

ANNUAL REPORT  
**2024**



**DEWAN FAROOQUE MOTORS LIMITED**



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## Company Information

### BOARD OF DIRECTORS

#### Non-Executive Directors

Mr. Mehmood-ul-Hassan Asghar	Chairman Board of Directors
Mr. Abdul Basit	
Mr. Muhammad Hanif German	
Mr. Ghazanfar Baber Siddiqi	
Mrs. Nida Jamil	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	Chairman
Mr. Ghazanfar Baber Siddiqi	Member
Mr. Abdul Basit	Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque	Chairman
Mr. Waseem-ul- Haque Ansari	Member
Mr. Abdul Basit	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 26th Annual General Meeting of **Dewan Farooque Motors Limited** will be held at Dewan Cement Limited Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan on Thursday, November 28, 2024 at 2:00 p.m. to transact the following businesses;

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Tuesday, August 27, 2024;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, 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, 2025, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By order of the Board

Karachi

November 04, 2024



**Muhammad Hanif German**  
(Director & Company Secretary)

### Notes:

- a. The share transfer books of the company will remain closed from November 22, 2024 to November 28, 2024 (both days inclusive). Transfers received in order at the share registrar office M/s. 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.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. proxies in order to be effective must be received at the Shares Registrar Office duly stamped and signed not less than 48 hours (Working days only) before the time of holding of the meeting.

CDC Account Holder will further have to follow the guidelines as laid down in Circular 1 dated January 26,2000 issued by Securities and Exchange commission of Pakistan for attending the meeting and appointment of proxies.

- c. members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.

**d. 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's 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>

**e. Video Conference Facility:**

Pursuant to the provisions of the Companies Act, 2017, member can avail video conference facility to participate in this Annual General Meeting provided that the company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

**f. Attendance through Zoom:**

The members may attend the AGM online through ZOOM, by following the below guidelines:

- (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID [dfml.corp@yousufdewan.com](mailto:dfml.corp@yousufdewan.com) as per Standard Request Form available on the Company's website (<http://www.yousufdewan.com/DFML/index.html>) or can send his/her request to the Company Secretary at Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi along with a legible copy of CNIC not later than November 26, 2024.
- (ii) Zoom link shall be sent by the Company only on email ID or Mobile/WhatsApp Number mentioned in Standard request Form.

**g. Deposit of physical Shares into CDC Account;**

As per section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the commission, within a period not exceeding four years from the commencement of the Act i.e May 30, 2017.

The physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub-Account with any of the brokers to place their physical shares into Script less form.

**h. E-Voting Procedure**

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.



- (b) The web address, login details, will be communicated to members via email.
- (c) Identity of the members indenting to cast vote through E-voting shall be authenticated through authenticated login.
- (d) E-Voting lines will start from November 22, 2024 at 10 am and shall close on November 27, 2024 at 5 p.m. Members can cast their votes any time in the period.

**i) Postal Ballot**

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filed and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's Registered office or email at [dfml.corp@yousufdewan.com](mailto:dfml.corp@yousufdewan.com) one day before the Annual General Meeting i.e., November 27, 2024 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

**j) Particulars of Physical Shareholders:**

According to section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical Shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to Company's Share Registrar at their address M/s. 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, email ([bmfconsultantspakistan@gmail.com](mailto:bmfconsultantspakistan@gmail.com)) immediately to avoid any non-compliance of law or any inconvenience in future.

## 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 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, 2024, 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

November 05, 2024

## 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, 2024 and welcomes you to the 26th Annual General Meeting.

### Industry Overview

The automobile industry has experienced a significant downturn, facing challenges driven by various macroeconomic factors. Sales in the PC, SUV, and LCV segments declined by 18%, with 103,827 units sold compared to 126,878 units in the prior year. The first half of the fiscal year was marked by considerable currency fluctuations, influenced by domestic and global economic pressures, which impacted automotive production. In response, the central bank adjusted interest rates to stabilize the supply of currency and focused on enhancing the levels of foreign reserves and managed inflation. While the Pakistani Rupee has shown signs of stabilization, challenges persist.

We recognize the government's initiatives in the Finance Act 2024, which introduced incentives for electric and hybrid technologies. These align closely with our commitment to sustainability and innovation. We remain optimistic that consistent, long-term policies will foster the growth of these technologies.

Industry has a positive outlook for 2024, anticipating progress in IMF negotiations, relaxed import restrictions, and new incentives for auto manufacturers. The industry is also expected to achieve steady growth, supported by lower interest rates, the launch of new hybrid and electric models, and an increasingly stable market environment.

### Company's performance

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

	Year ended June 30, 2024	Year ended June 30, 2023
	—(Rupees in thousand)—	
Gross Sales	<b>11,980</b>	212
Gross loss	<b>(282,880)</b>	(141,248)
Operating loss	<b>(427,666)</b>	(181,513)
Net loss after tax	<b>(457,847)</b>	(230,805)

By the grace of Almighty ALLAH, despite the continuously changing and challenging business conditions during the year, we are pleased to announce that your Company has successfully resumed the commercial production of the 'Special Purpose KIA Commercial Vehicles,' with the brand name of KIA 'SHEHZORE'. In addition to the standard variant of the past, the Company has introduced two more variants i.e. King Cabin and Double Cabin, which have been officially launched in June 2024. As the manufacturing operations of the Company were commenced in the last month of the financial year, the loss suffered during the year mainly relates to the period for which the operations of the Company remained suspended.

During the year, your Company also signed a toll manufacturing agreement with Eco-Green Motors Limited to manufacture / assemble the Honri-VE electric vehicles (with 200km & 300km range), marking a strategic step into the growing electric vehicle market. The company has equipped with the necessary infrastructure and installation of the relevant jigs for electric vehicle manufacturing, signaling a significant advancement in Pakistan's automotive sector. Production of Honri electric vehicles has also commenced in August 2024 at Company's assembly plant with the approval of the Engineering Development Board.

We continue to serve the people of Pakistan with high-quality products and exceptional after-sales services, supported by our strong nationwide dealership network.

Subsequent to the year end, members of the company have approved conversion of loans amounting to Rs 1.612 billion obtained from sponsor and associated company to equity of the company for which relevant formalities are in process.

**Observation in the Auditors' Report:**

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

**Provision of mark-up:**

The Company has not made provision of mark-up amounting to Rs. 1,120.876 (2023: Rs. 1,008.075) million on its loans. The management has approached its lenders for restructuring of its long-term 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 as per the proposed restructuring terms.

**Emphasis of matter on Going concern assumption:**

These Financial Statements have been prepared on going concern assumptions because the conditions being faced by the Company are temporary and would reverse in foreseeable future. As the company has successfully resumed its operations of manufacturing and sale of vehicles during the year under consideration consequent to the execution of TLA. Moreover, Company is also manufacturing electric vehicles on toll basis for its associated concern. The management is confident that resumption of manufacturing operations will bring about improved results in future. Furthermore, the Company is defending its legal cases successfully and restructuring of company's debt is in advanced stage and expected to be concluded in ensuing financial year. Management is also hopeful that all the outstanding markup will be waived therefore no provision of markup has been made in these financial statements. The company's ability to arrange funds from its associates / sponsors is yet another positive factor which mitigates the risks involved. All these mitigating factors reduce the risks relating to company's ability to continue as going concern, accordingly preparation of these financial statements using the going concern assumption is justified.

**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 no casual vacancy occurred on the board.

### **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, 2024, 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, 2024 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.

## DEWAN FAROOQUE MOTORS LIMITED

- 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 30,2024 is Rs.39.203 (2023: Rs.35.321) 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;

<b>Name of Director</b>	<b>No. of meetings attended</b>
Mr. Mehmood-ul Hassan Asghar	5
Mr. Aziz-ul-Haque	5
Mr. Waseem-ul-Haq Ansari	5
Mr. Muhammad Hanif German	5
Mr. Ghazanfar Baber Siddiqi	5
Mrs. Nida Jamil	4
Mr. Abdul Basit	5

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:

<b>Name of Director</b>	<b>No. of meetings attended</b>
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:

<b>Name of Director</b>	<b>No. of meetings attended</b>
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. 3.43 (2023 Rs. 1.73)

### **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, 2024 is annexed.

### **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, except for one director who traded Company's shares and resultant gain was deposited as per provisions of Section 104 of the Securities Act, 2015.

### **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.

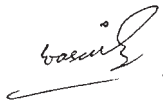
The Board would also like to appreciate the valuable services, loyalty and efforts rendered by the executives, staff members and workers of the Company, during the year under review.

### **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: November 05, 2024

## Key Operating and Financial Data

PARTICULARS	2024	2023	2022	2021	2020	2019
	..... Rs. in '000' .....					
Gross Sales	11,980	212	169	1,846	293	1,844
Net Sales	9,953	180	144	1,548	250	1,529
Gross (loss) / profit	(282,880)	(141,248)	(83,129)	(80,987)	(102,190)	(202,325)
Operating (loss) / profit	(427,666)	(181,513)	(98,134)	(95,031)	(122,360)	(229,213)
(Loss) / profit before tax	(457,723)	(230,803)	(176,823)	(189,229)	(292,518)	(244,285)
(Loss) / profit after tax	(457,847)	(230,805)	(176,830)	(189,252)	(292,522)	(244,304)
Retained Earnings	(5,087,240)	(4,629,393)	(4,398,588)	(4,221,758)	(4,032,506)	(3,739,984)
Share Capital	1,387,353	1,387,353	1,387,353	1,387,353	1,387,353	1,387,353
Shareholders Equity	(3,699,887)	(3,242,040)	(3,011,235)	(2,834,405)	(2,645,153)	(2,352,631)
Fixed Assets	1,034,455	744,984	765,959	819,033	877,147	940,899
Total Assets	3,962,624	2,879,313	2,891,500	3,024,707	3,184,146	3,424,902
<b>FINANCIAL ANALYSIS</b>						
<b>Profitability Ratios</b>						
Gross (Loss) / Profit Margin	-2842.16%	-78471.11%	-57728.47%	-5230.63%	-40876.00%	-13232.50%
Operating (loss) / profit Margin	-4296.86%	-100840.56%	-68148.61%	-6137.68%	-48944.00%	-14991.04%
(loss) / profit before tax	-4598.84%	-128223.89%	-122793.75%	-12221.59%	-117007.20%	-15976.78%
(loss) / profit after tax	-4600.09%	-128225.00%	-122798.61%	-12223.07%	-117008.80%	-15978.02%
<b>Return on Investment</b>						
(loss) / Earnings per share before tax (Rs/share)	(3.30)	(1.66)	(1.27)	(1.36)	(2.11)	(1.76)
(loss) / Earnings per share after tax (Rs/share)	(3.30)	(1.66)	(1.27)	(1.36)	(2.11)	(1.76)
<b>Activity Ratios</b>						
Sales to Total Assets-Times	0.003	0.000	0.000	0.00	0.00	0.00
Sales to Fixed Assets-Times	0.012	0.000	0.000	0.00	0.00	0.00
<b>Liquidity Ratios</b>						
Current ratio (excluding current maturity of LTL)	0.33	0.26	0.25	0.25	0.26	0.26
Current ratio (including current maturity of LTL)	0.28	0.21	0.21	0.21	0.21	0.21
Book value per share (Rs)	(27.73)	(24.30)	(22.57)	(21.24)	(19.83)	(17.63)

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

### For the Year Ended June 30, 2024

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.

