

ANNUAL REPORT 2018



DEWAN FAROOQUE MOTORS LIMITED



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Company Information

Non-Executive Directors

Mr. Haroon Iqbal
Syed Muhammad Anwar
Mr. Mohammad Saleem Baig

Chairman Board of Directors

Executive Directors

Dewan Muhammad Yousuf Farooqui
Mr. Waseem-ul- Haque Ansari
Mr. Muhammad Naeemuddin Malik

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Dewan Muhammad Yousuf Farooqui

CFO & COMPANY SECRETARY

Mr. Muhammad Naeem Uddin Malik

AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Syed Muhammad Anwar	Member
Mr. Haroon Iqbal	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Dewan Muhammad Yousuf Farooqui	Member
Mr. Haroon Iqbal	Member

BANKERS

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

7th Floor, Block 'A',
Finance & Trade Centre,
Off Shahrah-e-Faisal,
Karachi.

CORPORATE OFFICE

7th & 8th Floor, Block 'A',
Finance & Trade Centre,
Off Shahrah-e-Faisal,
Karachi.

REGIONAL OFFICES

Lahore

Dewan Centre, PIA Tower,
Egerton Road,

Islamabad

Plot # 6, Street # 9,
Sector G-8/2

FACTORY

Jilaniabad, Budhu Talpur,
District Sajawal,
Sindh.

Mission Statement

To be the No. 1 automobile company in Pakistan

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



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Dewan Farooque Motors Limited ("DFML" or "the Company") will be held on Thursday, October 25, 2018, at 03:00 p.m. at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

Ordinary Business:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Monday, October 30, 2017;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2018, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors' of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

Special Business:

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

By order of the Board

Muhammad Naeemuddin Malik
Director & Company Secretary

Karachi: October 01, 2018

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

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 18, 2018 to October 25, 2018 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Annum Estate Building, Room No. 310 & 311, 3rd Floor, 49 Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the above-said address, not less than 48 hours before the meeting.

4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

a) For Attending Meeting:

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

b) For Appointing Proxies:

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

5. Notice to Shareholders who have not provided CNIC:

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

6. Mandate for E-DIVIDENDS for shareholders:

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

7. Electronic Transmission of Financial Statements Etc.:

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

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

This statement is annexed as an integral part of the Notice of the Twentieth Annual General Meeting of Dewan Farooque Motors Limited ("the Company" or "DFML") to be held on Thursday, October 25, 2018 at Dewan Cement Factory Site, at Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the meeting.

SPECIAL BUSINESS

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

SR #	DESCRIPTION	REFERENCE
		Dewan Automotive Engineering Limited
a)	Name of the Associated Company Criteria of associated relationship	Dewan Automotive Engineering Limited Common Directorship
b)	Amount of loans and advances	Rs. 154.879 million
c)	In Case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 154.879 million
d)	Earnings/(Loss) per share for the last three years.	2017 2016 2015 -1.79 - 3.03 -5.31
e)	Financial position, including main items of balance sheet and profit and loss	Earnings / (loss) per share -1.79 Shareholders' equity -1,182.545 Total Assets 326.621 Break-up value 55.26
f)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Interbank offered rate at the relevant period	The applicable KIBOR rate is 6.43%
g)	Rate of interest, mark-up, profit, fees or commission etc., to be charged	Rate of interest to be charged will be 1% above KIBOR rate which comes to 7.43%
h)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any:	Borrowing is unsecured.
i)	Repayment schedules and terms of loans or advances to be given to the investee company	Renewal for one year.
J)	Salient feature of all the agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	- The loan shall carry mark up @ 1% above lender's average short-term borrowing cost or the Karachi Inter Bank Offered Rate, whichever is applicable.

SR #	DESCRIPTION	REFERENCE																								
		Dewan Automotive Engineering Limited																								
		<ul style="list-style-type: none">- The tenor of loan may be extended by the lender, subject to the approval of shareholders.- The amount of loan may be swapped with assets/investments owned by the borrower.																								
k)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company associated undertaking or the transaction or under consideration.	<p>The following are interested directors to the extent of their respective shareholding in the investee company which are as follows:</p> <table><tr><td>a)</td><td>Mr. Haroon Iqbal</td><td>500</td></tr><tr><td></td><td>(0.0023%)</td><td></td></tr><tr><td>b)</td><td>Mr. Waseem-ul-Haque Ansari</td><td>500</td></tr><tr><td></td><td>(0.0023%)</td><td></td></tr><tr><td>c)</td><td>Mr. Muhammad Naeemuddin Malik</td><td>1,000</td></tr><tr><td></td><td>(0.0047%)</td><td></td></tr><tr><td>d)</td><td>Mr. Aziz-ul-Haque</td><td>1,000</td></tr><tr><td></td><td>(0.0047%)</td><td></td></tr></table>	a)	Mr. Haroon Iqbal	500		(0.0023%)		b)	Mr. Waseem-ul-Haque Ansari	500		(0.0023%)		c)	Mr. Muhammad Naeemuddin Malik	1,000		(0.0047%)		d)	Mr. Aziz-ul-Haque	1,000		(0.0047%)	
a)	Mr. Haroon Iqbal	500																								
	(0.0023%)																									
b)	Mr. Waseem-ul-Haque Ansari	500																								
	(0.0023%)																									
c)	Mr. Muhammad Naeemuddin Malik	1,000																								
	(0.0047%)																									
d)	Mr. Aziz-ul-Haque	1,000																								
	(0.0047%)																									
l)	Any other important details necessary for the members to understand the transaction.	None.																								

