

HALF YEARLY REPORT DEC 2015



**DADABHOJ
GROUP**

**DADABHOJ CONSTRUCTION
TECHNOLOGY LIMITED**

**DADABHOY CONSTRUCTION TEHNOLOGY LIMITED
CONDENSED INTERIM FINANCIAL INFORMATION**

**FOR THE HALF YEAR ENDED
DECEMBER 31, 2015**

MA

**M. AKHTAR & COMPANY
Chartered Accountants**

Suite # 87 K, Ground Floor, Block - 2
Pakistan Employees Co-Operative
Housing Society, Karachi - 75400

Tell # 021-34539081 Cell# 0331-2239081

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 Rashid

COMPANY SECRETARY

Mr. Muhammad Rashid.

AUDITORS

M/s M. Akhtar & Company, Chartered Accountants

LEGAL ADVISOR

Mr. Salim Thepdawala

BANKER

Summit Bank Limited

REGISTERED OFFICE

Noor Centre Office NO.4, 2nd Floor
Plot No.30-C Ittehad Lane 12
Phase VII D.O.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.
Telephone No. 34391316-17
Fax No. 34391318

FACTORY

Nooriabad Deh Kalu Kohar,
District Dadu (Sindh)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Syed Nasim Ahmed
Mr. Imran Dars
Mr. Muhammad Amin Dadabhoy

AUDIT COMMITTEE

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

**AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM
FINANCIAL INFORMATION TO THE MEMBERS**

INTRODUCTION


We have reviewed the accompanying condensed interim balance sheet of **Dadabhoy Construction Technology Limited** ("the Company") as at 31st December 2015 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review on Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information 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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six months period ended 31st December 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. The figures for the half year ended 31st December 2015 in the condensed interim profit and loss account have not been reviewed and we do not express an opinion on them.


M. AKHTAR & COMPANY.
CHARTERED ACCOUNTANTS
Karachi: 25 FEB 2016



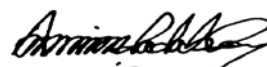
DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015

		December 31 2015 Un-audited	June 30 2015 Audited
ASSETS			
Non-Current Assets			
Fixed assets	3	4,302,061	4,416,994
Security deposits		108,000	108,000
Current Assets			
Stock in trade		681,482	806,265
Trade debts		-	106,536
Advance tax		491,595	491,595
Cash at banks in current accounts		18,560	13,125
		1,191,637	1,417,521
Total assets		5,601,698	5,942,515
EQUITY AND LIABILITIES			
Authorised Share Capital			
5,000,000			
Ordinary shares of Rs. 10 each		50,000,000	50,000,000
Issued, subscribed and paid up capital		23,228,000	23,228,000
Accumulated losses		(62,925,981.00)	(62,582,408)
Shareholders' equity		(39,697,981)	(39,354,408)
NON-CURRENT LIABILITIES			
Non Current Liabilities			
Security deposit from dealers		20,000	20,000
Current Liabilities			
Short term borrowings		43,439,276	43,436,520
Trade and other payables		1,690,231	1,690,231
Provision for income tax		150,172	150,172
		45,279,679	45,276,923
Total equity and liabilities		5,601,698	5,942,515

The annexed notes 1 to 5 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

		Un - audited			
		For the 1st quarter ended September 30 2015	For the 2nd quarter ended December 31 2015	For the half year ended December 31 2015	For the half year ended December 31 2014
	Note	Rupees			
Sales	4	71,115	94,990	166,105	616,859
Cost of sales	5	(215,797)	(134,521)	(350,318)	(512,110)
Gross profit		(144,682)	(39,531)	(184,213)	104,749
Administrative and general expenses		(23,237)	(135,873)	(159,110)	(135,605)
Selling and distribution costs		-	-	-	(6,300)
Bank charges		-	(250)	(250)	(500)
		(23,237)	(136,123)	(159,360)	(142,405)
Porfit/ (loss) before tax		(167,919)	(175,654)	(343,573)	(37,656)
Income tax-current		-	-	-	-
Net Profit/(loss) after tax		(167,919)	(175,654)	(343,573)	(37,656)
Earnings per share - basic and diluted (Rupees)		(0.07)	(0.08)	(0.15)	(0.02)

The annexed notes 1 to 5 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015