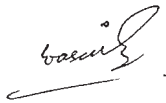
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Three 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           | Chairman |
|                                  |   | Mr. Ghazanfar Baber Siddiqi | Member   |
|                                  |   | Mr. Abul Basit              | Member   |
| b) HR and Remuneration Committee | : | Mr. Aziz-ul-Haque           | Chairman |
|                                  |   | Mr. Waseem-ul-Haque Ansari  | Member   |
|                                  |   | Mr. Abdul Basit             | 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, 2024            |
| b) HR and Remuneration Committee | : | 1 annual meeting held during the financial year ended June 30, 2024 |
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

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	<p><b>Directors' Training.-</b></p> <p>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.</p>	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, 2024 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 and 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 composition of board has includes one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in associated Companies.
- b) 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 Complied with the criteria of independence as the reason reflects in para (a) above.
- c) The Company is required at least two or one third members of the Board, whichever is higher, as independent directors on its board. However, the Company includes only one independent director as disclosed in Paragraph 2 of Statement of Compliance.

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, 2024.

Further, we highlight below instances of non compliances with the requirements of the Code as reflected in the Paragraph reference where these are stated in the Statement of Compliance:

1. One of the Director of the company is serving as directors in more than seven listed Companies as reflected in Paragraph 3 of statement of Compliance
2. Three of the directors are qualified under the Directors' Training Program as reflect in Paragraph 9 of statement of Compliance as on June 30, 2024 as required by the Code all the directors are required to acquire Prescribed Certification.



Chartered Accountants

Place: Karachi

UDIN: CR2024101617ogJeMOER

Dated: November 7, 2024

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEWAN FAROOQUE MOTORS LIMITED Report on the Audit of the Financial Statements

### Qualified 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, 2024, 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 material 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 Qualified opinion Paragraph of our report and its effects, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Qualified 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 qualified opinion.

- a) The company defaulted in repayment of long term loans of financial institutions amounting to Rs. 1.097 billion and also the short term finance facilities have expired and not been renewed by banks amounting to Rs. 4.096 (June 30, 2023: Rs. 4.096) billion as disclosed in note 13 and 19 to the financial Statements. The company approached to the lenders for restricting of loan on account of restructuring proposal offered to the lenders as described in note 1.1 to the financial statements. Following course, lenders have gone into litigation to recover their amounts of Rs. 6.884 billion for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties as disclosed in note 20.4 to the Financial Statements.
- b) The company has not made provision of markup for the year amounting to Rs. 1,120.876 (2023: Rs. Rs. 1,008.075) million (refer note 25) on account of restructuring proposal offered to the lenders as described in note 1.1 to the financial statements. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, had 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. 1,120.876 (2023: Rs. 1,008.075) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 9.314 (2023: Rs. 8.193) billion.

**Material Uncertainty Relating to Going Concern**

We draw attention of the members to note 1.1 to the financial Statements for the year ended June 30, 2024 which indicates loss after taxation of Rs. 457.847 (2023: Rs. 230.805) million and as of that date it has accumulated losses of Rs. 5.087 (2023: Rs. 4.629) billion which resulted in net capital deficiency of Rs. 3.700 (2023: Rs. 3.242) billion and its current liabilities exceeded its current assets by Rs. 5.475 (2023: Rs. 4.801) billion and total assets by Rs. 3.679 (2023: Rs. 3.226) 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 and also 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, 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, along with other matters as set forth in note 1.1 indicates the existence of material uncertainty which may cast significant doubt about Company's ability to Continue as going concern therefore the company may be unable to realize its assets and discharge its liabilities in normal Course of Business. The amounts of the current liabilities and Loss reported in said note do not include the effect of matters discussed in Basis for Qualified opinion. Our opinion is not modified in respect of this matter.

**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 year. 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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to the key audit matters to be communicated in our report  
Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>Capital expenditure (Refer note 3 to the annexed financial statements)</p> <p>During the current year, the Company has incurred significant capital expenditure mainly to enhance production capacity, technological upgrades and strengthen the product slate of the Company, as part of extension, expansion, balancing and modernization activities and has been capitalized during the year.</p>	<p>Our audit procedures included the following:</p> <p>Assessed, on a sample basis, costs capitalised during the year by comparing the costs capitalised with the relevant underlying documentation, which included purchase agreements and invoices;</p> <p>Assessed whether the costs capitalized met the relevant criteria for capitalization as per the applicable financial reporting framework;</p>

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>We consider the above as a key audit matter being significant transactions and events for the Company during the year</p>	<p>Evaluated management's estimation of economic useful lives and residual values by considering our knowledge of the business and practices adopted in the local industry;</p> <p>Checked the date of transferring capital work-in-progress to operating fixed assets on a sample basis; and Assessed whether the disclosures are made in accordance with the applicable financial reporting framework.</p>
2.	<p><b>Stock-in-trade</b></p> <p>Refer note 2.9 and 6 to the financial statements,</p> <p>The Company has stock-in-trade aggregating Rs.889.279 million comprising raw materials, finished goods and work in progress. We identified this area as a key audit matter because stock-in trade constitutes 22.44% of the total assets of the Company as at June30, 2024 and determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.</p>	<p>Our audit procedures in respect of this area included:</p> <p>Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets;</p> <p>Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;</p> <p>Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards;</p> <p>Assessed the provision for slow moving as at year end is in accordance with the Company policy and relevant accounting standard; and</p> <p>We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.</p>

**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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have concluded that the other information is materially misstated for the same reason with respect to the matters described in the basis for Qualified Opinion section and in the Material Uncertainty Related to Going Concern section.

## 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 matter discussed in basis for qualified opinion section and Material Uncertainty Relating to Going Concern Section and its effects, 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) 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 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

Place: Karachi

UDIN: AR2024101610jeR3VUDQ

Dated: November 7, 2024

# Statement of Financial Position

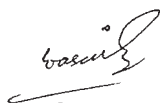
As at June 30, 2024

	Note	June 30, 2024	June 30, 2023
————(Rs. in '000)————			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	1,034,455	744,984
Investment	4	761,521	830,332
<b>CURRENT ASSETS</b>			
Stores and spares	5	68,176	55,093
Stock-in-trade	6	889,279	22,972
Trade debts - considered good	7	672	672
Short term loans to associated undertakings - considered good	8	-	154,879
Advances, deposits, prepayments and other receivables- considered good	9	1,036,725	907,744
Taxation - net	10	26,934	23,927
Cash and bank balances	11	144,862	138,710
		<b>2,166,648</b>	<b>1,303,997</b>
<b>TOTAL ASSETS</b>		<b>3,962,624</b>	<b>2,879,313</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
<b>Authorized</b>			
150,000,000 (2023: 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		(5,087,240)	(4,629,393)
Accumulated loss		(3,699,887)	(3,242,040)
<b>NON-CURRENT LIABILITIES</b>			
Long term loans - secured	13	-	-
Long term security deposits	14	16,800	11,700
Deferred Liabilities	15	4,231	4,231
<b>CURRENT LIABILITIES</b>			
Short term loan from Related Parties	16	1,696,185	469,022
Trade and other payables	17	673,006	441,756
Unclaimed Dividend	18	1,802	1,802
Short term finances and Book over draft-secured	19	4,173,558	4,095,913
Current maturity of long term loans	13	1,096,929	1,096,929
		<b>7,641,480</b>	<b>6,105,422</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	20		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,962,624</b>	<b>2,879,313</b>


The annexed notes from 1 to 38 form an integral part of these Financial Statements.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

# Statement Of Profit Or Loss

For the year ended June 30, 2024

	Note	2024	2023
		————(Rs. in '000)————	
<b>GROSS SALES</b>	21	<b>11,980</b>	212
Sales tax		(1,827)	(32)
Commission and discounts		(200)	-
	21	<b>(2,027)</b>	(32)
<b>NET SALES</b>		<b>9,953</b>	180
Cost of sales	21	(292,833)	(141,428)
<b>GROSS LOSS</b>		<b>(282,880)</b>	(141,248)
Operating expenses			
Marketing & Distribution expenses	22	(106,693)	(14,788)
Administration and general expenses	23	(38,093)	(25,477)
<b>OPERATING LOSS</b>		<b>(427,666)</b>	(181,513)
<b>OTHER INCOME/(LOSS)</b>	24	<b>(29,856)</b>	(40,378)
		<b>(457,522)</b>	(221,891)
Finance cost	25	(200)	(9)
Provision for obsolescence / slow moving stocks		-	(2,556)
Provision for obsolescence / slow moving stores and spares		-	(6,347)
		<b>(200)</b>	(8,912)
<b>(LOSS) BEFORE INCOME TAX AND LEVIES</b>		<b>(457,723)</b>	(230,803)
<b>LEVIES</b>	26	<b>(124)</b>	(2)
<b>(LOSS) BEFORE INCOME TAX</b>		<b>(457,847)</b>	(230,805)
<b>TAXATION-Net</b>	27	-	-
<b>(LOSS) AFTER TAX</b>		<b>(457,847)</b>	(230,805)
Basic / Diluted (loss) per share (Rupees)	28	<b>(3.43)</b>	(1.73)

The annexed notes from 1 to 38 form an integral part of these Financial Statements.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

# Statement of Comprehensive Income

For The Year Ended June 30, 2024

	2024	2023
	————(Rs. in '000)————	
(Loss) for the year	<b>(457,847)</b>	(230,805)
<b>Items that will not be subsequently reclassified to profit or loss:</b>		
<b>Other comprehensive income / (loss)</b>	-	-
Total comprehensive (loss) for the year	<b>(457,847)</b>	(230,805)

The annexed notes from 1 to 38 form an integral part of these Financial Statements.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

# Statement Of Cash Flow

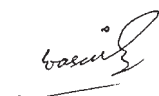
For the year ended June 30, 2024

	Note	2024	2023
		————(Rs. in '000)————	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) before taxation		(457,723)	(230,803)
<b>Adjustments for non-cash and other items:</b>			
Depreciation		62,881	48,840
Amortization of intangible asset		1,394	929
Loss due to change in valuation of investment in associates		68,811	79,151
Financial charges		200	9
Provision for obsolescence / slow moving stocks		-	2,556
Provision for obsolescence / slow moving stores and spares		-	6,347
		<b>133,286</b>	<b>137,832</b>
		<b>(324,437)</b>	<b>(92,971)</b>
<b>Movement in Working Capital:</b>			
(Increase) in stores & spares		(13,083)	(14,883)
(Increase) in stock in trade		(866,307)	(10,672)
Decrease / (Increase) in advances, deposits, pre-payments & other receivables		25,898	(61,085)
Increase in trade, other payables and borrowings		231,250	42,659
Increase in long term security deposits		5,100	-
<b>Net Changes in Working Capital</b>		<b>(617,143)</b>	<b>(43,981)</b>
<b>Cash generated from operation</b>		<b>(941,580)</b>	<b>(136,952)</b>
Tax (paid)		(3,131)	(209)
Financial charges (paid)		(200)	(9)
<b>Net cash flow from operating activities</b>		<b>(944,911)</b>	<b>(137,170)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Capital expenditures incurred		(353,746)	(28,794)
<b>Net cash flow from investing activities</b>		<b>(353,746)</b>	<b>(28,794)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term loan from Related Parties		1,227,163	175,959
<b>Net cash flow from financing activities</b>		<b>1,227,163</b>	<b>175,959</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>		<b>(71,494)</b>	<b>9,995</b>
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>(1,839,314)</b>	<b>(1,849,309)</b>
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE YEAR</b>	29	<b>(1,910,808)</b>	<b>(1,839,314)</b>

The annexed notes from 1 to 38 form an integral part of these Financial Statements.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

# Statement Of Changes In Equity

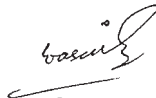
For The Year Ended June 30, 2024

	Share Capital	Revenue Reserves		Total
	Issued, subscribed and paid-up	Accumulated loss	Total Reserves	
------(Rs. in '000)-----				
<b>Balance as at July 01, 2022</b>	1,387,353	(4,398,588)	(4,398,588)	(3,011,235)
Total Comprehensive (loss) for the year	-	(230,805)	(230,805)	(230,805)
<b>Balance as at June 30, 2023</b>	1,387,353	(4,629,393)	(4,629,393)	(3,242,040)
<b>Balance as at July 01, 2023</b>	1,387,353	(4,629,393)	(4,629,393)	(3,242,040)
Total Comprehensive (loss) for the year	-	(457,847)	(457,847)	(457,847)
<b>Balance as at June 30, 2024</b>	1,387,353	(5,087,240)	(5,087,240)	(3,699,887)

The annexed notes from 1 to 38 form an integral part of these Financial Statements.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 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 signed Technical Licence Agreement (TLA) on November 7, 2022 with KIA Corporation for assembly / progressive manufacturing of Commercial Vehicles, accordingly the production has been commenced during the year from June 2024 with Brand Name of KIA Shehzore.