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

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

LOAN

Borrowing Company:

(Rupees in Million)

Dewan Automotive Engineering Limited

154.879

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

Chairman's Review

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

The Board of Directors comprises of individuals with diversified knowledge who endeavor 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, 2018, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance to the board and its committee meetings. The non- executive and independent directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



HAROON IQBAL

CHAIRMAN

September 28, 2018

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, 2018 and welcomes you to the 20th Annual General Meeting.

Financial Overview

The summary of financial performance for the year, along with the comparative figures of financial year 2018 is as follows:

	Year ended June 30, 2018	Year ended June 30, 2017
	----- (Rupees in thousand) -----	
Gross Sales	61,631	97,771
Gross (loss)	(138,881)	(151,455)
Operating (loss)	(187,124)	(200,179)
Net (loss) after tax	(69,432)	(13,212)

Year under review:

Overall automobile sector sales in the passenger car and LCV segment for FY17 has shown a growth of 17% as compared with the last year, the total units sold being 245,762. Rising income levels, low car financing rates, introduction of new variants and high demand of passenger cars in ride hailing services in urban cities of the country are the main reasons behind the growth. It is expected that because of improved purchasing power, increase in trade activities and CPEC projects, demand in passenger car and LCV segment will continue. However, the depreciation of Pak Rupee vs. US Dollar which will increase the input cost and the consequently increase in the selling price may have a negative impact on the volumes. The Auto Industry Development Policy 2016-2021 has provided adequate incentive to new entrants as well as closed units. This has resulted many new automakers joining hands with local partners for assembly of vehicles enabling improved quality and healthy competition.

In March, 2018 the Company commenced contract assembly of vehicles under an arrangement with Daehan-Dewan Motor Company (Pvt.) Limited. However, in the absence of re-structuring of Company's debt, fresh working capital lines were not extended by banks to Daehan-Dewan Motor Company (Pvt.) Limited. Therefore, the production volumes during the year under review remained low and temporarily suspended subsequently. Due to low volumes, the Company was unable to recover fixed and other cost which resulted in financial loss for the year. Due to aforesaid reasons the company is operating under tough conditions and making best endeavors to survive. To overcome the current financial situation, the Company is taking various countermeasures and has taken up the matter with the banks. The proposal for re-profiling of Company's debts is expected to be completed in the near future and the operations of the Company will be normalized. The details of overdue loans from the banks and other financial institutions/leasing companies have been disclosed in the notes to the accounts.

The Auditors have qualified the report due to significance of the matter as referred in Para (a) and (b) of the Auditors Report. The Management has explained the status of the matter in respective notes to the financial statements. The Management is fully confident that the company would be able to, finalize the financial restructuring with the lenders and will come out of current situation.

We humbly and gratefully bow our heads before Almighty Allah, the most Gracious and most Merciful, who has rewarded and blessed your Company with His Innumerable bounties in these difficult times.

IF YE GIVE THANKS, I WILL GIVE YOU MORE (AL-QURAN)

The Board Comprises of one independent director, four executive and two non-executive Directors. The following are the names of Directors:

- Dewan Muhammad Yousuf Farooqui
- Mr. Haroon Iqbal
- Mr. Waseem-ul-Haque Ansari
- Mr. Muhammad Naeem Uddin Malik
- Mr. Mohammad Saleem Baig
- Syed Muhammad Anwar
- Mr. Aziz-ul-Haque

During the year no, casual vacancy was occurred on the Board of Directors.

Principal Activities of the Company

Dewan Farooque Motors Limited is 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 consider the following as key risks:

- Significant competition in LCV 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 focus providing on the job training to fresh hired work force enabling them to develop adequate skills. While employing work force, the Company encourage 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.

The auditors in their review report on the statement of compliance have stated that the chairman and chief executive is the same person from executive directors. Subsequent to year end the non-compliance has been rectified and now the chairman is from non executive directors.