	<u>Un-audited</u>	
	December 31 2015	December 31 2014
	Rupees	
Cash flows from operating activities		
Profit /Loss before taxation	(343,573)	(37,655)
Adjustments for noncash and nonoperating items		
Depreciation	114,933	122,299
Financial Charges	250	500
	115,183	122,799
Operating profit before working capital changes	(228,390)	85,144
Working Capital Changes		
(Increase) / decrease in current assets		
Stock in trade	124,783	10,019
	231,319	10,019
Increase / (decrease) in current liabilities		
Short term borrowing - Directors	2,756	(55,500)
Trade and other payables	-	22,067
	2,756	(33,433)
Cash (used in) generated from operations	5,685	61,730
Income tax refunded	-	-
Financial charges paid	(250)	(500)
Net cash from operating activities	5,435	61,230
Cash flows from investing activities		
Purchases of fixed assets	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities		
Proceed / (repayment) of borrowing	-	-
Net cash from (used in) financing activities	-	-
Net increase / (decrease) in cash and cash equivalents.	5,435	61,230
Cash and cash equivalents at beginning of year	13,125	12,165
Cash and cash equivalents at end of the half year	18,560	73,395

The annexed notes 1 to 5 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

**DADABHOY CONSTRUCTION TECHNOLOGY LIMITED.
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Issued, subscribed and paid up capital	Accumulated losses	Total
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Balance as at June 30, 2014	23,228,000	(62,462,718)	(39,234,718)
Changes in Equity for 2014			
Net profit / (loss) for the year 2015	-	(119,690)	(119,690)
Balance as at June 30, 2015	<u>23,228,000</u>	<u>(62,582,408)</u>	<u>(39,354,408)</u>
Changes in Equity for 2015			
Net profit / (loss) for the half year ended december 31	-	(343,573)	(343,573)
Balance as at December 31, 2015	<u>23,228,000</u>	<u>(62,925,981)</u>	<u>(39,697,981)</u>

The annexed notes 1 to 5 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2015

1 THE COMPANY AND ITS OPERATIONS

The company was incorporated on April 7, 1981 by the name of Pak German Prefabs Limited (PGPL) as Public Limited Company, listed on Karachi Stock Exchange. However, during the year 2005 the Company changed its name to Dadabhoy Construction Technology Limited after the merger with an associated company. The company's registered office is situated at Noor Centre Office No.4, 2nd Floor Plot No. 30-C Ittehad Lane No.12 phase VII, D.O.H.A., Karachi.

The principal activities of the company are to manufacture construction materials and related products.

The financial statements are presented in Pak. Rupees which is the Company's functional currency

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirement of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of these Standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 Amendments to published standards not yet effective

Certain amendments to IAS1 'Presentation of financial statements' - Capital Disclosure have been published that are applicable to the Company's financial statement covering annual periods, beginning on or after July 01, 2007. Adoption of these amendment would impact the nature and extent of disclosures made in the future financial statements of the company.

2.3 Accounting convention

These Financial statements have been prepared under the historical cost convention.

2.4 Taxation

The company was being assessed under presumptive tax regime under Section 169 of the Income Tax Ordinance, 2001 before the merger of an associated company. However, from the current year due to normal business activities being undertaken by the company after merger, normal taxation policy has been adopted by the company as under:

Current

Provision for tax currently payable is based on taxable profit for the year computed in accordance with the enacted tax laws or based on turnover @ 1.0% whichever is higher.

Deferred

During the year, the company has changed its accounting policy in respect of compensated absences to conform with Deferred tax is tax attributable to the temporary differences that is, difference between the carrying amount of asset or liability and its corresponding tax base.

The company provides for deferred tax liability using the balance sheet liability method on all significant future taxable temporary differences and deferred tax asset is recognized on future deductible temporary differences to the extent when it is probable that taxable profits will be available for utilizing that deferred tax asset.

2.5 Property, plant and equipment

Operating fixed assets other than freehold land are stated at cost less accumulated depreciation. Freehold land is stated at cost. Depreciation is charged to income applying the reducing balance method, at the rates specified in note 3.

Depreciation on addition is charged from the month the asset is put to use while on disposal depreciation is charged up to the month of disposal.

