

34th ANNUAL REPORT 2015



**DADABHOY CONSTRUCTION
TECHNOLOGY LIMITED**

Vision

**To be recognized and accepted
as leader in the country
for
manufacturing of
state of the Art
Hi-tech
Super-durable
construction materials**

Mission

- To have a diversified customer base
- To serve the market through innovation & creations
- To offer a high rate of return to Shareholders
- To create a good work environment for our employees and faster team work & career development
- To operate ethically
- To serve the country to achieve the national goals

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chairman

Chief Executive

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.
Tel : 021-35312017-19
URL : www.mhdadabhoy.com

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)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Syed Nasim Ahmed
Mr. Mohammed Saeed
Mr. Muhammad Amin Dadabhoy

AUDIT COMMITTEE

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

Chairman
Member
Member

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of Dadabhoy Construction Technology Limited will be held on Saturday the October 10th 2015 at 04:00 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 33rd Annual General Meeting of the company held on October 11th 2014.
2. To receive, consider and adopt the Audited Accounts of the company for the year ended June 30, 2015 together with Directors' and Auditors' Reports thereon.
3. To appoint auditor for the year ending June 30, 2016 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

Karachi.
September 11th, 2015

Muhammad Rashid
Company Secretary

Note

1. The Share Transfer Books of the company will remain closed from 4th October, 2015 to 10th October, 2015 (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'S REPORT TO THE MEMBERS

The Board of Directors' is pleased to present annual report together with audited financial statements and the auditor's report thereon for the year ended June 30, 2015.

FINANCIAL RESULTS

| | 2015 | 2014 |
|-----------------------------------|---------------|-------------|
| Net Sales | 824,469 | 3,038,927 |
| Gross Profit | 63917 | 1,024,369 |
| Net Profit / (Loss) | 119,690 | 87,987 |
| <u>Earning / (Loss) Per Share</u> | <u>(0.05)</u> | <u>0.04</u> |

Statement on Corporate and Financial Reporting Framework

- a) The financial statements prepared by the company fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) The company has maintained proper books of accounts.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan have been followed in preparation financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control has been effectively implemented and is continuously reviewed and monitored by internal audit.
- f) The Company is going concern and there are no doubts about its ability to continue.
- g) There has been no material departure from the best practices of corporate governance as defined in the listing regulations.
- h) Key operating and financial data for last six years in summarized from is annexed.
- i) There has been nothing outstanding against your company on account of taxes, duties, levis and other charges except for those which are being made in the normal course of business.

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 Dadabhoy | 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 | 04 |

APPROPRIATIONS

No dividends have been declared, as there are accumulated losses.

AUDITORS

Present auditors M/s M. Akhtar & Company Chartered Accountants.

FUTURE PROSPECTS

We are confident that with the expansion of marketing campaign, the company will be able to achieve much higher sales target with aim to optimize production capacity.

PATTERN OF SHARES HOLDING

Statements of pattern of shareholding as at June 30, 2015 as required under the reporting framework are annexed.

ACKNOWLEDGMENT

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

Karachi:

11th September 2015.

For and on behalf of the
Board of Directors



FAZAL KARIM DADABHOY
Chief Executive

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 7 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 :11th September, 2015



FAZAL KARIM DADABHOY
Chief Executive

FINANCIAL REVIEW OF SIX YEARS

| Particulars | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------|-----------------|-------|--------------|--------------|--------------|---------------|
| ASSETS EMPLOYED | RUPEES IN '000' | | | | | |
| Non Current Assets | 4,525 | 4,769 | 5,030 | 5,308 | 5,555 | 5,873 |
| Current Assets | 1,418 | 1,295 | 1,187 | 1,236 | 3,006 | 5,364 |
| Total Assets Employed | 5,943 | | 6,217 | 6,544 | 8,561 | 11,237 |

FINANCED BY

| | | | | | | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Share Holder Equity | (39,354) | (39,234) | (39,323) | (41,161) | (39,375) | (44,911) |
| Long Term Liability | 20 | 20 | 20 | 20 | 20 | - |
| Current Liabilities | 45,277 | 45,280 | 45,520 | 47,685 | 47,916 | 56,128 |
| Total Equity Employed | 5,943 | 6,066 | 6,217 | 6,544 | 8,561 | 11,237 |