Corporate and financial reporting framework:

- The financial statements for the year ended June 30, 2018, 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 accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2018 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 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 24 of the annexed financial statements.
- There has been no material departure from the best practice 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 of the annexed audited financial statement;
- The fair value of the Provident Fund's Investment as at June 30, 2018 was Rs.57.055 (2017: Rs.59.271) 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 five meetings of the Board were held. The attendance of directors was as follows;

Name of Director	No. of meetings attended
Dewan Muhammad Yousuf Farooqui	4
Mr. Haroon Iqbal	4
Mr. Aziz-ul-Haque	4
Mr. Waseem-ul-Haq Ansari	4
Mr. Syed Muhammad Anwar	4
Mr. Muhammad Naeem Uddin Malik	4
Mr. Mohammad Saleem Baig	4

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 meeting is as under:

DEWAN FAROOQUE MOTORS LIMITED

Name of Director	No. of meetings attended
Mr. Aziz-ul-Haque	4
Mr. Haroon Iqbal	4
Mr. Syed Muhammad Anwar	4

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

Name of Director	No. of meetings attended
Mr. Haroon Iqbal	1
Dewan Muhammad Yousuf Farooqui	1
Mr. Aziz-ul-Haque	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 Re. (0.52).

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, 2018 is included in the Annual Report.

Trading in Company Shares

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

Vote of Thanks:

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

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

**YD**

A YOUSUF DEWAN COMPANY

Conclusion:

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of his beloved Prophet, Muhammad, peace be upon him, for continued showering of His blessing, 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

Haroon Iqbal
Director

Waseem-ul-Haque Ansari
Director

Karachi: September 28, 2018

Key Operating and Financial Data

PARTICULARS	2018	2017	2016	2015	2014	2013
 Rs. in '000'					
Gross Sales	61,631	97,771	23,827	65,154	1,195,574	3,533
Net Sales	52,656	84,517	19,801	54,161	986,779	3,044
Gross (loss) / profit	(138,881)	(151,455)	(130,742)	(132,746)	(54,987)	(165,072)
Operating (loss) / profit	(187,124)	(200,179)	(204,149)	(222,919)	(183,761)	(243,694)
(Loss) / profit before tax	(66,790)	(12,367)	(43,060)	(113,287)	(105,209)	(316,740)
(Loss) / profit after tax	(69,432)	(13,212)	(43,060)	(113,287)	(115,428)	(316,740)
Retained Earnings	(3,495,680)	(3,426,248)	(3,413,036)	(3,369,976)	(3,256,688)	(3,246,869)
Share Capital	1,387,353	1,387,353	1,087,353	1,087,353	1,087,353	1,087,353
Shareholders Equity	(2,108,327)	(2,038,895)	(2,025,683)	(2,282,623)	(2,169,335)	(2,159,516)
Fixed Assets	1,010,089	1,189,899	1,158,584	1,241,244	1,328,587	1,435,041
Total Assets	3,607,124	3,524,715	3,491,470	3,428,311	3,480,449	4,036,261
FINANCIAL ANALYSIS						
Profitability Ratios						
Gross (Loss) / Profit Margin	-263.75%	-179.20%	-660.28%	-245.10%	-5.57%	-5423.19%
Operating (loss) / profit Margin	-355.37%	-236.85%	-1031.00%	-411.59%	-18.62%	-8006.20%
(loss) / profit before tax	-126.84%	-14.63%	-217.46%	-209.17%	-10.66%	-10406.00%
(loss) / profit after tax	-131.86%	-15.63%	-217.46%	-209.17%	-11.70%	-10406.00%
Return on Investment						
(loss) / Earnings per share before tax (Rs/share)	(0.48)	(0.09)	(0.40)	(1.04)	(0.97)	(2.91)
(loss) / Earnings per share after tax (Rs/share)	(0.50)	(0.10)	(0.40)	(1.04)	(1.06)	(2.91)
Activity Ratios						
Sales to Total Assets-Times	0.02	0.03	0.01	0.02	0.34	0.00
Sales to Fixed Assets-Times	0.06	0.08	0.02	0.05	0.90	0.00
Liquidity Ratios						
Current ratio (excluding current maturity of LTL)	0.28	0.29	0.30	0.40	0.41	0.52
Current ratio (including current maturity of LTL)	0.23	0.23	0.23	0.32	0.32	0.42
Book value per share (Rs)	(15.80)	(15.28)	(18.63)	(20.99)	(19.95)	(19.86)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the Year Ended June 30, 2018

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: 7
 - b. Female: -
2. The composition of board is as at June 30, 2018 as follows:
 - a) Independent Director Aziz-ul-Haque
 - b) Other Non-executive Directors
 - Haroon Iqbal
 - Mohammad Saleem Baig
 - Syed Muhammad Anwar
 - c) Executive Directors
 - Dewan Muhammad Yousuf Farooqui
 - Waseem-ul-Haque Ansari
 - Muhammad Naeem Uddin Malik
3. Four Directors have confirmed that none of them is serving as director on more than five listed companies, including this company, whereas, three directors are serving as director in more than five 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. One director is exempted from the requirement of director's training program and three of the Directors are qualified under the directors training program. During the year the board did not arrange training program for its directors.
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

