

27th ANNUAL REPORT 2010



**DADABHOJ
GROUP**

DADABHOJ SACK LIMITED

CONTENTS

	<u>PAGE</u>
COMPANY INFORMATION	1
NOTICE OF ANNUAL GENERAL MEETING	2
DIRECTOR'S REPORT TO THE MEMBERS	3
STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE	5
REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE	7
FINANCIAL REVIEW OF SIX YEARS	8
AUDITOR'S REPORT TO THE MEMBERS	9
BALANCE SHEET	11
PROFIT AND LOSS ACCOUNT	12
CASH FLOW STATEMENT	13
STATEMENT OF CHANGES IN EQUITY	14
NOTES TO THE FINANCIAL STATEMENTS	15
PATTERN OF SHAREHOLDING	28
FORM OF PROXY	29

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Hussain Dadabhoy	Chairman
Mr. Muhammad Amin Dadabhoy	
Mr. Fazal Karim Dadabhoy	Chief Executive
Mrs. Humaira Dadabhoy	
Mrs. Yasmeen Dadabhoy	
Mrs. Noor Bakht Dadabhoy	
Mr. Danish Dadabhoy	

CHIEF FINANCIAL OFFICER

Mr. Muhammad Zubair

COMPANY SECRETARY

Mr. Sahir Yousuf Zai.

AUDITORS

M/s M. Akhtar & Company, Chartered Accountants

LEGAL ADVISOR

Mr. Salim Thepdawala & Company

BANKER

Silk Bank Limited

REGISTERED OFFICE

C-30/II, 24th Commercial Street,
Phase 2 (Ext). D.H.A,
Karachi.

SHARE REGISTRAR

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)

AUDIT COMMITTEE

Mr. Muhammad Hussain Dadabhoy	Chairman
Mr. Muhammad Amin Dadabhoy	Member
Mr. Fazal Karim Dadabhoy	Member

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of Dadabhoy Sack Limited will be held on Wednesday the 2nd November, 2011 at 05:00 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 read and confirm the minutes of 26th Annual General Meeting of the company held on 30th October, 2009.
2. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2010 together with Directors and Auditors Reports thereon.
3. To appoint auditor for the year ended June 30, 2011 and fix their remuneration.
4. To transact any other business as may be placed before the meeting with the permission of the Chair.

Karachi.
November 2nd, 2011

Sahir Yousuf Zai
Company Secretary

Note

1. The Share Transfer Book of the company will remain closed from 22nd October, 2011 to 2nd November, 2011 (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.

DIRECTOR REPORT TO THE MEMBERS

The directors are pleased to present annual report together with audited financial statement and the auditor's report for the year ended June 30, 2010.

FINANCIAL RESULTS (Rupees in thousands)

	2010	2009
Net Sales	-	3,750,000
Gross (Loss) / Profit	-	400,000
Operating (Loss) / Profit	-	(4,161,343)
(Loss) / Profit after tax	(4,88,376)	(7,389,635)
(Loss) / Earning Per Share	(0.12)	(1.85)

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

Financial statements prepared by the company fairly present its state of affairs, results of operation, cash flow and changes in equity.

Proper books of accounts have been maintained by the company.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

International Accounting standards as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

The system of internal control has been effectively implemented and is continuously reviewed and monitored by internal audit.

There are no material departures from the best practices of governance as detailed in the listing regulations.

Key operating and financial data for last six years in summarized form is annexed.

There has been nothing outstanding against your company on account of taxes, duties, Levis and other charges except for those which have been disclosed in the financial statements and are being made in the normal course of business.

MEETINGS OF THE BOARD OF DIRECTORS

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

Name of Directors	No. of Meetings Attended
Mr. Muhammad Hussain Dadabhov	04
Mr. Muhammad Amin Dadabhoy	04
Mr. Fazal Karim Dadabhoy	04
Mrs. Humaira Dadabhoy	04
Mrs. Yasmeen Dadabhoy	04
Mrs. Noor Bakht Dadabhoy	04
Mr. Danish Dadabhoy	02

APPROPRIATIONS

No dividends have been declared, as the company would like to keep funds generated to future growth.

AUDITORS

Present auditors M/s M. Akhtar & Company, Chartered Accountants, retire and being eligible, have offered themselves for re-appointments.

FUTURE PROSPECTS

We are confident and optimistic for better future prospects of the company.

PATTERN OF SHARES HOLDING

Pattern of share holding as at June 30, 2010 required under the reporting framework is annexed.

ACKNOWLEDGMENTS

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

Karachi

November 2nd, 2011

For and on behalf of the
Board of Director



FAZAL KARIM DADABHOY
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner.

The Board comprises seven Directors including CEO. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors.

The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this company.

All the resident Directors of the company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of Stock Exchange, has been declared as a defaulter by that Stock Exchange.

The company has prepared a Statement of Ethics and Business Practices, which has been signed by all the Directors and employees of the company.