TURNOVER & PROFIT

| | | | | | | |
|---------------------------------|----------|----------|----------|----------|----------|----------|
| Turnover (net) | 824 | 3,038 | 4,172 | 4,189 | 4,464 | 4,893 |
| Profit / (Loss) before taxation | 120 | 87 | 1,838 | (1,786) | 5,581 | (72) |
| Profit / (Loss) after taxation | 120 | 87 | 1,838 | (1,786) | 5,536 | (97) |
| Accumulated Loss | (62,582) | (62,463) | (62,551) | (64,389) | (62,603) | (68,139) |

**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 2015, prepared by the Board of Directors of **Dadabhoy Construction Technology 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.

Place: Karachi

Dated: 04 SEP 2015




MAHMOOD AKHTAR HAROON
CHARTERED ACCOUNTANTS

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 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

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **DADABHOY CONSTRUCTION TECHNOLOGY LIMITED** as at June 30, 2015 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) in our opinion proper books of account have been kept by the company as required by the Companies Ordinance, 1984:
- b) 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;
- c) 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, 2015 and of the loss for the year then ended; and

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


M. AKHTAR & COMPANY
CHARTERED ACCOUNTANTS
Karachi **11 SEP 2015**



DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

| | | JUNE 2015 | JUNE 2014 |
|---------------------------------------|------|--------------|--------------|
| A S S E T S | Note | Rupees | |
| Non-Current Assets | | | |
| Fixed assets | 3 | 4,416,994 | 4,661,588 |
| Security deposits | | 108,000 | 108,000 |
| Current Assets | | | |
| Stock in trade | 4 | 806,265 | 685,496 |
| Trade debts | 5 | 106,536 | 106,536 |
| Advance tax | | 491,595 | 491,595 |
| Cash at banks in current accounts | | 13,125 | 12,165 |
| | | 1,417,521 | 1,295,792 |
| Total assets | | 5,942,515 | 6,065,380 |
| 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 | 6 | 23,228,000 | 23,228,000 |
| Accumulated losses | 7 | (62,582,408) | (62,462,718) |
| Shareholders' equity | | (39,354,408) | (39,234,718) |
| NON-CURRENT LIABILITIES | | | |
| Non Current Liabilities | | | |
| Security deposit from dealers | | 20,000 | 20,000 |
| Current Liabilities | | | |
| Short term borrowings | 8 | 43,436,520 | 43,492,020 |
| Trade and other payables | 9 | 1,690,231 | 1,637,906 |
| Provision for income tax | 10 | 150,172 | 150,172 |
| | | 45,276,923 | 45,280,098 |
| Total equity and liabilities | | 5,942,515 | 6,065,380 |

The annexed notes from 1 - 22 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

| | | JUNE 2015 | JUNE 2014 |
|--|-------------|----------------------|----------------------|
| | Note | Rupees | |
| Sales | 11 | 824,469 | 3,038,927 |
| Cost of sales | 12 | (760,552) | (2,014,558) |
| Gross profit | | <u>63,917</u> | <u>1,024,369</u> |
| Administrative and general expenses | 13 | (126,207) | (861,101) |
| Selling and distribution costs | 14 | (6,300) | (23,500) |
| Other charges | 15 | (50,000) | (50,000) |
| Other income | | - | - |
| Bank charges | | (1,100) | (1,781) |
| | | <u>(183,607)</u> | <u>(936,382)</u> |
| Profit/ (loss) before tax | | (119,690) | 87,987 |
| Income tax-current | 16 | - | - |
| Net Profit/(loss) after tax | | <u>(119,690)</u> | <u>87,987</u> |
| Earnings/(Loss) per share - basic and diluted (R | 17 | <u>(0.05)</u> | <u>0.04</u> |

The annexed notes from 1 - 22 form an integral part of these financial statements.