Additionally, the Company also entered into an agreement with related party Eco-Green Motors Limited for assembly of its electric vehicles under toll manufacturing arrangements, the production of which has also commenced from the month of August 2024.

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.457.847 (2023: Rs.230.805) million during the year ended June 30, 2024. As of that date it has accumulated losses of Rs. 5.087 (2023: Rs. 4.629) billion and its current liabilities exceeded its current assets by Rs. 5.475 (2023: Rs. 4.801) billion. Furthermore, cumulatively the Company has not provided markup on its borrowings from banks and financial institution amounting to Rs.9.314 (2023: Rs. 8.193) billion. 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. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These Financial Statements have been prepared on going concern assumptions because the conditions being faced by the Company are temporary and would reverse in foreseeable future. As the company has successfully resumed its operations of manufacturing and sale of vehicles during the year under consideration consequent to the execution of TLA. Moreover, Company is also manufacturing electric vehicles on toll basis for its associated concern. The management is confident that resumption of manufacturing operations will bring about improved results in future. Furthermore, the Company is defending its legal cases successfully and restructuring of company's debt is in advanced stage and expected to be concluded in ensuing financial year. Management is also hopeful that all the

# Notes to the Financial Statements

For The Year Ended June 30, 2024

outstanding markup will be waived therefore no provision of markup has been made in these financial statements. The company's ability to arrange funds from its associates / sponsors is yet another positive factor which mitigates the risks involved. All these mitigating factors reduce the risks relating to company's ability to continue as going concern, accordingly preparation of these financial statements using the going concern assumption is justified.

## 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, amendments, interpretation and improvements applicable to the financial statements

Adoption of amendments to approved accounting standards effective during the year

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	<b>Effective Date (Period beginning on or after)</b>
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	<b>Effective Date (Period beginning on or after)</b>
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023
Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules	1 January 2023

## **2.2.1 Standards, interpretation and amendments to approved accounting standards that are not yet effective**

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1 January 2024
Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	1 January 2024
Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability	1 January 2024
Amendments to IFRS 7 'Financial instruments - Disclosures' and IFRS 9 'Financial Instruments' - classification and measurement of financial instruments	1 January 2024
Standard IFRS 17 'Insurance Contract'	1 January 2024

# Notes to the Financial Statements

For The Year Ended June 30, 2024

Amendment to IFRS 10 and 28 - Sale or Contribution of Assets  
between an Investor and its Associate or Joint Venture

1 January 2024

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

## 2.3 Adoption of new accounting policy

### 2.3.1 Accounting for minimum taxes and final taxes

The guide was issued by Institute of Chartered Accountants of Pakistan (ICAP) in May 2024 'IAS 12 Application Guidance on Accounting for Minimum taxes and Final taxes' (the guide).

In view of the clarifications from ICAP, it has been established that minimum tax and final taxes do not meet the criteria of income tax expense as per IAS 12 hence it should be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

The guide issued by ICAP provides two (2) approaches to account for minimum and final regime taxes, which is a choice of accounting policy of which the Company has chosen the following:

Designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Therefore, the effective rate of income tax is equal to the enacted rate of income tax.

Similarly, any amount deducted as final taxes will be classified as a levy in the statement of profit or loss and there would be no deferred tax liability / (asset) recognised in case of final taxes.

Super tax charged to entities as per provisions of Income Tax Ordinance, 2001, will be classified as either 'Income Tax' or 'levy'. If super tax calculation is based on taxable profits as defined in IAS 12, then, such super tax shall be recognised as 'income tax' otherwise such super tax shall qualify for recognition as 'levy' as per IFRIC 21 / IAS 37.

Advance taxes paid under any section of the Income Tax Ordinance, 2001 have been netted off with the levy amount and the net position is shown in the statement of financial position.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) - 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of financial position, the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

Rs in '000'

	For the year June 30, 2024			For the year June 30, 2023		
	Had there been no change in Accounting Policy	Impact of change in Accounting Policy	After Incorporating effects of change in Accounting Policy	Had there been no change in Accounting Policy	Impact of change in Accounting Policy	After Incorporating effects of change in Accounting Policy
Levies	-	(124)	(124)	-	(2)	(2)
Profit before income tax	(457,723)	(124)	(457,847)	(230,803)	(2)	(230,805)
Income tax expense	(124)	124	-	(2)	2	-

## 2.4 Material 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.

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 2.5 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)

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.5 Tangible fixed assets

### 2.5.1 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.

### 2.5.2 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.

### 2.5.3 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.

### 2.5.4 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

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.

## 2.5.5 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.

## 2.5.6 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"

## 2.6 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.

## Notes to the Financial Statements

For The Year Ended June 30, 2024

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.

### 2.7 Investment

**2.7.1** 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.

### 2.7.2 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.8 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.

## 2.9 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.

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.

## 2.10 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.

## 2.11 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.12 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.

## 2.13 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.

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.

## 2.14 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.

## 2.15 Warranty obligations

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

## 2.16 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

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

## 2.17 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.

## 2.18 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;

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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 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 cashflows. 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 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.

The Company uses the 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.19 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.

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.

## 2.20 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.

## 2.21 Unclaimed dividend

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

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.22 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.

## 2.23 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.

## 2.24 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.

## 2.25 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.

## 2.26 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.

## 2.27 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 2.28 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.

## 2.29 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	2024	2023
		----- (Rs. in '000) -----	
<b>3</b>	<b>PROPERTY, PLANT AND EQUIPMENT &amp; INTANGIBLE ASSETS</b>		
Tangible operating assets	3.1	<b>1,030,042</b>	739,177
Intangible assets	3.1	<b>4,413</b>	5,807
		<b><u>1,034,455</u></b>	<u>744,984</u>

# Notes to the Financial Statements

For The Year Ended June 30, 2024

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

	Tangible - owned						Intangible assets	Total	
	Land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office Equipment	Total tangible assets		Licence fees
------(Rupees in '000)-----									
<b>2024</b>									
As at July 01 ,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	-	724,482	1,417,710	141,764	308,621	75,899	2,668,476	929	2,669,405
Net book value	<u>78,033</u>	<u>411,865</u>	<u>188,417</u>	<u>23,386</u>	<u>23,571</u>	<u>13,905</u>	<u>739,177</u>	<u>5,807</u>	<u>744,984</u>
Year ended June 30, 2023									
Opening net book value	78,033	411,865	188,417	23,386	23,571	13,905	739,177	5,807	744,984
Additions	-	-	337,558	-	10,664	5,524	353,746	-	353,746
Depreciation/Amortization for the year	-	20,578	32,690	2,339	5,781	1,493	62,881	1,394	64,275
Closing net book value	<u>78,033</u>	<u>391,287</u>	<u>493,285</u>	<u>21,047</u>	<u>28,454</u>	<u>17,936</u>	<u>1,030,042</u>	<u>4,413</u>	<u>1,034,455</u>
As at June 30, 2024									
Cost	78,033	1,136,347	1,943,685	165,150	342,856	95,328	3,761,399	6,736	3,768,135
Accumulated depreciation/Amortization	-	745,060	1,450,400	144,103	314,402	77,392	2,731,357	2,323	2,733,680
Net book value	<u>78,033</u>	<u>391,287</u>	<u>493,285</u>	<u>21,047</u>	<u>28,454</u>	<u>17,936</u>	<u>1,030,042</u>	<u>4,413</u>	<u>1,034,455</u>
Depreciation/Amortization rate % per annum	<u>5%</u>	<u>10%</u>	<u>10%</u>	<u>20%</u>	<u>10%</u>	<u>20%</u>			
<b>2023</b>									
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	<u>78,033</u>	<u>433,526</u>	<u>199,598</u>	<u>25,984</u>	<u>13,931</u>	<u>14,887</u>	<u>765,959</u>	<u>-</u>	<u>765,959</u>
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
Depreciation for the year	-	21,661	20,064	2,598	2,998	1,519	48,840	929	49,769
Closing net book value	<u>78,033</u>	<u>411,865</u>	<u>188,417</u>	<u>23,386</u>	<u>23,571</u>	<u>13,905</u>	<u>739,177</u>	<u>5,807</u>	<u>744,984</u>
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	-	724,482	1,417,710	141,764	308,621	75,899	2,668,476	929	2,669,405
Net book value	<u>78,033</u>	<u>411,865</u>	<u>188,417</u>	<u>23,386</u>	<u>23,571</u>	<u>13,905</u>	<u>739,177</u>	<u>5,807</u>	<u>744,984</u>
Depreciation rate % per annum	<u>5%</u>	<u>10%</u>	<u>10%</u>	<u>20%</u>	<u>10%</u>	<u>20%</u>			

**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, 2024

**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 (2023: Rs. 69.721 Million) and leasedhold land is of Rs. 8.311 Million (2023: Rs. 8.311 Million)

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

	Note	2024	2023
----- (Rs. in '000) -----			
Cost of goods manufactured	21.3	<b>58,023</b>	44,885
Administration and general expenses	23	<b>6,252</b>	4,884
		<b>64,275</b>	49,769
<b>4 INVESTMENT</b>		<b>June 30, 2024</b>	<b>June 30, 2023</b>
Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related party			
65,375,455 (2023: 65,375,455) ordinary shares of Rs. 10 each at cost	4.1	<b>804,131</b>	804,131
Share of (Loss) / Profit		<b>(42,610)</b>	26,201
		<b>761,521</b>	830,332
Fair value as per Market Price Quoted in Pakistan Stock Exchange		<b>558,306</b>	271,308
Market value (Rupees per share)		<b>8.54</b>	4.15
Percentage of equity held		<b>13.50%</b>	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, 2024 are as follows:

	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----		
Total Assets	<b>48,772,185</b>	49,544,242
Total Liabilities	<b>21,800,507</b>	22,062,852
Revenues	<b>22,319,082</b>	20,199,555
(Loss) after tax	<b>(509,712)</b>	(586,306)
Accumulated Profit up to June 30	<b>3,197,283</b>	3,264,738

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
<b>5 STORES AND SPARES</b>			
Stores		16,833	16,430
Spares		68,490	55,810
		85,323	72,240
Less : Provision for obsolescence / slow moving stocks		(17,147)	(17,147)
		68,176	55,093
<b>5.1 Movement in provision for obsolescence and slow moving items</b>			
Opening balance		17,147	10,800
Provision during the year		-	6,347
Closing balance		17,147	17,147
<b>6 STOCK-IN-TRADE</b>			
<b>Manufacturing stock</b>			
Raw materials and components		442,536	155,039
Work-in-process		109,191	-
Finished goods		508,196	2,218
Less valued written down to net realizable value		(36,318)	-
Net realizable value	6.1	471,878	2,218
<b>Trading stock</b>			
Trading stock		25,521	25,563
		1,049,126	182,820
Less : Provision for obsolescence / slow moving stocks	6.2	(159,848)	(159,848)
		889,279	22,972
<b>6.1</b>			
These include vehicles amounting to Rs 291.248 million (2023: nil) held with the Company's authorised dealers.			
<b>6.2 Movement in provision for obsolescence and slow moving items</b>			
Opening balance		159,848	157,292
Provision during the year		-	2,556
Closing balance		159,848	159,848
<b>7 TRADE DEBTS - Considered good</b>	7.1	672	672
<b>7.1</b>			
This represents amount receivable from authorised dealers			

