

FOR THE NINE MONTHS PERIOD
ENDED MARCH 2018



**DADABHOJ
GROUP**

**DADABHOJ CONSTRUCTION
TECHNOLOGY LIMITED**

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Hussain Dadabhoy
Mr. Faheem Khan Niazi
Mr. Muhammad Amin Dadabhoy
Mr. Fazal Karim Dadabhoy
Khawaja Mansoor Ali
Malik Shaheer Khalid
Mrs. Noor Bakht Dadabhoy
Mr. Danish Dadabhoy

Chairman/ Director
Chief Executive Officer
Director
Director
Director
Director
Director
Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammad Rashid

AUDITORS

M/s Reanda Haroon Zakeria &
Company, Chartered Accountants

LEGAL ADVISOR

Mr. Salim Thepdawala

BANKER

Summit Bank Limited

REGISTERED OFFICE

28- 30C/ II, 04 Noor Center, 12th
Lane, Phase VII Ext., DHA, Karachi.

SHARE REGISTRAR

F. D. Registrar Service (SMC-Pvt.)
Limited
Tel. 021- 32213243

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Muhammad Amin Dadabhoy
Mr. Faheem Khan Niazi
Khawaja Mansoor Ali

AUDIT COMMITTEE

Khawaja Mansoor Ali
Mr. Muhammad Amin Dadabhoy
Malik Shaheer Khalid

Chairman
Member
Member

Directors' Report

The Board of Directors of M/s Dadabhoi Construction Technology Limited [DCTL] is pleased to present the quarterly results of the company for the period ended March 31, 2018 along with Directors' Report to its shareholders.

Your company has shifted its focus from the production of sealing bonds and started to look into the opportunities in small scale construction of developing housing, factories and offices. For such consideration, the company has acquired two pieces of land in the suburbs of Islamabad at the cost of Rs. 10.00 million.

The company has sold its unit along with land measuring 9.34 acres, located at Nooriabad at a sale price of Rs.50.0 million. Hence your company has recorded a gain of Rs. 46.31 million for the period under review. This transaction has improved the net worth of the company from negative Rs.41.83 million as at December 31, 2017, to a positive figure of Rs. 3.13 million for the quarter ended March 31, 2018.

Further, so as to improve the financial position, the company has arranged short term borrowing for an aggregate amount of Rs. 62.0 million since October 2017.

In addition to the above, the company has also entered into two transactions, one each with Bank of Punjab and the Summit Bank Limited that are pertaining to purchase of piece of commercial plots. The Company intends to construct small commercial complex on these lands to achieve the profitability.

In order to make more balanced and effective composition of the board, the Board of Directors has also inducted another two new directors in first week of March 2018 in place of existing family members.

The Company is up to date on all its regulatory filing as also with PSX and now waiting for an NOC, required for the listing of its shares with CDC, from them for the last couple of months.

Future Outlook:

In addition to the developments as detailed hereinabove, the Company is committed to achieve the following:

- 1 Achieve a capital base of minimum Rs. 300 million by June 30, 2019 and,
- 1 A complete self- sustained profitable operations by end December 2018

We would also like to add that our Board is confident to implement the above planned actions within the decided stipulated time frame as we are now committed to revive the operations of the company as at earliest.

Acknowledgement:

The Board of Directors extends its gratitude to our valued shareholders for their confidence, which they imposed on us and is also thankful to Securities & Exchange Commission of Pakistan (SECP) and other regulatory authorities for providing us their usual support and guidance.

