

ANNUAL REPORT
2023



DEWAN FAROOQUE MOTORS LIMITED



YD | A YOUSUF DEWAN COMPANY

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Company Information

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Mehmood-ul-Hassan Asghar
Mr. Abdul Basit
Mr. Muhammad Hanif German
Mr. Ghazanfar Baber Siddiqi
Mrs. Nida Jamil

Chairman Board of Directors

Female Director

Executive Director

Mr. Waseem-ul- Haque Ansari

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Mr. Waseem-ul- Haque Ansari

COMPANY SECRETARY

Mr. Muhammad Hanif German

CHIEF FINANCIAL OFFICER

Mr. Muhsin Ali

AUDIT COMMITTEE

Mr. Aziz-ul-Haque
Mr. Ghazanfar Baber Siddiqi
Mr. Abdul Basit

Chairman
Member
Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque
Mr. Waseem-ul- Haque Ansari
Mr. Abdul Basit

Chairman
Member
Member

BANKERS

Allied Bank of Pakistan Limited
Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Saudi Pak Industrial and Agricultural
Investment Co. (Pvt.) Limited
Standard Chartered Bank
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

AUDITORS

Feroze Sharif Tariq & Co.
Chartered Accountants
4/N/4, Block 6, P.E.C.H.S.,
Karachi.

LEGAL ADVISORS

A.K. Brohi & Co.

TAX ADVISOR

Sharif & Co. (Advocates)
3rd Floor, Uni Plaza,
I.I. Chundrigar Road, Karachi.

SHARES REGISTRAR / TRANSFER AGENT

BMF Consultants
Pakistan (Pvt.) Limited
Anum Estate Building,
Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society,
Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge,
Karachi, Pakistan.

REGISTERED OFFICE

Dewan Centre, 3-A,
Lalazar, Beach Luxury Hotel Road,
Karachi, Pakistan

FACTORY

Jilaniabad, Budhu Talpur,
District Sajawal,
Sindh.

Vision

To be the No. 1 automobile company in Pakistan

Mission Statement

- ✿ To assume leadership role in the technological advancement of the industry and to achieve the highest level of quantitative indigenization.
- ✿ To offer high value, economical and qualitative solutions to address the commuting needs of a diverse range of customers.
- ✿ To seek long-term and good relations with our suppliers and dealers with fair, honest and mutually profitable dealings.
- ✿ To be a totally customer oriented company and to achieve Total Customer Satisfaction.
- ✿ To create a work environment, which motivates recognizes and rewards achievements at all levels of the organization.
- ✿ To produce environment friendly vehicles.
- ✿ To be a contributing corporate citizen for the betterment of society, and to exhibit a socially responsible behavior.



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of **Dewan Farooque Motors Limited ("DFML" or "the Company")** will be held on **Thursday, October 26, 2023 at 3:00 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Monday, December 19, 2022;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2024, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

Special Business:

1. To consider and approve short term loans/ advances to an associated company in compliance with the provisions of Section 199 of the Companies Act, 2017.

By order of the Board

Muhammad Hanif German
Director & Company Secretary

Karachi: September 28, 2023

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 19, 2023 to October 26, 2023 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.

3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

a) For Attending Meeting:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

b) For Appointing Proxies:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

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6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility? The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DFML/index.html>

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT. 2017

This statement is annexed as an integral part of the Notice of the Twenty Fifth Annual General Meeting of Dewan Farooque Motors Limited ("the Company" or "DFML") to be held on Thursday, October 26, 2023 at Dewan Cement Factory Site, at Deh Dhandu, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the meeting.

SPECIAL BUSINESS

1. To consider and approve renewal of the sanctioned limits of short-term loan to an associated company in compliance with the provisions of Section 199 of the Companies Act. 2017.

SR #	DESCRIPTION	REFERENCE		
a)	Name of the Associated Company Criteria of associated relationship	Dewan Automotive Engineering Limited Common Directorship		
b)	Amount of loans and advances	Rs. 154.879 million		
c)	In Case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 154.879 million		
d)	Earnings/(Loss) per share for the last three years.	2022 -2.37	2021 -2.08	2020 -2.78
e)	Financial position, including main items of balance sheet and profit and loss	Earnings / (loss) per share Shareholders' equity Total Assets Break-up value	-2.37 -1,371,612 235,963 -64.09	
f)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Interbank offered rate at the relevant period	As the Company has approached its lenders for restructuring and no mark-up is payable as per the proposal. Therefore, as per regulation 5(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, three months KIBOR rate is applicable.		
g)	Rate of interest, mark-up, profit, fees or commission etc., to be charged	Rate of interest to be charged will be 1% above three months KIBOR rate. Three months KIBOR as of September 26, 2023 is 22.56% per annum.		
h)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any:	Borrowing is unsecured.		
i)	Repayment schedules and terms of loans or advances to be given to the investee company.	Renewal for one year.		

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SR #	DESCRIPTION	REFERENCE
J)	Salient feature of all the agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	The tenure of loan may be extended by the lender, subject to the approval of shareholders. As per the terms of the agreement with the borrower the Company may recover the amount of loan by way of swap with assets/investments owned by the borrower.
k)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	The following are interested directors to the extent of their respective shareholding in the investee company which are as follows: a) Mr. Mehmood-ul-Hassan Asghar 500 (0.00%) b) Mr. Waseem-ul-Haque Ansari 500 (0.00%) c) Mr. Aziz-ul-Haque 500 (0.00%) d) Mr. Abdul Basit 500 (0.00%)
	Any other important details necessary for the members to understand the transaction.	None.

In this regard, the following resolution is proposed to be passed, with or without modification, as a "SPECIAL RESOLUTION":

"RESOLVED THAT, the company, in accordance with the provisions of Section 199 of the Companies Act, 2017, Clause 111 (X) of the Memorandum of Association and the terms and conditions hereby approved in the Twenty Fourth Annual General Meeting of the Company, be and is hereby authorized and empowered to renew the sanctioned limit for short term loan sought for approval in the previous general meeting in respect of following associated company:

LOAN

Borrowing Company:

Dewan Automotive Engineering Limited

(Rupees in Million)

154.879

The renewal of the limit shall be for a period of one year and shall be renewable in the next general meeting for further period of one year."

Chairman's Review

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavour to contribute towards the aim of the Company with the best of their abilities.

An annual self-evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2023, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in sufficient time prior to the board and its committee meetings. All the directors are equally involved in important decisions. the Board's overall performance and effectiveness for the year under review was satisfactory.



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

September 26, 2023

Directors' Report

The Board of Directors of Dewan Farooque Motors Limited is pleased to present its annual report along with the Company's audited Financial Statements for the year ended June 30, 2023 and welcomes you to the 25th Annual General Meeting.

Industry Overview

The automobile industry witnessed a significant decline & is experiencing one of its most challenging periods in history due to several macroeconomic factors. As a consequence, it showed a reduction of 55% with total units sold at 126,878 as compared to the previous year's units of 279,267 in the segments of PC, SUV & LCV. Political distress, PKR's steep devaluation, higher inflation, exorbitant interest rates, increased prices of fuel & electricity along with the delay in the resumption of IMF program have badly affected the industry and brought about slowdown of the country's economy. Furthermore, due to shortage of foreign reserves, imports were limited to only essential items, this further added trouble for the automobile sector and lead to frequent production delays & shutdowns and disturbed the entire supply chain. However, the industry has started to explore the avenues for availing the incentives provided in the AIDEP 2021-2026 for the introduction of electric vehicles in Pakistan.

Company's performance

The summary of financial performance for the year, along with the comparative figures is as follows:

	Year ended June 30, 2023	Year ended June 30, 2022
	—(Rupees in thousand)—	
Gross Sales	212	169
Gross loss	(141,248)	(83,129)
Operating loss	(181,513)	(98,134)
Net loss after tax	(230,805)	(176,830)

Company suffered financial losses owing to unabsorbed overhead costs and other expenses. During the year under review, the production of the Company could not be resumed mainly due to the reasons of import restrictive policy measures adopted by the authorities and political & financial instability in the economy, in spite of the execution of Technical License Agreement (TLA) with KIA Corporation on November 7, 2022 for the assembling of commercial vehicles. Management is confident that the production at plant will be started by early next calendar year as repair & maintenance work relating to restoration, renovation & refurbishment at plant is in final stage and Jigs & fixtures of KIA Corporation Vehicle are expected to be received and installed by KIA engineers soon for restarting of CKD operations. Moreover, the management is also exploring options of engaging with the renowned global companies in respect of electric cars for optimum utilization of plant capacity. The Company is already in the process of developing nation-wide dealership network for its vehicles.

Company approached its Banks and financial institutions to address the re-profiling / rescheduling of its debts with no mark-up condition. This time along with the Company, the financial institutions are also eager to resolve the matter and agree on the debt restructuring proposal on sustainable terms to enable the plant to be operational for the benefits of all stakeholders. The Company is confident and hopeful that its operations will be resumed in the near future.

Observation in the Auditors' Report:

The Auditors have qualified the report due to significance of the matters as referred in Para (a) and (b) of the Auditors' Report.

Going concern assumption:

These Financial Statements have been prepared on going concern assumption because the conditions being faced by the Company are temporary and would reverse, as per the latest development of manufacturing of vehicles by the Company under Technical Licenses Agreement (TLA). The management is also confident that the outcome of restructuring proposal submitted by the management will be positive as the Company is negotiating the reprofiling of its debt with the lenders and the same is expected to be finalized very soon.

Provision of mark-up:

The Company has not made provision of mark-up amounting to Rs. 1008.075 (2022: Rs. 589.709) million on its loans. The management has approached its lenders for restructuring of its debts and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / bankers. Therefore, accordingly, the Company has not made any provision of mark-up as the mark-up will not be payable.

Board of Directors

The Board Comprises of one independent Director, one Executive and five Non-Executive Directors. The following are the names of Directors:

- Mr. Abdul Basit
- Mr. Waseem-ul-Haque Ansari
- Mr. Mehmood-ul-Hassan Asghar
- Mr. Muhammad Hanif German
- Mr. Ghazanfar Baber Siddiqi
- Mr. Aziz-ul-Haque
- Mrs. Nida Jamil

During the year the following casual vacancy occurring on the board which was filled up by the Board of Directors of the Company: -

1. June 30, 2022 was filled up on July 18, 2022.
2. September 30, 2022 was filled up on October 3, 2022

Principal Activities of the Company

Dewan Farooque Motors Limited was incorporated in Pakistan as a public limited Company and is listed on the Pakistan Stock Exchange. The Company's principal activity is the assembly/contract assembly, progressive manufacturing and sale of vehicles.

Principal Risks and Uncertainties

The Company considers the following as key risks:

- Significant competition in LCV, SUV and Passenger Car category;
- Depreciation of Pak Rupee against US Dollar;
- Non-availability of banking lines.

The Company is endeavoring internally as well as externally to cater with and mitigate the impact of aforesaid risks and uncertainties.

Corporate Social Responsibility

The Company conducts its business in a responsible manner looking after its stakeholders and the environment. The Company mainly focuses providing on job training to fresh hired work force enabling them to develop adequate skills. While employing work force, the Company encourages under-privileged people residing close to the plant, thereby increasing their standard of living. Moreover, health and safety of employees is another area of focus. The Company complies with all applicable rules and regulations in the manufacturing process to ensure environmental protection. Standard Operating Procedures have been laid down to ensure protecting the health and safety of employees. The Company is also involved in providing medical facilities to people residing in the surrounding area.

Subsequent Events

Except as stated above, no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

Statement of Corporate and financial reporting framework:

- The Financial Statements for the year ended June 30, 2023, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of Financial Statements for the year ended June 30, 2023 and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of Financial Statements and departure there from, if any, has been adequately been disclosed in the Financial Statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The Management has explained their views in detail regarding the going concern ability of the Company in note 1.1 and non-provisioning of mark-up in note 25 to the annexed audited Financial Statements.
- There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations of the stock exchange of Pakistan;
- Summarized key operating and financial data of last six years is enclosed with the report;
- All taxes have been paid and nothing is outstanding, except as disclosed in note 17 to the annexed audited Financial Statement;
- The fair value of the Provident Fund's Investment as at June 30, 2023 is Rs.35.321 (2022: Rs.32.931) million.
- The Board of Directors comprise of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities. During the year, six meetings of the Board were held. The attendance of directors was as follows;

DEWAN FAROOQUE MOTORS LIMITED

Name of Director	No. of meetings attended
Mr. Mehmood-ul Hassan Asghar	5
Mr. Aziz-ul-Haque	6
Mr. Waseem-ul-Haq Ansari	6
Mr. Muhammad Hanif German	3
Mr. Ghazanfar Baber Siddiqi	6
Mrs. Nida Jamil	6
Mr. Abdul Basit	6

Leave of absence was granted to directors who could not attend Board meetings.

The audit committee comprises of three directors, one of them is an independent director and two are non-executive directors. During the year, four meeting were held, members' attendance in these meetings is as under:

Name of Director	No. of meetings attended
Mr. Aziz-ul-Haque	4
Mr. Ghazanfar Baber Siddiqi	4
Mr. Abdul Basit	4

During the year one meeting of the human resource & remuneration committee was held, members' attendance meeting is as under:

Name of Director	No. of meetings attended
Mr. Aziz-ul-Haque	1
Mr. Waseem-ul-Haque Ansari	1
Mr. Abdul Basit	1

Auditors:

The present Auditors M/s. Feroze Sharif Tariq & Co. (Chartered Accountants) have retired and offers themselves for re-appointment.

