



NAZIR SHAHEEN & ASSOCIATES

Advocates & Corporate Consultants

Ref # NSA/2023/DC-TL/PSX/04

Date: Aug 11, 2023

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

Subject: TIME BOUND PLAN FOR REVIVAL OF M/s DADABHOY CONSTRUCTION TECHNOLOGY LIMITED ("DCTL")

Dear Sir,

Please refer to your email dated 07/08/2023 on the subject matter.

In this connection please find attached a time-bound revival plan of the subject company for your consideration and approval enabling us to proceed further on this proposed plan. We would also like to inform you that we could not find any SECP order dated February 24, 2023 for initiating winding proceedings against the company.

Awaiting a favorable response.

Regards,

(Nazir Ahmed Shaheen)
For & on behalf
Nazir Shaheen & Associates

DADABHOY CONSTRUCTION TECHNOLOGY LIMITED (“DCTL”)

REVIVAL PLAN

Introduction and Back ground:

1. The Company M/s Dadabhoy Construction Technology Limited (“DCTL”) is incorporated since 1981 and listed on listed at Pakistan Stock Exchange (PSX). Principal activities of the company are to acquire and develop land for construction and sell of properties and to manufacture and sell the sealing chemicals / bonds used in construction including Hi Bond Cement and allied products. PSX suspended DTCL trading on 01/08/2012 owing to non-compliances and defaults to PSX regulations with a view to give an opportunity to make the default good and rectifying the non-compliances to remain listed on the main counter of PSX. It is pertinent to mention here that the Company’s management has not suspended its operations rather has to close the operations / production due operational, regulatory / environmental / Technical reasons.
2. The Company’s management struggled to comply with the requirements of PSX regulations and it efforts paid off partially to be compliant with PSX regulations, however, DTCL business & commercial operations faced slow down, thus impacting its financial position in addition to hampering the DTCL in terms of commercial operations, regulatory and compliance issues resulting in disrupting the company to achieve its strategic and commercial direction and goals which the sponsors have originally envisioned as being a listed company.
3. Due to non-compliance to regulatory requirements of Securities and Exchange Commission of Pakistan and legal framework of PSX regulations, it became a difficult task for DTCL as economic recession set in and due to death of two main sponsoring directors of the DTCL during the year 2019, Compliance issues and commercial activities got more challenging with every passing day as DCTL had to attend to proceedings by the regulator. Till 2019, DTCL survived to pull along with the issues being faced and attempted to remain compliant with the compliance requirements. However, due to chain of proceedings and



actions against the company by the SECP, DTCL became off track. However, directors and its management worked hard to keep the Company alive as struggling to be remain an active listed company in the interest of shareholders, stakeholders and the economy as well.

4. Keeping in view the zeal and zest of the directors and supportive encouraging conduct by PSX, the following revival plan is prepared and presented pursuant to the hearing held at PSX on 12/07/2023.

Commercial Activities

5. During the previous years, the country's economy has moved into to recession and dull economic activities, however, new opportunities and areas within the scope of the company were explored and availed in order to revive the operations of the company and directors have deployed additional capital to beef up the capital of the company and provide seed money for the new operations. DTCL management has reviewed its existing businesses, reconsidered and renegotiated to put the DTCL on track and to make it more viable and feasible venture for shareholders and stakeholders.

During the year 2019, one of the directors invested in Company Rs. 50 Million and the amount was advanced to BOP for purchase of plots Rs. 50 million. During the year 2020-21 the amount was received back from BOP during a short span of May & June worth Rs. 50 Million. An amount of Rs. 49.8 Million was advanced to Islamabad Life for purchase of plots. The investment yielded good results as appreciation in value of plots increased by 30% thereby a capital gain of 15 million is made.

