



DADABHOJ CONSTRUCTION TECHNOLOGY LTD.

Ref. No. DCTL/2023-24/0003

April 8, 2024

Ajeet Kumar,
Chief Regulatory Officer,
Pakistan Stock Exchange Limited,
PSX Head Office, Stock Exchange Building,
Stock Exchange Road,
Karachi -74000.

✓ 2. Hafiz Maqsood Munshi,
Unit Head - Listed Companies Compliance,
Regulatory Affairs Department,
Pakistan Stock Exchange Limited,
PSX Head Office, Stock Exchange Building,
Stock Exchange Road,
Karachi -74000.

Subject: NON-COMPLIANCES OF PSX REGULATIONS BY DCTL

Dear Sir,

Please refer to Pakistan Stock Exchange Limited (PSX) letter No. PSX/C-556-389 dated 13.3.24 and followed by an email wherein it has been communicated that PSX has noted with concern that M/s Dadhahoy Construction Technology Limited (DCTL) has not submitted any substantial progress towards rectification of its non-compliances under PSX Regulations 5.11.1.(b), (c), (d), (i) and (l) and advised to submit and comply with certain requirements as follows:

- i. Provide a copy of its application to SECP regarding holding of overdue AGMs
- ii. Submit updated status of progress particularly with respect to rectification of non-compliances of PSX Regulations 5.11.1.(b), (c), (d), (i) and (l)
- iii. Disseminate detailed progress report through PUCARS for information of market participants.

In this connection following is submitted for your consideration and review.

1. Preparation of Accounts and Filing of Financial Statements to PSX Under PSX Regulations

DCTL has undertaken arduous job of audit of its accounts /financial statements from year 2019-20, 2020-21, 2021-22, 2022-23 and auditor have issued the audit report having audited the accounts prepared by the management of DCTL. The management of the Company has prepared these financial statements on going concern basis due to following reasons

- a. The company has entered into agreements for acquisition of land for development /construction of residential and commercial units. Covenants of the agreements will be met after fulfillment of certain legal requirements and improvements in the overall economic outlook of the Company
- b. The management is also corresponding with a running hotel business to acquire the complete business against issuance of shares of the DCTL and partially through cash.
- c. Management structure of the Company has been changed to bring in the expertise and experience which could facilitate the company in operationalizing the Company fully.
- d. The management of the Company has planned to raise the finance from internal and external sources to further improve the financial and operational outlook of the Company.
- e. Company is also seeking merger with another real estate Company after fulfilling all the legal requirements.
- f. Although the Company is still in loss zone but significant steps have been taken those will pave the way for future of the Company.

In addition to the above, all half yearly/quarterly financial accounts have been prepared which served as basis for preparation of annual accounts for the last 4 years mentioned above.

2. Holding of Overdue AGMS

Upon completion of audit of the financial statements, DCTL was in the process of filing an application for seeking direction under section 147 “ Power of the Commission to call meetings” of the Companies Act 2017, however, Circular No. 07/2024 dated 07.3.2024 recently issued by SECP clarified the intent and purpose of Section 147, especially under clause 3(v) the circular clarifies that the legislative intent behind the provisions of the section 147 of the Act is to bring the defaulter company within the compliance of the regulatory ambit, therefore, the defaulter company which has held its overdue meetings without invocation of provisions of section 147, such meeting would be considered as a valid meeting, if held in accordance with the relevant provisions of the law. Therefore, DCTL halted the process of submitting application for seeking direction and matter is taken up with the Board for calling overdue general meetings for passage of business that is overdue for the last 4 years. DCTL to intimate the board meeting proceedings and holding of overdue general meeting within a fortnight. Accordingly, DCTL to make up all its overdue compliance and bring the DCTL compliance level up to date.

3. Dissemination of detailed progress report through PUCARS

It is to inform you that DCTL will ensure that progress stated here in above is disseminated through PUCARS.

Keeping the aforementioned in view, we trust the information provided suffice the purpose. We assure that no further delay would take place on the part of DCTL and compliances under PSX regulations will be complied with shortly.

Regards,


Authorized Signatory

**DADABHOY CONSTRUCTION
TECHNOLOGY LIMITED**