HALF YEARLY REPORT DEC 2021

DADABHOY GROUP

DADABHOY CEMENT INDUSTRIES LTD.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Fazal Karim Dadabhoy	Chief Executive
Mr. Danish Dadabhoy	
Mr. Shahban Ali	
Mr. Jumma Baig	
Mr. Mohammad Zaman	
Mr. Munir Hussain	
Mr. Liaquat Hussain	

CHIEF FINANCIAL OFFICER
Mr. Aslam Motan

COMPANY SECRETARY
Mr. Muhammad Rashid.

AUDITORS
M/s A A Baig & Co., Chartered Accountants

LEGAL ADVISOR
Mr. Salim Thepdawala & Company

BANKER
Silk Bank Limited
Bank Al Habib Limited

REGISTERED OFFICE
Noor Centre Office No.4, 2nd Floor
Plot No. 30-C Ittehad Lane 12
Phase VII D.H.A, Karachi.
Tel : 021-35312007-9
URL : www.mhdadabhoy.com

SHARE REGISTRAR
Formerly M/s. Technology Trade (Pvt) Ltd.
Dagia House, 241-C, Block 2, P.E.C.H.S.
Off Shahrah-e-Quaideen, Karachi.
Telephone No. 43913 16-17, Fax No. 4391318

FACTORY
Nooriabad Deh Kalu Kohar,
District Dadu (Sindh)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Jumma Baig	Chairman
Mr. Danish Dadabhoy	Member
Mr. Fazal Karim Dadabhoy	Member

AUDIT COMMITTEE

Mr. Shahban Ali	Chairman
Mr. Danish Dadabhoy	Member
Mr. Fazal Karim Dadabhoy	Member

DADABHOY CEMENT INDUSTRIES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

AAB A A BAIG & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF DADABHOY CEMENT INDUSTRIES LIMITED
REPORT ON THE REVIEW OF THE FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dadabhoy Cement Industries Limited as at 31 December 2021 and the related 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, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed as we are required to review only the cumulative figures for the half year ended December 31, 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

During the period ended December 31, 2021, the Company has incurred loss before tax amounting to Rs. 2.519 million and has accumulated losses as on that date amounting to Rs. 778.029 million. The operations of the Company are closed since financial year 2009 due to which the Company has been facing financial and operational difficulties and was unable to discharges its financial and operational liabilities in ordinary course of business. The Company was reporting nil sales since then and was totally dependent upon the financial support of its directors and sponsors to fulfil its operational and financial obligations. During the year ended June 30, 2018, the Company had also disposed off all of its operating fixed assets and settled its outstanding bank loan and other obligations. Moreover, management has not made the assessment of going concern of the Company.

These factors indicate the existence of material uncertainty that may cast significant doubts regarding the Company's ability to continue as a going concern. The interim financial statements do not disclose this fact. Further, the mitigating factors disclosed by the management in the interim financial statements in note no. 1.3 reflect only initial steps taken by the management for restarting the operational activities of the Company, which have not been materialized till the issue of these interim financial statements.

AAB&Co.

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Adverse Conclusion

Owing to the significance of the matters stated in the preceding paragraph, these interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Mirza Asad Ali Baig.

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Date: 03 MAR 2022
Karachi
UDIN: AR202110220mBF7hSQoW

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A A BAIG & Co.
CHARTERED ACCOUNTANTS

DADABHOY CEMENT INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021 (UN-AUDITED)

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	
ASSETS			
Non-Current Assets			
Property, plant and equipments	4	6,957	976
Long term investments	5	-	-
		6,957	976
Current Assets			
Advances and other receivables	6	4,146	3,504
Short term investment	7	118,520	118,520
Cash and bank balances	8	115,970	125,842
		238,636	247,866
Total Assets		**245,593**	**248,841**
EQUITY AND LIABILITIES			
Authorized Capital			
150,000,000 (June 30, 2020: 150,000,000) Ordinary shares of Rs. 10 each		**1,500,000**	**1,500,000**
Issued, subscribed and paid up capital	9	982,366	982,366
Capital reserves			
Other capital reserve		33,224	33,224
Revenue reserve			
Accumulated losses		(778,029)	(775,509)
Shareholders' equity		237,561	240,081
Non-Current Liabilities			
Deferred liabilities	10	-	-
Current Liabilities			
Trade and other payable	11	7,466	8,195
Unclaimed dividend		566	566
		8,032	8,761
Commitments and Contingencies	12	-	-
Total Equity and Liabilities		**245,593**	**248,841**

The annexed notes from 1 to 20 from an integral part of these financial statements.