During 2021-22, DCTL rendered services to different client organization and generated net amount of Rs. One million. DCTL undertook sale and purchase activity by acting as broker / advisor on sale of plot and earned 2% services charges amounting to Rs. 4 million. Another venture entered by DCTL is MOU with Alhamra Avenue for executing development works that we expect to give rise to the operations of the Company and result in generating sizable substantial revenue for the company



During the 2022-23, DCTL have entered into Memorandum of understanding with Alpha Housing Faisalabad for conducting development works that will result in reasonable returns for the Company. DCTL is taking up a project in Islamabad zone 4 on joint venture / collaboration basis.

The Company remains in operation and run by the directors of the Company for early recovery to back to its track. DCTL working capital requirements are being met form its own operations and with the support of directors. No credit obligations are outstanding and it is apparent from the fact that for the last 10 years, no receivable is filed against DCTL. The Company or PSX has not received any complaint from public holding public interest in the company. They are hopeful that the existing management is looking after their interest despite all odds through the DCTL underwent and endeavoring for its revival. We are hopeful that authority to keep patience and wait for better time to come. More than 85% of the share are held by sponsors and public exposure in terms of shareholding is too small and that too includes other family members and relatives of sponsors as well.

The Directors and management of DCTL trusts that by June 2024 the company will be fully functionally and operational to achieve commercial results in positive zone.

Joint Venture with others.

6. To run the DCTL, Directors of the Company made different MOUs and agreements with several housing Companies not only for development works but also for sale and purchase of plots as well. Islamabad life, Alhambra Avenue, and Alpha Housing Faisalabad and Companies in Zone 4 of Islamabad. Detail shave been explained above. The Directors of the company kept on trying to reach other investors for the joint venture or collaborations and we expect DCTL to commercially viable and profitable Company by 2023/2024.

Loans from the Directors:

7. The management decided to make investment in the business of the Company with more funds from their own resources. One of directors have already liquidated individual property and assets and given the funds to the Company as Loans from the Directors which was inducted into the Company's assets from 2019 to date. The Directors will remain vigilant to the financial position of the Company and will provide funds whenever needed.



BMR:

8. Presently the company is running operations from leased and borrowed/rented machinery. The management plans to lease and own machinery and will arrange funds from operations or lending themselves to the DCTL. Likewise installation of a Power Plant to overcome the electricity short fall and upgrade the machines to reduce man power have also been planned.

Entering into agreement with a running investor:-

9. The management is seriously in search of an investor who may invest Rs. 100 to Rs. 200 million to help in smooth running of the Company and replacement of plant and machinery.

Going Concern:

10. Previously the auditors have qualified their opinion and stated in their report that the Company was not working as a going concern. Now the efforts and investment made the Directors and satisfaction of Loan would enable the Company not to be qualified negatively "not to be a going concern". Hopefully the auditors would give unqualified opinion. All the accounts would be prepared by December 2023 and financial statement would be file with SECP and PSX

Preparation and audit of the Financial Statements:

11. The Company has to get its overdue financial statements from 2020 to 2023 to be approved by the shareholders. These overdue financial statements would be approved and shall be audited shortly and the management would be able to lay down before the shareholders in 6-months period.

Election of directors:-

12. Election of Board of Directors was held in 2018. Now the elections are to be held for year 2021 which would be made in overdue AGMs. By December 2023, all compliance and regulatory requirements would stand updated.

Overdue Annual General Meetings:-



13. The management could not convene annual general meetings (AGMs) of the Company since 2020. The Company shall seek the directions of the register in accordance with section 147 of the Companies Act, 2017 and convene the overdue AGMs till 2023 by December 2023.

Filing of overdue returns and financial statements:

14. Hopefully the management of the Company shall be able to make compliance to all statutory requirements of the Companies Act, 2017 and the rules and regulations made thereunder and would file the overdue statutory returns including the Annual Returns and financial statements during the ending on 30th June 2023 year i.e upto 31st December 2023.

Outstanding Payment to different consultants/firms engaged for compliance and as part of regulatory requirements

15. The auditors, share registrar, consultants, statutory auditors and all other persons engaged for provision of services to DTCL shall be paid as & when due and as per time lines agreed. Listing fee and other regulatory fee shall be paid when such fee would become due. The PSX fee will be paid within 2-3 days of this communication.