The Board has developed a vision statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other Executive Directors, have been taken by the Board.

The meetings of the Board were presided over by the Chairman. The Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

The Board arranged one orientation course for its Directors during the year to apprise them of their duties and responsibilities.

The Company Secretary was appointed prior to the implementation of the Code of Corporate Governance. Remuneration, terms and conditions in case of future appointments on this position will be approved by the Board. However, the appointment of CFO and head of internal audit and terms and conditions of their employment have been approved by the Board.

The Directors' report has been prepared in compliance with the requirements of the Code as fully describes the salient matters required to be disclosed.

The financial statements of the company were duly endorsed by Chief Executive and CFO before approval of the Board.

The Directors, Chief Executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

The company has complied with all the corporate and financial reporting requirements of the Code.

The Board has formed an audit committee. It comprises 3 members; of whom 2 are non-executive directors, including the Chairman of the Committee.

The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

The Board has set up an effective internal audit function and personnel involved are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company and they are involved in the internal audit function on a full time basis.

The statutory auditors of the Company have confirmed that they are practicing members of the Institute of Chartered Accountants 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 Accounts (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

The Company has complied with the requirements of Sub-Regulation (xiii-a) of Regulation 35 (Previously Regulation 37) of the amended Listing Regulations of the Karachi & Lahore Stock Exchange (G) Ltd. For approval of transactions with related parties.

We confirm that all other material principles contained in the Code have been complied with.

Karachi : 2nd November, 2011



FAZAL KARIM DADABHOY
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) for the year ended 30 June 2010, prepared by the Board of Directors of Dadabhoy Sack Limited (the Company) to comply with the listing regulation No. 35 of Karachi Stock Exchange (Guarantee) Limited, Listing Regulation No. 35 of the Lahore Stock Exchange (Guarantee) Limited and Listing Regulation No. 35 of Islamabad Stock Exchange (Guarantee) Limited where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it doesn't. A review is limited primarily to inquire of the company's personally and review of various documents prepared by the company to comply with the Code.

As part of our audit of 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's 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.

Further, Sub Regulations (xiii) of Listing Regulations 35 notified by the Karachi Stock Exchange (Guarantee) Ltd vide Circular KSE/N-269 dated January 19, 2009 requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transaction were undertaken at arm's length price or not.

Based on our review, noting has come to our attention which cause us to believe that the statement of compliance doesn't appropriately reflect the company's compliance, in all material respect, with the best practices contained in the Code.



DADABHOY SACK LIMITED

DADABHOY SACK LIMITED

(Rupees in '000)

FINANCIAL REVIEW FOR SIX YEARS

Particulars	2010	2009	2008	2007	2006	2005
-------------	------	------	------	------	------	------

PRODUCTION SUMMARY

Production in Bags	Nil	Nil	2,526,735	4,329,800	7,197,900	7,010,700
--------------------	-----	-----	-----------	-----------	-----------	-----------

ASSETS EMPLOYED

Total Assets Employed	67,812	70,307	82,615	93,051	92,708	61,328
-----------------------	--------	--------	--------	--------	--------	--------

FINANCED BY

Shareholders Equity	27,923	27,435	33,810	45,869	43,343	43,711
Surplus on Revaluation	13,848	13,848	14,862	16,011	17,441	
Long term Liabilities	4,339	4,339	8,760	12,660	15,423	9,038
Deferred Liabilities	3,930	8,008	7,219	6,480	8,053	1,714
Current Liabilities	17,772	16,678	17,964	12,030	8,418	6,865
Total Funds Invested	67,812	70,308	82,615	93,050	92,678	61,328

TURNOVER AND PROFIT

Turnover (Net)	-	3,750	40,948	60,350	84,198	87,192
Operating Profit (Loss)	-	(4,161)	(11,912)	2,537	2,960	3,534
Profit / (Loss) before Taxation	488	(4,162)	(13,445)	693	1,761	3,126
Profit / (Loss) after Taxation	488	(7,390)	(13,827)	1,066	1,392	3,898
Cash Dividend	-	-	-	-	3,000	-
Profit (Loss) carried forward	(12,076)	(12,565)	(6,190)	(5,869)	(3,373)	(3,711)

AUDITOR’S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **DADABHOY SACK LIMITED** as at June 30, 2010 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof for the year then ended 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 our audit.

It is the responsibility of the company’s management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) The financial statements of the Company for the year ended June 30, 2009 were audited by another firm of Chartered Accountants. They drew your attention to note No. 1.2 to the financial statement, which describe management plans for the betterment of the company’s position and its business and also their intention to find diversified markets. During the year Company has lost major portion of sales and stopped its operation. The financial statements have been prepared on going concern basis dependent on the favorable outcome of the plans mentioned in Note No. 1.2 by the management”
- b) in our opinion proper books of account have been kept by the company as required by the Companies Ordinance,1984:
- c) in our opinion
 - i) the balance sheet and the profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the company’s business ; and
 - iii) the business conducted, investments made and expenditure incurred during the year were in accordance with the objects of the company;
- d) in our opinion and to the best of our information and according to the explanations provided to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes thereon forming part thereof

..2..

conform with approved accounting standards as applicable in Pakistan and give the information as required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the profit for the year then ended; and

- e) in our opinion no zakat was deductible at source under the Zakat & Ushr Ordinance, 1980).