Aziz-ul-Haque - Chairman
Syed Muhammad Anwar - Member
Haroon Iqbal - Member
 - b) HR and Remuneration Committee

Haroon Iqbal - Chairman
Dewan Muhammad Yousuf Farooqui - Member
Aziz-ul-Haque - Member

Subsequent to June 30, 2018, the Chairman of the HR and Remuneration Committee has been changed and now independent director has been appointed as Chairman of the Committee.
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 quarterly meetings during the financial year ended June 30, 2018
 - b) HR and Remuneration Committee 1 annual meeting held during the financial year ended June 30, 2018
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.

**YD**

A YOUSUF DEWAN COMPANY

18. We confirm that all other requirements of the Regulations have been complied with.

Haroon Iqbal
Director

Waseem-ul-Haque Ansari
Director

Karachi: September 28, 2018

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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Dewan Farooque Motors Limited for the year ended June 30, 2018 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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

- a) Chairman of the company has been elected from executive directors, furthermore he also holds position of Chief Executive officer, Whereas code requires that chairman shall be elected from non-executive directors and chairman and Chief Executive Officer shall not be the same person.
- b) The board has includes one independent director, whereas in our opinion he does not meet the criteria of independence due to his cross director ship in other group companies.
- c) The chairman of Audit committee is not an independent director due to the reason reflect in para (b) above.
- d) The chairman of HR and Remuneration Committee shall be an independent director, whereas independent director has not been appointed as the chairman of the committee.

Based on our review, except for the above instances of non compliance, above, 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, 2018.

Furthermore, we highlight that three directors of the company are serving as directors in more than five listed Companies as reflected in the note 3 in the statement of compliance.



Chartered Accountants

Karachi

Dated: September 28, 2018

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

Adverse Opinion

We have audited the annexed financial statements of Dewan Farooque Motors Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion Paragraph, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- a) The financial statements of the company for the year ended June 30, 2018 as disclosed in note 1.1 to the financial Statements reflect loss after taxation of Rs. 69.432 (2017: Rs. 13.212) million and as of that date it has accumulated losses of Rs. 3.496 (2017: Rs.3.426) billion which resulted in net capital deficiency of Rs. 2.108 (2017: Rs.2.039) billion and its current liabilities exceeded its current assets by Rs. 4.408 (2017: Rs.4.282) billion and total assets by Rs. 2.087 (2017: Rs.2.018) 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 short term finance facilities have expired and not been renewed by banks. Following course, certain lenders have gone into litigation for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties as disclosed in note 18.4 to the financial Statements. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The company has not made provision of markup for the year amounting to Rs. 335.047 (2017: Rs. Rs. 320.954) million (refer note 25) on account of restructuring proposal offered to the lenders as described in note 1.1 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the year would have been higher by Rs. 335.047 (2017: Rs.320.954) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 5.060 (2017: Rs.4.724) billion.

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

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 including, in particulars, the chairman's review, directors report, financial and business highlights, 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 nothing to report in this regard.

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 Adverse 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>As stated in note 2 to the annexed financial statements, the fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed financial statements.</p> <p>The Companies Act, 2017 has also brought certain changes with regard to preparation and presentation of the annual financial statements of the Company.</p> <p>As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result certain changes were made in the Company's annexed financial statements which are included in notes 3.1.2, 5.1, 6.1, 7.1, 7.2, 8.2, 9.1, 10.1, 10.2, 10.3, 10.4, 14, 16.1, 25.2, 28, 29.1, 29.2, 29.3, 34, 35, 36 and 39 to the annexed financial statements.</p> <p>In view of the extensive impacts in the annexed financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered it as a key audit matter.</p>	<p>We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following:</p> <ul style="list-style-type: none"> Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements. Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence. Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.
2.	Contingencies	
	<p>The Company is subject to material litigations involving in various courts pertaining to Custom duty, Sales tax and Recovery of Loans by Financial Institutions, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations.</p>	<p>In response to this matter, our audit procedures included:</p> <p>Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.</p> <p>Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations.</p>

S. No.	Key Audit Matters	How the matter was addressed in our audit
	<p>Management have engaged independent legal counsel on these matters. The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgments required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 19 to the financial statements.</p>	<p>We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy</p>

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.

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, 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.
- 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 adverse opinion section, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- (b) because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and 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 Tariq.