The Board of Director on recommendation of the Audit committee has recommended the re-appointment of M/s. Feroze Sharif Tariq & Co. (Chartered Accountants).

Loss per share

The Loss per Share is Rs. 1.73 (2022 Rs. 1.33)

Dividend

Due to accumulated losses and the circumstances explained above, the directors have not recommended dividend for the year.

Pattern of Shareholding:

The Pattern of Shareholding of the Company as at June 30, 2023 is annexed.

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Trading in Company Shares

None of the Directors, Executives, and their spouses and minor children have traded in the shares of the Company during the year.

Vote of Thanks:

On behalf of the Board, I thank you, the valued Shareholders, Federal and Provincial Governments and their functionaries, banks, development financial institutions, leasing companies, dealers, vendors and customers for their continued support and patronage.

The Board would also like to appreciate the valuable services, loyalty and efforts rendered by the executives, staff members and workers of the Company, during the year under review.

Conclusion:

In conclusion, we bow, beg and pray to Almighty Allah, Al-Rahman, Al-Rahim, in the name of his beloved Prophet, Muhammad, peace be upon him, for continued showering of His blessings, guidance, strength, health and prosperity to us, our Company, country and nation and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, Ameen, Summa Ameen.

LO-MY LORD IS INDEED HEARER OF PRAYER (AL-QURAN)**Under / By Authority of Board of Directors**

Waseem-ul-Haque Ansari
Chief Executive

Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Karachi: September 26, 2023

Key Operating and Financial Data

PARTICULARS	2023	2022	2021	2020	2019	2018
	 Rs. in '000'					
Gross Sales	212	169	1,846	293	1,844	61,631
Net Sales	180	144	1,548	250	1,529	52,656
Gross (loss) / profit	(141,248)	(83,129)	(80,987)	(102,190)	(202,325)	(138,881)
Operating (loss) / profit	(181,513)	(98,134)	(95,031)	(122,360)	(229,213)	(187,124)
(Loss) / profit before tax	(230,803)	(176,823)	(189,229)	(292,518)	(244,285)	(66,790)
(Loss) / profit after tax	(230,805)	(176,830)	(189,252)	(292,522)	(244,304)	(69,432)
Retained Earnings	(4,629,393)	(4,398,588)	(4,221,758)	(4,032,506)	(3,739,984)	(3,495,680)
Share Capital	1,387,353	1,387,353	1,387,353	1,387,353	1,387,353	1,387,353
Shareholders Equity	(3,242,040)	(3,011,235)	(2,834,405)	(2,645,153)	(2,352,631)	(2,108,327)
Fixed Assets	744,984	765,959	819,033	877,147	940,899	1,010,088
Total Assets	2,879,313	2,891,500	3,024,707	3,184,146	3,424,902	3,607,124
FINANCIAL ANALYSIS						
Profitability Ratios						
Gross (Loss) / Profit Margin	-78471.11%	-57728.47%	-5230.63%	-40876.00%	-13232.50%	-263.75%
Operating (loss) / profit Margin	-100840.56%	-68148.61%	-6137.68%	-48944.00%	-14991.04%	-355.37%
(loss) / profit before tax	-128223.89%	-122793.75%	-12221.59%	-117007.20%	-15976.78%	-126.84%
(loss) / profit after tax	-128225.00%	-122798.61%	-12223.07%	-117008.80%	-15978.02%	-131.86%
Return on Investment						
(loss) / Earnings per share before tax (Rs/share)	(1.66)	(1.27)	(1.36)	(2.11)	(1.76)	(0.09)
(loss) / Earnings per share after tax (Rs/share)	(1.66)	(1.27)	(1.36)	(2.11)	(1.76)	(0.10)
Activity Ratios						
Sales to Total Assets-Times	0.000	0.000	0.001	0.00	0.00	0.03
Sales to Fixed Assets-Times	0.000	0.000	0.002	0.00	0.00	0.08
Liquidity Ratios						
Current ratio (excluding current maturity of LTL)	0.26	0.25	0.25	0.26	0.26	0.29
Current ratio (including current maturity of LTL)	0.21	0.21	0.21	0.21	0.21	0.23
Book value per share (Rs)	(24.30)	(22.57)	(21.24)	(19.83)	(17.63)	(15.28)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year Ended June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

a) Male	:	6
b) Female	:	1
2. The composition of board is as follows:

a) Independent Director	:	Mr. Aziz-ul-Haque
b) Other Non-executive Directors	:	Mr. Mehmood-ul-Hassan Asghar Mr. Abdul Basit Mr. Muhammad Hanif German Mr. Ghazanfar Baber Siddiqi Mrs. Nida Jamil
c) Executive Director	:	Mr. Waseem-ul-Haque Ansari
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission 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.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Two Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

a) Audit Committee	:	Mr. Aziz-ul-Haque Mr. Ghazanfar Baber Siddiqi Mr. Abul Basit	Chairman Member Member
b) HR and Remuneration Committee	:	Mr. Aziz-ul-Haque Mr. Waseem-ul-Haque Ansari Mr. Abdul Basit	Chairman Member Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee	:	4 meetings during the financial year ended June 30, 2023
b) HR and Remuneration Committee	:	1 annual meeting held during the financial year ended June 30, 2023
15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board 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 Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

**YD**

A YOUSUF DEWAN COMPANY

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Reg No.	Explanation
1	Directors' Training.- It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	19	Currently, three Directors are qualified under the directors training program. The Company is encouraging and planning to arrange DTP certification for the remaining Directors.

Waseem-ul-Haque Ansari
Chief Executive

Mehmood-ul-Hassan Asghar
Chairman Board of Directors

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DEWAN FAROOQUE MOTORS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Dewan Farooque Motors Limited (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' 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.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required to have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instances of Non-compliances with the requirements of the Code were observed which are not stated in the Statement of Compliance.

- a) The Company is required to have at least two or one third members of the Board, whichever is higher, as independent directors on its board. However, the Company has only one independent director.
- b) The composition of board includes one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross directorship in other group companies. Further, Code requires independent directors shall not be less than two or one third of the total members of the board, whichever is higher, whereas board include one independent director.
- c) The chairman of Audit committee and Human Resource and Remuneration Committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason reflect in para (a) above.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Furthermore, we highlight that one director of the company are serving as directors in more than seven listed Companies and two of the directors are qualified under the Directors' Training Program as reflected in the note 3 and 9 of the Statement of Compliance respectively.



Chartered Accountants
Place: Karachi

UDIN: UDIN: CR202310161Sg3WsTRAy
Dated: October 4, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEWAN FAROOQUE MOTORS LIMITED

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Farooque Motors Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, statement of Comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion Section, the statement of financial position, the statement of profit or loss, the statement comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) The financial statements of the company for the year ended June 30, 2023 as disclosed in note 1.1 to the financial Statements reflect loss after taxation of Rs. 230.805 (2022: Rs. 176.830) million and as of that date it has accumulated losses of Rs. 4.629 (2022: Rs. 4.399) billion which resulted in net capital deficiency of Rs. 3.242 (2022: Rs. 3.011) billion and its current liabilities exceeded its current assets by Rs. 4.801 (2022: Rs. 4.671) billion and total assets by Rs. 3.226 (2022: Rs. 2.995) billion without providing the markup as refer in below para (b). The operations of the company were closed from November 2010 to November 2013 and reclose since February 2014 due to working capital constraints. Furthermore, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems as disclosed in note 13 to the Financial statements and short term finance facilities have expired and not been renewed by banks as disclosed in note 19 to the Financial statements therefore, the Balance Confirmations from Financial Institutions have not been received. Following course, certain lenders have gone into litigation for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties as disclosed in note 20.4 to the financial Statements. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The company has not made provision of markup for the year amounting to Rs. 1,008.075 (2022: Rs. 589.709) million (refer note 25) on account of restructuring proposal offered to the lenders as described in note 1.1 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the year would have been higher by Rs. 1,008.075 (2022: Rs. 589.709) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 8.193 (2022: Rs. 7.185) billion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for Adverse opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with Accounting and Reporting Standards as applicable in Pakistan and requirements of companies Act 2017 (XIX of 2017), and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, Future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the possible effects of matters discussed in basis for adverse opinion section of our reports, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) because of the significance of matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss. Statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Ghalib.



Chartered Accountants
Karachi

UDIN: AR202310161HjAtR5pP1
Dated: October 4, 2023

Statement of Financial Position

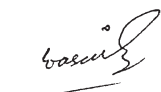
As At June 30, 2023

As At June 30, 2023	Note	June 30, 2023	June 30, 2022
		————(Rs. in '000)————	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	744,984	765,959
Investment	4	830,332	909,483
CURRENT ASSETS			
Stores and spares	5	55,093	46,557
Stock-in-trade	6	22,972	14,856
Trade debts - considered good	7	672	672
Short term loans to associated undertakings - considered good	8	154,879	154,879
Advances, deposits, prepayments and other receivables- considered good	9	907,744	846,659
Taxation - net	10	23,927	23,720
Cash and bank balances	11	138,710	128,715
		1,303,997	1,216,058
TOTAL ASSETS		2,879,313	2,891,500
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
150,000,000 (2022: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up	12	1,387,353	1,387,353
Revenue Reserve		(4,629,393)	(4,398,588)
Accumulated loss		(3,242,040)	(3,011,235)
NON-CURRENT LIABILITIES			
Long term loans - secured	13	-	-
Long term security deposits	14	11,700	11,700
Deferred Liabilities	15	4,231	4,231
CURRENT LIABILITIES			
Short term loan from Sponsor	16	469,022	293,063
Trade and other payables	17	441,756	399,097
Unclaimed Dividend	18	1,802	1,802
Short term finances-secured	19	4,095,913	4,095,913
Current maturity of long term loans		1,096,929	1,096,929
		6,105,422	5,886,804
CONTINGENCIES AND COMMITMENTS			
	20		
TOTAL EQUITY AND LIABILITIES		2,879,313	2,891,500

The annexed notes from 1 to 37 form an integral part of these Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Statement Of Profit Or Loss Account

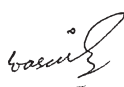
For the year ended June 30, 2023

	Note	2023 ————(Rs. in '000)————	2022
GROSS SALES	21	212	169
Sales tax		(32)	(25)
NET SALES		180	144
Cost of sales	21	(141,428)	(83,273)
GROSS LOSS		(141,248)	(83,129)
Operating expenses			
Marketing & Distribution expenses	22	(14,788)	-
Administration and general expenses	23	(25,477)	(15,005)
OPERATING LOSS		(181,513)	(98,134)
OTHER INCOME/(LOSS)	24	(40,378)	(70,735)
		(221,891)	(168,869)
Finance cost	25	(9)	-
Provision for obsolescence / slow moving stocks		(2,556)	(2,218)
Provision for obsolescence / slow moving stores and spares		(6,347)	(5,736)
		(8,912)	(7,954)
(LOSS) BEFORE TAXATION		(230,803)	(176,823)
TAXATION	26	(2)	(7)
(LOSS) AFTER TAX		(230,805)	(176,830)
Basic / Diluted (loss) per share (Rupees)	27	(1.73)	(1.33)

The annexed notes from 1 to 37 form an integral part of these Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



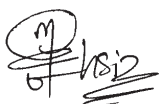
Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Statement of Comprehensive Income

For The Year Ended June 30, 2023

	2023 ——(Rs. in '000)——	2022 ——(Rs. in '000)——
(Loss) for the year	(230,805)	(176,830)
Items that will not be subsequently reclassified to profit or loss:		
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) for the year	(230,805)	(176,830)

The annexed notes from 1 to 37 form an integral part of these Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Statement Of Cash Flow

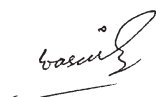
For the year ended June 30, 2023

	Note	2023	2022
		————(Rs. in '000)————	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(230,803)	(176,823)
Adjustments for non-cash charges and other items:			
Depreciation		48,840	53,042
Amortization of intangible asset		929	-
Gain on disposal of fixed asset		-	(668)
Loss due to change in valuation of investment in associates		79,151	94,909
Financial charges		9	-
Provision for obsolescence / slow moving stocks		2,556	2,218
Provision for obsolescence / slow moving stores and spares		6,347	5,736
		137,832	155,237
		(92,971)	(21,586)
Movement in Working Capital:			
(Increase) in stores & spares		(14,883)	(5,736)
Decrease/(Increase) in stock in trade		(10,672)	3,518
Decrease in trade debts		-	2,337
(Increase) in advances, deposits, pre-payments & other receivables		(61,085)	(19,184)
Increase in trade, other payables and borrowings		42,659	24,966
(Decrease) in long term security deposits		-	(1,000)
Net Changes in Working Capital		(43,981)	4,901
Cash generated from operation		(136,952)	(16,685)
Tax (paid)		(209)	(100)
Financial charges (paid)		(9)	-
Net cash flow from operating activities		(137,170)	(16,785)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditures incurred		(28,794)	-
Sale Proceeds of fixed asset		-	700
Net cash flow from investing activities		(28,794)	700
CASH FLOW FROM FINANCING ACTIVITIES			
Short term loan from Sponsor		175,959	19,658
Net cash flow from financing activities		175,959	19,658
NET INCREASE IN CASH & CASH EQUIVALENTS		9,995	3,573
CASH & CASH EQUIVALENTS AT BEGINNING OF THE YEAR		(1,849,309)	(1,852,882)
CASH & CASH EQUIVALENTS AT END OF THE YEAR	28	(1,839,314)	(1,849,309)

The annexed notes from 1 to 37 form an integral part of these Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Statement Of Changes In Equity

For The Year Ended June 30, 2023

Share Capital	Revenue Reserves		Total
Issued, subscribed and paid-up	Accumulated loss	Total Reserves	

----- (Rs. in '000) -----

Balance as at July 01, 2021	1,387,353	(4,221,758)	(4,221,758)	(2,834,405)
Total Comprehensive (loss) for the year	-	(176,830)	(176,830)	(176,830)
Balance as at June 30, 2022	1,387,353	(4,398,588)	(4,398,588)	(3,011,235)
Balance as at July 01, 2022	1,387,353	(4,398,588)	(4,398,588)	(3,011,235)
Total Comprehensive (loss) for the year	-	(230,805)	(230,805)	(230,805)
Balance as at June 30, 2023	1,387,353	(4,629,393)	(4,629,393)	(3,242,040)

The annexed notes from 1 to 37 form an integral part of these Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

Notes to the Financial Statements

For The Year Ended June 30, 2023

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Motors Limited (the Company) was incorporated in Pakistan on December 28, 1998 as a public limited company. The shares of the Company are quoted on the Pakistan Stock Exchange. The principal activity of the Company is the assembly, progressive manufacturing and sale of vehicles in Pakistan.