Except for the matters discussed in Para (a) above, in our opinion and to the best of our information and according to the explanations provided to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes thereon forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information as required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2010 and of the profit for the year then ended; and



DADABHOY SACK LIMITED
BALANCE SHEET
AS AT 30 JUNE 2010

ASSETS	Note	2010	2009
Non-Current Assets			
Property, plant and equipment	4	35,901,237	36,961,012
Long term deposits		4,418,516	4,418,516
		40,319,753	41,379,528
Current Assets			
Stores, spares and loose tools	5	2,408,304	2,408,304
Trade debts	6	20,841,679	20,841,679
Advances	7	4,075,407	5,381,315
Advance income tax	8	29,897	5,341
Cash and bank balances	9	137,244	291,077
		27,492,531	28,927,715
Total Assets		67,812,284	70,307,244
EQUITY AND LIABILITIES			
Authorised Capital			
10,000,000 Ordinary shares of Rs. 10 each		100,000,000	100,000,000
Issued, Paid-up & Subscribed Capital			
4,000,000 shares of Rs.10 each fully paid in cash		40,000,000	40,000,000
Un appropriated (loss) / profit		(12,076,253)	(12,564,629)
		27,923,747	27,435,371
Surplus on revaluation of fixed assets	10	13,847,584	13,847,584
Non Current Liabilities			
Liabilities against assets subject to finance lease	11	4,338,707	4,338,707
Deferred liabilities	12	3,929,642	8,008,015
		8,268,349	12,346,722
Current Liabilities			
Current portion along with overdue of lease liabilities		1,624,057	1,795,515
Trade and other liabilities	13	15,316,813	14,050,318
Taxation		831,734	831,734
		17,772,604	16,677,567
		67,812,284	70,307,244

The annexed notes 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

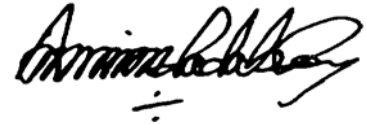
DADABHOY SACK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2010

	NOTE	2010 RUPEES	2009 RUPEES
Sales - Net	14	-	3,750,000
Cost of sales	15	-	3,350,000
Gross (loss)/profit		<u>-</u>	<u>400,000</u>
Other income	16	<u>1,878,221</u>	<u>50</u>
		<u>1,878,221</u>	<u>400,050</u>
Administrative and general expenses	17	<u>(1,389,229)</u>	<u>(4,561,393)</u>
Other charges		<u>-</u>	<u>-</u>
		<u>(1,389,229)</u>	<u>(4,561,393)</u>
Operating (loss)/ profit		<u>488,992</u>	<u>(4,161,343)</u>
Financial cost	18	<u>(616)</u>	<u>(265)</u>
Profit/(Loss) before taxation		<u>488,376</u>	<u>(4,161,608)</u>
Taxation			
Current	19	<u>-</u>	<u>-</u>
Prior		<u>-</u>	<u>-</u>
Deferred		<u>-</u>	<u>(3,228,026)</u>
		<u>-</u>	<u>(3,228,026)</u>
Net profit after taxation		<u>488,376</u>	<u>(7,389,635)</u>
Earnings per share	21	<u>0.12</u>	<u>(1.85)</u>

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



CHIEF EXECUTIVE



DIRECTOR


DADABHOY SACK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	RUPEES	RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	488,376	(4,161,608)
Adjustments for:		
Depreciation	1,059,775	2,377,607
Deferred Taxation	(4,078,373)	-
Profit on bank deposit	-	(50)
	(3,018,598)	2,377,557
Cash flow from operating activities before working capital changes	(2,530,222)	(1,784,052)
(Increase) decrease in current assets:		
Trade debts	-	(396,325)
Loans and advances	1,305,908	-
Deposits, prepayments and other receivables	-	1,847,592
	1,305,908	1,451,267
Increase (decrease) in current liabilities:		
Trade and other payables	1,266,495	2,758,660
Cash flow from operating activities after working capital changes	42,181	2,425,876
Income tax paid	(24,556)	18,751
Lease Rentals paid	(171,458)	-
Profit on bank deposit	-	50
	(196,014)	18,801
Net cash flow from operating activities	(153,833)	2,444,677
CASH FLOW FROM INVESTING ACTIVITIES		
Proceed from Sale of Fixed Assets	-	6,027,523
Net cash used in investing activities	-	6,027,523
CASH FLOW FROM FINANCING ACTIVITIES		
Lease finance liability	-	(8,466,252)
Net cash outflow from financing activities	-	(8,466,252)
Net (decrease)/ increase in cash and cash equivalents	(153,833)	5,947
Cash and cash equivalents at beginning of the year	291,078	285,131
Cash and cash equivalents at end of the year	137,244	291,078