CHIEF EXECUTIVE




DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

| | JUNE 2015 | JUNE 2014 |
|--|---------------|----------------|
| | Rupees | |
| Cash flows from operating activities | | |
| Profit /Loss before taxation | (119,690) | 87,987 |
| Adjustments for noncash and nonoperating items | | |
| Depreciation | 244,594 | 260,575 |
| Financial Charges | 1,100 | 1,781 |
| | 245,694 | 262,356 |
| Operating profit before working capital changes | 126,004 | 350,343 |
| Working Capital Changes | | |
| (Increase) / decrease in current assets | | |
| Stock in trade | (120,769) | (201,453) |
| Trade debts | - | 85,403 |
| Advances and prepayments | - | - |
| | (120,769) | (116,050) |
| Increase / (decrease) in current liabilities | | |
| Short term borrowing - Directors | (55,500) | (836,000) |
| Trade and other payables | 52,325 | 595,810 |
| | (3,175) | (240,190) |
| Cash (used in) generated from operations | 2,060 | (5,897) |
| Income tax refunded | - | - |
| Financial charges paid | (1,100) | (1,781) |
| Net cash from operating activities | 960 | (7,678) |
| 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. | 960 | (7,678) |
| Cash and cash equivalents at beginning of year | 12,165 | 19,843 |
| Cash and cash equivalents at end of year | 13,125 | 12,165 |

The annexed notes from 1 - 22 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

| | Issued, subscribed and paid up capital | Accumulated losses | Total |
|---------------------------------------|---|-----------------------|---------------------|
| | <u>Rupees</u> | <u>Rupees</u> | <u>Rupees</u> |
| Balance as at June 30, 2013 | 23,228,000 | (62,550,705) | (39,322,705) |
| Changes in Equity for 2013 | | | |
| Net profit / (loss) for the year 2014 | - | 87,987 | 87,987 |
| Balance as at June 30, 2014 | <u>23,228,000</u> | <u>(62,462,718)</u> | <u>(39,234,718)</u> |
| 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> |

The annexed notes from 1 - 22 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 @ 1.00% whichever is higher.

Deferred

During the year, the company has changed its accounting policy in respect of compensated absences to conform with the 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 , 2014 | 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 | - | - | - | - | - | - | - | - | - | |
| June 30, 2014 | 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 ,2011 | - | 8,835,352 | 1,183,950 | 1,681,943 | 1,187,686 | 98,917 | 650,128 | 29,653 | 13,667,629 | |
| For the year 2012. | - | 238,029 | 20,986 | 233 | 23,777 | 4,417 | 2,963 | 6,772 | 297,177 | |
| 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 | |
| <u>Net Book Value</u> | | | | | | | | | | |
| At June 30 ,2015 | 192,300 | 3,877,513 | 137,689 | 295 | 156,001 | 2,697 | 6,068 | 44,431 | 4,416,994 | |
| Depreciation rate | - | 5.0% | 10% | 25% | 10% | 33% | 20% | 10% | | |

3.1 Depreciation for the year has been allocated as follows.

| | 2015 June 30 Rupees. | 2014 June 30 Rupees. |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Cost of sales | 219,477 | 231,951 |
| Administrative and general expenses | 25,117 | 28,624 |
| | 244,594 | 260,575 |

| | 2015 Rupees | 2014 Rupees |
|-------------------------|----------------|----------------|
| 4 STOCK IN TRADE | | |
| Raw materials | 610,655 | 513,365 |
| Finished goods | 195,610 | 172,131 |
| | <u>806,265</u> | <u>685,496</u> |

5 TRADE DEBTS (Un-secured)

| | | |
|--|------------------|------------------|
| Considered good | 106,536 | 106,536 |
| Considered doubtful | 400,945 | 400,945 |
| | <u>507,481</u> | <u>507,481</u> |
| Less: provision against doubtful debts | <u>(400,945)</u> | <u>(400,945)</u> |
| | <u>106,536</u> | <u>106,536</u> |

6 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

| Ordinary shares of Rs. 10 each | | | 2015 Rupees |
|--------------------------------|------------------|--|-------------------|
| 2015 | 2,014 | | |
| 1,129,500 | 1,129,500 | Fully paid in cash of Rs.10 each | 11,295,000 |
| 1,065,800 | 1,065,800 | Fully paid for consideration other than cash | 10,658,000 |
| 127,500 | 127,500 | Fully paid as bonus shares | 1,275,000 |
| <u>2,322,800</u> | <u>2,322,800</u> | | <u>23,228,000</u> |

- 6.1** 823,769 (2014: 823,769) Ordinary shares of Rs. 10/- each were held by associated companies at the year end.