Chief Executive	Director	Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	Half year ended		Quarter year ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(Rupees in thousand)		(Rupees in thousand)	
Administrative expenses	13	(6,439)	(7,022)	(3,227)	(3,157)
Financial cost - bank charges		-	-	-	-
Operating loss		(6,439)	(7,022)	(3,227)	(3,157)
Other charges	14	(35)	(35)	-	(35)
Other income	15	3,955	3,986	2,076	2,000
Loss before taxation		(2,519)	(3,071)	(1,151)	(1,192)
Taxation	16	-	-	-	-
Loss after taxation		**(2,519)**	**(3,071)**	**(1,151)**	**(1,192)**
Other comprehensive income:		-	-	-	-
Total comprehensive loss for the year		**(2,519)**	**(3,071)**	**(1,151)**	**(1,192)**
Loss per share - basic and diluted (Rupees)		**(0.03)**	**(0.03)**	**(0.03)**	**(0.02)**

The annexed notes from 1 to 20 from an integral part of these financial statements.

Chief Executive **Director** **Chief Financial Officer**

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Share Capital	apital Reserv	Revenue Reserve	Shareholders' equity
	Issued, subscribed and paid up capital	Other capital reserve	Accumulated losses	
	----------- (Rupees in thousand) -----------			
Balance as at July 01, 2020	982,366	33,224	(768,830)	246,760
Total comprehensive income for the period				
Loss after taxation	-	-	(3,071)	(3,071)
Other comprehensive income	-	-	-	-
Balance as at December 31, 2020	982,366	33,224	(771,901)	243,689
Balance as at July 01, 2021	982,366	33,224	(775,510)	240,080
Total comprehensive loss for the period				
Loss after taxation	-	-	(2,519)	(2,519)
Other comprehensive income	-	-	-	-
Balance as at December 31, 2021	982,366	33,224	(778,029)	237,561

The annexed notes from 1 to 20 from an integral part of these financial statements

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Chief Executive

Director

Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED DECEMBER 31, 2021 (UN-AUDITED)

	Note	December 31, 2021	December 31, 2020
		Half year ended	
		(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(2,519)	(3,071)
Adjustments for:			
Depreciation		626	27
Financial charges		-	-
Cash flow before working capital changes		(1,893)	(3,044)
Working capital changes:			
Increase in current assets			
Advances and other receivables		(642)	(598)
Decrease in current liabilities			
Trade and other payable		(729)	(420)
Cash used in operations		**(3,263)**	**(4,062)**
Financial charges paid		-	-
Net cash used in operating activities		**(3,263)**	**(4,062)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		(6,609)	(608)
C. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net decrease in cash and cash equivalents		(9,872)	(4,669)
Cash and cash equivalents at beginning of the year		125,842	134,369
Cash and cash equivalents at end of the year	8	115,970	129,700

The annexed notes from 1 to 20 from an integral part of these financial statements.

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Chief Executive

Director

Chief Financial Officer

DADABHOY CEMENT INDUSTRIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND NATURE OF BUSINESS

1.1 Dadabhoy Cement Industries Limited (DCIL) was incorporated on 09 August 1979 as a public limited company in Pakistan and is listed on Pakistan Stock Exchange Limited - PSX. Company is a subsidiary of Leo (Pvt.) Limited. The Company is engaged in the manufacturing and sale of ordinary portland, slag and sulphate resistant cement. 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.

1.3 Going concern assumption

The Company having accumulated losses as at reporting date amounting to Rs. 778.03 million (June 30, 2021: Rs. 775.50 million). The operations of the Company are closed since financial year 2009 due to which the Company has been facing financial and operational difficulties and was unable to discharge its financial and operational liabilities in due course of business. The Company was reporting nil sales since then and was totally dependent upon the financial support of its Directors and sponsors.