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



CHIEF EXECUTIVE



DIRECTOR

DADABHOY SACK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Share Capital	Accumulated Profit/(Loss)	Total
	(Rupees)		
Balance as at 01 July 2008	40,000,000	(6,189,542)	33,810,458
Loss for the year 2009		(7,389,635)	(7,389,635)
Transferred from surplus on revaluation of fixed assets		1,014,548	1,014,548
	-	-	-
Balance as at 30 June 2009	40,000,000	(12,564,629)	27,435,371
Profit for the year 2010		488,376	488,376
	-	-	-
Balance as at 30 June 2009	40,000,000	(12,076,253)	27,923,747

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



CHIEF EXECUTIVE



DIRECTOR

DADABHOY SACK LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2010

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. Its registered office is located at Phase - II (Extension), DHA, Karachi. The main activity of the company is manufacturing of paper bags. In February 1996, the Company was listed at Stock Exchanges of Karachi and Lahore.

1.2 Due to the closure of Dadabhoy Cement industries Limited, the production of the Company has been practically closed since AUG 2008. The Company is following a strategy of exploring new markets and diversifying its customer base. In view of the new marketing strategy the company plans to restart its production by the end of year 2011.

In view of the above these accounts have been prepared on going concern basis.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

b) New accounting standards, interpretations and amendments that are not yet effective:

The following standards, interpretations and amendments in approved accounting standards are only effective for accounting periods beginning on or after July 01, 2008 and 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 increased disclosures in the certain cases:

IAS 1 - Preparation of Financial statement-(effective on or after January 1, 2009).

IAS 23 - Borrowing Costs (effective on or after January 1, 2009) Amendments relating to mandatory capitalization of borrowing costs relating to qualifying assets.

IFRS 3 (amendment) - Business Combinations and consequential amendments to IAS 27-Consolidated and separate financial statements. IAS 28-Investment in associates and IAS 31-Interest in Joint Ventures (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009)

IFRS 8 - Operating Segments. effective for annual periods beginning on or after 1 January 2009).

IFRIC 11 - Group and Treasury Share Transactions.

IFRIC 12 - Services Concession Arrangements;(effective for annual periods beginning on or after 1 January 2008).

IFRIC 13 - Customer Loyalty Programmes;(effective for annual periods beginning on or after 1 July, 2008)

IFRIC 14 - The Limit on a Defined Benefit Asset Minimum Funding Requirements and their intersection.(effective for annual periods beginning on or after 1 January 2008).

IFRIC 15 - Agreement for the Construction of Real Estate.(effective for annual periods beginning on or after 1 October 2009).

IFRIC 16 - Hedge of Net Investment in Foreign Operation.(effective for annual periods beginning on or after 1 October 2008).

c) Basis of measurement

These financial statements have been prepared under the historical cost convention except for measurement of certain plant and machinery at revalued amounts and certain staff retirement benefits which have been measured at present value.

d) Functional and presentation currency

These Financial statements are presented in Pakistani Rupee which is the company's functional currency.

e) Use of estimates and judgments

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

The estimated and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making 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 assumption are reviewed on an ongoing basis. Revisions to accounting estimates are revised if the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting in Pakistan, that have significant effect on the financial statements and estimates with a significant effect on the financial statement risk of material adjustment in subsequent years are disclosed in note 31 to these financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Staff retirement benefits (Defined Benefit Plan)

The company operates an unfunded gratuity scheme covering all its permanent employees who have completed their minimum qualifying period of service with the company. Provision is made by the company with reference to employee's last drawn gross salary and number of years of service on the basis of terminal value of scheme on the reporting date to cover obligation under the scheme.

3.2 Employees accumulated compensated absences

The Company's policy in respect of earned leave is to make provision for accumulating earned leave, as per prescribed slab, maximum upto 30, days, over and above of which is considered as lapsed, if not availed by the employee.

3.3 Taxation

Current:

Provision for current taxation is based on taxable income at the current rate of taxation or one-half percent of turnover under section 113 of the Income Tax Ordinance 2001 whichever is higher.

Deferred:

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

3.4 Property, Plant and Equipment

Owned

Property Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged on all assets using the reducing balance method at the rates stated in note 4.

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

The surplus on revaluation of Property Plant and Equipment is reversed to the extent of incremental depreciation and is transferred to accumulated profit.

Gains and losses on sale of fixed assets are included in profit and loss, except that is related to surplus on revaluation of fixed assets (net of deferred taxation), is transferred directly to accumulated profit.