Chartered Accountants

Karachi

Dated: September 28, 2018

Statement of Financial Position

As At June 30, 2018


	Note	June 30, 2018	June 30, 2017
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	1,010,088	1,075,925
Investment	4	1,310,330	1,188,527
CURRENT ASSETS			
Stores and spares	5	54,161	62,798
Stock-in-trade	6	48,553	63,574
Trade debts - considered good	7	95,183	83,663
Short term loans to associated undertakings - considered good	8	154,879	154,879
Advances, deposits, prepayments and other receivables- considered Good	9	783,002	783,790
Taxation - net	10	22,694	24,702
Cash and bank balances	11	128,234	123,680
		1,286,706	1,297,086
TOTAL ASSETS		3,607,124	3,561,538
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
150,000,000 (2017: 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		(3,495,680)	(3,426,248)
Accumulated loss		(2,108,327)	(2,038,895)
NON-CURRENT LIABILITIES			
Long term loans - secured	13	-	-
Long term security deposits	14	16,700	16,700
Deferred Liabilities	15	4,231	4,514
CURRENT LIABILITIES			
Loan from director	16	240,975	116,067
Trade and other payables	17	2,376,777	2,341,061
Unclaimed Dividend		1,814	1,814
Short term finances-secured	18	1,978,024	1,978,024
Current maturity of long term loans		1,096,930	1,142,253
		5,694,520	5,579,219
CONTINGENCIES AND COMMITMENTS	19		
TOTAL EQUITY AND LIABILITIES		3,607,124	3,561,538

The annexed notes from 1 to 39 form an integral part of these financial statements.

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem/Uddin Malik
 Chief Financial Officer

Statement Of Profit And Loss Account

For the year ended June 30, 2018


	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
GROSS SALES	20	61,631	97,771
Sales tax		8,975	13,234
Commission and discounts		-	20
	20	8,975	13,254
NET SALES		52,656	84,517
Cost of sales	20	191,537	235,972
GROSS (LOSS)		(138,881)	(151,455)
Distribution expenses	21	15,847	19,263
Administration and general expenses	22	32,396	29,461
OPERATING (LOSS)		(187,124)	(200,179)
OTHER INCOME	23	134,977	187,952
		(52,147)	(12,227)
Finance cost	24	220	140
Provision for obsolescence / slow moving stocks		14,423	-
		14,643	140
(LOSS) BEFORE TAXATION		(66,790)	(12,367)
TAXATION	25	2,642	845
(LOSS) AFTER TAXATION		(69,432)	(13,212)
Basic (loss) per share (Rupees)	26	(0.52)	(0.10)
Diluted (loss) per share (Rupees)	26	(0.52)	(0.10)

The annexed notes from 1 to 39 form an integral part of these financial statements.

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem Uddin Malik
 Chief Financial Officer

Statement of Comprehensive Income

For The Year Ended June 30, 2018


	June 30, 2018	June 30, 2017
	----- (Rs. in '000) -----	
(Loss) for the year	(69,432)	(13,212)
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) for the year	<u>(69,432)</u>	<u>(13,212)</u>

The annexed notes from 1 to 39 form an integral part of these financial statements.

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem Uddin Malik
 Chief Financial Officer

Statement Of Cash Flow

For the year ended June 30, 2018


	Note	June 30, 2018	June 30, 2017
------(Rs. in '000)-----			
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(66,790)	(12,367)
Add / (Less) :			
Depreciation		75,507	82,661
Gain due to Change in valuation of investment in associates		(121,803)	(176,282)
Financial charges		220	140
		(46,076)	(93,481)
		(112,866)	(105,848)
Decrease in stores & spares		8,637	1,116
Decrease / (Increase) in stock in trade		15,021	32,333
Decrease / (Increase) in trade debts		(11,520)	(23,981)
Decrease / (Increase) in advances, deposits, pre-payments & other receivables		788	(9,221)
Increase in trade, other payables and borrowings		35,716	14,286
Tax (paid)		(634)	(3,481)
Financial charges (paid)		(220)	(140)
Gratuity (paid)		(283)	-
		47,505	10,911
Net cash flow from operating activities		(65,361)	(94,937)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(9,670)	-
Markup received on short term loans to associated undertakings		-	11,837
Net cash flow from investing activities		(9,670)	11,837
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from Director		124,908	116,067
Long term loans (repaid)		(45,323)	(37,176)
Finance Lease repayments		-	(2,573)
Net cash flow from financing activities		79,585	76,318
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		4,554	(6,783)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(1,854,344)	(1,847,562)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	27	(1,849,790)	(1,854,345)

The annexed notes from 1 to 39 form an integral part of these financial statements.