7 ACCUMULATED LOSSES

| | | |
|--------------------------------|---------------------|---------------------|
| Balance at beginning of year | (62,462,718) | (62,550,705) |
| Net Profit (loss) for the year | <u>(119,690)</u> | <u>87,987</u> |
| | <u>(62,582,408)</u> | <u>(62,462,718)</u> |

8 SHORT TERM BORROWINGS - Unsecured

| | | 2015 | 2014 |
|------------------|-----|-------------------|-------------------|
| | | Rupees | Rupees |
| - From directors | 8.1 | 43,436,520 | 43,492,020 |
| | | <u>43,436,520</u> | <u>43,492,020</u> |

8.1 This represent temporary loans from directors of the company. These are interest free and repayable on demand. The maximum amount due at the end of any month during the year was Rs 44.328 (2014: 44.950 million).

9 TRADE AND OTHER PAYABLES

| | | |
|-------------------------|------------------|------------------|
| Creditors | 1,508,033 | 1,534,639 |
| Accrued expenses | 78,931 | - |
| Withholding tax payable | 103,267 | 103,267 |
| | <u>1,690,231</u> | <u>1,637,906</u> |

10 PROVISION FOR INCOME TAX

| | | |
|------------------------------|----------------|----------------|
| Balance at beginning of year | 150,172 | 150,172 |
| Current year's provision | - | - |
| | <u>150,172</u> | <u>150,172</u> |

11 SALES

| | |
|----------------|------------------|
| <u>824,469</u> | <u>3,038,927</u> |
|----------------|------------------|

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

12 COST OF SALES**Raw materials consumed**

| | | |
|-------------------------------|----------------|------------------|
| Opening balance | 513,365 | 338,938 |
| Purchases | 289,177 | 1,042,686 |
| | <u>289,177</u> | <u>1,042,686</u> |
| | 802,542 | 1,381,624 |
| Closing Stock of raw material | (610,655) | (513,365) |
| Raw material consumed | <u>191,887</u> | <u>868,259</u> |
| Factory staff salaries | 237,170 | 627,561 |

Factory overheads

| | | |
|------------------|----------------|----------------|
| Factory rent | 88,000 | 297,000 |
| Factory expenses | 47,497 | 16,813 |
| Depreciation | <u>219,477</u> | <u>231,951</u> |

Cost of goods produced

| | | |
|---------------------------------------|------------------|------------------|
| Opening stock of finished goods | 172,131 | 145,105 |
| Goods available for sale | <u>956,162</u> | <u>2,186,689</u> |
| Less: closing stock of finished goods | <u>(195,610)</u> | <u>(172,131)</u> |
| | <u>760,552</u> | <u>2,014,558</u> |

3.1

| 13 ADMINISTRATIVE AND GENERAL EXPENSES | | 2015 | 2014 |
|---|------|----------------|----------------|
| | | Rupees | Rupees |
| Salaries | | - | 680,605 |
| Printing and stationery | | 1,250 | 18,000 |
| Fees and subscription | | 9,870 | 8,765 |
| Legal and professional expenses | | 10,000 | 2,000 |
| Conveyance | | 800 | 76,640 |
| Vehicles repairs & maintenance | | 8,915 | 2,100 |
| Repair and maintainance | | 13,000 | - |
| Travel and entertainment | | - | 7,600 |
| Miscellenous | | 54,120 | 36,767 |
| Depreciation | 3.1 | 25,117 | 28,624 |
| | | <u>126,207</u> | <u>861,101</u> |
| 14 SELLING AND DISTRIBUTION COSTS | | | |
| Commission on sale | | - | 14,500 |
| Advertisement | | 6,300 | 9,000 |
| | | <u>6,300</u> | <u>23,500</u> |
| 15 OTHER CHARGES | | | |
| Auditors' remuneration | 15.1 | 50,000 | 50,000 |
| | | <u>50,000</u> | <u>50,000</u> |
| 15.1 Auditors' Remuneration | | | |
| Audit fees | | 50,000 | 50,000 |
| | | <u>50,000</u> | <u>50,000</u> |
| 16 INCOME TAX -Current | | - | - |
| 17 EARNINGS PER SHARE -Basic and diluted | | | |
| Net Profit/(loss) after tax | | (119,690) | 87,987 |
| Weighted average number of shares outstanding during the year | | 2,322,800 | 2,322,800 |
| (Loss)/profit per share -Basic | | <u>(0.05)</u> | <u>0.04</u> |

There was no dilutive effect on the earnings per share.