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

Leased

Leased assets in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance lease. Assets acquired by way of finance lease are stated at an amount equal to the lower of its fair value and the present value of minimum lease payments at the inception of the lease less accumulated depreciation and impairment losses, if any. Assets acquired under the finance lease are depreciated over the useful life of the assets at the rates applicable to the Company's own assets.

3.5 Impairment of assets

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 profit and loss account.

3.6 Stores, spares and loose tools

These are valued at lower of the moving average cost and net realizable value (less impairment loss if any) other than stores and spares in transit which are valued at cost comprising invoice value plus other charges paid thereon less impairment loss if any.

3.7 Stock-in-trade

Stock -in-trade, except for stock -in- transit, are valued at the lower of cost and net realizable value.

Methods used to determine cost are:

- Rawmaterial: First-in-first-out
- Finished Goods: Average manufacturing cost
- Goods in transit: Cost plus expenses incurred thereon

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to be incurred in order to make a sale.

3.8 Trade debts

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

3.9 Foreign currency transactions

Transactions in foreign currencies are translated into rupees at the rates of exchange ruling on the date of transaction. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the balance sheet date. Exchange differences are included in income currently, except for exchange differences arising on acquisition of Fixed Assets, if any, which are included in the cost of fixed assets for which no practical means of hedging are present.

3.10 Revenue recognition

Sales are recorded on dispatch of goods to customers.

Scrap sales are recognized when delivery is made to customers.

Other income is accounted for on accrual basis.

3.11 Provisions

Provisions are recognized when the company has a legal and constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the reliable estimate of the amount can be made.

3.12 Borrowing costs

Borrowing cost shall be recognized as an expense in the period in which they are incurred except borrowing cost that are directly attributable to acquisition, construction or production of qualifying asset shall be capitalized as a part of the cost of that asset.

3.13 Transactions with related parties

Transactions with related parties are based on the policy that all transactions between the Company and the related parties are carried out at arm's length. These prices are determined in accordance with the methods prescribed in the Companies Ordinance, 1984.

3.14 Cash and cash equivalents

Cash and Cash Equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash-in-hand and bank balances only.

3.15 Financial Instruments

Financial Assets:

Financial Assets are deposits, trade debts, loans and advances, other receivables and cash and bank balances against which Company has right to receive cash. These are stated at their nominal value as reduced by appropriate allowances and estimated irrecoverable amount, if any.

Financial Liabilities:

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, creditors, accrued and other liabilities for which Company has obligation to pay cash or another financial asset. All financial liabilities are initially measured at cost, which is the fair value of consideration received at initial recognition.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on net basis or to realize the asset and settle the liability simultaneously.

4 PROPERTY, PLANT & EQUIPMENT

	Cost / Revaluation as as at 1 July 2009	Deletion & Revaluation	Cost / Revaluation as at 30 June 2010	Rate @	Accumulated depreciation as at 01 July 2009	Adjustment of Depreciation of revalued assets on revaluation date	Depreciation for the year	Accumulated depreciation as at 30 June 2010	WDV value as at 30 June 2010
----- (Rupees) -----									
Land - freehold	4,500,000	-	4,500,000		-	-	-	-	4,500,000
Building on freehold lan	4,000,000	-	4,000,000	10	1,332,314	-	266,769	1,599,083	2,400,917
Plant and machinery	32,077,500	-	32,077,500	10	8,301,697	-	-	8,301,697	23,775,803
Fork lifter	630,000	-	630,000	20	609,320	-	-	609,320	20,680
Office equipment	420,705	-	420,705	10	318,813	-	10,189	329,002	91,703
Electrical equipment	862,077	-	862,077	10	673,567	-	18,851	692,418	169,659
Security equipment	54,335	-	54,335	10	49,211	-	512	49,723	4,612
Furniture & fittings	5,920,288	-	5,920,288	10	2,152,189	-	376,810	2,528,999	3,391,289
Motor vehicles	392,469	-	392,469	20	383,419	-	1,810	385,229	7,240
	48,857,374	-	48,857,374		13,820,529	-	674,941	14,495,471	34,361,903
Leased Assets									
Motor Vehicles	12,629,328		12,629,328	20	10,705,161		384,833	11,089,994	1,539,334
2010	61,486,702	-	61,486,702		24,525,690	-	1,059,775	25,585,466	35,901,237
2009	69,952,954	(8,466,252)	61,486,702		22,148,083	-	2,377,607	24,525,690	36,961,012

4.1 Due to stoppage of the plant all the depreciation is charged to the Administrative expense, however no any production related depreciation charged there of.