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem/Uddin Malik
 Chief Financial Officer

Statement Of Changes In Equity

For The Year Ended June 30, 2018


	Share Capital	Share Capital	Reserves		
	Issued, subscribed and paid-up	Advance against issue of shares	Accumulated loss	Total Reserves	Total
	------(Rs. in '000)-----				
Balance as at July 01, 2016	1,087,353	300,000	(3,413,036)	(3,413,036)	(2,025,683)
Total Comprehensive (loss) for the year	-	-	(13,212)	(13,212)	(13,212)
Receipt	300,000	(300,000)	-	-	-
Balance as at June 30, 2017	1,387,353	-	(3,426,248)	(3,426,248)	(2,038,895)
Balance as at July 01, 2017	1,387,353	-	(3,426,248)	(3,426,248)	(2,038,895)
Total Comprehensive (loss) for the year	-	-	(69,432)	(69,432)	(69,432)
Balance as at June 30, 2018	1,387,353	-	(3,495,680)	(3,495,680)	(2,108,327)

The annexed notes from 1 to 39 form an integral part of these financial statements.

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem/Uddin Malik
 Chief Financial Officer

Notes to the Financial Statements

For The Year Ended June 30, 2018

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Motors Limited was incorporated in Pakistan on December 28, 1998 as a public limited company. The shares of the company are quoted on all the Pakistan stock exchanges in Pakistan. 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. The main facility came into commercial operation from January 01, 2001.

On 01 August 2016, the company entered into an agreement with Daehan-Dewan Motor Company (Pvt.) Limited (a related party) for assembly of vehicles on contract basis.

The geographical Location and address of the company's business units, including mill/plant are as under:

The registered office of the Company is situated at 7th floor, Block 'A', Finance and Trade Centre, Off - Shahrah-e-Faisal, Karachi, while its manufacturing facilities is situated at Jilianabad, Budhu Talpur, District Sajawal, Sindh.

1.1 GOING CONCERN ASSUMPTION

The company has incurred a loss after taxation of Rs. 69.432 million during the year ended June 30, 2018. As of that date it has accumulated losses of Rs.3.496 billion and its current liabilities exceeded its current asset by Rs. 4.408 billion. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.5.060 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. The Company has suspended its production from November 2010 till August 2013 and again closed the production since March 2014. 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 the lenders have gone into litigations for repayment of liabilities through attachment and sale of Company's hypothecated /mortgaged properties. as disclosed in note 19.4 to the financial statements. The restructuring proposal submitted by the company to lenders is in the process of negotiation and is expected to be approved in near future. These conditions indicates the existence of material uncertainty, which may cast significant doubt about company ability to continue as going concern.

These financial statements have been prepared on going concern assumption because the above conditions are temporary and would reverse. The management is confident that the outcome will be positive as the company is negotiating reprofiling of the debt with all the lenders and is expected to be finalized in due course. Accordingly, the company has approached its lenders for the restructuring of its entire debt in the following manner:

- a) All the debt obligations of the company be converted into interest bearing long term loan in proportion to their respective current exposures;
- b) Principal to be repaid in 10 years inclusive of 1 year grace period.
- c) Mark-up payable as on December 31, 2008 to be frozen and paid quarterly over a period of three years commencing after 3 months from the restructuring date.

Notes to the Financial Statements

For The Year Ended June 30, 2018

The management believes that the restructuring proposal presented is workable and would enable the company to service its debts. Therefore, the management is confident that the proposal will be accepted by its lenders. Accordingly, these financial statements have been prepared on a going concern basis.

2 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. 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.

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, include changes in nomenclature of the primary statements. Further, the disclosure requirements under the Act have been revised, resulting in elimination of duplicate disclosures with IFRS disclosure requirements and incorporation of additional/ amended disclosures as mentioned in notes 3.1.2, 5.1, 6.1, 7.1, 7.2, 8.2, 9.1, 10.1, 10.2, 10.3, 10.4, 14, 16.1, 25.2, 28, 29.1, 29.2, 29.3, 34, 35, 36, 39.

2.1 Basis of preparation

These accounts have been prepared under the historical cost convention, except certain items as disclosed in relevant accounting Policies below.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except application of new amendments and interpretations in the International Accounting Standards as described below.

2.3 Changes in accounting standards and interpretations

New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2018.

Following standards and amendments are either not relevant to the Company's operations and are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.
- Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.

Notes to the Financial Statements

For The Year Ended June 30, 2018

New accounting standards and amendments that are not yet effective

The following standards and amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. The applicable changes may have impact on the Company's annual financial statements. The management is in the process of determining the impact of such changes.

Standard or Interpretation	Effective from accounting period beginning on or after:
Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.	January 1, 2018
IFRS 9 'Financial Instruments' - This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date.	July 1, 2018
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 1, 2018
IFRS 15 'Revenue' - This standard will supersede IAS 18, IAS 11, IFRIC 13, 15 and 18 and SIC 31 upon its effective date	July 1, 2018
Amendments to IFRS 10 'Consolidated Financial Statements' Effective from accounting period beginning and IAS 28 'Investments in Associates and Joint Ventures' - Sale on or are a date to be determined. or contribution of assets between an investor and its associate Earlier application is permitted or joint venture.	Effective from accounting period beginning on or after a date to be determined earlier application is permitted.
Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures.	January 1, 2019
Amendments to IAS 40 'Investment Property': Clarification . Earlier on transfers of property to or from investment property.	January 1, 2018 earlier application is permitted
IFRS 16 'Leases': This standard will supersede IAS 17 'Leases' upon its effective date.	January 1, 2019
IFRS 4 'Insurance Contracts': Amendments regarding An entity choosing to apply the overlay the interaction of IFRS 4 and IFRS 9.	An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual period beginning on or after January 1, 2018

Notes to the Financial Statements

For The Year Ended June 30, 2018

Standard or Interpretation

Effective from accounting period beginning on or after:

Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.