The Company commenced commercial production through the interim facility from January 01, 2000 and main facility came into commercial operation from January 01, 2001.

The Company has closed its operations since June 2018 as disclosed in note 1.1 to the Financial Statements.

The registered office of the Company is situated at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi, while its manufacturing facilities are situated at Jilianabad, Budhu Talpur, District Sajawal, Sindh.

1.1 GOING CONCERN ASSUMPTION

The Company has incurred a loss after taxation of Rs.230.805 (2022: Rs. 176.830) million during the year ended June 30, 2023. As of that date it has accumulated losses of Rs.4.629 (2022: Rs. 4.399) billion and its current liabilities exceeded its current assets by Rs. 4.801 (2022: Rs. 4.671) billion. Furthermore, cumulatively the Company has not provided markup on its borrowings from banks and financial institution amounting to Rs.8.193 (2022: Rs. 7.185) billion. The working capital constraints had resulted in closure of production activities leading to losses situation. The Company could not continue its production from November 2010 till August 2013 and again closed its production from March 2014 to February 2018. The Company manufactured its vehicles on contract basis under an agreement with related party from March 2018 to June 2018. Further the Company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course most of the lenders have gone into litigation for recovery of loans through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

Company is going to restart its CKD operations by assembling of commercial vehicles of KIA Corporation under Technical License Agreement (TLA) signed on November 7, 2022 and management is confident that the production at plant will start very soon. These financial statements have been prepared on going concern assumption because the conditions of foregoing paragraph are temporary and would reverse, as per the latest development of manufacturing of vehicles by the Company under Technical Licences Agreement (TLA). The management is also confident that the outcome of restructuring proposal submitted by the management will be positive as the Company is negotiating the reprofiling of its debt with the lenders and the same is expected to be finalized very soon.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2 Statement of compliance

These Financial Statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 25 to the Financial Statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the Financial Statements. The accounting and reporting standards applicable in Pakistan comprise of:

- a) International Financial Reporting Standard issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- b) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1 BASIS OF MEASUREMENT

These Financial Statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the financial assets and liabilities which are carried at their fair values and revalued amounts (if any) and stock in trade which are valued at net realizable value (if any), if it is less than the cost and for cash flow information.

2.2 STANDARDS, INTERPRETATIONS, IMPROVEMENTS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

2.2.1 Adoption of amendments to approved accounting standards effective during the year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these Financial Statements.

Amendments to approved accounting standards

IFRS 3 Reference to the Conceptual Framework (Amendments)
 IAS 16 Reference to the Conceptual Framework (Amendments)
 IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Company's Financial Statements.

Notes to the Financial Statements

For The Year Ended June 30, 2023

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

IAS 41 Agriculture – Taxation in fair value measurements

IFRS 16 Leases – Lease incentives

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

2.2.2 Standards and amendments to IFRSs that are not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 17	Insurance Contracts (Amendments)	January 01, 2023
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)	January 01, 2023
IAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)	January 01, 2023
IAS 1	Classification of Liabilities as Current or Non-current	January 01, 2024

Notes to the Financial Statements

For The Year Ended June 30, 2023

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	January 01, 2024
IAS 7 / IFRS 7	Disclosures: Supplier Finance Arrangements (Amendments)	January 01, 2024
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standard		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

2.3 Significant Accounting estimates adjustments and Assumptions

The preparation of Financial Statements in conformity with approved accounting standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgement in application of the company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Notes to the Financial Statements

For The Year Ended June 30, 2023

Significant accounting estimates and areas where judgements were exercised by management in the application of accounting policies in the Financial Statements are as follows:

- i. Useful lives of Property, Plant and equipment (notes 2.6 and 3.1)
- ii. Provision for doubtful trade debts (note 2.10)
- iii. Income taxes (note 2.13)
- iv. Classification and valuation of investments (note 2.7)
- v. Provision for Slow moving stores and spares (note 2.8)
- vi. Provision for Slow moving stock in trade (note 2.9)

2.4 Tangible fixed assets

2.4.1 Property Plant and Equipment Owned

These are stated at cost less accumulated depreciation except for land and capital work in progress which are stated at cost. Cost of certain fixed assets and capital work in progress comprises of historical cost and the cost of borrowings during construction / erection period in respect of specific loans / borrowings.

Depreciation is charged to income using the reducing balance method whereby the cost of an asset is written off over its estimated useful life. The rates of depreciation are stated in note 3.1 to the accounts. Depreciation is charged in proportion to the use of assets in the respective year of addition.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted , if appropriate, at each statement of financial position date.

Maintenance and normal repairs are charged to income as and when incurred whereas major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of fixed assets are included in income currently.

2.4.2 Judgement and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis.

2.4.3 Capital work-in-progress

All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2.4.4 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount.

An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognised in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The Company recognises the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.4.5 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received as applicable. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, The right-of-use asset is depreciated using the straight line method over the shorter of the lease term and the asset's useful life . The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

2.4.6 Intangible assets

These are stated at cost less accumulated amortisation and impairment loss, if any.

Costs in relation to intangible assets are only capitalised when it is probable that future economic benefits attributable to that asset will flow to the Company and the same is amortised applying the straight line method at the rate disclosed in note 3.1 to these Financial Statements.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2.5 Lease Liability

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the commencement date of the lease if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

2.6 Investment

2.6.1 The management determines the appropriate classification of the investments, in accordance with the IFRSs, at the time of purchase depending on the purpose for which the investments are acquired and re-evaluate this classification on a regular basis. The existing investment of the company has been categorized as available for sale.

Available for sale investments are initially recognized at cost being the fair value of the consideration given including acquisition charges associated therewith.

After initial recognition, investment which are classified as available for sale are remeasured at fair value. Unrealized gains and losses on available for sale investments are recognized in equity till the investment is sold or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2.6.2 Investment in Associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses. If the associate subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2.7 Stores and spares

These are valued at cost determined on weighted average basis. Items in transit are valued at cost comprising of invoice values plus other charges incurred thereon accumulated to the statement of financial position date.

Stores, Spares and Loose tools are regularly reviewed by the management and any obsolete items are brought down to their NRV.

2.8 Stock-in-trade

Raw materials and Components are valued at cost. Those in transit are stated at invoice price plus other charges paid thereon upto the statement of financial position date. Cost is determined on a moving average basis.

Work-in-process is valued at material cost consisting of CKD kits, local vendor parts and consumables.

CBU (finished goods) in hand are valued at the lower of cost and net realizable value. Cost is determined on moving average basis.

Goods-in-transit are valued at purchase price, freight value and other charges incurred thereon upto the statement of financial position date.

Notes to the Financial Statements

For The Year Ended June 30, 2023

Stock-in-trade is regularly reviewed by the management and any obsolete items are brought down to their NRV.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to make sale.

2.9 Trade debts and other receivables

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any. Allowance for expected credit losses is based on lifetime ECLs that result from all possible default events over the expected life of the trade debts and other receivables. Bad debts, if any, are written off when considered irrecoverable.

2.10 Staff retirement benefits

The Company operated Unfunded Gratuity Scheme till December 2003, Effective from January 1, 2004, the Company has established a recognized provident fund (Defined Contribution Plan) for its permanent employees. Equal Contributions are being made of by the Company and its employees in accordance with the terms of the fund.

2.11 Long term loans / Borrowings

Long term loans/ Borrowings are initially recognized at cost. After initial recognition same are measured at original recorded amount less principal repayments thereof.

2.12 Taxation

Current

The charge for current taxation is based on taxable income at current rates of taxation after taking into account tax rebates and credits available, if any, or one percent of turnover or Alternate Corporate Tax whichever is higher. Alternate Corporate Tax is calculated in accordance with the provisions of Section 113C of Income Tax Ordinance.

Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Notes to the Financial Statements

For The Year Ended June 30, 2023

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets is realized or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.

2.13 Trade and other payables

Liability for trade and other amounts payable, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

2.14 Warranty obligations

These are accounted for on the basis of claims lodged on the company.

2.15 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the statement of position date except for liabilities covered under forward exchange contracts, if any, which are translated at the contracted rates. Exchange differences on foreign currency translations are included in income along with any related hedge effects.

The Financial Statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Financial instruments

Financial assets

The Financial Assets of the Company mainly include trade debts, loans, deposits, short-term investments, other receivables and cash and bank balances.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9 as follows;

Notes to the Financial Statements

For The Year Ended June 30, 2023

Trade debts and other financial assets previously classified as 'loans and receivables' are now classified as 'amortised cost'. These assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

Short-term investments are designated at FVTPL at initial recognition. These are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the unconsolidated statement of profit or loss.

Financial liabilities

There are no changes in classification and measurement for the Company's financial liabilities on the adoption of IFRS 9.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

Notes to the Financial Statements

For The Year Ended June 30, 2023

The Company uses the standards simplified approach and calculates ECL based on lifetime ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of statement of financial position to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the unconsolidated statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

2.18 Revenue recognition

Sales are recognized as revenue when goods are invoiced to customers.

Return on bank deposits are on an accrual basis.

Markup on loan to associated undertaking is recognized on an accrual basis.

Agency commission is recognized when shipments are made by the principal.

Unrealized gains / loss arising on re-measurement of investments classified as "financial assets at fair value through "profit or loss" are included in the profit and loss account in the period in which these arise.

Realised capital gains / loss on sale of investments are recognized in the profit and loss account at the time of sale.

Dividend income is recognised when the right to receive the dividend is established.

Notes to the Financial Statements

For The Year Ended June 30, 2023

Revenue from contracts with customers is recognized when the control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods according to the negotiated contractual terms. The Company has generally concluded that it acts as a principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Performance obligations held by the Company are not separable, and are not partially satisfied, since they are satisfied at a point in time, when the customer accepts the products. Moreover, the payment terms identified in most sources of revenue are short-term usually 30 to 60 days upon delivery, without any variable considerations, financing components and guarantees.

The Company recognizes an account receivable when the performance obligations have been met, recognizing the corresponding revenue. Moreover, the considerations received before satisfying the performance obligations are recognized as advances from customer.

2.19 Advance from customers

Advance from customers is the obligation to transfer goods or services to the customers for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, it is recognised when the payment is made or the payment is due (whichever is earlier). Advance from customers is recognised as revenue when the Company performs under the contract.

2.20 Unclaimed dividend

This is recognised at the amount of dividend declared and unclaimed by shareholders from the date it became due and payable.

2.21 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand and at banks and short term finances. The cash and cash equivalents are subject to insignificant risk of changes in value.

2.22 Related Party transactions and transfer pricing

The Company enters into transactions with related parties on an arm's length basis, except interest free loan obtained to meet the working capital requirements of the Company from its sponsor.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2.23 Provisions

Provisions are recognized when the company has present obligation, legal or constructive, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

2.24 Off setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the company has a legally enforceable right to offset the recognized amounts and the company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.25 Dividends distribution and transfer between reserves

Dividends declared are transfers between reserves made subsequent to the statement of financial position date are considered as non-adjusting events and are recognized in the financial statements in the year in which such dividends are approved / transfers are made.

2.26 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.27 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Financial Statements

For The Year Ended June 30, 2023

2.28 Contingent Liability

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The assessment of contingent liabilities inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future events."