- 4.2 Had there been no revaluation, the net book value of specific classes of Operating Property, Plant and Equipment as at June 30, 2009 would have been as follows:

	2010 Rupees	2009 Rupees
Land	82,115	82,115
Building on free hold land	2,246,768	2,246,768
Plant & machinery	8,081,098	8,081,098
	<u>10,409,981</u>	<u>10,409,981</u>

4.3 Surplus on revaluation of fixed assets

This represents surplus over book values resulting from the valuation of fixed assets carried out in the year 2005 adjusted only by the surplus realized on disposal of any of revalued assets, incremental depreciation arising out of revaluation and deferred taxation. The revaluation of fixed assets of the company was carried out by independent valuer M/s. Zafar Iqbal & Company and a report dated August 10, 2005 has been issued.

5 STORES, SPARES AND LOOSE TOOLS

Stores, spares and loose tools	2,408,304	2,408,304
	<u>2,408,304</u>	<u>2,408,304</u>

6 TRADE DEBTS-UNSECURED

Considered good	6.1	<u>20,841,679</u>	<u>20,841,679</u>
-----------------	-----	--------------------------	-------------------

7 ADVANCES

Considered good

Advance for expenses	4,075,407	5,381,315
	<u>4,075,407</u>	<u>5,381,315</u>

8 ADVANCE INCOME TAX

Advance income tax	29,897	5,341
	<u>29,897</u>	<u>5,341</u>

9 CASH AND BANK BALANCES

Cash at banks		
Current accounts	136,023	284,873
PLS accounts	1,221	6,204
	<u>137,244</u>	<u>291,077</u>

	2010	2009
10 SURPLUS ON REVALUATION OF FIXED ASSETS		
Opening balance 1st July	13,847,584	14,862,132
Add: Surplus on Revaluation of fixed assets during the year	-	-
	-	14,862,132
Less: Deferred Tax Liability @ 35%		
Incremental depreciation net of deferred tax	-	(1,014,548)
Closing balance 30th June	<u>13,847,584</u>	<u>13,847,584</u>

11 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	6,134,222	14,600,474
Obtained / (Disposal) during the year	-	(3,909,258)
Paid during the year	<u>(171,458)</u>	<u>(4,556,994)</u>
	5,962,764	6,134,222
Current portion	<u>(1,624,057)</u>	<u>(1,795,515)</u>
Overdue	-	-
	<u>(1,624,057)</u>	<u>(1,795,515)</u>
	<u>4,338,707</u>	<u>4,338,707</u>

11.1

	<u>2010</u>			<u>2009</u>		
	Minimum lease payment	Financial Charges for Future Period	Present value of minimum lease payments	Minimum lease payment	Financial Charges for Future Period	Present value of minimum lease payments
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Not later than one year	1,795,515	-	1,795,515	1,624,057	-	1,624,057
Later than one year and not later than five years	6,134,222	1,795,515	4,338,707	5,962,764	1,624,057	4,338,707
Less: Over Due & Current maturity	(1,795,515)	-	(1,795,515)	(1,624,057)	-	(1,624,057)
	<u>6,134,222</u>	<u>1,795,515</u>	<u>4,338,707</u>	<u>5,962,764</u>	<u>1,624,057</u>	<u>4,338,707</u>

11.2 Finance Lease-Significant terms and conditions

S. No.	Name of Leasing Company	Nature of lease	Frequency	Installments		Date of expiry	I. R. R.
				Amount	Number		
				Rupees			
1.	Saudi Pak Commercial Bank	One vehicle	Monthly	86,180	60	July 25, 2008	11%
2.	Askari Commercial Leasing Limited	Two vehicles	Monthly	31,144	60	March 20, 2010	14.629%
3.	Askari Commercial Leasing Limited	Two vehicles	Monthly	226,352	60	Dec. 04, 2010	14.930%

11.3 These are secured against demand promissory notes and security deposits. Lessee has assumed and is bearing entire risk of loss and damages to the assets and to bear the cost of repair, taxes and insurance.

11.4 In case of breach, Askari Commercial Leasing Limited shall have a general lien over all assets of the lessee. The lessor shall become entitled to receive from the customer the amount of recomputed markup on outstanding sums in case of failure to repay on demand.

11.5 The vehicles leased from Askari Commercial Leasing Limited are not to be sub leased, let for hire or loaned by lessee under any circumstances whatsoever.

12 DEFERRED LIABILITY		2010	2009
		Rupees	Rupees
Deferred Taxation	12.1	1,358,328	5,436,701
Staff gratuity	12.2	2,571,314	2,571,314
		<u>3,929,642</u>	<u>8,008,015</u>

**12.1 The net balance for deferred taxation is in respect of following temporary differences:
Deferred tax liability**

Revaluation surplus	1,358,328	5,570,647
Deferred tax asset	-	-
Accelerated tax depreciation	-	766,014
Provision for gratuity	-	(899,960)
	<u>1,358,328</u>	<u>5,436,701</u>

12.2 Liability for gratuity arose in the following manners:

	2010	2009
	Rupees	Rupees
Present Value of defined benefits obligations	2,571,314	2,571,314
Fair Value of Present Assets		
	2,571,314	2,571,314
Unrecognised actuarial losses	-	-
Liability recognized in the balance sheet	<u>2,571,314</u>	<u>2,571,314</u>

