

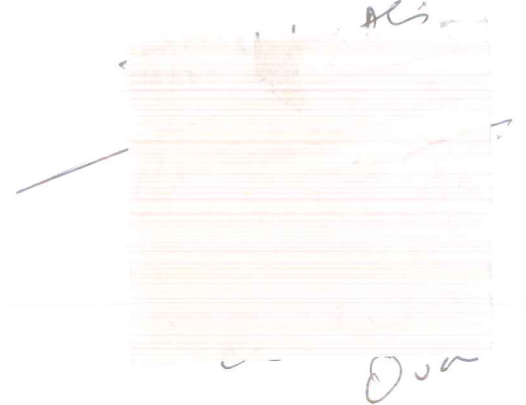


## DADABHOJ CONSTRUCTION TECHNOLOGY LTD.

  
**HI-BOND**  
PRE-PACKAGED POLYMER-MODIFIED MORTAR  
Pak Patent No : 135708

September 13, 2019

Hafiz Maqsood Munshi  
Manager  
Companies & Securities Compliance-RAD  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.



Dear Sir,

Sub: **Hearing held on August 21, 2019; Non- Compliances of PSX Regulations**

Please refer to your letter # PSX/Gen-3556 dated August 09, 2019, the hearing held on August 21, 2019 in your good office and our letter dated September 04, 2019 on the subject matter.

In the above referred hearing, Mr. Adeel, your Senior Manager after having a detailed discussion on the various issues of the Company, has advised us to submit a firm and comprehensive business plan mentioning the actions to be taken for the revival of the operations along with the pertinent timelines in respect of its implementation latest by September 05, 2019. Accordingly, a definite Business Plan for the restructuring of the Financial Position of the Company and profitable operations in the next six months is being submitted herewith. As advised by you, we will keep sending you the updates on the implementation of the Business Plan on a monthly basis.

As informed to the Exchange vide our letter dated September 06, 2019, the Board of the Company, in its meeting held on August 29, 2019, has approved the appointment of Ch. Muhammad Javed Siddique as a new director of M/s Dadabhoj Construction Technology Limited (DCTL) in place of deceased director, Mr. Muhammad Amin Dadabhoj effective from August 29, 2019 to fill the casual vacancy.

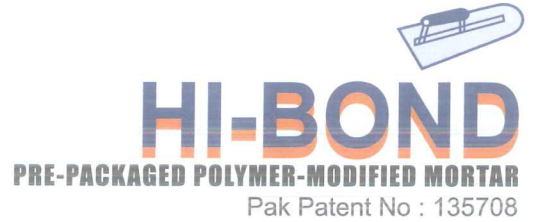
Regarding your query about the sale of the land & building of the Company, we would like to inform you that it was not a complete disposition of all the assets of the Company as plant & machinery and the formulae for the Bonding Technology were not sold and had been kept for a restart of the operations at some other rented or acquired place as and when market demand of the product improves. Moreover, the Company had an alternate business plan at the time of executing the sale transaction.

In this context, we would like to add that though the Company did not route the pertinent transaction in an AGM/ EOGM for obtaining the shareholders' approval but the transaction in question was duly approved, unanimously by the Board in its meeting held on January 31, 2018 and in addition, the matter was covered extensively in the Directors' Report for the year ended June 30, 2018.





## DADABHOY CONSTRUCTION TECHNOLOGY LTD.



You may kindly agree that as the directors and their family members hold 74% (approx.) of the Company's shares, the Board approval of the said transaction serve the purposes of the shareholders' approval as well. The external auditors of the DCTL were also corresponded to this point.

Further that our Chief Executive is currently travelling and is not available to sign this letter and accompanied business plan for submission within the committed time frame. However, the undersigned hereby confirms that the contents of this letter and the Business Plan have been duly reviewed by the CEO before the issue.

We feel that the above is sufficed to your requirement on the matter. We are hopeful to your favorable considerations to our submission.

Thanking you.

Yours truly,

M. Sohail A. Sheikh  
Authorized Signatory

**BUSINESS PLAN FOR REVIVAL OF DADABHOY CONSTRUCTION TECHNOLOGY LIMITED THROUGH ACQUISITION OF EARNING ASSETS OF AMER HOTEL, LAHORE AGAINST ISSUE OF ITS SHARES**

The owners of Amer Hotel, Lahore have shown willingness to sell the running business of their Hotel along with Land, Building and all the furniture & fixtures to Dadabhoj Construction Technology Limited (DCTL) partly against issue of its shares and partly against cash.

The audited Accounts of the Hotel during last three years depicts the following financial position and operating performance of the Hotel.