	Note	2023	2022
		----- (Rs. in '000) -----	
3	PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS		
Tangible operating assets	3.1	739,177	765,959
Intangible assets	3.1	5,807	-
		744,984	<u>765,959</u>

Notes to the Financial Statements

For The Year Ended June 30, 2023

3.1 The statement of the tangible operating assets and intangible assets is as follows:

	Tangible - owned							Intangible assets	
	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office Equipment	Total tangible assets	Licence fees	Total
2023	----- (Rupees in '000) -----								
As at July 01, 2022									
Cost	78,033	1,136,347	1,597,244	165,150	319,554	89,267	3,385,595	-	3,385,595
Accumulated depreciation	-	702,821	1,397,646	139,166	305,623	74,380	2,619,636	-	2,619,636
Net book value	78,033	433,526	199,598	25,984	13,931	14,887	765,959	-	765,959
Year Ended June 30, 2023									
Opening net book value	78,033	433,526	199,598	25,984	13,931	14,887	765,959	-	765,959
Additions	-	-	8,883	-	12,638	537	22,058	6,736	28,794
Disposal	-	-	-	-	-	-	-	-	-
Depreciation/Amortization for the year	-	21,661	20,064	2,598	2,998	1,519	48,840	929	49,769
Closing net book value	78,033	411,865	188,417	23,386	23,571	13,905	739,177	5,807	744,984
As at June 30, 2023									
Cost	78,033	1,136,347	1,606,127	165,150	332,192	89,804	3,407,653	6,736	3,414,389
Accumulated depreciation/Amortization	-	724,482	1,417,710	141,764	308,621	75,899	2,668,476	929	2,669,405
Net book value	78,033	411,865	188,417	23,386	23,571	13,905	739,177	5,807	744,984
Depreciation/Amortization rate % per annum		5%	10%	10%	20%	10%		20%	
2022									
As at July 01, 2021									
Cost	78,033	1,136,347	1,597,244	165,150	320,786	89,267	3,386,827	-	3,386,827
Accumulated depreciation	-	680,021	1,375,435	136,279	303,333	72,726	2,567,794	-	2,567,794
Net book value	78,033	456,326	221,809	28,871	17,453	16,541	819,033	-	819,033
Year ended June 30, 2022									
Opening net book value	78,033	456,326	221,809	28,871	17,453	16,541	819,033	-	819,033
Additions	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
- Cost	-	-	-	-	1,232	-	1,232	-	1,232
- Accumulated depreciation	-	-	-	-	1,200	-	1,200	-	1,200
	-	-	-	-	32	-	32	-	32
Depreciation for the year	-	22,800	22,211	2,887	3,490	1,654	53,042	-	53,042
Closing net book value	78,033	433,526	199,598	25,984	13,931	14,887	765,959	-	765,959
As at June 30, 2022									
Cost	78,033	1,136,347	1,597,244	165,150	319,554	89,267	3,385,595	-	3,385,595
Accumulated depreciation	-	702,821	1,397,646	139,166	305,623	74,380	2,619,636	-	2,619,636
Net book value	78,033	433,526	199,598	25,984	13,931	14,887	765,959	-	765,959
Depreciation rate % per annum		5%	10%	10%	20%	10%			

3.1.1 The above tangible assets are mortgaged with the Financial Institutions /Banks as disclosed in note no 13, 19 & 20.4 and the note 1.1 to the Financial Statements.

Notes to the Financial Statements

For The Year Ended June 30, 2023

3.1.2 Freehold land represents 73.47 Acres situated at Jilaniabad, Budhu Talpur, District Sujawal. The value of Freehold land is Rs. 69.721 Million (2022: Rs. 69.721 Million) and leasedhold land is of Rs. 8.311 Million (2022: Rs. 8.311 Million)

3.2 Depreciation/Amortisation charge for the year has been allocated as follows:

	Note	2023	2022
		----- (Rs. in '000) -----	
Cost of goods manufactured	21.1	43,955	51,282
Administration and general expenses	23	4,884	1,760
		48,839	53,042

4 INVESTMENT

Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related party

65,375,455 (2022: 65,375,455)
ordinary shares of Rs. 10 each at cost

Share of Profit

Fair value as per Market Price Quoted in
Pakistan Stock Exchange

Market value (Rupees per share)

Percentage of equity held

	June 30, 2023	June 30, 2022
	804,131	804,131
	26,201	105,352
	830,332	909,483
	271,308	353,027
	4.15	5.40
	13.50%	13.50%

4.1 The summarized financial information of the associates over which the Company exercises significant influence based on audited financial statements for the year ended June 30, 2023 are as follows:

	June 30, 2023	June 30, 2022
	----- (Rs. in '000) -----	
Total Assets	49,544,242	37,900,907
Total Liabilities	22,062,852	18,282,996
Revenues	20,199,555	16,518,299
(Loss) after tax	(586,306)	(703,032)
Accumulated Profit up to June 30	3,264,738	3,581,982

Notes to the Financial Statements

For The Year Ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
5 STORES AND SPARES			
Stores		16,430	16,430
Spares		55,810	40,927
		72,240	57,357
Less : Provision for obsolescence / slow moving stocks		(17,147)	(10,800)
		55,093	46,557
5.1 Movement in provision for obsolescence and slow moving items			
Opening balance		10,800	5,064
Provision during the year		7,224	5,736
Closing balance		18,024	10,800
6 STOCK-IN-TRADE			
Manufacturing stock			
Raw materials and components		155,039	144,225
Finished goods		2,218	2,218
		157,257	146,443
Trading stock			
Trading stock		25,563	25,705
		182,820	172,148
Less : Provision for obsolescence / slow moving stocks		(159,848)	(157,292)
		22,972	14,856
6.1 Movement in provision for obsolescence and slow moving items			
Opening balance		157,292	155,074
Provision during the year		2,556	2,218
Closing balance		159,848	157,292
7 TRADE DEBTS - Considered good		672	672

Notes to the Financial Statements

For The Year Ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
8 SHORT TERM LOAN TO AN ASSOCIATED UNDERTAKING - Considered good			
Dewan Automotive Engineering Limited	8.1	154,879	154,879
		154,879	154,879
8.1 The Company has charged mark-up on loan to associated undertaking carrying mark-up @1% above 3 months KIBOR rate. At the end of the year, this loan carries mark-up at the rate of 23.91% (2022:16.16 %) per annum.			
8.2 The maximum aggregate amount of loan at the end of any month during the year was Rs. 154.879 Million (2022: Rs. 154.879 Million).			
9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
Advances - Considered good			
Suppliers and contractors			
Considered good	9.1	24,714	-
Considered doubtful		181,467	181,467
		181,467	181,467
Less: Provision for doubtful advances		(181,467)	(181,467)
		24,714	-
Employees		3,168	3,068
Sales tax		4,608	16
		32,490	3,084
Deposits			
Margin against letters of guarantees		2,050	2,050
Others		11,511	11,511
		13,561	13,561
Other receivables			
Mark-up on loan to associated undertaking (note 8 & 9.2)		861,692	830,013
Others		1	1
		861,693	830,014
		907,744	846,659

9.1 It includes Advance to related party against purchase amounting Rs. 6.728 million (2022: Nil)

9.2 The maximum aggregate amount receivable at the end of any month during the year was Rs. 861,693 Million (2022: Rs. 830,014 Million).

9.3 The age analysis of receivable from related party as follows.

Notes to the Financial Statements

For The Year Ended June 30, 2023

	June 30, 2023	June 30, 2022
	----- (Rs. in '000) -----	
Not yet due	-	-
Past due		
- up to 3 months	-	-
- 3 to 6 months	18,106	11,240
- 6 to 12 months	13,573	7,933
- More than one year	830,013	810,840
	861,692	830,013

10. TAXATION

- 10.1** Income tax assessments of the company have been finalized upto and including the tax year 2022 relating to income year ended June 30, 2022 and certain appeals for the Tax year 2008, 2009 and 2010 are pending before the income tax appellate authorities. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit. The company is in loss, therefore provision has been made in the accounts for minimum tax as per provisions of the Income Tax Ordinance, 2001.
- 10.2** The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the company is not in operational activities as described in note 1 of these financial statements.
- 10.3** Management had a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.
- 10.4** Subsequent to the amendment of section 5(A) of the Income tax Ordinance, 2001, tax at the applicable rate shall be imposed on every public company which derives profit for the year. However, this tax shall not apply in case of a company which distributes at least specified percentage of after tax profits within six months of the end of the tax year in the form of cash dividend. Liability in respect of such tax, if any, is recognized when the prescribed time period for distribution of dividend expires.

11. CASH AND BANK BALANCES

	Note	June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
Cash in hand		82	82
Cash at banks in current accounts	11.1	138,628	128,633
		138,710	128,715

Notes to the Financial Statements

For The Year Ended June 30, 2023

11.1 One of the Company's current account had been blocked by the bank and the Company had gone into litigation against this action of the bank demanding release of the blocked amount. The matter is pending in the Banking Court. Further, confirmation from most of the banks have not been received as the company is in litigation with banks.

11.2 Represents deposits placed with conventional banks .

12. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

2023 (No of Shares in '000)	2022		June 30, 2023 ----- (Rs. in '000) -----	June 30, 2022 ----- (Rs. in '000) -----
135,065	135,065	Ordinary shares of Rs.10/- each fully paid in cash	1,350,651	1,350,651
3,670	3,670	Ordinary shares of Rs.10/- each, issued as fully paid bonus shares	36,702	36,702
138,735	138,735		1,387,353	1,387,353

12.1 13,650,000 (2022: 13,650,000) shares are held by related party (Dewan Sugar Mills Limited).

12.2 Voting rights, board selection, right of first refusal, block voting and other shareholders' rights are in proportion to the shareholding.

	Note	June 30, 2023 ----- (Rs. in '000) -----	June 30, 2022 ----- (Rs. in '000) -----
13 LONG TERM LOANS - secured			
From banking companies and other financial institutions			
Term Finance - I	13.1	71,429	71,429
Term Finance - II	13.2	90,000	90,000
Term Finance - III	13.3	62,500	62,500
Term Finance - IV	13.4	110,000	110,000
Term Finance - V	13.5	63,000	63,000
Term Finance - VI	13.6	700,000	700,000
		1,096,929	1,096,929
Less:- Current portion shown under current liabilities	13.7	1,096,929 (1,096,929)	1,096,929 (1,096,929)
		-	-

Notes to the Financial Statements

For The Year Ended June 30, 2023

- 13.1** The loan carries mark up at the base rate plus 2.5% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate at the last business day before the installment date for the immediately preceding installment. Presently markup on the finance works out to 14.51% (2022 : 14.51 %) per annum.

The loan was rescheduled during the year and is to be paid in seven equal monthly installments commencing from June 29, 2008 and ending on December 31, 2008.

This loan is secured by way of parri passu charge over all present and future fixed assets including land, building, plant and machinery of the Company.

- 13.2** The loan carries mark up at the base rate plus 3.00% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 15.01% (2022: 15.01%) per annum.

The loan is repayable in ten equal semi annual installments, with quarterly markup payments, commencing from January 26, 2006 and ending on October 26, 2010

The loan is secured by First Pari Passu hypothecation charge and equitable mortgage over fixed assets of the company.

- 13.3** The finance carries mark up at the base rate plus 2.50% per annum. Base rate has been defined as average rate of ASK SIDE of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 14.51% (2022: 14.51%) per annum.

The loan was repayable in eight equal quarterly installments commencing from January 13, 2006 and ending on October 13, 2007

The loan was secured by First Pari Passu charge over plant and machinery and equitable mortgage over land and building of the company.

- 13.4** The finance carries mark up at the base rate plus 4.00 % per annum. Base rate has been defined as ASK rate of six months KIBOR prevailing on the last business day at the beginning of each quarterly period. Presently markup on the finance works out to 16.01% (2022 16.01 %) per annum.

The finance is repayable in twenty equal quarterly installments commencing from March 30, 2006 and ending on December 30, 2010

The loan is secured by First Pari Passu charge over all the present and future fixed assets of the company.

- 13.5** The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set first time on date of disbursement and subsequently on January 1st and July 1st. Presently markup on the finance works out to 15.01 % (2022: 15.01%) per annum.

The loan is repayable in ten equal half yearly installments, with quarterly markup payments, commencing from August 14, 2007 and ending on February 14, 2012.

Notes to the Financial Statements

For The Year Ended June 30, 2023

The loan is secured by First Pari Passu charge over fixed assets of the company.

13.6 The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be reset on bi-annual basis i.e. on January 1st and July 1st every year. Presently markup on the finance works out to 15.01 % (2022 15.01%) per annum.

The loan is repayable through monthly installments within five years including one year grace period, markup shall continuously be paid on calendar quarter basis during grace period.

The loan is secured by First Pari Passu charge over fixed assets of the company.

13.7 This includes overdue installments amounting to Rs. 1,096,929 million. Banks/financial institutions has filed suit in the High Court of Sindh U/s 9 of Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery through sale of company's assets. The company is defending these cases. The outcome is awaited and it is expected that it will be in favour of company as fully disclosed in note no. 20.4 to the financial Statements.

13.8 Since the Company is in litigation with banks confirmation have not been received .

14 LONG TERM SECURITY DEPOSITS

These deposits have been received from dealers and are interest free. These deposits have been utilized for the purpose of business in accordance with the term of written agreement with the dealers under section 217 of Companies Act, 2017.