12.2.1 Movement in net liability recognized

Opening Balance	2,571,314	2,571,314
Expenses recognized	-	-
Benefits paid during the year	-	-
Closing balance	<u>2,571,314</u>	<u>2,571,314</u>

13 TRADE AND OTHER PAYABLES

Accrued expenses		5,115,383	6,259,484
Trade Creditors		-	337,450
Income tax		4,451,004	4,432,253
Lease Installments		2,209,258	-
Due to Directors		1,754,828	-
Due to Associates (DESCL)		239,244	-
Sales tax payable		590,225	548,099
SED Payable		37,500	37,500
Unclaimed Dividend		415,650	415,650
W.P.P.F	13.1	465,100	1,765,100
WWF		38,621	38,621
Others		-	216,162
		<u>15,316,813</u>	<u>14,050,319</u>

13.1 Workers' profit participation fund

Balance at beginning of year 2009	1,765,100	1,765,100
Interest on balance	-	-
Allocation for the year	-	-
	<u>1,765,100</u>	<u>1,765,100</u>
Less: Payments during the year	<u>(1,300,000)</u>	<u>-</u>
Balance at the end of year	<u>465,100</u>	<u>1,765,100</u>

13.1.1 This represents the amount of WPPF used by the company in its operation payable to the trust of the fund. The company is charging interest on the amount at interest rate prevailing in the market and shall transfer amount for distribution to the members by the trustees of the trust by end 2011 or earlier as soon as its liquidity improves.

14 SALES - Net

Sales	-	3,750,000
Less: Sales tax & CED	-	-
	<u>-</u>	<u>3,750,000</u>

15 COST OF SALES

Opening stock-Raw material	-	-		
Purchases	-	3,350,000		
	<u>-</u>	<u>3,350,000</u>		
Closing stock-Raw material	-	-		
Raw material consumed	-	3,350,000		
Cost of goods manufactured	-	3,350,000		
Finished goods				
Opening balance	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-
-				
-				
Closing balance	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1" style="display: inline-table;"><tr><td style="text-align: center;">-</td></tr></table>	-
-				
-				
	<u>-</u>	<u>-</u>		
	<u>-</u>	<u>3,350,000</u>		

16 OTHER INCOME

	2010	2009
	Rupees	Rupees
Return on bank deposits	-	50
Gain on Disposal of Fixed Assets	-	-
Liabilities written off	<u>1,878,221</u>	<u>-</u>
	<u>1,878,221</u>	<u>50</u>

17 ADMINISTRATIVE EXPENSES

Directors remuneration & other benefits		-	-
Traveling and conveyance		-	-
Rent, rates and taxes		-	140,000
Printing and stationery		-	-
Insurance		-	-
Auditor's remuneration	17.1	36,000	245,000
Legal and professional		70,700	-
Salaries & Wages		175,039	1,375,569
Depreciation	4	1,059,775	2,377,607
Fees and subscription		-	163,075
Others		47,715	260,142
		<u>1,389,229</u>	<u>4,561,393</u>

17.1 Auditors' remuneration

Audit fee		36,000	150,000
Half yearly review		-	60,000
Certificate on compliance with code of corporate governance		-	35,000
Out of pocket expenses		-	15,000
		<u>36,000</u>	<u>260,000</u>

18 FINANCIAL CHARGES

Bank charges		616	265
		<u>616</u>	<u>265</u>

19 TAXATION

2010	2,009
Rupees	Rupees

19.1 Provision for taxation

Tax charge for the current year/minimum tax	<u>-</u>	<u>-</u>
---------------------------------------------	-----------------	-----------------

Provision for income tax has not been provided as the minimum tax has been abolished for the tax year 2009 by finance act 2008.

20 REMUNERATION OF DIRECTORS

		<u>Director</u>
The aggregate amount charged in the accounts for the year are as follows :		
Managerial remuneration	-	-
Traveling & utilities	-	-
	<u>-</u>	<u>-</u>
Number of persons	<u>1</u>	<u>1</u>

20.1 In view of the current status of the company the directors have voluntarily waived the remuneration.

20.2 Some working Directors are also provided with free use of Company's owned and maintained cars.

21 EARNINGS PER SHARE - BASIC AND DILUTED

Profit / (loss) after taxation	<u>488,376</u>	<u>(7,389,635)</u>
Weighted average ordinary shares in issue during the year	<u>4,000,000</u>	<u>4,000,000</u>
Earnings per share	<u>0.12</u>	<u>(1.85)</u>

22 PLANT CAPACITY

	No of bags	
Installed capacity	<u>26,000,000</u>	<u>26,000,000</u>
Utilized capacity	<u>-</u>	<u>-</u>
Utilized capacity % age	<u>0.00%</u>	<u>0.00%</u>

23 TRANSACTIONS WITH ASSOCIATED COMPANIES

The related parties comprise of parties related to group companies (associated companies), Directors and their close family members, staff provident fund, executives, major shareholder of the company and financial institution having nominee on the Board of Directors. Remuneration and benefits to executives of the company are in accordance with the terms of the employment while contributing to the provident fund is in accordance with staff service rules.