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

a) The management intends to revive the operations of the Company in the cement industry for which the planning is still on the initial stage as on the reporting date.

b) Considering the increasing demand and expected growth in cement industries, the Company is hopeful to achieve its objective as Government of Pakistan does not allow new companies to undertake cement manufacturing projects thereby only existing companies can engage in cement manufacturing.

c) To achieve the objective mentioned in para (a) above, the Company has been corresponding with the prospective investors to attract the investment in the Company.

d) The Company has entered a Memorandum of Understanding (MoU) with Guangzhou China Engineering Limited dated June 10, 2019 to join their capabilities, references and resources for setting up of a new cement plant in Nooriabad with a capacity of 7000 T/D however, no further progress could be made in this regard due to COVID 19 outbreak.

Management is confident that the Company would be able to revive its operations in the foreseeable future which will result in improving the overall financial and operational outlook of the Company.

1.4 The Securities and Exchange Commission of Pakistan (SECP) vide its order dated October 28, 2019 under clause (m) Of Section 301 read with clause (b) of the Section 304 of the Companies Act, 2017 (under clause (b) of Section 309 read with clause (c) of Section 305 of the Companies Ordinance, 1984) has ordered that the Company is labile to wound up thereby authorizing the Registrar, the Company Registration Office Karachi, to present a petition for winding up of the Company. Pakistan Stock Exchange (PSX) has also issued notice bearing number PSX/N-1385 dated October 29, 2019 in this respect.

The Company filed an Appeal under the Securities and Exchange Commission of Pakistan (Appellate Bench Procedure) Rules, 2003 against the Order dated October 28, 2019 in which the Company has challenged the Impugned Order.

SECP provided hearing opportunity on March 31, 2021 in which it was decided that the Company would submit the revival plan along with board approval to SECP. On April 16, 2021 Company submitted the revival plan to SECP and requested the SECP to withdraw the Impugned Order.

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2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act); and

- provisions and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is also the functional currency of the Company.

2.4 Use of estimates and judgments

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

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

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

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

Advances and other receivables

Company reviews its advances and other receivables for any provision required for any doubtful balances on an on-going balance. The provision is made while taking into consideration expected recoveries, if any.

Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax laws as applicable in Pakistan.

Investments

Company has made judgments and assumptions in determining that it has control over subsidiary and significant influence over associates, impairment of investments in subsidiaries, associates and other investees.

Provision for contingencies

Company has made judgments and assumptions in disclosure and assessment of provision for contingencies.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenditure that are directly attributable to the acquisition of the assets.

Depreciation is charged to income applying the diminishing balance method at the rates given in depreciation schedule, whereby the cost of an assets is written-off over its estimated useful life. Full month's depreciation is charged in the month of which asset is purchased while no depreciation is charged in the month of which the asset is disposed off.

Gain or loss on disposal of fixed assets is taken to income. Normal repairs and maintenance costs are charged to income. Major renewals and improvements are capitalized

3.1 Investments

These represent investments in shares of companies that are directly controlled by the Company or in which a substantive interest in the voting power is owned directly by the directors of the Company.

Investment in subsidiary company is stated at cost less any impairment in the value of investment.

Investment in associates is accounted for using the equity method whereby investment is carried in the statement of financial position at cost as adjusted by the post-acquisition changes in the company's share of net assets of the associate less any impairment in the value of investment

3.2 Advances and other receivables

These are initially stated at amortized cost. Provision for doubtful balance is established where there is an objective evidence that the Company will not be able to collect the due amounts. Balances considered irrecoverable are written off

3.2 Cash and cash equivalents

It comprises of cash in hand and cash at banks which are carried at cost and subsequently measured at amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and at banks.