15 DEFERRED LIABILITIES

	Note	June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
Deferred taxation	15.1	-	-
Staff gratuity	15.2	4,231	4,231
		4,231	4,231
15.1 Deferred Taxation			
Credit balance arising due to:			
Accelerated tax depreciation allowances		119,156	122,233
Share of profit in associated company		7,598	55,541
		126,754	177,774
Less: Debit balance arising due to:			
Gratuity		(1,227)	(1,227)
Provision for obsolete/slow moving Stores and Spares		(4,973)	(3,132)
Provision for obsolete/slow moving Stock-in-trade		(46,356)	(45,615)
Provision for doubtful advance		(52,625)	(52,625)
Carry forward tax losses and others		(918,865)	(848,146)
		(1,024,046)	(950,745)
Deferred tax assets		(897,292)	(772,971)
Deferred tax asset not recognized		897,292	772,971
		-	-

Notes to the Financial Statements

For The Year Ended June 30, 2023

	Note	June 30, 2023	June 30, 2022
		----- (Rs. in '000) -----	
15.2 Staff gratuity			
Balance at the beginning of the year		4,231	4,231
Less: Payments made during the year		-	-
		<u>4,231</u>	<u>4,231</u>

16 SHORT TERM LOAN FROM SPONSOR

Sponsor Loan

Balance at beginning of the year
Add: Received during the year

16.1	293,063	262,063
	175,959	31,000
	<u>469,022</u>	<u>293,063</u>

16.1 This represents unsecured interest free loan obtained from Sponsor of the Company for the purpose of working capital requirements and is payable on demand.

17 TRADE AND OTHER PAYABLES

Creditors

Trade creditors

17.1	74,644	47,125
------	--------	--------

Accrued liabilities

Accrued expenses

367,025	351,972
---------	---------

Sales tax payable

87	-
<u>441,756</u>	<u>399,097</u>

17.1 Investments of provident fund have been made in accordance with the provisions of section 218 of the Companies Act 2017 and the rules formulated for this purpose.

18 UNCLAIMED DIVIDEND

As per the provision of Section -242 of the Companies Act, 2017 and directives of the Securities and Exchange Commission of Pakistan vide circular no. 18 dated 01 August, 2017, cash dividend will only be paid through electronic mode directly in the bank accounts of shareholders, accordingly this unpaid dividend pertains to those shareholders who did not provide their valid bank accounts details.

19 SHORT TERM FINANCES - SECURED

From banks & financial institutions
- Short term loan (Under mark-up /
profit arrangements)

19.1 & 19.4	1,978,024	1,978,024
-------------	-----------	-----------

- Overdue letter of credits

19.4	2,117,889	2,117,889
	<u>4,095,913</u>	<u>4,095,913</u>

Notes to the Financial Statements

For The Year Ended June 30, 2023

- 19.1** The facilities for short term finances under markup / profit arrangements available from various banks amounted to Rs. 2,255 million (2022: Rs.2,255) million.
- 19.2** The rate of markup / profit ranges from 8.74% to 20% (2022: 8.74% to 20.00%) per annum.
- 19.3** The facilities are secured by way of pari passu charge against hypothecation of the company's stock in trade and book debts and are generally for a period of one year, renewable at the end of the period.
- 19.4** Since the company is in litigation with banks confirmations from most of them have not been received.

20 CONTINGENCIES AND COMMITMENTS

Contingencies

- 20.1** The Company, in the past, received Two (2) demand notices from the Customs Authorities claiming short recovery of Rs. 269.9 million in aggregate on account of custom duties, sales tax and income tax on royalty paid to Hyundai Motor Company (HMC) and Kia Motor Corporation (KMC), taking the view that the royalty pertains to the imported CKD kits as opposed to company view that the same is independent of the import of CKD kits and relates to the local manufacturing of the motor vehicles.

The Customs Appellate Tribunal has decided the matter in Company's favor resulting in reversal of demand to the extent of Rs.182.8 million. Against the decision of Customs Appellate Tribunal, the Custom Authorities have filed an appeal before the High Court of Sindh has been decided in the favour of the Company. The Company also expects a similar decision against the cases for the balance amount of Rs.87.1 million, as the facts of the cases and questions of law involved are identical.

- 20.2** Sales tax Appeal against order in original no. 31/2004 dated 28-2-2004 in respect of demand of Rs 3.2 million filed before Commissioner Inland Revenue (Appeal I) Karachi has been decided in favor of the Company as per order passed vide STA/35/LTU/2013 dated 17-6-2013 by CIR (Appeals-I) Karachi. The Commissioner Inland Revenue, Zone I, LTU, Karachi has filed appeal before the Appellate Tribunal Inland Revenue, Karachi against the order No. STA-35/LTU/2013 dated 17-6-2013 and is pending for adjudication.
- 20.3** Letter of guarantees issued by the banks amounting to Rs. 250.336 (2022: Rs. 250.336) million.
- 20.4** In respect of liabilities towards banks / financial institutions disclosed in note 13 and 19 to the financial statements, the banks /financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate amount of suits is Rs. 6.884 billion.

Notes to the Financial Statements

For The Year Ended June 30, 2023

The management has disputed the claim and is strongly contesting the cases. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of the rules of State Bank of Pakistan and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favor of the company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage.

Commitments

20.5 Capital expenditure commitments outstanding amounts to Rs. Nil (2022: Nil).

20.6 Commitments in respect of letters of credit other than for capital expenditure amounts to Rs. Nil (2022: Nil).

	Note	2023 ----- (Rs. in '000) -----	2022
21 COST OF SALES			
Opening stock		27,923	28,042
Cost of goods manufactured	21.1	141,286	83,154
Closing stock		(27,781)	(27,923)
		141,428	83,273

Notes to the Financial Statements

For The Year Ended June 30, 2023

	Note	2023	2022
		----- (Rs. in '000) -----	
21.1 Cost of goods manufactured			
Raw material and vendor parts consumed			
Opening stock		144,225	144,225
Purchases		10,818	-
Closing stock		(155,043)	(144,225)
		-	-
Stores and spares consumed		14,150	-
Salaries, wages and other benefits	21	46,004	28,841
Depreciation	3.2	43,955	51,282
Amortization of intangible assets		929	-
Communication		255	125
Printing, stationery and office supplies		241	-
Utilities		12,116	1,458
Traveling & entertainment		7,242	-
Vehicle running		5,388	826
Fee & subscription		12	-
Security		11	522
Repairs and maintenance		10,588	-
Miscellaneous		395	100
Add: Opening stock of work-in-process		-	-
Less: Closing stock of work-in-process		-	-
		141,286	83,154
		141,286	83,154

21.2 Included herein is a sum of Rs. 0.215 (2022: Rs. Nil) million relating to Recognized Provident Fund.

	Note	2023	2022
		----- (Rs. in '000) -----	
22 MARKETING & DISTRIBUTION EXPENSES			
Salaries, allowances and other benefits	22.1	4,882	-
Travelling and entertainment		8,207	-
Vehicle running		741	-
Communication		61	-
Printing & Stationary		50	-
Fee and subscription		492	-
Repairs and maintenance		128	-
Miscellaneous		226	-
		14,788	-

22.1 Included herein is a sum of Rs. Nil (2022: Rs. Nil) relating to Recognized Provident Fund.

Notes to the Financial Statements

For The Year Ended June 30, 2023

	Note	2023	2022
		----- (Rs. in '000) -----	
23 ADMINISTRATION AND GENERAL EXPENSES			
Salaries, allowances and other benefits	23.1	11,873	9,069
Depreciation	3.2	4,884	1,760
Insurance		31	-
Traveling & entertainment		2,730	12
Vehicle running		797	657
Communication		60	51
Printing, stationery and office supplies		379	12
Legal and professional		-	375
Advertising & publicity		60	25
Fee and subscription		4,026	2,490
Repairs and maintenance		37	3
Auditors' remuneration	23.2	600	551
		25,477	15,005

23.1 Included herein is a sum of Rs.0.404 (2022: Rs. 0.323) million relating to Recognized Provident Fund.

	2023	2022
	----- (Rs. in '000) -----	
23.2 Auditors' remuneration		
Audit fee	412	330
Interim review and other certifications	138	121
Out of pocket expenses	50	100
	600	551

	2023	2022
	----- (Rs. in '000) -----	
24 OTHER INCOME/(LOSS)		
Gain on disposal of fixed assets	-	668
Profit on Short Term Loan to Associated undertaking	8.1 31,679	19,173
Others	7,094	4,333
Share of (loss) of equity investment in associate	4 (79,151)	(94,909)
	(40,378)	(70,735)

Notes to the Financial Statements

For The Year Ended June 30, 2023

25 FINANCE COST

During the year ended June 30, 2023, the Company has not provided the mark-up on Long term and short term borrowings from banks and financial institutions to the extent of Rs. 1008.075 (2022: Rs.589.709) million. The management is hopeful that the decision of the court will be in favor of the Company and the restructuring proposal will be accepted by the lenders. However, had the Company provided this amount in the financial statements during the year, the loss of the Company would have been increased by Rs. 1008.075 (2022: Rs.589.709) million and consequently the Share holders equity would have been lower and accrued mark-up would have been higher by Rs.8.193 (2022: Rs.7.185) billion. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

26 TAXATION

2023 2022
-----**(Rs. in '000)**-----

26.1 The Company is in loss, therefore provision has been made for minimum tax as per the provisions of Income.

Taxation - Current	2	2
- For prior year	-	5
	2	7

26.2 Relationship between tax expense and accounting loss

Provision for taxation is based on minimum tax liability at the rate of 1.25% of the turnover, therefore the relationship between accounting loss and tax expense for the year cannot be given.

27 (LOSS) PER SHARE

2023 2022
-----**(Rs. in '000)**-----

27.1 Basic/Diluted (loss) per share

Net (loss) for the year	Rs. In thousand	(230,805)	(176,830)
Weighted average number of ordinary shares	number in thousand	133,421	133,421
Basic/Diluted (loss) per share		(1.73)	(1.33)

28 CASH AND CASH EQUIVALENTS

June 30, June 30,
2023 2022
-----**(Rs. in '000)**-----

Cash and bank balances	138,710	128,715
Short term finances	(1,978,024)	(1,978,024)
	(1,839,314)	(1,849,309)

Notes to the Financial Statements

For The Year Ended June 30, 2023

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for the remuneration to the Chief Executive, Executive Directors and Executives are as follows:

	2023			2022		
	Chief Executive	Executive Director	Executive	Chief Executive	Executive Director	Executive
	----- Rs. in '000' -----					
Managerial remuneration	3,094	-	13,860	2,607	-	9,189
House rent, utilities and other benefits	1,706	-	7,650	1,437	-	5,071
Retirement benefits	215	-	161	217	-	460
Medical	-	-	-	217	-	470
Leave passage / assistance	-	-	-	261	-	564
	<u>5,015</u>	<u>-</u>	<u>21,671</u>	<u>4,739</u>	<u>-</u>	<u>15,754</u>
No. of persons	<u>1</u>	<u>-</u>	<u>9</u>	<u>1</u>	<u>-</u>	<u>5</u>

29.1 The Chief Executive, Executive Directors and certain Executives of the Company are provided free use of Company maintained cars.

30 TRANSACTIONS WITH ASSOCIATED UNDERTAKING / RELATED PARTIES

The related parties and associate undertaking comprise associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertaking, other than remuneration and benefits to key management personnel disclosed in the respective notes, are as follows:

	June 30, 2023	June 30, 2022
	----- (Rs. in '000) -----	
Short term loan from Sponsor (Interest free)	175,959	31,000
Mark-up charged for the year on short term loan to associated undertaking	31,679	19,173
Advance against Purchase	6,728	-
Provident Fund	619	323
Share of (loss) on equity investment	(79,151)	(94,909)

Notes to the Financial Statements

For The Year Ended June 30, 2023

- 30.1** The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the Financial Statements.
- 30.2** Details to compensation to the key management personnel have been disclosed in the note 29 to the Financial Statements.
- 30.3** Following are the related parties with whom the company had entered into transactions or have arrangements/agreements in place.

Name of the Company	Basis of relationship	% of shareholding
Daehan-Dewan Motor Company (Private) Limited	Common Directorship	Nil
Dewan Automotive Engineering Limited	Common Directorship	Nil
Dewan Cement Limited	Common Directorship	13.50%
Dewan Mushtaq Trade Limited	Common Directorship	Nil

31 PLANT CAPACITY AND PRODUCTION

Capacity of the plant on single shift basis is 10,000 (2022:10,000). Production (including Contract Assembly) during the year is Nil (2022: Nil) due to non-availability of working capital and banking lines.

Notes to the Financial Statements

For The Year Ended June 30, 2023

32 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2023		
	Loans and receivables	Derivatives used for hedging	Total
	----- Rs. in '000' -----		
Assets			
Trade debts	672	-	672
Other receivables	861,693	-	861,693
Cash and bank balance	138,710	-	138,710
	1,001,075	-	1,001,075

	As at June 30, 2023		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	----- Rs. in '000' -----		
Liabilities			
Trade and other payables	-	441,669	441,669
	-	441,669	441,669

	As at June 30, 2022		
	Loans and receivables	Derivatives used for hedging	Total
	----- Rs. in '000' -----		
Assets			
Trade debts	672	-	672
Other receivables	830,014	-	830,014
Cash and bank balance	128,715	-	128,715
	959,401	-	959,401

	As at June 30, 2022		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	----- Rs. in '000' -----		
Liabilities			
Trade and other payables	-	399,097	399,097
	-	399,097	399,097

Notes to the Financial Statements

For The Year Ended June 30, 2023

33 FINANCIAL RISK MANAGEMENT

33.1 Credit risk

Credit risk is the risk that one party to the financial instruments will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

The Company has maintained bank balances with various banks having rating ranging between AA+ to AA-

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to need contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

Credit risk arises from derivative financial instruments and balances with bank and financial institutions, as well as credit exposures to customers, including trade receivables and committed transaction. Out of the total financial assets of Rs. 1,976.814 (2022: Rs 1,935.391) million, the financial assets which are subject to credit risk amounted to Rs.1033.973 (2022: Rs. 1002.194) million. Table marked as 33.1.1 provides analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates disclosed in relevant note of receivables.