18 TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertaking comprise of associated companies, related group companies and directors. Transaction with related parties and associated undertakings are as under:

| Relationship | Nature of Transaction | 2015 Rupees | 2014 Rupees |
|----------------------|-----------------------|----------------|----------------|
| Associated company | Payment on behalf | | |
| Associated companies | Repayment of loan | - | - |
| Associated company | Transfer of material | | |
| Associated company | Purchase on behalf | | |
| Associated company | Advance against Sale | | |

19 FINANCIAL INSTRUMENTS

(Rupees in '000')

| | | 2015 | | | | | | |
|-------------------------------|------|------------------------|-------------------------|-----------|------------------------|-------------------------|-----------|----------|
| | | INTEREST BEARING | | | NON-INTEREST BEARING | | | |
| | | Maturity upto one year | Maturity after one year | Sub-total | Maturity upto one year | Maturity after one year | Sub-total | TOTAL |
| Financial Assets. | | | | | | | | |
| Cash and bank balances | | - | - | - | 13 | - | 13 | 13 |
| Trade debts | | - | - | - | 107 | - | 107 | 107 |
| | | - | - | - | 120 | - | 120 | 120 |
| Financial Liabilities. | | | | | | | | |
| Security deposit | | - | - | - | 20 | - | 20 | 20 |
| Short term borrowings | | - | - | - | 43,437 | - | 43,437 | 43,437 |
| Trade and other payables | | - | - | - | 1,690 | - | 1,690 | 1,690 |
| | | - | - | - | 45,147 | - | 45,147 | 45,147 |
| Net financial liabilities | 2015 | - | - | - | (45,027) | - | (45,027) | (45,027) |
| | | 2014 | | | | | | |
| | | INTEREST BEARING | | | NON-INTEREST BEARING | | | |
| | | Maturity upto one year | Maturity after one year | Sub-total | Maturity upto one year | Maturity after one year | Sub-total | TOTAL |
| Financial Assets. | | | | | | | | |
| Cash and bank balances | | - | - | - | 12 | - | 12 | 12 |
| Trade debts | | - | - | - | 107 | - | 107 | 107 |
| | | - | - | - | 119 | - | 119 | 119 |
| Financial Liabilities. | | | | | | | | |
| Security deposit | | - | - | - | 20 | - | 20 | 20 |
| Short term borrowings | | - | - | - | 43,492 | - | 43,492 | 43,492 |
| Trade and other payables | | - | - | - | 1,638 | - | 1,638 | 1,638 |
| | | - | - | - | 45,150 | - | 45,150 | 45,150 |
| Net financial liabilities | 2014 | - | - | - | (45,031) | - | (45,031) | (45,031) |

20 RELATED DISCLOSURES

Credit risk and concentration of credit risk.

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparts failed completely to perform a Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The company is not exposed to concentration of credit risk in respect of trade debts as these are all fully collectible.

Foreign exchange risk

The company is not materially exposed to foreign exchange risk as it does not deal with foreign currency.

Fair values of financial instruments

The estimated fair value of all the financial assets and liabilities are not materially different from their book values as at the balance sheet date.

20.1 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratio, strong credit rating and optimal capital structures in order to ensure ample availability of finance for existing and potential investment projects, to maximum.

The company manages its capital structure and make adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return the capital.

During the year, the company's strategy was to minimize leveraged gearing. The gearing ratios as at June 30, 2015 and June 30, 2014 were as follows:

| | 2015 June Rupees | 2014 June Rupees |
|-------------------------------|------------------------|------------------------|
| Security deposit from dealers | 20,000 | 20,000 |
| Short term borrowings | 43,436,520 | 43,492,020 |
| Trade and other payables | 1,690,231 | 1,637,906 |
| | <u>45,146,751</u> | <u>45,149,926</u> |
| Cash and bank balances | (13,125) | (12,165) |
| Net debt | <u>45,133,626</u> | <u>45,137,761</u> |
| Share capital | 23,228,000 | 23,228,000 |
| Reserves | (62,582,408) | ##### |
| Equity | <u>(39,354,408)</u> | <u>#####</u> |
| Net Debt employed | <u>5,779,218</u> | <u>5,903,043</u> |
| Gearing Ratio | 781% | 765% |

The company finances its operating activities with interest free borrowings from directors and associated undertakings. The higher gearing ratio would not effect the company's ability to meet its liabilities as almost all the finances used in business are provided by the directors and associated undertakings which are interest free.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements were approved by the Board of Directors and authorised for issue on 2015.

