net increase / (decrease) in cash and cash equilents	1,247,529	(425,206)
Cash and cash equilents at the beginning of the period	320,459	805,937
Cash and cash equilents at the end of the period	1,567,988	380,731

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DADABHOY SACK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED 31 MARCH 2008

	Issued Subscribed and Paidup Capital	Accumulated Profit	Total
	-----Rupees-----		
Balance as at 30 June 2006	40,000,000	3,408,168	43,408,168
Loss for the period	-	(1,524,381)	(1,524,381)
Transferred from surplus on revaluation of fixed assets	-	643,016	643,016
Balance as at 31 December 2006	40,000,000	2,526,803	42,526,803
Profit for the period	-	2,555,930	2,555,930
Transferred from surplus on revaluation of fixed assets		786,350	786,350
Balance as at 30 June 2007	40,000,000	5,869,083	45,869,083
Net profit after tax for the quarter ended on 31 March 2008	-	711,978	711,978
Transferred from surplus on revaluation of fixed assets	-	1,147,271	1,147,271
Net equity as at 31 March 2008	40,000,000	7,728,332	47,728,332

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

DADABHOY SACK LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - UNAUDITED
FOR THE QUARTER ENDED 31 MARCH 2008

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated on 27 September 1983 as a Private Limited Company by the name of Paperpro Industries. The Company was converted into public limited company on 27 October 1994 and its name was changed to "Dadabhoy Sack Limited" on 19 January 1995. In February 1996, the company was listed at Stock Exchanges of Karachi and Lahore. The main activity of the Company is manufacturing of paper bags. Its registered office is at Maqbool Commercial Complex, Shahrah-e-Faisal, Karachi.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These un-audited condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with the requirements of section 245 of the Companies Ordinance 1984. These financial statements also meet the requirements of code of corporate governance.

3 TRANSACTIONS WITH RELATED PARTIES

The related parties comprises of parties related to group companies, directors, and their close family members, executives and major shareholders of the company. The Company's transaction with related parties were made on the arms length price determined by using benchmark of market price at which the same item is being supplied by other bag manufacturer. Transactions with related parties during the period under review are as follows:

	31-Mar-08	31-Mar-07
	Rs.	Rs.
Sale of bags to Dadabhoy Cement Industries Ltd	<u>29,758,180</u>	<u>43,396,250</u>

Balance due from associated undertaking was Rs. 17.389 million (2007: Rs.28.197 million) as at 31 March 2008

4 AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements have been authorized for issuance on 29 April 2008 by the Board of Directors of the Company.

5 GENERAL

Figures have been rounded off nearest to the rupee.

CHIEF EXECUTIVE

DIRECTOR