We also appreciate members of the senior management and the other team members for their sincere and dedicated for contributing in facing future challenges for revival of operations of the company

For & On behalf of the Board of Directors:



Faheem Khan Niazi
Chief Executive Officer

April 16, 2018

ڈائریکٹرز کا تجزیہ

آپ کی کمپنی میسرز دادا بھائی کنسٹرکشن ٹیکنالوجی لمیٹڈ کے ڈائریکٹرز 31 مارچ 2018 کو ختم ہونے والی سہ ماہی کی عبوری مالیاتی معلومات پیش کرتے ہوئے نہایت خوشی محسوس کرتے ہیں۔

آپ کی کمپنی نے اپنا توجہ سنگ ماہی باغرز کی پیداوار سے منتقل کر کے چھوٹے پیمانے پر ترقیاتی مکانات، فیکٹریوں اور دفاتر کے تعمیراتی کاموں کی طرف مرکوز کر دی ہے اور اس سلسلے میں کمپنی نے اسلام آباد کے مضافات میں زمینوں کے دو کھوتے حاصل کیے ہیں جنکی مالیت Rs. 10.0 ملین ہے۔

زیر جائزہ دورانیے میں کمپنی نے اینٹی اینٹ معزز مین جو کہ (9.34) ایکڑ پر مشتمل ہے اور نووری آباد پر واقع ہے، Rs. 50.0 ملین میں فروخت کر دی ہیں اور اس طرح تقریباً Rs. 46.31 ملین کا نفع اپنی کتاب میں درج کیا ہے۔ اس فراز یکشن کے سبب کمپنی کی کل مالیت میں نمایاں بہتری دیکھنے میں آئی ہے جو کہ 31 دسمبر 2017ء پر ختم ہونے والی ششماہی پر مبنی Rs. 41.83 ملین تھی، بہتر ہو کر 31 مارچ 2018ء پر ختم ہونے والی سہ ماہی پر مبنی Rs. 3.13 ملین ہو گئی ہے۔

مزید یہ کہ کمپنی نے اپنی مالی حالت کی بہتری کے لیے اکتوبر 2017ء سے اب تک کے دورانیے میں مجموعی طور پر Rs. 62.0 ملین کی رقم قلیل مدت قرضہ جات کی مد میں حاصل کی ہے۔ اس کے علاوہ آپ کی کمپنی تجارتی زمین کے ٹکڑوں کے خریداری کی دو فراز یکشن میں بھی داخل ہوئی ہے جو کہ بالترتیب بینک آف پنجاب اور سٹ بینک کے ساتھ ہوئی ہیں۔ کمپنی کا ارادہ ہے کہ ان زمینوں کے ٹکڑوں پر تجارتی کمپلیکس کی تعمیر کی جائے تاکہ آپ کی کمپنی اس کے ذریعے منافع حاصل کر سکے۔

کمپنی کے بورڈ کو مزید متوازن اور موثر بنانے کے لیے بورڈ آف ڈائریکٹرز نے مارچ کے پہلے نصف میں دو موجودہ ڈائریکٹرز جو کہ خاندانی ممبران تھے، ان کی جگہ دو مزید نئے ڈائریکٹرز کا تقرر کیا ہے۔

کمپنی اپنے شیئر ہولڈرز کو یہ بھی مطلع کرتی ہے کہ اس نے اب تک پاکستان اسٹاک ایکسچینج (PSX) کو درکار شدہ معلومات و دستاویزات فراہم کر دی ہیں اور پچھلے سنی ماہ سے ان کی طرف سے "کوئی اعتراض نہیں ہے" کا سرٹیفکیٹ "(NOC) کا انتظار کر رہی ہے تاکہ کمپنی کے ظاہری سرٹیفکیٹ کو "CDC ایل سیکیورٹی" میں تبدیل کیا جاسکے۔

مستقبل کا نقطہ نظر:

کمپنی نے یہ بھی منصوبہ بندی کی ہے کہ اوپر تفصیلاً بیان کردہ ترقیاتی امور کے علاوہ درج ذیل مقاصد حاصل کرے گی۔

- 30 جون 2019ء تک کمپنی اپنا "اداشہ سرمایہ" Rs. 300 ملین تک کر دے گی۔

- دسمبر 2018ء کمپنی اس جگہ پہنچ جائے گی کہ وہ اپنے خود کے وسائل سے ایک منافع بخش آپریشن کو برقرار رکھ سکے۔