<b>AMER HOTEL</b>			
<b>BALANCE SHEET</b>			
(Amount in Rupees)			
	As At June 30, 2016	As At June 30, 2017	As At June 30, 2018
<b>ASSETS</b>			
Non Current Assets			
Property, plant & equipment	498,827,500	489,202,937	480,356,467
Current Assets			
Trade Debts	785,501	259,660	462,168
Advances & Prepayments	103,438	147,731	161,077
Advance Tax			-
Cash & Bank Balances	2,509,996	5,272,881	174,379
<b>Total Current Assets</b>	<b>3,398,935</b>	<b>5,680,272</b>	<b>797,624</b>
<b>Total Assets</b>	<b>502,226,435</b>	<b>494,883,209</b>	<b>481,154,091</b>
<b>Capital &amp; Reserves</b>			
Partner's Capital	74,306,962	63,770,438	52,328,711
Surplus on Revaluation of Assets	427,531,143	427,531,143	427,531,143
<b>Total Capital &amp; Reserves</b>	<b>501,838,105</b>	<b>491,301,581</b>	<b>479,859,854</b>
<b>Current Liabilities</b>			
Trade & Other Payables	388,330	3,581,518	1,294,237
<b>Total Equity &amp; Liabilities</b>	<b>502,226,435</b>	<b>494,883,099</b>	<b>481,154,091</b>
<b>AMER HOTEL</b>			
<b>PROFIT &amp; LOSS ACCOUNT</b>			
(Amount in Rupees)			
	For the Year Ended June 30, 2016	For the Year Ended June 30, 2017	For the Year Ended June 30, 2018
<b>OPERATING PERFORMANCE</b>			
Sales & Services	32,253,317	33,140,511	26,904,337
Cost of Sales & Services	24,354,255	22,208,553	18,868,166
Gross Profit	7,899,062	10,931,958	8,036,171
Administrative Expenses	3,540,206	3,766,007	3,295,563
Profit before Tax	4,358,856	7,165,951	4,740,608
Taxation	186,250	143,290	49,333
<b>Profit After Tax</b>	<b>4,172,606</b>	<b>7,022,661</b>	<b>4,691,275</b>

The valuation of the Hotel business has been carried out by M/s Madadgar Valuators and Aamir Salman Rizwan Chartered Accountants in August 2019 for determining the real value of the business to arrive at amount of consideration for the transaction on the following basis:



SR. #	BASIS	AMOUNT (in Rupees)
1.	Valuation of Land carried by Madadgar Valuators	378,000,000
2.	Valuation of Building carried by Madadgar Valuators	106,315,200
3.	AC Plants & Equipment carried by Madadgar Valuators	25,000,000
4.	Present Value @ 10% of current net profit per year with the growth of 10% p.a. from the Hotel Business for next 10 years as Goodwill of the running business (the net profit for the 2019 has been agreed at Rs. 7.00 million the present value of which with increase of 10% per anum works out to be) carried by Aamir Salman Rizwan Chartered Accountants, Lahore	129,718,169
	<b>Total Valuation</b>	<b>639,033,369</b>

M/s Amer Hotel is a privately owned Hotel having addressed at 46, Lower Mall, Lahore right at Lower Mall is a 3 Star Hotel spread over 72 marlas of land with covered area of 27,370 sq. ft. The facilities at the Hotel are comprised of 50 guests' rooms, two restaurants and a Banquet Hall of the capacity of 400 persons, walk in Fridge, Air-condition Unit for entire Building and standby generators with the support of a 200KVA transformer as back up for entire electricity requirements.

The proposed takeover of the Assets of Amer Hotel by DCTL against part issue of shares of DCTL and part payment in cash by the Company has been in principal agreed between the owners of the Hotel and the management of DCTL. Currently, deliberation on the following issues are being carried out:

1. Composition of Cash & Shares of DCTL in Consideration amount. DCTL Management is insisting against 100% shares of the Company.
2. Valuation of shares of DCTL for the acquisition of the assets of Amer Hotel. This assignment is being carried out M/s Aamir Salman Rizwan Chartered Accountants, Lahore.
3. Composition of the participation of the owners of Amer Hotel in management of DCTL and period of their exit.
4. The quantum of capital expenditure that DCTL will incur in 18 months immediately after the acquisition of the Hotel to upgrade it to the level of 4 Star.

It is expected that above issues are sorted out and agreed upon by October 15, 2019 and a Memorandum of Understanding is reached for final consideration of the Board of Directors of DCTL being scheduled in October 2019 for finalization of its Annual Accounts of the Year 2018-19. Accordingly, the proposal will than be presented for the consideration & approval of shareholders in a duly convened Extra Ordinary General Meeting (EOGM) of Shareholders of DCTL and subject to the approval thereof, the submission to Securities & Exchange Commission of Pakistan (SECP) is planned for Nov. – Dec. 2019.

If the above narrated issues are agreed upon within the envisaged time, DCTL is expected to have earning assets of over 600 million and profitable operation by Dec. 31, 2019 or latest by March 31, 2020. On satisfactory completion of the exercise the emerging financial position of DCTL is projected to be as follows:

<b>DADABHOY CONSTRUCTION TECHNOLOGY LIMITED</b>	
<b>PROJECTED BALANCE SHEET</b>	
	<b>As At March 31, 2020</b>
<b>ASSETS</b>	
<b>Non Current Assets</b>	
Property, plant & equipment	509,315,200
Good will	129,718,169
<b>Current Assets</b>	
Trade Debts	462,168
Advances & Prepayments	161,077
Advance Against Property	60,000,000
Advance Tax	-
Cash & Bank Balances	175,141
<b>Total Current Assets</b>	<b>60,798,386</b>
<b>Total Assets</b>	<b>570,113,586</b>
<b>Capital &amp; Reserves</b>	
Paid Up Capital	532,046,587
Accumulated Profits (loss)	(30,104,214)
<b>Total Capital &amp; Reserves</b>	<b>501,942,373</b>
<b>Current Liabilities</b>	
Trade & Other Payables	5,217,786
Markup Accrued	6,896,627
Short Term Borrowings	56,056,800
<b>Total Equity &amp; Liabilities</b>	<b>570,113,586</b>
<b>Net Asset Value Per Share</b>	<b>9.43</b>

It is expected that, by grace of Almighty Allah, if the envisaged structuring of DCTL is achieved, the emerging Company will have sizeable earning assets and profitable operation in six months hereinafter and thus value gain for small shareholders after a long time.



Authorized Signatory