- 2.6 **Impairment of assets**
Impairment loss is recognised if evidence exists, that the carrying amount of assets is materially in excess of its recoverable amount.
Maintenance and normal repairs are charged to income as and when incurred.
- 2.6 **Impairment of assets**
Impairment loss is recognized if evidence exists, that the carrying amount of assets is materially in excess of its estimated recoverable amounts.
- 2.7 **Stores and spares**
These are valued at lower of moving average cost and net realisable value.
Net realisable value signifies the estimated selling price less estimated cost to sell.
- 2.8 **Stock-in-trade**
These are valued at lower of cost and net realisable value. Cost is determined at average manufacturing cost. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale.
- 2.9 **Trade debts**
These are recognised at nominal value less provision for estimated doubtful debts, if any. Known bad debts are written off.
- 2.10 **Provisions**
Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.
- 2.11 **Cash and cash equivalents**
Cash and cash equivalents are carried in the balance sheet at nominal value. For the purpose of cash flow statement, cash and cash equivalents comprises of cash and bank balances only.
- 2.12 **Financial instruments**
Financial assets
The company's principal financial assets are cash and bank balances, trade debtors, and loans and advances. These are stated at their nominal value, which approximates to the fair value.
Financial liabilities
Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include short term borrowings, trade and other payables and deposits. These are stated at their nominal value, which approximates to the fair value.
- 2.13 **Offsetting of financial assets and liabilities**
A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.
- 2.14 **Borrowing Costs**
All the borrowing costs are accounted for as expense in the year these are incurred .
- 2.15 **Revenue recognition**
Sales are recorded on despatch of goods to customers.
- 2.16 **Related Party Transactions**
All transactions with related parties are carried by the company at arms length prices except for certain transactions.

3 FIXED ASSETS

Property, plant and equipment

	Freehold Lands	Building on freehold lands	Tools and equipment	Steel shuttering	Furniture and fixtures	Computer and accessories	Motor vehicle	Electric installation	Total Rupees
Cost									
At July 01 , 2015	192,300	13,595,922	1,393,810	1,682,875	1,425,457	112,303	664,942	97,373	19,164,982
Additions / Adjustments	-	-	-	-	-	-	-	-	-
September 30, 2015	192,300	13,595,922	1,393,810	1,682,875	1,425,457	112,303	664,942	97,373	19,164,982
Depreciation									
At June 30 ,2012	-	9,073,381	1,204,936	1,682,176	1,211,463	103,334	653,091	36,425	13,964,806
For the year 2013.	-	226,127	18,887	175	21,399	2,960	2,370	6,095	278,013
At June 30 ,2013	-	9,299,508	1,223,823	1,682,351	1,232,862	106,294	655,461	42,520	14,242,819
For the year 2014	-	214,821	16,999	131	19,260	1,983	1,896	5,485	260,575
At June 30, 2014	-	9,514,329	1,240,822	1,682,482	1,252,122	108,277	657,357	48,005	14,503,394
For the Year 2015		204,080	15,299	98	17,334	1,329	1,517	4,937	244,594
At June 30 ,2015	-	9,718,409	1,256,121	1,682,580	1,269,456	109,606	658,874	52,942	14,747,988
For the half year ended december 2015		96,938	6,884	37	7,800	445	607	2,222	114,933
At December 31, 2015	-	9,815,347	1,263,005	1,682,617	1,277,256	110,051	659,481	55,164	14,862,921
<u>Net Book Value</u>									
At December 31, 2015	192,300	3,780,575	130,805	258	148,201	2,252	5,461	42,209	4,302,061
Depreciation rate	-	5.0%	10%	25%	10%	33%	20%	10%	

3.1 Depreciation for the year has been allocated as follows.

	2015 December 31 Rupees.	2014 December 31 Rupees.
Cost of sales	103,859	109,739
Administrative and general expenses	11,074	12,560
	114,933	122,299

	Un-audited			
	For the 1st quarter ended September 30 2015	For the 2nd quarter ended 31-Dec 2015	For the half year ended December 31 2015	For the half year ended December 31 2014
4 SALES	71,115	94,990	166,105	824,469

The company was de-registered from sales tax under S.R.O 533(1)/2005

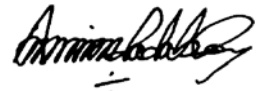
5 COST OF SALES

Raw materials consumed

Opening balance	610,655	456,992	610,655	513,365
Purchases	26,585	41,335	67,920	289,177
	<u>26,585</u>	<u>41,335</u>	<u>67,920</u>	<u>289,177</u>
	637,240	498,327	678,575	802,542
Closing Stock of raw material	(456,992)	(466,992)	(466,992)	(610,655)
Raw material consumed	180,248	31,335	211,583	191,887
Factory staff salaries	-	3,756	3,756	237,170
<u>Factory overheads</u>				
Factory rent	10,000	15,000	25,000	88,000
Factory expenses	22,500	2,500	25,000	47,497
Depreciation	51,929	51,930	103,859	219,477
Cost of goods produced	<u>264,677</u>	<u>104,521</u>	<u>369,198</u>	<u>784,031</u>
Opening stock of finished goods	195,610	244,490	195,610	172,131
Goods available for sale	460,287	349,011	564,808	956,162
Less: closing stock of finished goods	(244,490)	(214,490)	(214,490)	(195,610)
	<u>215,797</u>	<u>134,521</u>	<u>350,318</u>	<u>760,552</u>



CHIEF EXECUTIVE



DIRECTOR