یہاں ہم یہ بات بھی شامل کرنا چاہیں گے کہ بورڈ نہایت پرامید ہے اور پر بیان کردہ منصوبہ بندی کے کاموں کو ان کی فیصلہ کی جانے والی حد بندی اوقات کے اندر اندر مکمل کر لیا جائے گا جیسا کہ کمپنی کا مرکزی مقصد اس کے آپریشن کی جلد از جلد بحالی ہے۔

اختتام:

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان کا شکریہ ادا کرتے ہیں کہ انہوں نے بورڈ پر اپنے بھرپور اعتماد کا اظہار کیا ہے۔ بورڈ سیوریٹی اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور دیگر ریگولیٹری حکام کا بھی ممنون ہے کہ انہوں نے اپنی حسب معمول رہنمائی اور حمایت میں فرمائی۔

مزید یہ کہ بورڈ اپنی سینیئر مینجمنٹ کے ممبران اور دیگر ممبران کو بھی سراہتا ہے انہوں نے کمپنی کے آپریشن کی بحالی کے لیے مستقبل میں پیش آنے والے چیلنجوں کا سامنا کرنے میں اپنا تخلص اور لگن سے سرشار ڈالا۔

از طرف:

بورڈ آف ڈائریکٹرز

میسرز دادا بھائی کنسٹرکشن ٹیکنالوجی لمیٹڈ۔

فہیم خان نیازی

چیف ایگزیکٹو


16 اپریل 2018ء

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2018

		(Amount in Rupees)	
	Note	MARCH 31, 2018 (Un-audited)	June 30, 2017 (Audited)
ASSETS			
Non- Current Assets			
Property and equipment	5	132,035	3,834,516
Current Assets			
Advance against development property	6	60,000,000	-
Cash and bank balances		6,663,247	5,490
		66,663,247	5,490
Total Assets		66,795,282	3,840,006
EQUITY AND LIABILITIES			
Authorized Capital			
5,000,000 Ordinary shares of Rs. 10/- each		50,000,000	50,000,000
Issued, Subscribed and paid up capital			
2,322,800 shares of Rs. 10/- each, fully paid up		23,228,000	23,228,000
Accumulated losses		(20,092,370)	(64,918,931)
Shareholders' equity		3,135,630	(41,690,931)
NON- CURRENT LIABILITIES			
Deferred liabilities		40,683	1,092,665
CURRENT LIABILITIES			
Trade and other payables		749,800	731,300
Markup accrued		718,997	-
Short term borrowing	7	62,000,000	43,556,800
Provision for taxation		150,172	150,172
		63,618,969	44,438,272
Contingencies and commitments	8		
TOTAL EQUITY AND LIABILITIES		66,795,282	3,840,006

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information


Chief Executive


Chief Financial Officer



Director

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine months period ended		Quarter ended	
	MARCH 31, 2018	March 31, 2017	MARCH 31, 2018	March 31, 2017
	(In Rupees)			
Sales	-	-	-	-
Cost of sales	-	-	-	-
Gross Profit/ (loss)	-	-	-	-
Other Income	46,308,245	-	46,308,245	-
Administrative expenses	(1,779,769)	(190,645)	(760,481)	(50,019)
Other operating expenses	(34,900)	(27,500)	(2,400)	-
Operating losses	(1,814,669)	(218,145)	(762,881)	(50,019)
Finance cost on short term borrowing/ loan	(718,997)	-	(581,722)	-
Profit/ (Loss) before taxation	43,774,579	(218,145)	44,963,642	(50,019)
Taxation	1,051,981	(28,600)	-	-
Profit/ (Loss) after taxation	44,826,561	(246,745)	44,963,643	(50,019)
Profit/ (Loss) per share	19.30	(0.11)	19.36	(0.02)

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information


Chief Executive


Chief Financial Officer



Director

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN- AUDITED)
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Nine months period ended		Quarter ended	
	MARCH 31, 2018	March 31, 2017	MARCH 31, 2018	March 31, 2017
	<i>(In Rupees)</i>			
(Loss)/ profit after taxation	44,826,561	(246,745)	44,963,643	(50,019)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss)/ profit for the period	44,826,561	(246,745)	44,963,643	(50,019)