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
<b>8 SHORT TERM LOAN TO AN ASSOCIATED UNDERTAKING - Considered good</b>			
Dewan Automotive Engineering Limited	8.1	-	154,879
		-	154,879
<b>8.1</b> The Company has charged mark-up on loan to associated undertaking @1% above 3 months KIBOR. At the end of the year, this loan carried mark-up at the rate of 20.24% (2023:23.91%) per annum. The loan has been recovered during the year under consideration.			
<b>8.2</b> The maximum aggregate amount of loan at the end of any month during the year was Rs. 154.879 Million (2023: Rs.154.879 Million).			
<b>9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
<b>Advances - Considered good</b>			
Suppliers and contractors			
Considered good	9.1	<b>61,215</b>	24,714
Considered doubtful		<b>181,467</b>	181,467
		<b>181,467</b>	181,467
Less: Provision for doubtful advances		<b>(181,467)</b>	(181,467)
		<b>61,214</b>	24,714
Employees	9.4	<b>3,168</b>	3,168
Sales tax		<b>66,333</b>	4,608
		<b>130,715</b>	32,490
<b>Deposits</b>			
Margin against letters of guarantees	9.5	<b>2,050</b>	2,050
Others		<b>11,511</b>	11,511
		<b>13,560</b>	13,561
<b>Other receivables</b>			
Mark-up on loan to associated undertaking (note 8 & 9.2)		<b>892,449</b>	861,692
Others		<b>1</b>	1
		<b>892,450</b>	861,693
		<b>1,036,725</b>	907,744
<b>9.1</b> It includes Advance to related party against purchase amounting Rs.11.590 (2023: Rs. 6.728) million			
<b>9.2</b> The maximum aggregate amount receivable from Related Party at the end of any month during the year was Rs. 892.449 Million (2023: Rs. 861,693 Million).			
<b>9.3</b> The age analysis of receivable from related party as follows.			

## Notes to the Financial Statements

For The Year Ended June 30, 2024

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	----- (Rs. in '000) -----	
Not yet due	-	-
Past due	-	-
- up to 3 months	-	-
- 3 to 6 months	<b>13,841</b>	18,106
- 6 to 12 months	<b>16,916</b>	13,573
- More than one year	<b>861,692</b>	830,013
	<b>892,449</b>	861,692

**9.4** These represent house building and personal loans granted to executives and other employees. These are granted in accordance with the terms of their employment and are secured against their balances with the Provident Fund.

**9.5** This represents cash held with various banks against letters of credit for import of items of stock-in-trade. An amount of Rs 2.050 million (2023: Rs 2.050 million) which are in litigation therefore the same has not been settled as on balance sheet date.

### 10 TAXATION

**10.1** Income tax assessments of the company have been finalized upto and including the tax year 2023 relating to income year ended June 30, 2023 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. Since the company has available tax losses, therefore provision has been made in the accounts for minimum tax as per provisions of the Income Tax Ordinance, 2001.

**10.2** Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as the Company is subject to the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001 ('Ordinance').

**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.

### 11 CASH AND BANK BALANCES

	<b>Note</b>	<b>June 30, 2024</b>	<b>June 30, 2023</b>
		----- (Rs. in '000) -----	
Cash in hand		<b>82</b>	82
Cash at banks in current accounts	11.1	<b>144,780</b>	138,628
		<b>144,862</b>	138,710

# Notes to the Financial Statements

For The Year Ended June 30, 2024

**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. Further one Other bank Adjusted the Bank Balance with the Loan amount recoverable.

## 12. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

2024 (No of Shares in '000)	2023		June 30, 2024 ----- (Rs. in '000) -----	June 30, 2023
<b>135,065</b>	135,065	Ordinary shares of Rs.10/- each fully paid in cash	<b>1,350,651</b>	1,350,651
<b>3,670</b>	3,670	Ordinary shares of Rs.10/- each, issued as fully paid bonus shares	<b>36,702</b>	36,702
<b><u>138,735</u></b>	<u>138,735</u>		<b><u>1,387,353</u></b>	<u>1,387,353</u>

**12.1** 13,650,000 (2023: 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, 2024 ----- (Rs. in '000) -----	June 30, 2023
<b>13 LONG TERM LOANS - secured</b>			
<b>From banking companies and other financial institutions</b>			
Term Finance - I	13.1	<b>71,429</b>	71,429
Term Finance - II	13.2	<b>90,000</b>	90,000
Term Finance - III	13.3	<b>62,500</b>	62,500
Term Finance - IV	13.4	<b>110,000</b>	110,000
Term Finance - V	13.5	<b>63,000</b>	63,000
Term Finance - VI	13.6	<b>700,000</b>	700,000
		<b>1,096,929</b>	1,096,929
Less:- Current portion shown under current liabilities	13.7	<b>1,096,929</b> <b>(1,096,929)</b>	1,096,929 (1,096,929)
		<b>-</b>	-

## Notes to the Financial Statements

For The Year Ended June 30, 2024

- 13.1** The loan carried mark up at the rate 2.5% per annum over six months KIBOR. The last markup on the finance worked out to 14.51% per annum. The loan was 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 carried mark up at the rate 3% per annum over six months KIBOR. The last markup on the finance worked out to 15.01% per annum. The loan was 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 loan carried mark up at the rate 2.5% per annum over six months KIBOR. The last markup on the finance worked out to 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 loan carried mark up at the rate 4% per annum over six months KIBOR. The last markup on the finance worked out to 16.01% per annum. The loan was 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 carried mark up at the rate 3% per annum over six months KIBOR. The last markup on the finance worked out to 15.01% per annum. The loan was repayable in ten equal half yearly installments, with quarterly markup payments, commencing from August 14, 2007 and ending on February 14, 2012. The loan is secured by First Pari Passu charge over fixed assets of the company.
- 13.6** The loan carried mark up at the rate 3% per annum over six months KIBOR. The last markup on the finance worked out to 15.01% per annum. The loan was 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** These represent 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 .

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 14 LONG TERM SECURITY DEPOSITS

These represent interest free deposits received from authorised dealers in accordance with the terms of the dealership agreements. These deposits have been utilised for the purpose of the Company's business, based on agreement with dealers. under section 217 of Companies Act, 2017.

	Note	June 30, 2024	June 30, 2023
------(Rs. in '000)-----			
<b>15 DEFERRED LIABILITIES</b>			
Deferred taxation	15.1	-	-
Staff gratuity	15.2	<b>4,231</b>	4,231
		<b>4,231</b>	4,231
<b>15.1 Deferred Taxation</b>			
<b>Credit balance arising due to:</b>			
Accelerated tax depreciation allowances		<b>163,500</b>	119,156
Share of (Loss) / profit in associated company		<b>(12,357)</b>	7,598
		<b>151,143</b>	126,754
<b>Less: Debit balance arising due to:</b>			
Gratuity		<b>(1,227)</b>	(1,227)
Provision for obsolete/slow moving Stores and Spares		<b>(4,973)</b>	(4,973)
Provision for obsolete/slow moving Stock-in-trade		<b>(46,356)</b>	(46,356)
Provision for doubtful advance		<b>(52,625)</b>	(52,625)
Carry forward tax losses and others		<b>(670,321)</b>	(918,865)
		<b>(775,502)</b>	(1,024,046)
<b>Deferred tax assets</b>		<b>(624,359)</b>	(897,292)
<b>Deferred tax asset not recognized</b>		<b>624,359</b>	897,292
		-	-
<b>15.2 Staff gratuity</b>			
Balance at the beginning of the year		<b>4,231</b>	4,231
Less: Payments made during the year		-	-
		<b>4,231</b>	4,231

**15.3** The Gratuity Payable when the Final Settlement made by the Company and claimed by the Employee

## Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
<b>16 SHORT TERM LOAN FROM RELATED PARTIES</b>			
<b>Sponsor Loan</b>			
Balance at beginning of the year		469,022	293,063
Add: Received during the year		136,090	175,959
		<b>605,112</b>	469,022
<b>Related party</b>			
Associated company		<b>1,091,073</b>	-
		<b>1,696,185</b>	469,022

**16.1** These represent unsecured interest free loans obtained from Sponsor and associated company for the purpose of working capital requirements and are payable on demand. Subsequent to the year end, members of the company have approved conversion of loans to the extent of Rs.1.612 billion into equity of the company. The relevant formalities for the purpose are in progress.

## 17 TRADE AND OTHER PAYABLES

<b>Creditors</b>			
Trade creditors		108,415	55,321
Advances from customers	17.1	181,113	19,323
<b>Accrued liabilities</b>			
Accrued expenses	17.2	383,277	367,025
Sales tax payable		201	87
		<b>673,006</b>	441,756

**17.1** These represent advances received from customers and dealers in respect of sale of vehicles and includes Rs.15.00 million (2023: NIL) from associated company in respect of toll manufacturing.

**17.2** This includes Rs. 362.883 (2023: Rs. 347.591) million in respect of final Settlement of Employees which terminated / resigned when the closed production.

**17.3** The investments by the provident fund in collective investment schemes, have been made in accordance with the conditions specified in section 218 of the Companies Act, 2017 and rules specified thereunder.

## 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
<b>19 SHORT TERM FINANCES AND BOOK OVERDRAFT - SECURED</b>			
From banks & financial institutions			
- Short term loan (Under mark-up / profit arrangements)	19.1 & 19.3	<b>1,978,024</b>	1,978,024
- Overdue letter of credits	19.3	<b>2,117,889</b>	2,117,889
- Book Over draft	19.4	<b>77,645</b>	-
		<b>4,173,558</b>	<u>4,095,913</u>

**19.1** Represent outstanding balances of short term finances under markup / profit arrangements availed from various banks against limit of Rs. 2.255 billion except letter of credits. The rate of markup / profit ranged from 8.74% to 20% (2023: 8.74% to 20.00%) per annum.

**19.2** The facilities are secured by way of pari passu charge against hypothecation of the company's stock in trade and book debts and were for a period of one year, which were not renewed by banks.

**19.3** Since the company is in litigation with banks confirmations from most of them have not been received.

**19.4** This Represents unrepresented cheques which Cleared Subsequently.

## 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. During the year under consideration, the Honorable High of Sindh decided the cases in favor of the Company and the department had filed before of Supreme Court of Pakistan. Subsequent to the year end, the Supreme Court of Pakistan has upheld the decision of Honorable High Court of Sindh and accordingly and the appeal has been dismissed in favor of the Company.

**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.

## Notes to the Financial Statements

For The Year Ended June 30, 2024

**20.3** Letter of guarantees issued by the banks amounting to Rs. 250.336 (2023: 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.

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 (2023: Nil ).