23.1 The transactions with associated companies are made at arm's length value under normal commercial terms and conditions.

	2010	2009
	Rupees	Rupees
24 CASH AND CASH EQUIVALENTS		
Cash and bank balances	137,244	291,077

25 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

25.1 Interest rate risk exposure

The information relating to the Company's exposure to interest rate risk based on maturity dates is as follows:

	2010						Total	2009
	Interest bearing			Non-interest bearing				
	Maturity within one year	Maturity after one year	Sub Total	Maturity up to one year	Maturity after one year	Sub Total		
RUPEES								
Financial Assets								
Trade debts	-	-	-	20,841,679	-	20,841,679	20,841,679	20,841,679
Advances	-	-	-	4,075,407	-	4,075,407	4,075,407	5,381,315
Deposits, prepayments & other receivable	-	-	-	-	-	-	-	4,418,516
Cash and bank balances	1,221		1,221	136,023	-	136,023	137,244	291,078
	1,221		1,221	25,053,109	-	25,053,109	25,054,330	30,932,588
Financial Liabilities								
Lease liability	1,624,057	4,338,707	5,962,764	-	-	-	5,962,764	6,134,222
Trade & Other Payable	-	-	-	17,520,612	-	17,520,612	17,520,612	14,050,318
	1,624,057	4,338,707	1,624,057	17,520,612	-	17,520,612	19,144,669	15,845,833
Net financial assets/(liabilities)	(1,622,836)	(4,338,707)	(1,622,836)	7,532,497	-	7,532,497	5,909,661	15,086,754

25.2 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties failed completely to perform as contracted. There is no credit risk as the company makes 100% sales to Dadabhoj Cement Industries Limited which is an associated company of DSL.

25.3 Concentration of credit risk

The Company is exposed to concentration of credit risk in respect of trade debts as there is only one customer to whom the company sells its goods. However, since the customer is an associated company the risk is mitigated.

25.4 Liquidity Risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and takes appropriate measures for new requirements.

25.5 Fair value of the financial instruments

The carrying value of all financial instruments reported in the financial statements approximates their fair value.

25.6 Financial risk management objectives

The company's activities exposed it to a variety of financial risks, including the effect of changes in foreign exchange rates, credit and liquidity risks associated with various financial assets and liabilities respectively as referred in note no 30.1. The company finances its operation through equity and management of working capital with a view to maintaining a reasonable mix between the various sources of finance to minimize risk. Taken as whole, risk arising from the companies financial instruments is limited as there is no significant exposure to market risk in that respect.

26 ACCOUNTING ESTIMATES AND JUDGMENTS

26.1 Income Tax

In making the estimates for income taxes currently payable by the company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

26.2 Property, Plant and Equipment

The company's management estimates useful lives and related depreciation charge for its plant and equipment. 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, plant and equipments with a corresponding effect on the depreciation charge and impairment.

27 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on _____, 2009 by the Board of Directors of the Company.

28 GENERAL

Figures have been rounded off to the nearest thousand of rupees.



CHIEF EXECUTIVE



DIRECTOR

DADABHOY SACK LIMITED
PATTERN OF SHAREHOLDING
AS ON 30TH JUNE, 2010

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

Catagories 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 30-062008

SHAREHOLDERS CATEGORY	NO. OF SHARE HOLDER	SHAREHOLDING
-----------------------	---------------------	--------------

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. MUHAMMAD AMIN DADABHOY	1	56,616
MR. FAZAL KARIM DADABHOY(CHIEF EXECUTIVE)	1	52,178
MRS. HUMAIRA DADABHOY	1	55,207
MRS. YASMEEN DADABHOY	1	56,529
MRS. NOOR BAKTH DADABHOY	1	700
MR. NASEEMUDDIN	1	500

BANKS, DFIS, NBFIS, INSURANCE COMP.ETC.

NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT	1	100,000
-----------------------------------------	---	---------

GENERAL PUBLIC		284,630
----------------	--	---------

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

TWENTY EIGHT ANNUAL GENERAL MEETING 2010

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 _____

Or failing him _____

Of _____

Vide Registered Folio No. _____

As my / our proxy to vote for me/us and on my/our behalf at the Twenty seventh Annual General Meeting of the Company to be held on 30th October 2010 and at any adjournment thereof.

Signed my me/us this _____ day of _____ 2010

Signed by the Shareholders

Important :

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

Registered Office, C-30/II, 24th Commercial Street, Phase 2 (Ext). DHA, 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

27 TH ANNUAL REPORT