3.3 Trade and other payables

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

3.4 Borrowing costs

Borrowing costs are charged to the statement of profit or loss in the year when they are incurred, except to the extent that they are directly attributable to the construction of a qualifying assets in which case they are capitalized as part of the cost of that assets

3.4 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money

3.5 Taxation

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

Current

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

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realization or the settlement of the carrying amounts of assets and liabilities, using the tax rates enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit for the foreseeable future will be available against which such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited to statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

3.6 Financial instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.6.1 Financial assets

a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Based on business model of the Company, it elected to classify irrevocably its equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

c) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

d) **Impairment of financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At each reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 30 days past due However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.6.2 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or to realize the asset and settle the liability simultaneously.

3.6.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

b) Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method.

Gains and losses are recognized in statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income.

3.7 Earnings per share

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

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4 PROPERTY, PLANT AND EQUIPMENTS

	Generators	Furnitures	Motor Vehicles	office Equipment	Total
	---Rs---				
	30-Jun-21				
Net book value as of Jan 01, 2021	280	246	55	-	582
Additions	268	-	-	218	486
Disposal / write-offs	-	-	-	-	-
Depreciation charge for the period	48	24	6	14	92
Closing net book value	500	222	49	204	976
As at June 30, 2021					
Cost					
Accumulated depreciation					
Net book value as of June 30, 2021	-	-	-	-	-
	31-Dec-21				
Net book value as of July 01, 2021	500	222	49	204	976
Additions	-	-	6,608	-	6,608
Disposal / write-offs	-	-	-	-	-
Depreciation charge for the period	48	21	537	20	627
Closing net book value	**452**	**201**	**6,120**	**184**	**6,957**
As at December 31, 2021					-
Cost	568	250	6,666	218	7,702
Accumulated depreciation	116	49	545	34	744
Net book value as of Dec 31, 2021	**452**	**201**	**6,120**	**184**	**6,957**
Depreciation rate (% per annum)	20%	20%	20%	20%	

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
5 LONG TERM INVESTMENTS		(Rupees in thousand)	
Associate			
Dadabhoy Sack Limited	5.1	-	-
Dadabhoy Construction Technology Limited	5.2	-	-
		-	-

5.1 Dadabhoy Sack Limited - at equity method

	Note		
Investment - cost	5.1.1	2,420	2,420
Provision for impairment	5.1.2	(2,420)	(2,420)
Book value of investment as at December 31		-	-

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5.1.1 Dadabhoy Sack Limited (DSL) was incorporated in Pakistan on September 27, 1983. The principal activity of the company is the manufacturing and sale of paper bags. DSL's registered office is situated at suite # 4, 2nd floor, plot no. 28-30/C, Noor center, Khayaban-e-Ittehad, Lane no.12, Phase VII, D.H.A., Karachi, Sindh. Manufacturing facility of DSL is located at Deh, Hatal Buth, Thana Bula Khan, Main Super Highway, Jamshoro, Sindh. The Company holds 6.90% equity interest (276,000 shares) in the Dadabhoy Sack Limited (DSL) which has been presumed to be an associated company due to the fact that majority of the Directors of the Company are also the members on the Board of Directors of DSL. The reporting date of DSL is also the same as of the Company, i.e. June 30.

5.1.2 The investment in DSL is fully impaired due to the fact the operations of DSL are closed since financial year 2008 due to which DSL is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. DSL is reporting nil sales since then and is totally dependent on the financial support of its Directors. Since trading in shares of DSL is suspended in the PSX therefore, fair value of share price cannot be measured reliably.

		Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
			(Rupees in thousand)	
5.2	**Dadabhoy Construction Technology Limited - fair value through profit and loss**			
	Investment - cost	5.2.1	6	6
	Provision for impairment	5.2.2	(6)	(6)
	Book value of investment as at December 31		-	-

5.2.1 Dadabhoy Construction Technology Limited (DCTL) was incorporated in Pakistan on May 29, 1994 having its registered office and principal place of business located at Noor Centre, office No.4, 2nd floor, plot no. 30-C, Ittehad Lane no.12, Phase VII, D.H.A., Karachi. The Company holds 0.02% (June 30, 2020: 0.02%) equity interest 550 shares (June 30, 2020: 550 shares) in DCTL which has been presumed to be an associated company due to common directorship between the companies. The reporting date of DCTL is also the same as of the Company i.e. June 30.