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information


Chief Executive


Chief Financial Officer


Director

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

A. CASH FLOW FROM OPERATING ACTIVITIES

Profit/ (Loss) before taxation

43,774,579

(218,145)

Adjustments for:

Depreciation

10,726

150,060

Gain on disposal of fixed asset

(46,308,245)

Liabilities written back

-

Finance cost

718,997

Impairment loss on fixed assets

Stores and spares written off

Advance income tax written off

Finance cost

(45,578,522)

150,060

Cash outflow before working capital changes

(1,803,943)

(68,085)

Working capital changes:

Increase / (decrease) in current assets

Increase in current liabilities

Trade and other payables

18,500

24,875

Net cash used in operating activities

(1,785,443)

(43,210)

B. CASH FLOW FROM INVESTING ACTIVITIES

Advance against development property

(60,000,000)

Proceed from disposal of fixed assets

50,000,000

Net cash used in investing activities

(10,000,000)

C. CASH FLOW FROM FINANCING ACTIVITIES

Short term borrowing obtained

12,000,000

31,350

Directors' loan obtained

50,000,000

Directors' loan settled

(43,556,800)

Long term deposit refunded

-

Net cash generated from financing activities

18,443,200

31,350

Net increase/ (decrease) in cash and cash equivalents

6,657,757

(11,860)

Cash and cash equivalents at beginning of the period

5,490

19,095

Cash and cash equivalents at end of the period

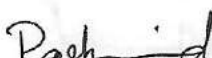
6,663,247

7,235

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information



Chief Executive



Chief Financial Officer



Director

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

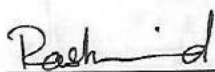
DADABHOY CONSTRUCTION TECHNOLOGY LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN- AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

	Share Capital	Accumulated Losses	Shareholders' Equity
	(In Rupees)		
Balance as at June 30, 2016 - Audited	23,228,000	(64,804,967)	(41,576,967)
Total comprehensive loss for the period	-	(196,726)	(196,726)
Balance as at December 31, 2016	23,228,000	(65,001,693)	(41,773,693)
Balance as at June 30, 2017 - Audited	23,228,000	(64,918,931)	(41,690,931)
Total comprehensive loss for the period	-	44,826,561	44,826,561
Balance as at March 31, 2018	23,228,000	(20,092,370)	3,135,630

The annexed notes from 1 to 10 form an integral part of this condensed interim financial information



Chief Executive



Chief Financial Officer



Director

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2018

1 THE COMPANY AND ITS OPERATIONS

- 1.1 The company was incorporated on April 7, 1981 by the name of Pak German Prefabs Limited (PGPL) as Public Limited Company and is listed on Pakistan Stock Exchange Limited (PSX). However, during the financial year 2005, the Company changed its name to Dadabhoy Construction Technology Limited after the merger with its associated company. The principal activity of the Company is to acquire and develop land for construction and sell of properties and to manufacture and sell the sealing chemicals / bonds used in the construction including Hi Bond Cement and allied products. 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.

Trading in shares of the Company was suspended by the Stock Exchanges on August 01, 2012 due to non compliances with respect to regulations of the Stock Exchanges.

1.2 Going Concern Assumption:

During the period under review, the Company has recorded after tax profit to Rs. 44.964 million (March 31, 2017: loss of Rs. 0.050 million), reducing its accumulated losses as on balance sheet date amounting to Rs.20.092 million (June 30, 2017: Rs. 64.919 million), while current assets of the Company exceed the current liabilities by Rs. 3.044 million (June 30, 2017: current liabilities of the Company were exceeded the current assets by Rs. 44.433 million). These factors indicate the existence of material uncertainty over the Company's ability to continue as going concern", and accordingly, the Company may not be able to realize its assets and settle its liabilities at stated amounts in the normal course of business.")