CONTINGENCY AND COMMITMENT

There was no contingency or commitment as at the balance sheet date.

22 GENERAL

Figures have been rounded-off nearest to the rupee unless stated otherwise.

Previous year figures have been re-arrange/re-classified where ever necessary for the purpose of comparison and proper presentation.


CHIEF EXECUTIVE


DIRECTOR

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

PATTERN OF SHAREHOLDING
AS ON 30TH JUNE, 2015

| NO. OF SHAREHOLDERS | SHAREHOLDING | | TOTAL SHARES HELD |
|------------------------|--------------|---------|----------------------|
| | FROM | TO | |
| 692 | 1 | 100 | 52,360 |
| 285 | 101 | 500 | 79,890 |
| 266 | 501 | 1,000 | 150,710 |
| 45 | 1,001 | 5,000 | 86,950 |
| 4 | 5,001 | 10,000 | 24,510 |
| 1 | 10,001 | 15,000 | 10,780 |
| 1 | 15,001 | 20,000 | 19,500 |
| 1 | 35,001 | 40,000 | 38,697 |
| 1 | 140,001 | 145,000 | 140,250 |
| 3 | 160,001 | 165,000 | 486,420 |
| 1 | 200,001 | 205,000 | 203,784 |
| 1 | 205,001 | 210,000 | 205,730 |
| 1 | 820,001 | 825,000 | 823,219 |
| 1302 | | | 2,322,800 |

| Catagories of Shareholders | No. of Shareholders | Shares Held | Percentage % |
|-------------------------------|------------------------|------------------|---------------|
| Individuals | 1,297 | 1,347,921 | 58.03 |
| Others | 1 | 80 | 0.00 |
| Investment Companies | 1 | 10,780 | 0.46 |
| Joint Stock Companies | 2 | 823,769 | 35.46 |
| Financial Institutions | 1 | 140,250 | 6.04 |
| | 1,302 | 2,322,800 | 100.00 |

INFORMATION AS REQUIRED UNDER CODE OF CORPORATE GOVERNANCE
AS ON 30-06-15

| SHAREHOLDERS CATEGORY | SHAREHOLDING |
|--|---------------------|
| <u>OTHERS</u> | |
| N.H. SECURITIES (PVT) LTD. | 80 |
| <u>INVESTMENT COMPANIES</u> | |
| INVESTMENT CORPORATION OF PAKISTAN | 10,780 |
| <u>JOINT STOCK COMPANIES</u> | |
| DADABHOY TRADING CORPORATION (PVT) LTD | 823,219 |
| DADABHOY CEMENT INDUSTRIES LTD | 550 |
| <u>FINANCIAL INSTITUTIONS</u> | |
| NATIONAL BANK OF PAKISTAN | 140,250 |
| <u>SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST</u> | |
| DADABHOY TRADING CORPORATION (PVT) LTD | 823,219 |

1,134,929

| | |
|-------------------------------|----------------|
| <u>DIRECTORS</u> | |
| MR. MOHAMMAD HUSSAIN DADABHOY | 54,050 |
| MR. MOHAMMAD AMIN DADABHOY | 258,380 |
| MR. FAZAL KARIM DADABHOY | 256,434 |
| MRS HUMAIRA DADABHOY | 163,385 |
| MRS YASMEEN DADABHOY | 162,985 |
| MRS. NOOR BAKHT DADABHOY | 700 |
| MR. DANISH DADABHOY | 500 |
| | 896,434 |

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

THIRTY FOUR ANNUAL GENERAL MEETING 2015

FORM OF PROXY

I / We _____

Of _____ being

A member of DADABHOY CONSTRUCTION TECHNOLOGY 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 11th October 2015 and at any
adjournment thereof.

Signed my me/us this _____ day of _____ 2015

Signed by the Shareholders

Important :

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

Registered Office, Noor Centre Office No. 4, 2nd Floor, Plot No.30-C
Ittehad Lane 12 Phase VII, D.O.A.H., Karachi. Not later then 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

34 TH ANNUAL REPORT