5.2.2 The investment in the DCTL is fully impaired due to the fact that the operations of DCTL are very slow since financial year 2014 and reporting meager / nil sales while the operations were completely closed during the current financial year due to which DCTL is facing financial and operational difficulties and is unable to discharge its liabilities in due course of business. DCTL is totally dependent on the financial support of its Directors. Since trading in shares of DCTL is suspended in the PSX therefore, fair value of share price cannot be measured reliably.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	
6 ADVANCES AND OTHER RECEIVABLES			
- Un-secured - considered good			
Advances			
Advance tax		1,763	1,170
Other receivables			
From Dadabhoy Hydrocarbon (Pvt.) Limited		730	730
From Dadabhoy Construction (Pvt.) Limited		110	110
From related parties	6.1	1,543	1,495
		4,146	3,505

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6.1 This includes receivable from Dadabhoy Sack Limited amounting to Rs. 0.927 (June 30, 2021: Rs. 0.878) million, Dadabhoy Energy Supply Limited amounting to Rs. 0.514 (June 30, 2021: Rs. 0.514) million, Dadabhoy Uni Minerals Limited amounting to Rs. 0.020 (June 30, 2021: 0.020) million, Dadabhoy Trading Corporation amounting to Rs. 0.020 (June 30, 2021: 0.020) million and Leo Private Ltd amounting to Rs. 0.063 (June 30, 2021: 0.063) million. This represents the reimbursable expenses incurred on behalf of the related parties and are recoverable on demand. Closing balance represents the maximum aggregate amount outstanding at any time during the period with respect to month end balances.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	
7 SHORT TERM INVESTMENT			
Investments in associate			
Dadabhoy Energy Supply Company Limited		118,520	118,520

7.1.1 Dadabhoy Energy Supply Company Limited (DESCL) was incorporated in Pakistan on May 29, 1994 having its registered office and principal place of business located at Noor Centre, office No.4, 2nd floor, plot no. 30-C, Ittehad Lane No.12, Phase VII, D.H.A., Karachi.

During the previous year, management of DESCL had decided to windup the company, therefore, investment in DESCL had been classified as short term as it is likely that the Company will receive its due share of net assets of DESCL within the next financial year.

7.1.2 Investment at cost	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	
Investment - cost	7.1.3	205,000	205,000
Provision for impairment		(86,480)	(86,480)
Book value of investment		118,520	118,520

7.1.3 The Company holds 47.86% (June 30, 2021: 47.86%) equity interest i.e. 20,500,000 shares (June 30, 2021: 20,500,000 shares) in DESCL which is an associated company now. The reporting date of DESCL is also the same as of the Company, i.e. June 30.

7.1.4 The Company has pledged 4,500,000 ordinary shares of Rs. 10 each of DESCL with a financial institution as a security against the financial assistance extended by the financial institution to DESCL.

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		(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	
8 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at banks			
- in current account		2	2
- in saving account	8.1	115,968	125,840
		115,970	125,842
		115,970	**134,369**

8.1 It carries markup ranging between 3.41% to 4.00% (June 30 2021: 3.41% to 3.86%) per annum

9 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

(Un-audited) December 31, 2021	(Audited) June 30, 2021		(Un-audited) December 31, 2021	(Audited) June 30, 2021
(Number of shares)			(Rupees in thousand)	
98,236,624	**98,236,624**	Ordinary shares of Rs. 10 each fully paid up in cash	**982,366**	**982,366**

9.1 Number of shares held by Leo (Pvt.) Limited, the holding company, and Dadabhoy Trading Corporation (Pvt.) Limited, the associated company, as on the reporting date are 61,938,455 shares (June 30, 2021: 61,938,455 shares) and 9,131,360 shares (June 30, 2021: 9,131,360 shares) respectively, representing 63.05% (June 30, 2021: 63.05%) and 9.295% (June 30, 2021: 9.295%) shareholding in the Company.