January 1, 2019

IFRIC 22 'Foreign Currency Transactions and Advance Consideration': Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency.

January 1, 2018 earlier application is permitted

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies January 01, 2019 the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 1, 2019

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards
- IFRS 14 'Regulatory Deferral Accounts
- IFRS 17 'Insurance Contracts'

New disclosure requirement due to adoption of Companies Act, 2017

Due to adoption of the Companies Act, 2017 certain new and enhanced disclosures have become applicable, which are in addition to those required by the International Accounting Standards. The relevant notes have been updated accordingly.

2.4 Significant Accounting estimates adjustments and Assumptions

The preparation of financial statements in conformity with approved accounting standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment 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 judgments were exercised by management in the application of accounting policies in the financial statements are as follows:

Notes to the Financial Statements

For The Year Ended June 30, 2018

- i. Useful lives of Property, Plant and equipment (notes 2.5 and 3.1)
- ii. Provision for doubtful trade debts (note 2.9)
- iii. Income taxes (note 2.13)
- iv. Classification and valuation of investments (note 2.6)
- v. Provision for Slow moving stores and spares (note 2.7)
- vi. Provision for Slow moving stock in trade (note 2.8)

2.5 Tangible fixed assets

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.

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.

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.

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.

Leased

Assets held under finance leases are stated at cost less accumulated depreciation. The outstanding obligations under finance leases less financial charges allocated to future periods are shown as a liability. Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the finance balance outstanding. The finance charge is charged to profit and loss account and is included under finance cost.

Notes to the Financial Statements

For The Year Ended June 30, 2018

Depreciation is charged at the same rates as charged on company's owned assets.

Impairment of non-financial assets other than inventories

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

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

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

2.6 Investment

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

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

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

2.6.2 Investment in Associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the Company's profit and loss account. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive

Notes to the Financial Statements

For The Year Ended June 30, 2018

income that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses. If the associate subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

2.7 Stores and spares

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

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

2.8 Stock-in-trade

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

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

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

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

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

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

2.9 Trade debts and other receivables

Trade debts and other receivables are recognized and carried at original invoice amount. Those considered irrecoverable are written off and provision is made against those considered doubtful. Provision for impairment is based on the management's assessment of customers' outstandings and creditworthiness. Bad debts are written-off as and when identified.

Notes to the Financial Statements

For The Year Ended June 30, 2018

2.10 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

2.11 Staff retirement benefits

Effective from January 1, 2004, the company has, in place of gratuity scheme, established a recognized provident fund scheme (defined Contribution Plan) for its permanent employees. Equal contributions are being made in respect thereof by company and employees in accordance with the terms of scheme.

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.

Notes to the Financial Statements

For The Year Ended June 30, 2018

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.

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.

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

2.18.1 Financial assets

2.18.1.1 Classification

The management determines the appropriate classification of its financial assets in accordance with the requirements of International Accounting Standard 39 (IAS 39) "Financial Instruments: Recognition and Measurement" at the time of purchase of financial assets and re-evaluates this classification on a regular basis. The financial assets of the company are categorized as follows:

a) At fair value through profit or loss

Financial assets that are acquired principally for the purpose of generating profit from short term fluctuations in prices are classified as "financial assets at fair value through profit or loss" category.

b) Loans and receivables

These are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. The company's loans and receivables comprise of trade debts, loan and advances, deposits, cash and bank balances and other receivables in the statement of financial position.

Notes to the Financial Statements

For The Year Ended June 30, 2018

c) Held to maturity

These are financial assets with fixed or determinable payments and fixed maturity with the company having positive intent and ability to hold to maturity.

d) Available for sale

Financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in equity prices, are classified as 'available for sale'. Available for sale financial instruments are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables (b) held to maturity (c) financial assets at fair value through profit or loss.

2.18.1.2 Initial recognition and measurement

All financial assets are recognized at the time the company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs associated with these financial assets are taken directly to the profit and loss account.

2.18.1.3 Subsequent measurement

Subsequent to initial recognition, financial assets are valued as follows:

a) 'Financial asset at fair value through profit or loss' & 'available for sale'

Financial assets at fair value through profit or loss' are marked to market using the closing market rates and are carried on the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account in the period in which these arise.

b) 'Loans and receivables' & 'held to maturity'

Loans and receivables and held to maturity financial assets are carried at amortized cost.