The Company manages credit risk in trade receivables by limiting significant exposure to any individual customer, by obtaining advance against sales, by monitoring credit exposure and continuing assessment of credit worthiness of such customers as well as by close monitoring of operations of the associated undertakings.

33.2 Liquidity Risk

Liquidity risk reflects the Company's inability of raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers. Further, Company treasury maintains flexibility in funding by keeping committed credit lines available as fully disclosed in note 33.3.1.

33.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk and interest rate risk.

Notes to the Financial Statements

For The Year Ended June 30, 2023

33.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company manages its currency risk by close monitoring of currency markets. As per central bank regulations, As on June 30, 2023 the company does not have any financial assets or financial Liabilities which are denominated in foreign currencies.

33.3.2 Interest rate risk

Interest / markup rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest / markup rates. Sensitivity to interest / markup rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The company manages this mismatches through risk management strategies where significant changes in gap position can be adjusted. The company exposed to interest / markup rate risk in respect of the following

Interest/ mark-up rate %	Interest / Markup bearing			Non-Interest / Markup bearing			Total
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	June 30, 2023
	(Rupees in '000)						

ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

June 30, 2023

FINANCIAL ASSETS

Trade debts		-	-	-	672	-	672	672
Loans to associated undertakings	20.42%	154,879	-	154,879	-	-	-	154,879
Advances, deposits and other receivables		-	-	-	878,422	-	878,422	878,422
Investment		-	-	-	804,131	-	804,131	804,131
Cash and bank balances		-	-	-	138,711	-	138,711	138,711
		154,879	-	154,879	1,821,936	-	1,821,936	1,976,815

FINANCIAL LIABILITIES

Long term loans	14.51-16.01	1,096,929	-	1,096,929	-	-	-	1,096,929
Long term deposits		-	-	-	-	11,700	11,700	11,700
Trade and other payables		-	-	-	441,669	-	441,669	441,669
Short term finances	8.74-20.00	4,095,913	-	4,095,913	-	-	-	4,095,913
		5,192,842	-	5,192,842	441,669	11,700	453,369	5,646,211

OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

Commitment in respect of letters of credit		-	-	-	-	-	-	-
Outstanding bank guarantee		-	-	-	250,336	-	250,336	250,336
		-	-	-	250,336	-	250,336	250,336

Notes to the Financial Statements

For The Year Ended June 30, 2023

		Interest / Markup bearing			Non-Interest / Markup bearing			Total
	Interest/ mark-up rate %	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	June 30, 2022
(Rupees in '000)								
ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS								
June 30, 2022								
FINANCIAL ASSETS								
Trade debts		-	-	-	672	-	672	672
Loans to associated undertakings	8.39%	154,879	-	154,879	-	-	-	154,879
Advances, deposits and other receivables		-	-	-	846,643	-	846,643	846,643
Investment		-	-	-	804,131	-	804,131	804,131
Cash and bank balances		-	-	-	128,715	-	128,715	128,715
		<u>154,879</u>	-	<u>154,879</u>	<u>1,780,161</u>	-	<u>1,780,161</u>	<u>1,935,040</u>
FINANCIAL LIABILITIES								
Long term loans	14.51-16.01	1,096,929	-	1,096,929	-	-	-	1,096,929
Long term deposits		-	-	-	-	11,700	11,700	11,700
Trade and other payables		-	-	-	399,097	-	399,097	399,097
Short term finances	8.74-20.00	4,095,913	-	4,095,913	-	-	-	4,095,913
		<u>5,192,842</u>	-	<u>5,192,842</u>	<u>399,097</u>	<u>11,700</u>	<u>410,797</u>	<u>5,603,639</u>
OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS								
Commitment in respect of letters of credit		-	-	-	-	-	-	-
Outstanding bank guarantee		-	-	-	250,336	-	250,336	250,336
		-	-	-	250,336	-	250,336	250,336

33.3.3 Fair value of financial instruments

Fair value is an amount for which an assets could be exchanged, or a liability settled, between knowledgeable willing parties in arm's length transaction. Consequently, differences may arise between the carrying value and the fair value estimates.

As at the reporting date the fair value of all financial assets and liabilities are estimated to approximate their carrying values.

34 Capital risk management

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances.

Notes to the Financial Statements

For The Year Ended June 30, 2023

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholder. Debt is calculated as total borrowings ('long term loan' and short term borrowings' as shown in the statement of financial position). total capital comprises shareholders' equity as shown in the statement of financial position under 'share capital and reserves'.

	2023	2022
35 NUMBER OF EMPLOYEES		
Total number of employees (including contractual labour) as at June 30	44	21
Average number of employees (including contractual labour)	38	26

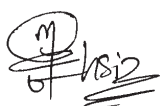
36 OPERATING SEGMENT

These financial statements have been prepared on the basis of single reportable segment.

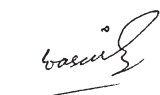
All non current assets of the Company as at June 30, 2023 are located in Pakistan.

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 26, 2023 by the Board of Directors of the company.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive



Mehmood-ul-Hassan Asghar
Chairman Board of Directors

PATTERN OF SHAREHOLDING

Form 34

1. Incorporation Number **0039756**
2. Name of the Company **DEWAN FAROOQUE MOTORS LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **30.06.2023**

4.	Number of Shareholders	Shareholding Slab	Total Shares held	Percentage
		From To		
	459	1 100	13,332	0.01%
	749	101 500	339,169	0.24%
	1163	501 1,000	941,567	0.68%
	1441	1,001 5,000	4,225,847	3.05%
	483	5,001 10,000	3,854,385	2.78%
	244	10,001 20,000	3,613,812	2.60%
	109	20,001 30,000	2,790,625	2.01%
	53	30,001 40,000	1,891,569	1.36%
	64	40,001 50,000	3,034,469	2.19%
	28	50,001 60,000	1,559,500	1.12%
	10	60,001 70,000	674,500	0.49%
	14	70,001 80,000	1,059,500	0.76%
	7	80,001 90,000	605,500	0.44%
	22	90,001 100,000	2,169,500	1.56%
	10	100,001 120,000	1,105,000	0.80%
	7	120,001 140,000	901,438	0.65%
	12	140,001 160,000	1,835,500	1.32%
	3	160,001 180,000	520,000	0.37%
	10	180,001 200,000	1,975,007	1.42%
	7	200,001 250,000	1,493,182	1.08%
	4	250,001 300,000	1,094,656	0.79%
	6	300,001 350,000	1,960,000	1.41%
	2	350,001 400,000	723,000	0.52%
	1	400,001 450,000	450,000	0.32%
	4	450,001 500,000	1,905,500	1.37%
	3	500,001 600,000	1,545,500	1.11%
	2	600,001 700,000	1,304,000	0.94%
	2	700,001 800,000	1,455,000	1.05%
	2	800,001 900,000	1,675,234	1.21%
	1	900,001 1,000,000	950,000	0.68%
	1	1,000,001 1,100,000	1,025,000	0.74%
	1	1,100,001 1,200,000	1,105,000	0.80%
	1	1,200,001 1,300,000	1,222,500	0.88%
	2	1,300,001 1,400,000	2,765,000	1.99%
	1	1,400,001 1,600,000	1,520,000	1.10%
	1	1,600,001 1,700,000	1,604,000	1.16%
	1	1,700,001 2,500,000	2,257,500	1.63%
	1	2,500,001 3,000,000	2,505,682	1.81%
	1	3,000,001 14,000,000	13,650,000	9.84%
	1	14,000,001 25,000,000	24,341,393	17.55%
	1	25,000,001 40,000,000	39,072,875	28.16%
	4934	TOTAL	138,735,242	100.00%

**PATTERN OF SHAREHOLDING UNDER REGULATION
37(X)(I) OF THE CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2023**

5.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shareholding
	Directors, CEO, their Spouses & Minor Children			
	Mr. Aziz-ul-Haq	1	500	0.00%
	Mr. Waseem-ul-Haque Ansari	1	500	0.00%
	Mr. Ghazanfar Baber Siddiqi	1	500	0.00%
	Mrs. Nida Jamil	1	500	0.00%
	Mr. Abdul Basit	1	500	0.00%
	Mr. Mehmood-ul-Hassan Asghar	1	500	0.00%
	Mr. Muhammad Hanif German (Nominee Director of DSML)	-	-	0.00%
	Associated Companies			
	Dewan Sugar Mills Limited	1	13,650,000	9.84%
	NIT and ICP	-	-	0.00%
	Executives	-	-	0.00%
	Banks, Development Financial Institutions, Non-Banking Finance Companies	4	96,550	0.07%
	Insurance Companies	-	-	0.00%
	Modarabas and Mutual Funds	2	208,625	0.15%
	General Public			
	a. Local	4,876	120,583,024	86.92%
	b. Foreign	2	2,500	0.00%
	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	43	4,191,543	3.02%
	TOTAL	4,934	138,735,242	100.00%

SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Dewan Muhammad Yousuf Farooqui	2	63,414,268	45.71%
Dewan Sugar Mills Limited	1	13,650,000	9.84%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.

Form of Proxy

I/We _____
 of _____ being _____
 a member(s) of **DEWAN FAROOQUE MOTORS LIMITED** and holder of _____
 Ordinary Shares as per Registered Folio No. / CDC Participant's ID and Account No. _____
 _____ hereby appoint _____
 of _____
 or falling him _____
 of _____
 who is also member of **DEWAN FAROOQUE MOTORS LIMITED** vide Registered Folio No. / CDC
 Participant's ID and Account No. _____ as my/our proxy to vote for me/us
 and _____
 on my/our behalf at the 25th Annual General Meeting of the Company to be held on Thursday,
 October 26, 2023 at 03:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2023.

AFFIX
 REVENUE
 STAMP
 RS. 5/-

Signature _____

Witness: _____
 Signature

Witness: _____
 Signature

Name: _____
 Address: _____

Name: _____
 Address: _____

IMPORTANT:

1. A proxy should also be a member of the company.
2. A member of the Company entitled to attend and vote all meeting, may appoint another member as his/her proxy to attend and vote instead of him/her.
3. Proxies, In order to be effective, must be received by the Company, duly completed, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room # 301 & 311, 3rd Floor, 49, Darul Anum Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan, not later than 48 hours before the meeting.

4. Further Instructions for CDC Account holders:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall the proxy form as per the above requirements.
- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.
- iv) The proxy shall produce his/her original CNIC or original at the time of meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) alongwith the proxy form to the Company.

**YD**

A YOUSUF DEWAN COMPANY

پراکسی فارم

پچیسواں (25) سالانہ جنرل میٹنگ

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئرز ٹرانسفر ایجنٹ کے آفس میں ضرور جمع کروائیں، بی ایم ایف کنسلٹنٹ (پرائیوٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پبل، کراچی-75350، پاکستان۔ میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

دیوان فاروق موٹرز لمیٹڈ _____ حصص کے مالک، رجسٹرڈ فوئیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ کا

میں تقرر کریا / کرتی ہوں _____ جو بذات خود بھی دیوان فاروق موٹرز

لمیٹڈ کا ممبر ہے، بحیثیت رجسٹرڈ فوئیو نمبر۔ سی ڈی سی آئی ڈی، اور کھاتہ نمبر۔ _____

میری/ہماری موجودگی کی صورت میں کمپنی کے پچیسواں (25) سالانہ اجلاس عام بروز جمعرات 26 اکتوبر، 2023 بوقت 03:00 بجے دن میں میری/ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ 2023 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____ گواہ: _____

نام: _____ نام: _____

مکمل پتہ: _____ مکمل پتہ: _____

نوٹ: _____

- (1) کوئی بھی شخص / خاتون اس وقت پراکسی کے طور پر کام کرے گا/گی جبکہ وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کمپنی کا رکن نہ ہو۔
- (2) کوئی بھی شخص جو کہ کمپنی کا ممبر ہوا اجلاس میں شرکت اور ووٹ کاسٹ کرنے کا اہل ہو گا/ہو گی یا اپنی جگہ کسی اور فرد کو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کے لئے مقرر کر سکے گا۔
- (3) یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل ایک کمپنی کے رجسٹرڈ آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہو جانا چاہیے۔
- (4) ہدایات برائے CDC اکاؤنٹ ہولڈرز:
- (i) اگر کوئی تہوار کن اکاؤنٹ ہولڈر / سب اکاؤنٹ ہولڈر اور / یا ایسا شخص جسکی کسی بھی سیکورٹی گروپ کا اکاؤنٹ ہولڈر ہو اور جس نے اپنی معلومات مکمل طور پر رجسٹرار کے پاس جمع کروائی ہوں وہ شخص اوپر دی گئی ہدایات کی روشنی میں پراکسی ہو سکتا/ہو سکتی ہے۔
- (ii) پراکسی فارم پر دو افراد جن کے نام اور CNIC نمبر جمع پتے کے موجود ہوں بطور گواہ ضروری ہیں۔
- (iii) حصص یافتگان اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقل فارم کے ساتھ منسلک ہوں۔
- (iv) اجلاس کے وقت پراکسی اپنا اصل CNIC یا پاسپورٹ پیش کرے گا۔
- (v) کارپوریٹ ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کا پرولوشن / پاور آف اٹارنی بمعہ دستخطوں کے نمونے جمع کرانا ہوں گے۔ (اگر پہلے فراہم نہ کئے گئے ہوں)