9.2 Reconciliation of issued, subscribed and paid up capital

(Un-audited) December 31, 2021	(Audited) June 30, 2021	
(Number of shares)		
98,236,624	98,236,624	Ordinary shares of Rs. 10 each fully paid up in cash - at beginning
-	-	Ordinary shares issued during the period
98,236,624	**98,236,624**	Ordinary shares of Rs. 10 each at the end of the period

9.3 The ordinary share holders are entitled to receive all distributions including dividends and other entitlements in the form of bonus and right shares as and when declared by the Company. All shares carry one vote per share without restriction.

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	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	

10 DEFERRED LIABILITIES

	Note		
Deferred tax liability	10.1	-	-
		-	-

10.1 Deferred taxation comprises differences relating to:

Deductible temporary differences

	Note		
- investment in associates		(25,783)	(25,783)
- unused tax losses		13	13
		(25,770)	(25,770)
Add: unrecognized deferred tax asset	10.2	25,770	25,770
	10.3	-	-

10.2 The Company has not recognized its deferred tax asset relating to tax losses amounting to Rs. 25.77 (June 30, 2021: Rs. 25.77) million as the Company is uncertain about the timing and extent of future taxable profits against which such benefits can be utilized.

Unrecognized deductible temporary differences represent the unabsorbed tax depreciation, having indefinite availing period under the Income Tax Ordinance, 2001, which can be utilized by the Company against the taxable income arising in future.

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(Rupees in thousand)	

11 TRADE AND OTHER PAYABLE

Accrued liabilities		3,238	3,997
Salaries payable		500	470
Withholding tax payable		60	60
SESSI payable		583	583
EOBI payable		600	600
Workers' Profit Participation Fund payable		2,484	2,484
		7,466	**8,195**

12 COMMITMENTS AND CONTINGENCIES

12.1 Commitments

There are no commitments binding on the Company as on the reporting date (June 30, 2021: nil).

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13 ADMINISTRATIVE EXPENSES	Note	Half year ended (Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		(Rupees in thousand)	
Salaries and other benefits	13.1	2,822	2,551
Traveling and conveyance		369	-
Rent, rates and taxes		571	998
Depreciation expense		626	27
Utilities		94	103
Vehicle Maintainance		377	-
Donation Expense		772	-
Legal and professional		500	303
Fees and subscription		-	700
Office expenses		147	483
General expenses		161	-
Medical and allied expenses		-	1,827
Others		-	31
		6,439	7,022

13.1 This represents directors' remuneration for the period of Mr. Danish Dadabhoy amounting Rs. 1,165,000/- and Mr. Fazal Karim Dadabhoy amounting Rs. 1,165,000.

14 OTHER CHARGES	Note	Half year ended (Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		(Rupees in thousand)	
Auditors' remuneration	14.1	35	-
		35	-

14.1 Auditors' remuneration		
Audit fee	35	35
Out of pocket expenses	-	-
	35	35

15 OTHER INCOME	Half year ended (Un-audited) December 31, 2021	(Un-audited) December 31, 2020
Income from financial asset		
Profit on saving account	3,955	3,986
	3,955	3,986

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	Note	Half year ended (Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		(Rupees in thousand)	
16 TAXATION			
Current	16.1	-	-
Deferred		-	-
		-	-

16.1 The Company is not liable to current tax, including minimum tax and ACT, on account of available unabsorbed tax depreciation.

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

	Note	Half year ended (Un-audited) December 31, 2021	(Un-audited) December 31, 2020
		(Rupees in thousand)	
17 EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED			
Loss after taxation - Rupees in Thousands		**(2,519)**	(3,071)
Weighted average number of outstanding ordinary shares		**98,236,624**	98,236,624
Loss per share - basic and diluted (Rupees)		**(0.03)**	(0.03)

18 REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

Remuneration of Chief Executive during the period was Rs 1,165,000/- (June 30, 2021: Nil)
Remuneration of directors during the period was Rs 1,165,000/- (June 30, 2021: Nil)

19 GENERAL

- Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.
- Number of employees as on the year end date and average number of employees during the period were 4 (June 30, 2020: 4) and 4 (June 30, 2021: 4).

20 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 03 MAR 2022 by the Board of Directors of the Company.

Chief Executive	Director	Chief Financial Officer