**20.6** Commitments in respect of letters of credit other than for capital expenditure amounts to Rs. Nil (2023: Nil).

## 21 COST OF SALES

	Note	Manufacturing		Trading		Total	
		2024	2023	2024	2023	2024	2023
----- Rs. in '000' -----							
<b>Sales</b>		<b>11,897</b>	-	<b>83</b>	212	<b>11,980</b>	212
Sales tax		<b>1,815</b>	-	<b>12</b>	32	<b>1,827</b>	32
Commission and discounts		<b>200</b>	-	-	-	<b>200</b>	-
		<b>2,015</b>	-	<b>12</b>	32	<b>2,027</b>	32
<b>Net sales</b>		<b>9,882</b>	-	<b>71</b>	180	<b>9,953</b>	180
<b>Cost of sales</b>							
Opening stock-Finished Goods		<b>2,218</b>	2,218	<b>25,563</b>	25,705	<b>27,781</b>	27,923
Cost of goods manufactured	21.3	<b>762,452</b>	141,286	-	-	<b>762,452</b>	141,286
Closing stock- finished Goods		<b>(471,878)</b>	(2,218)	<b>(25,521)</b>	(25,563)	<b>(497,399)</b>	(27,781)
		<b>292,791</b>	141,286	<b>42</b>	142	<b>292,833</b>	141,428
<b>Gross (loss) / profit</b>		<b>(282,909)</b>	(141,286)	<b>29</b>	38	<b>(282,880)</b>	(141,248)
Marketing & Distribution Expenses	22	<b>106,673</b>	14,787	-	-	<b>106,673</b>	14,787
Administration And General Expenses	23	<b>38,093</b>	25,477	-	-	<b>38,093</b>	25,477
		<b>144,766</b>	40,264	-	-	<b>144,766</b>	40,264
<b>Operating (Loss)</b>		<b>(427,675)</b>	(181,550)	<b>29</b>	38	<b>(427,646)</b>	(181,512)

## Notes to the Financial Statements

For The Year Ended June 30, 2024

**21.1** Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**21.2** The management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic and business decisions.

**Manufacturing:** This segment relates to the sale of locally manufactured Motor vehicles.

**Trading:** This segment relates to the trading of Completely Built Unit (CBU) and parts.

	Note	2024	2023
		----- (Rs. in '000) -----	
<b>21.3 Cost of goods manufactured</b>			
Raw material and vendor parts consumed			
Opening stock		<b>155,039</b>	144,225
Purchases		<b>858,662</b>	10,814
Closing stock		<b>(442,536)</b>	(155,039)
		<b>571,166</b>	-
Stores and spares consumed		<b>17,480</b>	14,150
Salaries, wages and other benefits	21.4	<b>94,716</b>	46,004
Depreciation	3.2	<b>56,629</b>	43,955
Amortization of intangible assets		<b>1,394</b>	929
Communication		<b>398</b>	255
Printing, stationery and office supplies		<b>277</b>	241
Utilities		<b>96,187</b>	12,116
Traveling & entertainment		<b>14,168</b>	7,242
Vehicle running		<b>10,348</b>	5,388
Fee & subscription		<b>24</b>	12
Security		<b>18</b>	11
Repairs and maintenance		<b>8,708</b>	10,588
Miscellaneous		<b>130</b>	395
Add: Opening stock of work-in-process		-	-
Less: Closing stock of work-in-process		<b>(109,191)</b>	-
		<b>191,286</b>	141,286
		<b>762,452</b>	141,286

**21.4** Included herein a sum of Rs. 0.258 (2023: Rs. 0.215) million relating to Recognized Provident Fund.

## Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	2024	2023
		------(Rs. in '000)-----	
<b>22 MARKETING &amp; DISTRIBUTION EXPENSES</b>			
Salaries, allowances and other benefits	22.1	<b>22,530</b>	4,882
Travelling and entertainment		<b>19,908</b>	8,207
Vehicle running		<b>2,628</b>	741
Communication		<b>377</b>	61
Printing & Stationary		<b>148</b>	50
Advertisement & publicity		<b>60,233</b>	
Fee and subscription		<b>275</b>	492
Repairs and maintenance		<b>168</b>	128
Miscellaneous		<b>425</b>	226
		<b>106,693</b>	14,788

**22.1** Included herein a sum of Rs. Nil (2023: Rs.Nil) relating to Recognized Provident Fund.

## 23 ADMINISTRATION AND GENERAL EXPENSES

Salaries, allowances and other benefits	23.1	<b>23,545</b>	11,873
Depreciation	3.2	<b>6,252</b>	4,884
Insurance		<b>256</b>	31
Traveling & entertainment		<b>109</b>	2,730
Vehicle running		<b>1,995</b>	797
Communication		<b>94</b>	60
Printing, stationery and office supplies		<b>517</b>	379
Legal and professional		<b>2,655</b>	-
Advertising & publicity		<b>86</b>	60
Fee and subscription		<b>1,398</b>	4,026
Repairs and maintenance		<b>137</b>	37
Auditors' remuneration	23.2	<b>750</b>	600
Miscellaneous		<b>300</b>	-
		<b>38,093</b>	25,477

**23.1** Included herein a sum of Rs.0.321 (2023: Rs. 0.404) million relating to Recognized Provident Fund.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	2024	2023
------(Rs. in '000)-----			
<b>23.2 Auditors' remuneration</b>			
Audit fee		<b>510</b>	412
Interim review and other certifications		<b>190</b>	138
Out of pocket expenses		<b>50</b>	50
		<b>750</b>	600
<b>24 OTHER INCOME/(LOSS)</b>			
Exchange gain - net		<b>7,635</b>	6,655
Profit on Short Term Loan to Associated undertaking	8.1	<b>30,757</b>	31,679
Others		<b>563</b>	440
Share of (loss) of equity investment in associate	4	<b>(68,811)</b>	(79,151)
		<b>(29,856)</b>	(40,378)

## 25 FINANCE COST

During the year ended June 30, 2024, 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.1,120.876 (2023: Rs.1,008.075) 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. 1,120.876 (2023: Rs.1,008.075) million and consequently the shareholders equity would have lowered and accrued mark-up would have been higher by Rs.9.314 (2023: Rs.8.193) billion. The said non-provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

	2024	2023
<b>26 LEVIES</b>		
Minimum Tax	<b>124</b>	2

**26.1** On account of available tax losses, provision has been made for minimum tax as per the provisions of Income Tax Ordinance.

### 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.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	Note	2024	2023
		----- (Rs. in '000) -----	
<b>27 TAXATION-NET</b>			
- for Current tax		-	-
- for Prior years tax		-	-
Deferred tax		-	-
		-	-

## 28 (LOSS) PER SHARE

### 28.1 Basic/Diluted (loss) per share

Net (loss) for the year	Rs. In thousand	<b>(457,847)</b>	(230,805)
Weighted average number of ordinary shares	number in thousand	<b>133,421</b>	133,421
Basic/Diluted (loss) per share	Rupee	<b>(3.43)</b>	(1.73)

## 29 CASH AND CASH EQUIVALENTS

Cash and bank balances	<b>144,862</b>	138,710
Short term finances and Book overdraft	<b>(2,055,669)</b>	(1,978,024)
	<b>(1,910,807)</b>	(1,839,314)

## 30 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:

	2024			2023		
	Chief Executive	Executive Director	Executive	Chief Executive	Executive Director	Executive
	----- Rs. in '000' -----					
Managerial remuneration	3,094	-	21,592	3,094	-	13,860
House rent, utilities and other benefits	1,706	-	11,918	1,706	-	7,650
Retirement benefits	258	-	161	215	-	161
Medical	-	-	-	-	-	-
Leave passage / assistance	-	-	-	-	-	-
	<b>5,058</b>	-	<b>33,671</b>	5,015	-	21,671
No. of persons	<b>1</b>	-	<b>12</b>	1	-	9

**30.1** The Chief Executive and certain Executives of the Company are provided free use of Company maintained cars.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 31 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:

	<b>June 30, 2024</b>	<b>June 30, 2023</b>
	-----( <b>Rs. in '000</b> )-----	
Short term loan from sponsor / associate (Interest free)	<b>1,227,163</b>	175,959
Short term Loan recovered	<b>154,879</b>	-
Profit on short term loan to associated undertaking	<b>30,757</b>	31,679
Advance against Purchase	<b>11,591</b>	6,728
Provident Fund	<b>579</b>	619
Share of (loss) on equity investment	<b>(68,811)</b>	(79,151)
Purchases	<b>85,295</b>	-
Advance received for toll manufacturing	<b>15,000</b>	-

**31.1** The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the Financial Statements.

**31.2** Details to compensation to the key management personnel have been disclosed in the note 30 to the Financial Statements.

**31.3** Following are the related parties with whom the company had entered into transactions or have arrangements/agreements in place.

<b>Name of the Company</b>	<b>Basis of relationship</b>	<b>% of shareholding</b>
Dewan Automative Engineering Limited	Common Directorship	Nil
Dewan Cement Limited	Common Directorship	13.50%
Dewan Mushtaq Trade Limited	Common Directorship	Nil
Dewan Motors (Private) Limited	Common Directorship	NIL
Eco-Green Motors Limited	Common Directorship	NIL

## 32 PLANT CAPACITY AND PRODUCTION

Capacity of the plant on single shift basis is 10,000 (2023:10,000) units. Company resumed its operations from the month of June 2024. Production during the year is 119 (2023: Nil) units.

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 33 FINANCIAL INSTRUMENTS BY CATEGORY

	As at Jun 30,2024		
	Loans and receivables	Derivatives used for hedging	Total
	----- Rs. in '000' -----		
<b>Assets</b>			
Trade debts	672	-	672
Other receivables	892,450	-	892,450
Cash and bank balance	144,862	-	144,862
	<u>1,037,984</u>	<u>-</u>	<u>1,037,984</u>

	As at Jun 30,2024		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	----- Rs. in '000' -----		
<b>Liabilities</b>			
Trade and other payables	-	491,692	491,692
	<u>-</u>	<u>491,692</u>	<u>491,692</u>

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

	As at June 30,2023		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	----- Rs. in '000' -----		
<b>Liabilities</b>			
Trade and other payables	-	422,346	422,346
	<u>-</u>	<u>422,346</u>	<u>422,346</u>

# Notes to the Financial Statements

For The Year Ended June 30, 2024

## 34 FINANCIAL RISK MANAGEMENT

### 34.1 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. 1,816.233 (2023: Rs 2003.15) million, the financial assets which are subject to credit risk amounted to Rs.909.850 (2023: Rs. 1033.973) million. Table marked as 34.1.1 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.

### 34.2 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 34.1.1.

### 34.3 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, 2024

## 34.3.1 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, 2024 the company does not have any financial assets or financial Liabilities which are denominated in foreign currencies.

## 34.3.2 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, 2024
	(Rupees in '000)						

### 34.1.1 ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

June 30, 2024

#### FINANCIAL ASSETS

Trade debts	-	-	-	672	-	672	<b>672</b>
Loans to associated undertakings	-	-	-	-	-	-	-
Advances, deposits and other receivables	-	-	-	909,178	-	909,178	<b>909,178</b>
Investment	-	-	-	761,521	-	761,521	<b>761,521</b>
Cash and bank balances	-	-	-	144,862	-	144,862	<b>144,862</b>
				<u>1,816,233</u>		<u>1,816,233</u>	<b>1,816,233</b>

#### FINANCIAL LIABILITIES

Long term loans	14.51-16.01	1,096,929	-	1,096,929	-	-	<b>1,096,929</b>
Long term deposits		-	-	-	16,800	16,800	<b>16,800</b>
Trade and other payables		-	-	-	673,006	673,006	<b>673,006</b>
Short term finances	8.74-20.00	4,095,913	-	4,095,913	77,645	77,645	<b>4,173,558</b>
		<u>5,192,842</u>		<u>5,192,842</u>	<u>750,651</u>	<u>16,800</u>	<b>5,960,293</b>

#### OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

Commitment in respect of letters of credit		-	-	-	-	-	-
Outstanding bank guarantee		-	-	-	250,336	250,336	<b>250,336</b>
					<u>250,336</u>		<b>250,336</b>

# Notes to the Financial Statements

For The Year Ended June 30, 2024

	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)						
<b>ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS</b>								
<b>June 30, 2023</b>								
<b>FINANCIAL ASSETS</b>								
Trade debts		-	-	-	672	-	672	<b>672</b>
Loans to associated undertakings	20.42%	154,879	-	154,879	-	-	-	<b>154,879</b>
Advances, deposits and other receivables		-	-	-	878,422	-	878,422	<b>878,422</b>
Investment		-	-	-	830,332	-	830,332	<b>830,332</b>
Cash and bank balances		-	-	-	138,710	-	138,710	<b>138,710</b>
		<u>154,879</u>	<u>-</u>	<u>154,879</u>	<u>1,848,136</u>	<u>-</u>	<u>1,848,136</u>	<b>2,003,015</b>
<b>FINANCIAL LIABILITIES</b>								
Long term loans	14.51-16.01	1,096,929	-	1,096,929	-	-	-	<b>1,096,929</b>
Long term deposits		-	-	-	-	11,700	11,700	<b>11,700</b>
Trade and other payables		-	-	-	441,669	-	441,669	<b>441,669</b>
Short term finances	8.74-20.00	4,095,913	-	4,095,913	-	-	-	<b>4,095,913</b>
		<u>5,192,842</u>	<u>-</u>	<u>5,192,842</u>	<u>441,669</u>	<u>11,700</u>	<u>453,369</u>	<b>5,646,211</b>
<b>OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS</b>								
Commitment in respect of letters of credit		-	-	-	-	-	-	<b>-</b>
Outstanding bank guarantee		-	-	-	250,336	-	250,336	<b>250,336</b>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>250,336</u>	<u>-</u>	<u>250,336</u>	<b>250,336</b>

### 34.3.3 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.

## 35 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, 2024

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'.