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

- The Company is in the process of revival for which it has acquired the land for development purpose.
 - The management has also planned to raise the finance from internal as well as external sources to further improve the financial and operational outlook of the Company.
- 1.3 In addition to the above, the company has entered into two more transactions, each one with Bank of Punjab and the Summit Bank Limited, which are pertaining to the purchase of lands/ plots. Details are as under:
- 1.3a Bank of Punjab: at purchase price of Rs. 182.549 million, payable in installments within one year, latest by February 28, 2019. As of this balance sheet date, the Company has paid an advance of Rs. 50 million against the said purchase price. The company has also submitted a letter to the Lahore Cantonment Board requesting them their approval for constructing a commercial complex on the plot.
- 1.3b Summit Bank Limited: at purchase price of Rs. 159.263 million, payable in installments in four years, latest by December 31, 2021.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

This condensed interim financial information of the Company for the quarter ended March 31, 2018 is unaudited and have been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Act, 2017 (the Act). In case where requirements differ, the provisions of or directives issued under the Act have been followed.

- 2.2 The figures of this condensed interim profit and loss account for the quarter ended March 31, 2018 have not been reviewed by the auditors of the Company. This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2017.
- 2.3 This condensed interim financial information have been prepared under 'historical cost convention'.
- 2.4 This condensed interim financial information are presented in Pakistani Rupees which is also the functional currency of the Company.
- 2.5 The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2017, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity have been extracted from the unaudited condensed interim financial information for the quarter ended March 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies, applied in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended June 30, 2017 except as follows:

3.1 Development properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is classified as development properties and is measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date less costs to completion and the estimated costs of sale.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

- 4.1 The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 4.2 In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended June 30, 2017.
- 4.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2017.

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED

		(Un-audited) MARCH 31, 2018	(Audited) June 30, 2017
5	PROPERTY AND EQUIPMENT	----- Rupees -----	
5.1	Opening WDV of operating fixed assets	3,834,516	4,034,597
	Add: Addition during the period - Land	-	-
		3,834,516	4,034,597
	less: Depreciation for the period / year	(10,726)	(200,081)
	Non - current assets classified as held for sale and transferred to current assets, then Sold	5.2 (3,691,755)	-
		<u>132,035</u>	<u>3,834,516</u>

- 5.2 During the period, the Board of Directors, has sold the land and building of the Company at sale price of Rs. 50 million, as part of its revival plan. The written down value of land and building amounts to Rs. 192,300/- and Rs. 3,499,455/- respectively. Hence, after accounted for the said sale transaction, the Company recorded a net gain of Rs. 46,308,245/-, which reflects under the head of 'Other Income' in the Profit & Loss Account.

		(Un-audited) MARCH 31, 2018	(Audited) June 30, 2017
6	ADVANCE AGAINST PROPERTY	Note ----- Rupees -----	
	Land for development	6.1 60,000,000	-
6.1	Title of the respective land/ plots will be transferred after fulfilment of certain legal formalities. The management of the Company intends to utilize the land for the construction and allied activities in the ordinary course of its business after fulfilling necessary regulatory compliances.		

7 SHORT TERM BORROWING

Unsecured

From Directors - related parties	7.1	50,000,000	43,556,800
From Associate of the Directors	7.2	12,000,000	-
		<u>62,000,000</u>	<u>43,556,800</u>

- 7.1 The loan is carrying markup at the rate of 3 month KIBOR plus 3% per annum and is payable on demand. Loans obtained to facilitate the Company to fulfill its financial and operational obligations.

- 7.2 The loan is carrying markup at the rate of 3 month KIBOR plus 3% per annum and is payable on demand. Loan was obtained for the acquisition of land - investment property.

8 CONTINGENCIES AND COMMITMENTS

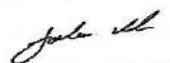
There are no contingencies and commitments binding on the Company as on the balance sheet date, except those as detailed in Note # 1.3

9 GENERAL

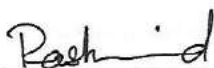
Figures have been rounded off to the nearest Rupee.

10 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information have been authorized for issue on April 16, 2018 by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director