فی حصص نقصان:

فی حصص نقصان (1.73) روپے ہے۔ (سال 2022ء میں 1.33) تھا

منافع منقسمہ:

جمع شدہ نقصانات اور مندرجہ بالا واضح کردہ وجوہات کے باعث ڈائریکٹرز نے اس سال منافع منقسمہ کی سفارش نہیں کی ہے۔

حصص یا فگی کا طریقہ کار:

کمپنی کے شیئرز ہولڈنگ کا طریقہ کار مورخہ 30 جون 2023ء کی سالانہ رپورٹ میں شامل ہے۔

کمپنی شیئرز کی تجارت:

دوران سال ڈائریکٹرز، ایگزیکٹوز، دیگر اہل خانہ اور بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی ہے۔

اظہار تشکر:

بورڈ کی جانب سے میں معزز حصص یافتگان، وفاقی و صوبائی حکومتوں، ان کے ماتحت اداروں، بینکوں، ترقیاتی و مالیاتی اداروں، لیزنگ کمپنیز، ڈیلرز، وینڈرز اور صارفین کی مسلسل حمایت اور سرپرستی پر ان کا شکریہ ادا کرتا ہوں۔
بورڈ بھی کمپنی کے ایگزیکٹوز، اراکین، عملہ اور کارکنان کی زیر نظر سال کے دوران قابل قدر خدمات، خلوص اور جدوجہد کو سراہتے ہوئے خوشی محسوس کرتا ہے۔

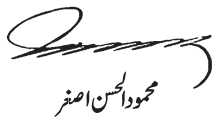
نتیجہ:

آخر میں ہم اللہ سبحان و تعالیٰ سے دعا گو ہیں کہ وہ پیغمبر آخر زمان حضرت محمد ﷺ پر لاتعداد رحمتوں اور برکتوں کا نزول فرمائے اور حضرت محمد ﷺ کے صدقہ طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت، خوشحالی و صحت عطا فرمائے۔ ہماری کمپنی کو ملک و قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارگی کے ساتھ سچی ملت اسلامیہ بننے کی توفیق عطا فرمائے۔

(آمین یا رب العالمین)

بے شک ہمارا رب دعاؤں کا سننے والا ہے۔ (القرآن)

بورڈ آف ڈائریکٹرز کے اختیار کے تحت۔


محمد احسن اصغر

چیئر مین بورڈ آف ڈائریکٹرز


وسیم الحق انصاری
چیف ایگزیکٹو

کراچی، مورخہ 26 ستمبر 2023ء

**YD**

A YOUSUF DEWAN COMPANY

- 9- تمام محصولات ادا کر دیئے گئے اور کوئی واجب الادا نہیں۔ سوائے ان کے جو کہ منسلک آڈٹ شدہ مالی گوشوارے کے نوٹ نمبر 17 میں درج ہے۔
- 10- مورخہ 30 جون 2023ء کو پراویڈینٹ فنڈ کی سرمایہ کاری منصفانہ مالیت 35.321 ملین روپے تھی سال 2022ء میں 32.931 ملین روپے تھی۔
- 11- بورڈ آف ڈائریکٹرز کے تمام افراد اپنی بہترین صلاحیتوں اور بھرپور معلومات کے ساتھ کمپنی کے مقاصد کے حصول میں برسرِ پیکار ہیں۔ دورانِ سال بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے جس میں حاضری مندرجہ ذیل رہی۔

اجلاس میں شرکت**ڈائریکٹرز کے اسماء گرامی**

5	1- جناب محمود الحسن اصغر
6	2- جناب عزیز الحق
6	3- جناب وسیم الحق انصاری
3	4- جناب محمد حنیف جرمن
6	5- جناب غصنفر بابر صدیقی
6	6- محترمہ مندا جمیل
6	7- جناب عبدالباسط

بورڈ کے اجلاس میں شرکت سے قاصر ڈائریکٹرز کو رخصت دی گئی تھی۔

آڈٹ کمیٹی تین ڈائریکٹرز پر مشتمل ہے جن میں ایک ڈائریکٹر خود مختار اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔ رواں سال کے دوران چار اجلاس منعقد ہوئے جس میں ممبران کی شرکت مندرجہ ذیل رہی۔

اجلاس میں شرکت**ڈائریکٹرز کے اسماء گرامی**

4	1- جناب عزیز الحق
4	2- جناب غصنفر بابر صدیقی
4	3- جناب عبدالباسط

دورانِ سال ہیومن رسورس اور معاوضہ کمیٹی کا ایک اجلاس منعقد ہوا جس میں ممبران کی حاضری مندرجہ ذیل رہی۔

اجلاس میں شرکت**ڈائریکٹرز کے اسماء گرامی**

1	1- جناب عزیز الحق
1	2- جناب وسیم الحق انصاری
1	3- جناب عبدالباسط

آڈیٹرز:

موجودہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس سکدوش ہو گئے ہیں اور دوبارہ تقرری کے لئے اپنی خدمات پیش کی ہیں آڈٹ کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے میسرز فیروز شریف طارق اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی دوبارہ تقرری کی سفارش کی ہے۔

بنیادی خطرات اور غیر یقینی صورتحال:
کمپنی مندرجہ ذیل چیزوں کو کلیدی خطرہ سمجھتی ہے۔

- 1- ایل سی وی، ایس یو وی اور پیئج گاڑیوں کے درمیان مسابقت۔
- 2- امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی۔
- 3- بینک لائسنز کی عدم دستیابی۔

مذکورہ بالا خطرات اور غیر یقینی صورتحال کے اثرات سے بچنے اور اسے کم کرنے کے لئے کمپنی اپنی داخلی اور خارجی سطح پر کوششیں کر رہی ہے۔

کاروباری و سماجی ذمہ داریاں:

کمپنی کاروباری ضروریات اور متعلقین کمپنی کے معاملات کو اپنی بہترین صلاحیتوں کے ساتھ چلانے میں مصروف ہے۔ کمپنی نئے آنے والے افراد کی تربیت کر کے ان کی مہارت کو مزید نکھارنے میں کوشاں رہتی ہے جو بطور ورکر کے کام کرنا چاہتے ہیں کمپنی ان افراد کو ترجیح دیتی ہے جو کہ پلانٹ سے قریب ترین رہائش پذیر ہوں تاکہ وہ اپنے معیار زندگی کو بہتر کر سکیں۔ مزید برآں ملازمین کی صحت اور حفاظت کو بھی مد نظر رکھا جاتا ہے اور اس بات کو یقینی بنانے کے لئے تمام منضبط شدہ اصول اور طریقہ کار اختیار کئے جاتے ہیں۔ نیز گاڑیوں کی تیاری کے مراحل میں تمام مروجہ قوانین پر عمل درآمد کو یقینی بنایا جاتا ہے۔ اس کے علاوہ کمپنی پلانٹ سے قرب و جوار کے علاقوں رہائش پذیر افراد کو مفت طبی سہولیات فراہم کرنے میں ہر دم کوشاں رہتی ہے۔

متوقع صورتحال:

جیسا کہ اوپر بیان کیا گیا ہے کمپنی کے مالی سال کے اختتام اور اس رپورٹ کے اختتام تک کمپنی کی مالی حیثیت میں کوئی خاطر خواہ تبدیلی واقع نہیں ہوئی۔

کاروباری و مالیاتی رپورٹنگ کا تجربہ:

- 1- مورخہ 30 جون 2023ء کو مکمل ہونے والے مالی سال کے لئے کمپنی کی مینجمنٹ کے تیار کردہ مالی گوشوارے اپنے اداری امور، عملدرآمد کے نتائج، لین دین اور ایکویٹی میں تبدیلی کے شفاف مظہر ہیں۔
- 2- کمپنی کے لین دین کاریکارڈ مرتب کرنے کے لئے کتابیں مروجہ قوانین کے مطابق تیار کی جاتی ہیں۔
- 3- مورخہ 30 جون 2023ء کو مکمل ہونے والے مالی سال کے لئے مالی گوشواروں کی تیاری میں مجوزہ اکاؤنٹنگ پالیسیاں عمل میں لائی گئی ہیں اور اکاؤنٹنگ تخمینے موزوں اور انصاف پڑتی ہیں۔
- 4- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی ایف آر ایس) جو کہ پاکستان میں رائج ہیں کو مالی گوشواروں کی تیاری اور نمٹانے میں بروئے کار لایا گیا ہے اور ہر مالی امور کو مذکورہ گوشواروں میں واضح کیا گیا ہے۔
- 5- داخلی کنٹرول کا نظام ڈیزائن کے لحاظ سے مستحکم ہے جس کے نفاذ میں موثر انداز سے نگرانی کی گئی ہے۔
- 6- انتظامیہ نے نوٹ 1.1 میں چلتے ہوئے ادارے کے طور پر کمپنی کی اہلیت کا تفصیلی جائزہ پیش کیا ہے اور منسلکہ حالیہ گوشواروں کے نوٹ 25 میں مارک اپ کی نان پروویڈنگ کے بارے میں واضح کیا ہے۔
- 7- پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین عملدرآمد میں کوئی کوتاہی نہیں کی گئی۔
- 8- گزشتہ نو سال کی مختصر کی آپریٹنگ اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہیں۔



کمپنی نے بغیر کسی مارک اپ کی شرط کے اپنے قرضوں کی ری پروفاٹنگ / ری شیڈولنگ سے نمٹنے کے لئے مالیاتی اداروں سے رابطہ کیا ہے۔ اس بار کمپنی کے ساتھ ساتھ، مالیاتی ادارے بھی اس معاملے کو حل کرنے کے خواہشمند ہیں اور پائیدار شرائط پر قرض کی تنظیم نو کی تجویز پر متفق ہیں تاکہ پلانٹ کو تمام اسٹیک ہولڈرز کے فائدے کے لئے فعال بنایا جاسکے۔ کمپنی پُر اعتماد اور پُر امید ہے کہ مستقبل قریب میں اس کا پلانٹ دوبارہ آپریشنل ہو جائے گا۔

آڈیٹرز کا رپورٹ پر مشاہدہ:

آڈیٹرز نے معاملے کی اہمیت کی وجہ سے رپورٹ کو کوالیفائیڈ کیا ہے جیسا کہ آڈیٹرز کی رپورٹ کے پیرا (a) اور (b) میں بتایا گیا ہے۔

تشویش کا مفروضہ:

یہ مالیاتی بیانات تشویش کے مفروضے پر تیار کیے گئے ہیں کیونکہ کمپنی کو جن حالات کا سامنا ہے وہ عارضی ہیں اور جلد بہتر ہو جائیں گے انتظامیہ کو یقین ہے کہ نتیجہ مثبت ہوگا کیونکہ کمپنی قرض دہندگان کے قرض کی ری پروفاٹنگ پر بات چیت کر رہی ہے اور توقع ہے کہ جلد اسے حتمی شکل دینے کی امید ہے۔

مارک اپ کا تخمینہ:

کمپنی نے اس کے قرضوں پر مارک اپ کی رقم 1008.075 (589.709 روپے 2022ء) ملین کا تخمینہ نہیں لگایا ہے۔ انتظامیہ نے اپنی طویل مدتی ذمہ داریوں کی تنظیم نو کے لئے اپنے بینکرز / مالیاتی اداروں سے رابطہ کیا ہے۔ انتظامیہ کو یقین ہے کہ انتظامیہ کی طرف دی گئی کمپنی کی تنظیم نو کی تجاویز کو مالیاتی ادارے / بینکرز قبول کر لیں گے۔ چونکہ مارک اپ کی ادائیگی نہیں کی جائے گی اس لئے کمپنی نے مارک اپ کے لئے کوئی تخمینہ ریکارڈ نہیں کیا ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ میں ایک خود مختار، ایک ایگزیکٹو اور پانچ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام مندرجہ ذیل ہیں۔

- 1- جناب عبدالباسط
- 2- جناب وسیم الحق انصاری
- 3- جناب محمود الحسن اصغر
- 4- جناب محمد حنیف جرمن
- 5- جناب غضنفر بابر صدیقی
- 6- جناب عزیز الحق
- 7- محترمہ ندا جمیل

دوران سال 30 جون 2022ء کو خالی ہونے والی اسامی بورڈ آف ڈائریکٹرز نے 18 جولائی 2022ء کو پُر کی اور 30 ستمبر 2022ء کو خالی ہونے والی اسامی 13 اکتوبر 2022ء کو پُر کی گئی۔

کمپنی کی بنیادی سرگرمیاں:

دیوان فاروق موٹرز لمیٹڈ پاکستان میں بطور پبلک لمیٹڈ کمپنی کی حیثیت سے کام کرتی ہے اور پاکستان اسٹاک ایکسچینج میں اس کا نام موجود ہے۔ کمپنی کی بنیادی سرگرمیوں میں گاڑیوں کی اسمبلنگ، معاہداتی اسمبلنگ، جدید گاڑیوں کی تیاری اور گاڑیوں کی فروخت شامل ہے۔

ڈائریکٹر رپورٹ

دیوان فاروق موٹرز لمیٹڈ کا بورڈ آف ڈائریکٹرز مورخہ 30 جون 2023ء کو مکمل ہونے والے مالی سال کی سالانہ رپورٹ معہ آڈٹ شدہ رپورٹ معہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے پیشکشوں (25) سالانہ اجلاس عام میں مسرت کے ساتھ آپ کا خیر مقدم کرتا ہے۔

صنعت کا جائزہ:

آٹوموبائل انڈسٹری میں نمایاں کمی دیکھنے میں آئی اور کئی معاشی عوامل کی وجہ سے اپنی تاریخ کے سب سے مشکل دور کا سامنا کر رہی ہے۔ نتیجے کے طور پر اس نے مسافر کاروں، ایس یو وی اور ایل سی وی گاڑیوں کے سیکمنٹس میں پچھلے سال 279,267 کے مقابلے میں 126,878 کل یونٹس کے ساتھ 55% کمی ظاہر کی۔ سیاسی عدم استحکام، روپے کی قدر میں کمی، مہنگائی اور شرح سود کے ساتھ ساتھ ایندھن اور بجلی کی قیمتوں میں اضافہ اور آئی ایم ایف پروگرام کے دوبارہ شروع ہونے میں تاخیر نے بھی دباؤ میں اضافہ کیا ہے اور معیشت مجموعی طور پر سست روی کا شکار رہی۔ مزید برآں غیر ملکی ذخائر کی کمی کی وجہ سے درآمدات صرف ضروری اشیاء تک محدود ہیں۔ اس نے آٹوموبائل سیکٹر کے لئے مزید مشکلات پیدا کیں اور بار بار پیداوار میں تاخیر اور بندش کا باعث بنا، پوری سپلائی چین کو بھی عارضی طور پر متاثر کیا تاہم پاکستان میں برقی گاڑیاں متعارف کرانے کے لئے اے آئی ڈی ای پی 2021ء تا 2026ء کی پالیسی میں فراہم کردہ مراعات سے فائدہ اٹھانے کے لئے کوششیں شروع کر دیں۔

کمپنی کی کارکردگی:

مالی سال 2023ء کے لئے کارکردگی کا تقابلی خلاصہ اعداد و شمار کے ساتھ حسب ذیل ہے۔

مورخہ 30 جون 2023ء کو مکمل ہونے والے مالی سال	مورخہ 30 جون 2022ء کو مکمل ہونے والے مالی سال
(روپے ہزاروں میں)	(روپے ہزاروں میں)
مجموعی فروخت	169
مجموعی نقصان	(83,129)
عملدرآمد میں نقصان	(98,134)
بعد از ٹیکس نقصان	(176,830)
مجموعی فروخت	212
مجموعی نقصان	(141,248)
عملدرآمد میں نقصان	(181,513)
بعد از ٹیکس نقصان	(230,805)

کمپنی کو اور ہیڈ اور دیگر اخراجات کے باعث مالی خسارے کا سامنا کرنا پڑا زیر نظر سال کے دوران کمپنی کی پیداوار کو دوبارہ شروع نہیں کیا جاسکا جس کی بنیادی وجہ حکام کی طرف سے اختیار کردہ درآمدی پابندیوں کے پالیسی اقدامات اور معیشت میں سیاسی اور مالی عدم استحکام ہے۔ KIA کارپوریشن کے ساتھ مورخہ 7 نومبر 2022ء کو کرشل گاڑیوں کی اسمبلنگ کے ٹیکنیکل لائسنس ایگریمنٹ (TLA) کے باعث انتظامیہ کو یقین ہے کہ پلانٹ میں پیداوار اگلے کلینڈر سال کے اوائل تک شروع کر دی جائے گی کیونکہ پلانٹ کی بحالی ترمیم و آرائش اور تجدید کاری سے متعلق مرمت اور دیکھ بھال کا کام آخری مراحل میں ہے توقع ہے کہ KIA کارپوریشن کی گاڑی کے جکس اور فکسچر KIA انجینئرز کی مدد سے جلد تنصیب کر دیئے جائیں گے تاکہ CKD آپریشن دوبارہ شروع ہو سکے۔ مزید برآں کمپنی کی انتظامیہ پلانٹ کی صلاحیت کو زیادہ سے زیادہ استعمال کے لئے برقی کاروں کے سلسلے میں معروف عالمی کارساکمپنیز کے ساتھ بات چیت کر رہی ہے۔ اس سلسلے میں کمپنی کی تجربہ کار مارکیٹنگ ٹیم ملک بھر میں اپنا ڈیلرشپ نیٹ ورک تیار کرنے کے لئے پہلے ہی سے مصروفِ عمل ہے۔

**YD**

A YOUSUF DEWAN COMPANY

نمبر شمار	تفصیلات	ریفرنس
(xi)	ڈائریکٹرز، اسپانسرز، اکثریتی حصص یافتگان اور ان کے رشتہ داروں کی ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ یا زیر غور معاملات میں بالواسطہ یا بلاواسطہ دلچسپی۔	انویسٹی کمپنی میں مندرجہ ذیل ڈائریکٹرز اپنی حصص یافتگی تک دلچسپی رکھتے ہیں۔ (الف) جناب محمود الحسن اصغر 500 (0.00 فیصد) (ب) جناب وسیم الحق انصاری 500 (0.00 فیصد) (ج) جناب عید الباسط 500 (0.00 فیصد) (د) جناب عزیز الحق 500 (0.00 فیصد)
	دیگر ضروری اور اہم تفصیلات ٹرانزیکشن کو سمجھنے کیلئے	کوئی نہیں۔

اس ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم پلا ترمیم پاس کرنے کی تجویز۔

قرار پایا کہ کمپنی کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 اور میمورنڈم آف ایسوسی ایشن کی کلاں (X)IL اور کمپنی کے چوبیسواں سالانہ اجلاس عام میں منظور کردہ شرائط و ضوابط کے مطابق گزشتہ اجلاس عام میں منظور کردہ شرائط و ضوابط کے مطابق گزشتہ اجلاس عام میں مندرجہ ذیل ایسوسی ایٹڈ کمپنی کے ضمن میں قلیل المدتی قرضہ کی مختص کردہ حد کی تجدید کا اختیار دیا جاتا ہے۔

قرضہ:

قرضہ لینے والی کمپنی۔

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ۔ 154.879 ملین روپے۔

حد کی تجدید کی مدت ایک سال ہوگی اور آئندہ اجلاس عام میں مزید ایک سال کیلئے قابل تجدید ہوگی۔

کمپنیز ایکٹ مجریہ 2017 کی دفعہ 134(3) کے تحت گوشوارہ

گوشوارہ ہذا دیوان فاروق موٹرز لمیٹڈ (کمپنی یا ڈی ایف ایم ایل) کے جمعرات 26 اکتوبر 2023ء کو دیوان سیمنٹ فیکٹری سائٹ واقع دیہہ ڈھنڈو دھانیچی ضلع ملیر کراچی پاکستان میں منعقد ہونے والے پچیسواں (25) سالانہ اجلاس میں انجام دیئے جانے والے خصوصی امور پر مبنی ہے۔ اور اجلاس کے نوٹس کے ہمراہ منسلک ہے۔

خصوصی امور

1) کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 کے تحت ایک ایسوسی ایٹڈ کمپنی کو مختص قلیل المدتی قرضہ کی تجدید پر غور و خوض اور منظوری۔

نمبر شمار	تفصیلات	ریفرنس
(i)	ایسوسی ایٹڈ کمپنی کا نام ایسوسی ایٹڈ تعلق کا معیار	دیوان آٹو موٹو انجینئرنگ لمیٹڈ مشترکہ ڈائریکٹر شپ
(ii)	قرضہ اور پیشگیوں کی رقم	154.879 ملین روپے۔
(iii)	مذکورہ ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ کو پہلے سے جاری قرضہ کی صورت میں مکمل تفصیلات۔	154.879 ملین روپے۔
(iv)	گزشتہ تین سال کیلئے فی حصص آمدنی / نقصان	2022 / -2.37، 2021 / -2.08، 2020 / -2.78
(v)	مالی صورت حال، بشمول بیلنس شیٹ کے مین آئٹمز اور نفع نقصان	آمدنی / نقصان فی حصص 2.37- شیئر ہولڈرز کی ایکویٹی 1,371,612- کل اثاثے 235.963 بریک اپ ویلیو 64.09-
(vi)	سرمایہ کار کمپنی کا خریدار اوسط یا بارونگ کی عدم موجودگی میں کراچی انٹرنیٹک متعلقہ مدت کی شرح کی پیشکش کرتی ہے۔	اگر کمپنی نے اپنے لینڈز سے تجدید کیلئے رابطہ کیا ہے اور تجویز کے مطابق کو مارک اپ قابل ادائیگی نہیں تو کمپنیز (انوسٹمنٹ ان ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈر ٹیکنگ) ریگولیشنز مجریہ 2017ء کی دفعہ 5(4) کے مطابق تین ماہ کا KIBOR ریٹ نافذ العمل ہے۔
(vii)	وصول کیا جائے والا نفع، مارک اپ، فیس یا کمیشن کا نرخ	وصول کئے جانے والے منافع کا نرخ ایک فیصد، تین ماہ کے KIBOR ریٹ پر ہوگا۔ 26 ستمبر 2023ء کا تین ماہ کے KIBOR ریٹ 22.56% سالانہ ہے۔
(viii)	بارونگ کمپنی یا انڈر ٹیکنگ کو دیئے گئے قرضے کے مد مقابل حاصل کی گئی ضمانت کے کوائف۔	بارونگ بلا ضمانت ہے۔
(ix)	انویسٹی کمپنی کو جاری کردہ قرضوں یا پیشگیوں کی مد میں ادائیگی کا شیڈول۔	ایک سال کیلئے تجدید۔
(x)	ایسوسی ایٹڈ کمپنی یا ایسوسی ایٹڈ انڈر ٹیکنگ سے مجوزہ سرمایہ کاری کیلئے کئے گئے یا کئے جانے والے معاہدوں کے اہم نکات۔	قرضہ کی مدت میں لینڈز / حصص یافتگان کی منظور سے توسیع کریگا۔ معاہدہ کی شق کے مطابق کمپنی قرضدار کیلئے اس کے اثاثوں / سرمایہ کاری سے قرضہ کی رقم وصول کرے گی۔

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(7) مالی گوشواروں وغیرہ کی الیکٹرونک منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014 کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان میران کو ارسال کرنے کی اجازت دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متمنی ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DFML/index.html> اسٹینڈرڈ ریکورڈس فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

4) سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

الف) برائے اجلاس میں شرکت

- انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- کارپوریٹ انٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

- انفرادی اکاؤنٹ ہولڈر یا سب ہولڈر اور یا افراد کی صورت میں جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- کارپوریٹ انٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔

5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سیکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831/1 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجراء کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئرز رجسٹرار کو فراہم کر دیں۔

6) شیئرز ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونک طور پر وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم/سی ڈی سی 2008ء مورخہ 5 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکنزم کو اختیار کرنے کی ہدایات جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

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سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق موٹرز لمیٹڈ (ڈی ایف ایم ایل یا کمپنی) کا پچیسواں (25) سالانہ اجلاس عام جمعرات 26 اکتوبر 2023ء کو دن کے 03:00 بجے دیوان سینٹ لمیٹڈ۔ فیکٹری سائٹ واقع دیہہ ڈھنڈو دھانیجی ضلع ملیر کراچی، پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت قرآن پاک سے ہوگا۔

عمومی امور

- 1 کمپنی کے گزشتہ غیر معمولی اجلاس عام منعقدہ پیر 19 دسمبر 2022ء کا کارروائی کی توثیق۔
- 2 30 جون 2023ء کو مکمل ہونے والے سال کیلئے کمپنی آڈٹ شدہ مالی گوشواروں مع آڈیٹرز اور ڈائریکٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
- 3 30 جون 2024ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- 4 چیئرمین کی اجازت سے دیگر امور کی انجام دہی

خصوصی امور

- 1 کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 کے تحت ایک ایسوسی ایٹڈ کمپنی کو قبل المدتی قرضوں/ پیشگیوں کے اجراء پر غور و خوض اور منظوری۔

بحکم بورڈ

محمد حنیف جمن

ڈائریکٹر اور کمپنی سیکریٹری

کراچی 28 ستمبر 2023ء

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ (3) 134 کے خصوصی امور پر مبنی گوشوارہ کمپنی کے ممبران کو نوٹس ہذا کے ہمراہ لازمی جزو کے طور پر ارسال کیا جا رہا ہے۔

نوٹ:

- 1 کمپنی کی منتقلی حصص کی کتب 19 اکتوبر 2023ء تا 26 اکتوبر 2023ء (دونوں دن شامل) بند رہیں گی۔
- 2 ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر ارنڈ انسٹراکٹس بی ایم ایف کنسلٹنٹس پاکستان (پرائیوٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
- 3 اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔

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