	<b>2024</b>	<b>2023</b>
<b>36 NUMBER OF EMPLOYEES</b>		
Total number of employees (including contractual labour) as at June 30	<b>299</b>	44
Average number of employees (including contractual labour)	<b>100</b>	38

## 37 OPERATING SEGMENT

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

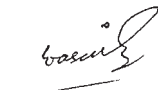
All non current assets of the Company as at June 30, 2024 are located in Pakistan.

## 38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on November 05, 2024 by the Board of Directors of the company.



**Muhsin Ali**  
Chief Financial Officer



**Waseem-ul-Haque Ansari**  
Chief Executive



**Mehmood-ul-Hassan Asghar**  
Director

## PATTERN OF SHAREHOLDING

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 **30.06.2024**

4.	Number of Shareholders	Shareholding Slab		Total Shares held	Percentage
		From	To		
	964	1	100	36,037	0.03%
	1292	101	500	492,201	0.35%
	1525	501	1,000	1,239,387	0.89%
	2016	1,001	5,000	5,597,309	4.03%
	570	5,001	10,000	4,452,924	3.21%
	323	10,001	20,000	4,714,056	3.40%
	131	20,001	30,000	3,357,739	2.42%
	41	30,001	40,000	1,456,100	1.05%
	54	40,001	50,000	2,500,695	1.80%
	19	50,001	60,000	1,063,021	0.77%
	15	60,001	70,000	988,083	0.71%
	14	70,001	80,000	1,058,837	0.76%
	6	80,001	90,000	511,900	0.37%
	23	90,001	100,000	2,236,412	1.61%
	18	100,001	120,000	1,987,020	1.43%
	6	120,001	140,000	757,585	0.55%
	10	140,001	160,000	1,513,600	1.09%
	3	160,001	180,000	508,448	0.37%
	5	180,001	200,000	972,407	0.70%
	9	200,001	250,000	2,072,867	1.49%
	6	250,001	300,000	1,687,778	1.22%
	1	300,001	350,000	314,000	0.23%
	4	350,001	400,000	1,473,857	1.06%
	3	400,001	450,000	1,252,551	0.90%
	4	450,001	500,000	1,914,500	1.38%
	1	500,001	600,000	509,000	0.37%
	1	600,001	1,000,000	980,324	0.71%
	2	1,000,001	1,200,000	2,260,179	1.63%
	1	1,200,001	1,400,000	1,365,000	0.98%
	1	1,400,001	2,300,000	2,257,500	1.63%
	1	2,300,001	2,400,000	2,324,266	1.68%
	1	2,400,001	3,000,000	2,505,682	1.81%
	1	3,000,001	6,000,000	5,309,709	3.83%
	1	6,000,001	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%
	<b>7074</b>		<b>TOTAL</b>	<b>138,735,242</b>	<b>100.00%</b>

**PATTERN OF SHAREHOLDING UNDER REGULATION  
37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE  
AS AT JUNE 30, 2024**

5.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shareholding
	<b>Directors, CEO, their Spouses &amp; Minor Children</b>			
	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 Greman (Nominee Director By DSML)	-	-	0.00%
	<b>Associated Companies</b>			
	Dewan Sugar Mills Limited	1	13,650,000	9.84%
	<b>NIT and ICP</b>	-	-	0.00%
	<b>Executives</b>	-	-	0.00%
	<b>Banks, Development Financial Institutions, Non-Banking Finance Companies</b>	3	79,500	0.06%
	<b>Insurance Companies</b>	-	-	0.00%
	<b>Modarabas and Mutual Funds</b>	1	125	0.00%
	<b>General Public</b>			
	a. Local	6,995	115,168,183	83.01%
	b. Foreign	4	22,500	0.02%
	<b>Others (Joint Stock Companies, Brokrage Houses, Employees Funds &amp; Trustees)</b>	64	9,811,934	7.07%
	<b>TOTAL</b>	<b>7,074</b>	<b>138,735,242</b>	<b>100.00%</b>

**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 26th Annual General Meeting of the Company to be held on Thursday,  
November 28, 2024 at 2:00 p.m. and my adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

AFFIX REVENUE STAMP RS. 5/-
--------------------------------------

Signature \_\_\_\_\_

Witness: \_\_\_\_\_  
Signature

Witness: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

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.



## پراکسی فارم

چھبیسواں (26) 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 (پرائیویٹ) لمیٹڈ، انٹیم سٹیٹ 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 کروائیں، کسی بھی پراکسی کا ممبر ہونا ضروری ہے۔

میں / ہم \_\_\_\_\_ کا (مکمل پتہ)  
 بحیثیت ممبر \_\_\_\_\_  
 دیوان فاروق موٹرز لمیٹڈ \_\_\_\_\_ حصص کے مالک، رجسٹرڈ فولیو نمبر /  
 سی ڈی سی آئی ڈی اور کھاتہ نمبر \_\_\_\_\_ کا  
 میں تقرر کیا / کرتی ہوں \_\_\_\_\_ جو بذات خود بھی دیوان فاروق موٹرز  
 لمیٹڈ کا ممبر ہے، بحیثیت رجسٹرڈ فولیو نمبر۔ سی ڈی سی آئی ڈی، اور کھاتہ نمبر۔ \_\_\_\_\_

میری اہماری موجودگی کی صورت میں کھپتی کے چھبیسواں (26) سالانہ اجلاس عام بروز جمعرات 28 نومبر، 2024 بوقت 02:00 بجے دن میں میری اہماری جانب سے ووٹ دے۔

بطور گواہ میں اہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2024 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix  
Revenue  
Stamp  
Rs. 5/-

دستخط \_\_\_\_\_

گواہ: \_\_\_\_\_ گواہ: \_\_\_\_\_  
 نام: \_\_\_\_\_ نام: \_\_\_\_\_  
 مکمل پتہ: \_\_\_\_\_ مکمل پتہ: \_\_\_\_\_

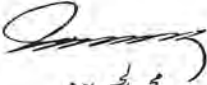
نوٹ:

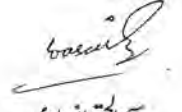
- (1) کوئی بھی شخص / خاتون اس وقت پراکسی کے طور پر کام کرے گا/گی جبکہ وہ خود کھپتی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کھپتی کا رکن نہ ہو۔
- (2) کوئی بھی شخص جو کہ کھپتی کا ممبر ہو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کا اہل ہو گا/ہو گی یا اپنی جگہ کسی اور فرد کو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کے لئے مقرر کر سکے گا۔
- (3) یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل ایک کھپتی کے رجسٹرڈ آفس میں مکمل طور پر فراہم ہونا چاہیے۔
- (4) ہدایات برائے CDC اکاؤنٹ ہولڈرز:
- (i) اگر کوئی تیار کن اکاؤنٹ ہولڈر اسب اکاؤنٹ ہولڈر اور ایبیا 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 ایب دی گئی ہدایات کی روشنی میں پراکسی ہو سکتا/ہو سکتی ہے۔
- (ii) پراکسی فارم پر دو ایب دی گئی ہدایات کے نام اور CNIC نمبر ہر 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 کھپتی کو پراکسی فارم کے ساتھ پور ڈاک ڈاء کورڈ کار پر ولوشن / پاور آف اٹارنی بمثلہ دستخطوں کے نمونے جمع کرنا ہوں گے۔ (اگر پہلے فراہم نہ کئے گئے ہوں)

اختتامی بیان:

اختتام پر اللہ پاک رحمن و رحیم کے حضور سجدہ ریز ہو کر دعا مانگتے ہیں ہمارے نبی سرکارِ دو عالم ﷺ کے وسیلے سے کہ اے اللہ ہماری رہنمائی کرتا رہے اور کبھی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتا ہوں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

بے شک میرا رب دعا سننے والا ہے (القرآن)  
بورڈ کے ڈائریکٹران کی جانب سے

  
محمود الحسن اصغر  
چیئر مین بورڈ آف ڈائریکٹرز

  
وسیم الحق انصاری  
چیف ایگزیکٹو



دوران سال انسانی وسائل اور خدمات کی کمیٹی کی ایک میٹنگ منعقد ہوئی، اس میٹنگ میں حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	1
جناب وسیم الحق انصاری	1
جناب عبدالباسط	1

آڈیٹرز:

موجودہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) ریٹائر ہو گئے ہیں اور دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی ہے۔  
آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فیروز شریف طارق اینڈ کمپنی (چارٹرڈ اکاؤنٹنٹس) کو آنے والے سال کیلئے کمیٹی کے آڈیٹرز کے طور پر دوبارہ تقرری کی سفارش کی ہے۔

خسارہ فی شیئر:

فی شیئر خسارہ مبلغ 3.43 روپے (2023: 1.73 روپے) ہے۔

ڈویڈنڈ:

مجموعی نقصانات کے ساتھ ساتھ دوران سال خسارہ کے باعث بورڈ کی جانب سے کسی ڈویڈنڈ کی سفارش نہیں کی گئی ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنی کی شیئر ہولڈنگ کا پیٹرن 30 جون 2024ء سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی شیئرز میں تجارت:

دوران سال کمپنی کے کسی بھی ڈائریکٹر، ایگزیکٹو، ان کے شریک حیات و بچوں نے کمپنی کے حصص کی خرید و فروخت نہیں کی، سوائے ایک ڈائریکٹر کے جنہوں نے کمپنی کے حصص کی خرید و فروخت کی اور اس سے حاصل ہونے والا منافع سیکشن 104 آف دی سکیورٹیز ایکٹ، 2015 کی دفعات کے مطابق جمع کرایا۔

اظہار تشکر:

بورڈ کی جانب سے، میں آپ، معزز حصص یافتگان، وفاقی اور صوبائی حکومتوں اور ان کے افسران، بینکوں، ترقیاتی مالی اداروں، لیزنگ کمپنیوں، ڈیلرز، وینڈرز، اور صارفین کا ان کی مسلسل حمایت اور تعاون کے لیے شکرگزار ہوں۔

بورڈ ادارے کی اپنی ٹیم، ایگزیکٹو اور اکیمن، اسٹاف کے ساتھ اور درگزر کا بھی بھرپور شکریہ ادا کرتا ہے جو کمپنی کی ترقی میں اپنا بھرپور کردار ادا کر رہے ہیں۔ ہم آپ کی محنت اور کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔

- ۲- کمپنی کے کھاتوں کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ۳- 30 جون 2024ء کو اختتام پذیر مالی سال کے مالیاتی گوشوارے تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیاں مسلسل اختیار کی جاتی رہی ہیں اور تمام مالیاتی گوشوارے میں اندازے سمجھداری سے بہتر فیصلوں پر مرتب کئے گئے ہیں۔
- ۴- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسے پاکستان میں نافذ عمل ہیں انہیں ویسے ہی مالیاتی گوشواروں کی تیاری میں نافذ کیا گیا۔
- ۵- کمپنی میں اندرونی کنٹرول سسٹم کا ڈیزائن موزوں ہے اور بہت موثر انداز میں لاگو ہے اور اس کی عمدگی سے دیکھ بھال کی جاتی رہی ہے۔
- ۶- انتظامیہ نے کمپنی کی جاری کاروباری صلاحیت کی نوٹ 1.1 میں تفصیل سے وضاحت پیش کی ہے، جبکہ نوٹ 25 میں ملحقہ آڈٹ شدہ مالیاتی گوشواروں میں مارک اپ کی فراہمی نہ کرنے کے بارے میں بھی وضاحت کی ہے۔
- ۷- کارپوریٹ گورنس کی تمام اعلیٰ اقدار جیسا کہ پاکستان اسٹاک ایکس چینج کی لسٹنگ ریگولیشن میں سے کوئی بھی قابل ذکر قانونی شق ترک نہیں کی گئی ہے۔
- ۸- گذشتہ چھ سالوں کے کلیدی آپریٹنگ اور فنانشل معلومات مختصر اس رپورٹ میں شامل ہیں۔
- ۹- تمام واجب الادا ڈیبٹس اور کریڈیٹس کی سرکاری کی منصفانہ قیمت 39.203 ملین روپے (2023: 35.321 ملین روپے) ہے۔
- ۱۰- 30 جون 2024 تک پروویڈنٹ فنڈ کی سرمایہ کاری کی منصفانہ قیمت 39.203 ملین روپے (2023: 35.321 ملین روپے) ہے۔
- ۱۱- بورڈ کے ڈائریکٹران قابل اور کئی علوم کے ماہرین پر مشتمل ہیں جو کمپنی کو منافع بخش بنانے میں اپنا بھرپور کردار ادا کر رہے ہیں۔ زیر جائزہ سال کے دوران بورڈ نے چار ملاقاتیں کیں، جن میں اراکین کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب محمود الحسن اصغر	5
جناب عزیز الحق	5
جناب وسیم الحق انصاری	5
جناب محمد حنیف جرمین	5
جناب غضنفر بابر صدیقی	5
محترمہ مندا جمیل	4
جناب عبدالباسط	5

بورڈ کے اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹرز کو چھٹی دی گئی۔

آڈٹ کمیٹی میں تین ڈائریکٹرز شامل ہیں، ان میں سے ایک آزاد ڈائریکٹر اور دو غیر ایکٹو ممبر ڈائریکٹرز ہیں۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے ان اجلاسوں میں ممبران کی حاضری درج ذیل تھی۔

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	4
جناب غضنفر بابر صدیقی	4
جناب عبدالباسط	4



### بورڈ آف ڈائریکٹرز:

بورڈ ایک آزاد ڈائریکٹر، ایک ایگزیکٹو ڈائریکٹر، اور پانچ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام درج ذیل ہیں:

☆ جناب عبدالباسط	☆ جناب وسیم الحق انصاری
☆ جناب محمود الحسن اصغر	☆ جناب محمد حنیف جرمین
☆ جناب غضنفر بابر صدیقی	☆ جناب عزیز الحق
☆ محترمہ ندا جمیل	

سال کے دوران بورڈ میں کوئی غیر متوقع نشست خالی نہیں ہوئی۔

کمپنی کی بنیادی سرگرمیاں:

دیوان فاروق موٹرز لمیٹڈ پاکستان میں بطور پبلک لمیٹڈ کمپنی رجسٹرڈ ہے اور پاکستان اسٹاک ایکسچینج میں درج ہے۔ کمپنی کی بنیادی سرگرمی گاڑیوں کی تیاری، کنٹریکٹ اسمبلی، تجارت، مینوفیکچرنگ، اور فروخت ہے۔

خطرات اور غیر یقینی صورتحال:

کمپنی درج ذیل امور کو اپنے لئے نقصان دہ سمجھتی ہے:

- ☆ SUV، LCV اور مسافر گاڑیوں کے ذمے میں شدید مقابلہ؛
- ☆ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی؛

کمپنی داخلی اور خارجی دونوں طرح سے مذکورہ خطرات اور عدم یقینی صورتحال کے اثرات کو کم کرنے اور ان کا مقابلہ کرنے کیلئے بھی اقدامات کر رہی ہے۔

کاروباری اور سماجی ذمہ داریاں:

کمپنی اپنے کاروبار کو ایک ذمہ دارانہ انداز میں انجام دیتی ہے، جس میں اپنے اسٹیک ہولڈرز اور ماحول کا خیال رکھا جاتا ہے۔ کمپنی بنیادی طور پر نئے بھرتی کیے گئے ورکر فورس کو ملازمت پر تربیت فراہم کرنے پر توجہ دیتی ہے، تاکہ وہ مناسب مہارتیں حاصل کر سکیں۔ ورکر فورس کی بھرتی کے دوران، کمپنی قریبی علاقوں میں رہائش پذیر ضرورت مند لوگوں کی حوصلہ افزائی کرتی ہے، جس سے ان کی معیار زندگی میں اضافہ ہوتا ہے۔ اس کے علاوہ، ملازمین کی صحت اور حفاظت بھی ایک اہم شعبہ ہے، جس پر توجہ دی جاتی ہے۔ کمپنی تمام متعلقہ قواعد و ضوابط کی پابندی کرتی ہے تاکہ پیداوار کے عمل میں ماحولیاتی تحفظ کو یقینی بنایا جاسکے۔ ملازمین کی صحت اور حفاظت کے تحفظ کے لیے معیاری عملی طریقہ کار وضع کیے گئے ہیں۔ کمپنی قرب و جوار کے علاقے میں رہائش پذیر لوگوں کو طبی سہولیات فراہم کرنے میں بھی مصروف عمل ہے۔

بعد کے واقعات:

اوپر بیان کردہ معاملات کے علاوہ، کمپنی کے مالیاتی حالات پر اثر ڈالنے والی کوئی اہم تبدیلیاں یا وعدے مالی سال کے اختتام اور اس رپورٹ کی تاریخ کے درمیان پیش نہیں آئے ہیں۔

درج ذیل بیانات کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر مبنی ہیں:

- 1- 30 جون 2024 کو اختتام پذیر مالی سال میں انتظامیہ کی جانب سے تیار کئے گئے کمپنی کے مالیاتی گوشوارے کمپنی کے حالات، کاروباری نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔

اللہ تعالیٰ کے فضل و کرم سے، سال بھر مسلسل بدلتے اور مشکل کاروباری حالات کے باوجود ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ آپ کی کمپنی نے کامیابی کے ساتھ "Special Purpose KIA Commercial Vehicles" کی تجارتی پیداوار دوبارہ شروع کر دی ہے، جو KIA 'SHEHZORE' کے برانڈ نام سے مشہور ہیں۔ ماضی کے معیاری ماڈل کے علاوہ، کمپنی نے دو مزید ماڈلز یعنی "کنگ کیمین" اور "ڈبل کیمین" متعارف کرائے ہیں، جنہیں جون 2024 میں باقاعدہ طور پر لانچ کیا گیا ہے۔ چونکہ کمپنی کی پیداواری سرگرمیاں مالی سال کے آخری مہینے میں شروع کی گئیں، اس لیے سال کے دوران ہونے والے خسارہ کا زیادہ تر تعلق اس عرصے سے ہے جس دوران کمپنی کی سرگرمیاں معطل رہیں۔

سال کے دوران، آپ کی کمپنی نے ایک اہم حکمت عملی کے اقدام کے طور پر ایکویٹرین موٹرز لمیٹڈ کے ساتھ ایک معاہدہ کیا، جس کے تحت Honri-VE الیکٹرک گاڑیوں (200 کلومیٹر اور 300 کلومیٹر رینج) کی تیاری اور اسمبلنگ کا آغاز کیا گیا۔ یہ معاہدہ الیکٹرک گاڑیوں کی بڑھتی ہوئی مارکیٹ میں ایک اہم پیش رفت ہے۔ کمپنی نے الیکٹرک گاڑیوں کی تیاری کے لیے ضروری بنیادی اسٹرکچر اور متعلقہ جگہ کی تنصیب مکمل کر لی ہے، جو پاکستان کی آٹوموٹو صنعت میں ایک اہم ترقی کی علامت ہے۔ Honri-VE الیکٹرک گاڑیوں کی پیداوار کمپنی کے اسمبلی پلانٹ میں اگست 2024 سے انجینئرنگ ڈویلپمنٹ بورڈ کی منظوری کے ساتھ شروع ہو چکی ہے۔

ہم پاکستان کے عوام کو اعلیٰ معیاری مصنوعات اور شاندار بعد از فروخت خدمات فراہم کرنے کا سلسلہ جاری رکھے ہوئے ہیں، جس میں ہمارے مضبوط قومی سطح کے ڈیلرشپ نیٹ ورک کی بھرپور معاونت شامل ہے۔

سال کے اختتام کے بعد، کمپنی کے ممبران نے اسپانسر اور ڈیلی کمپنی سے حاصل کردہ 1,612 بلین روپے کے قرض کو کمپنی کی ایکویٹی میں تبدیل کرنے کی منظوری دی ہے، جس کے لیے متعلقہ رگی کارروائیاں جاری ہیں۔

آڈیٹرز رپورٹ کا مشاہدہ:

آڈیٹرز نے اپنی رپورٹ کو مشروط کیا ہے کیونکہ رپورٹ میں ذکر کردہ معاملہ جیرا (a) میں خاص اہمیت کا حامل ہے۔

مارک اپ پروویژن:

کمپنی نے اپنے قرضہ جات پر 1,120.876 بلین روپے (2023: 1,008.075 بلین روپے) کے مارک اپ کی فراہمی نہیں کی ہے۔ انتظامیہ نے قرض دہندگان سے اپنے طویل مدتی قرضوں کی تنظیم نو کے لیے رجوع کیا ہے اور پرامید ہے کہ مالیاتی ادارے/بینکنگ کمپنی کی مارک اپ کے بغیر تنظیم نو کی تجاویز کو قبول کریں گے۔ اسی لیے کمپنی نے مارک اپ کی کوئی فراہمی نہیں کی، کیونکہ مجوزہ تنظیم نو کی شرائط کے مطابق مارک اپ قابل ادا نہیں ہوگا۔

جاری کاروباری مفروضہ:

یہ مالیاتی بیانات جاری کاروباری مفروضے پر تیار کیے گئے ہیں، کیونکہ کمپنی کو درپیش حالات عارضی نوعیت کے ہیں اور آئندہ مستقبل میں تبدیل ہو جائیں گے۔ زیر جائزہ سال کے دوران TLA کے نفاذ کے نتیجے میں کمپنی نے کامیابی سے گاڑیوں کی پیداوار اور فروخت کی سرگرمیاں دوبارہ شروع کر دی ہیں۔ مزید برآں، کمپنی اپنی وابستہ کمپنی کے لیے ٹول کی بنیاد پر الیکٹرک گاڑیوں کی تیاری بھی کر رہی ہے۔ انتظامیہ پر اعتماد ہے کہ پیداواری سرگرمیوں کی بحالی مستقبل میں بہتر نتائج لائے گی۔ علاوہ ازیں، کمپنی اپنے قانونی مقدمات کا کامیابی سے مقابلہ کر رہی ہے اور قرضوں کی تنظیم نو کے مراحل تکمیل کے قریب ہیں، جو آئندہ مالی سال میں مکمل ہونے کی توقع ہے۔ انتظامیہ کو یہ بھی امید ہے کہ تمام واجب الادا مارک اپ معاف کر دیا جائے گا، اس لیے ان مالیاتی بیانات میں مارک اپ کی فراہمی نہیں کی گئی۔ کمپنی کے لیے اپنے معاہدوں/اسپانسرز سے فنڈز کا بندوبست کرنے کی صلاحیت ایک اور مثبت پہلو ہے جو درپیش خطرات کو کم کرتی ہے۔ یہ تمام عوامل کمپنی کے جاری کاروبار کے طور پر کام جاری رکھنے کی صلاحیت سے متعلق خطرات کو کم کرتے ہیں، اور اسی لیے ان مالیاتی بیانات کی تیاری میں جاری کاروباری مفروضے کا استعمال جائز قرار دیا گیا ہے۔

## ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے  
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

دیوان فاروق موٹرز لمیٹڈ کے بورڈ کے ڈائریکٹران کی جانب سے 30 جون 2024ء کو اختتام پذیر مالی سال کی سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کئے جاتے ہیں اور آپ کو کمپنی کے 26 ویں سالانہ اجلاس عام میں خوش آمدید کہا جاتا ہے۔

### صنعتی جائزہ:

آٹوموبائل انڈسٹری کو ایک نمایاں گراؤ کا سامنا رہا ہے، کمپنی کو مختلف معاشی عوامل کے باعث مشکلات کا سامنا ہے۔ PC، SUV اور LCV کے شعبوں کی فروخت میں 18 فیصد کمی ہوئی، اور 103,827 یونٹس فروخت ہوئے، جبکہ گزشتہ سال یہ تعداد 126,878 یونٹس تھی۔ مالی سال کی پہلی ششماہی میں زبردست کرنسی اتار چڑھاؤ دیکھنے میں آیا، جو ملکی اور عالمی اقتصادی دباؤ سے متاثر ہوا، اور اس کا اثر گاڑیوں کی تیاری پر بھی پڑا۔ اس صورتحال کے جواب میں مرکزی بینک نے کرنسی کی فراہمی کو مستحکم کرنے کے لیے شرح سود میں تبدیلی کی اور غیر ملکی ڈخاڑی سطح میں بہتری اور افراط زر کو قابو میں رکھنے پر توجہ مرکوز کی۔ اگرچہ پاکستانی روپے نے استحکام کے کچھ آثار دکھائے ہیں، لیکن مشکلات اب بھی برقرار ہیں۔

ہم حکومت کی مالیاتی ایکٹ 2024 میں اٹھائے گئے اقدامات کو تسلیم کرتے ہیں، جس میں برقی اور ہائبرڈ ٹیکنالوجیز کے لیے مراعات متعارف کرائی گئیں۔ یہ ہمارے پائیداری اور جدت کے عزم سے گہرا تعلق رکھتے ہیں۔ ہم نہ امید ہیں کہ مستقل اور طویل مدتی پالیسیوں کی بدولت ان ٹیکنالوجیز کی ترقی کو فروغ ملے گا۔

سال 2024ء کیلئے صنعت کا آؤٹ لک مثبت ہے، جس میں آئی ایم ایف کے ساتھ مذاکرات میں پیش رفت، درآمدات پر پابندیوں میں نرمی، اور آٹوموٹیو سیکٹرز کے لیے نئی مراعات کی توقع ہے۔ صنعت سے یہ توقع بھی کی جا رہی ہے کہ وہ مستحکم ترقی حاصل کرے گی، جس میں شرح سود میں کمی، نئے ہائبرڈ اور برقی ماڈلز کی رونمائی، اور مارکیٹ کے ماحول میں بڑھتا ہوا استحکام اہم عوامل ہوں گے۔

### کمپنی کی کارکردگی:

زیر جائزہ سال کی مالی کارکردگی کا خلاصہ اور تقابلی اعداد و شمار درج ذیل ہیں:

اختتامی سال 30 جون 2023 (روپے ہزاروں میں)	اختتامی سال 30 جون 2024 (روپے ہزاروں میں)	
212	11,980	مجموعی فروخت
(141,248)	(282,880)	مجموعی (خسارہ)
(181,513)	(427,666)	آپریٹنگ (خسارہ)
(230,805)	(457,847)	بعد از ٹیکس خالص (خسارہ)

آئی) پوسٹل بیلٹ

بذریعہ بیلٹ وونگ کیلئے اراکین کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی دفعات کے مطابق اپنا حق رائے دہی استعمال کر سکتے ہیں جیکبیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط ہے۔ مذکورہ ریگولیشنز کے تحت متعین قانونی ٹائم فریم کے اندر اگر ضرورت محسوس ہوئی تو مزید تفصیلات اراکین کو ارسال کی جائیں گی۔

اراکین اس بات کو یقینی بنائیں گے کہ باضابطہ طور پر دستخط شدہ بیلٹ پیپر معہ شناختی کارڈ کی نقل چیئرمین کو کمپنی کے رجسٹرڈ پتہ [dfml.corp@yousufdewan.com](mailto:dfml.corp@yousufdewan.com) پر ای میل کے ذریعے سالانہ اجلاس عام کے انعقاد کے دن سے ایک دن قبل یعنی 27 نومبر، 2024 کے کاروبار ایام کے دوران ارسال کیے جائیں گے۔ بیلٹ پیپر پر دستخط شناختی کارڈ یا کمپنی کے ریکارڈز پر موجود دستخط جیسے ہونے چاہئے۔

جے) فیزیکل حصص یافتگان کے کوائف

کمپنیز ایکٹ 2017 کے سیکشن 119 اوکٹینیز (جنرل پروڈر نرائینڈ فارمز) ریگولیشنز 2018 کے ضابطہ 19 کے مطابق تمام فیزیکل حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ مستقبل میں کسی بھی قانون کی عدم تعمیل یا کسی بھی پریشانی سے بچنے کیلئے اپنی لازمی معلومات جیسا کہ شناختی کارڈ نمبر، پتہ، ای میل ایڈریس، رابطہ نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ کمپنی کے شیئر رجسٹرار کو ان کے پتے میسرز بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، چوتھی منزل، 49، دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی ای میل ([bmfconsultantspakistan@gmail.com](mailto:bmfconsultantspakistan@gmail.com)) پر فوری طور پر ارسال کریں۔

(ای) ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کی دفعات کی تعمیل میں اراکین سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کر سکتے ہیں بشرطیکہ 10 فیصد یا زائد حصص رکھنے اور شہر میں رہنے والے اراکین اجلاس کی تاریخ سے کم سے کم 7 روز قبل اپنی رضامندی فراہم کریں گے۔ مذکورہ بالا شرائط کی تعمیل کی صورت میں تمام ضروری معلومات اور جگہ کے بارے میں آگاہ کیا جائے گا، درخواست کا فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

ایف ڈوم ایپلی کیشن کے ذریعے اجلاس میں شرکت

اراکین درج ذیل ہدایات پر عمل درآمد کر کے زوم کے ذریعے سالانہ اجلاس عام میں آن لائن شرکت کر سکتے ہیں۔

(i) اراکین 26 نومبر، 2024 سے قبل کمپنی کی ویب سائٹ

<http://www.yousufdewan.com/dfml/index.html> پر دستیاب معیاری درخواست فارم کے مطابق اپنی درخواست ای میل [dfml.corp@yousufdewan.com](mailto:dfml.corp@yousufdewan.com) پر یا دیوان سینٹر، 3-A، لالہ زار سٹیج ہوٹل روڈ کراچی میں کمپنی سیکرٹری کے نام پر اپنی درخواست ارسال کر کے خود رجسٹر کر سکتے ہیں۔

(ii) کمپنی کی طرف سے معیاری درخواست فارم پر درج ای میل آئی ڈی یا موبائل اوٹس ایپ نمبر پر زوم کالنگ بھیجا جائے گا۔

(جی) سی ڈی سی اکاؤنٹ میں فیزیکل شیئرز کی منتقلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت تمام ہر لٹڈ کمپنی کیلئے ضروری ہے کہ وہ کمیشن کی طرف سے جاری کردہ نوٹیفیکیشن کی تاریخ اور کمپنیز ایکٹ 2017 کے آغاز یعنی 30 مئی 2017 سے چار سال کے اندر فیزیکل سرٹیفیکیشن کو ایک انٹری فارم میں منتقل کریں۔ فیزیکل حصص رکھنے والے حصص یافتگان اپنے فیزیکل سرٹیفیکیشن کو سکرپٹ لیس فارم میں منتقل کرنے کیلئے کسی بھی سی ڈی سی یا سی ڈی سی ذیلی اکاؤنٹ کے ساتھ سی ڈی سی انویسٹرا کاؤنٹ کھول سکتے ہیں۔

(جی) ای وونگ کا طریقہ کار

اے ای وونگ کی تفصیلات کمپنی کے ان اراکین کو ای میل کے ذریعے ارسال کی جائیں گی جن کے مستند شناختی کارڈ نمبرز، فون نمبرز اور ای میل ایڈریس کمپنی کے اراکین کے رجسٹرڈ میں دستیاب ہوں گے۔

(بی) اراکین کو ای میل کے ذریعے ویب ایڈریس، لاگ ان کی تفصیلات ارسال کی جائیں گی۔

سی ای وونگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت تصدیقی لاگ ان کے ذریعے کی جائے گی۔

ڈی ای وونگ لائنز کا آغاز 22 نومبر، 2024 سے صبح دس بجے شروع ہوگی اور 27 نومبر، 2024 کی شام پانچ بجے بند ہوں گی۔ اراکین اس مدت کے دوران اپنا ووٹ ڈال سکتے ہیں۔

## نوٹس سالانہ اجلاس عام

- بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق موٹرز لمیٹڈ کا 26 واں سالانہ اجلاس عام بروز جمعرات 28 نومبر، 2024 دوپہر 02:00 بجے دیوان سینٹ فیکٹری سائٹ، دیہہ ڈھنڈو، دھانی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔
1. منگل 27 اگست، 2024 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
  2. 30 جون، 2024ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
  3. 30 جون، 2025ء کو مکمل ہونے والے سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
  4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ  


محمد حنیف جرمن  
 (ڈائریکٹر اور کمپنی سیکرٹری)

کراچی

04 نومبر، 2024

### نوٹس:

الف) کمپنی کی حصص منتقلی کی کتب 22 نومبر، 2024 سے 28 نومبر، 2024 تک (شامل دونوں دن) بند رہیں گی۔ شیئرز رجسٹرار کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع انیم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی ہل، کراچی پاکستان میں موصول ہونیوالی منتقلیاں اجلاس میں شرکت اور رائے دی کیلئے بروقت بھیجی جائیں گی۔

بی) اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ مکمل پراکسی فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے شیئرز رجسٹرار آفس میں جمع کرانا ہوگا۔

سی ڈی سی حصص یافتگان کو اجلاس میں شرکت اور پراکسیوں کی تعیناتی کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 کو جاری کردہ سرکلر 1 میں دی گئیں مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا۔

سی) اراکین سے درخواست ہے کہ پچھلے کسی قسم کی تبدیلی سے فوری طور پر کمپنی کے شیئرز رجسٹرار کو مطلع کریں

ڈی) مالی گوشواروں کی الیکٹرانک ترسیل

ایس ای سی پی نے اپنے نوٹیفیکیشن نمبر SRO 787(1)/2014 بتاریخ 8 ستمبر، 2014 کے ذریعے کمپنیوں کو اجازت دی ہے کہ سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ مالی گوشوارے ڈاک کی بجائے ای میل کے ذریعے ان اراکین کو ارسال کیے جائیں۔ ای میل کے ذریعے مذکورہ بالا گوشوارے اور ای جی ایم کے نوٹس وصول کرنے کے خواہشمند اراکین سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/dfml/index.html> پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

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