2.18.1.4 Impairment

The company assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. Impairment loss on all financial assets is recognized in the profit and loss account. In arriving at the provision in respect of any diminution in long-term financial assets, consideration is given only if there is a permanent impairment in the value of the financial assets.

Notes to the Financial Statements

For The Year Ended June 30, 2018

2.18.1.5 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements, when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the assets and settle the liabilities simultaneously.

2.18.2 Financial liabilities

All financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument.

2.18.3 Derecognition

Financial assets are derecognised at the time when the company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognised at the time when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of financial assets and financial liabilities is taken to the profit and loss account.

2.19 Impairment

The carrying amounts of the Company's assets except for inventories and deferred tax assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in profit and loss account.

2.20 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.

Contract Assembly Revenue is recognised on the basis of invoice made to customers. The revenue is recognised in sales.

2.21 Cash and cash equivalents

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

Notes to the Financial Statements

For The Year Ended June 30, 2018

2.22 Related Party transactions and transfer pricing

The Company enters into transactions with related parties on an arm's length basis.

2.23 Provisions

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

2.24 Off setting of financial assets and financial liabilities

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

2.25 Dividends distribution and transfer between reserves

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

2.26 Functional and presentation currency

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

2.27 Segment Reporting

The Company uses management approach for segment reporting, under which segment information is required to be presented on the same basis as that used for internal reporting purposes. Operating segments have been determined and presented in a manner consistent with the internal reporting provided to the chief operating decision-maker. The company has determined operating segments on the basis of business activities i.e. manufacturing and trading activities. Segment assets have not been disclosed in these financial statements as these are not reported to the chief operating decision-maker on a regular basis.

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
3 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	<u><u>1,010,088</u></u> <u><u>1,010,088</u></u>	<u><u>1,075,925</u></u> <u><u>1,075,925</u></u>

Notes to the Financial Statements

For The Year Ended June 30, 2018

3.1 The statement of the operating fixed assets is as follows:

	Tangible - owned							Tangible - leased			
	Free hold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office Equipment	Sub total	Plant and machinery	Vehicles	Sub total	Total
------(Rupees in '000)-----											
As at July 01 ,2017											
Cost	78,033	1,136,347	1,597,244	165,150	314,080	87,181	3,378,036	-	-	-	3,378,036
Accumulated depreciation	-	576,167	1,259,014	121,147	281,494	64,288	2,302,111	-	-	-	2,302,111
Net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,925	-	-	-	1,075,925
Year ended Jun 30, 2018											
Opening net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,925	-	-	-	1,075,925
Additions	-	-	-	-	8,568	1,102	9,670	-	-	-	9,670
Disposals											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Transfer											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	0	-	-	-	0	-	-	-	0
	-	-	(0)	-	-	-	(0)	-	-	-	(0)
Depreciation for the year	-	27,994	33,853	4,400	6,946	2,314	75,507	-	-	-	75,507
Closing net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,088	-	-	-	1,010,088
As at Jun 30, 2018											
Cost	78,033	1,136,347	1,597,244	165,150	322,648	88,283	3,387,706	-	-	-	3,387,706
Accumulated depreciation	-	604,161	1,292,867	125,547	288,440	66,602	2,377,617	-	-	-	2,377,617
Net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,089	-	-	-	1,010,089
Depreciation rate % per annum		5%	10%	10%	20%	10%					
As at July 01 ,2016											
Cost	78,033	1,136,347	1,517,244	165,150	314,080	87,181	3,298,035	80,000	-	80,000	3,378,035
Accumulated depreciation	-	546,700	1,166,969	116,258	273,348	61,745	2,165,020	54,431	-	54,431	2,219,451
Net book value	78,033	589,647	350,275	48,892	40,732	25,436	1,133,015	25,569	-	25,569	1,158,584
Year ended June 30, 2017											
Opening net book value	78,033	589,647	350,275	48,892	40,732	25,436	1,133,015	25,569	-	25,569	1,158,584
Additions	-	-	-	-	-	-	-	-	-	-	-
Disposals											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Transfer											
Cost	-	-	80,000	-	-	-	80,000	(80,000)	-	(80,000)	-
Accumulated depreciation	-	-	56,987	-	-	-	56,987	(56,987)	-	(56,987)	-
	-	-	23,013	-	-	-	23,013	(23,013)	-	(23,013)	-
Depreciation for the year	-	29,467	35,058	4,889	8,146	2,543	80,104	2,556	-	2,556	82,661
Closing net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,924	-	-	-	1,075,925
As at June 30, 2017											
Cost	78,033	1,136,347	1,597,244	165,150	314,080	87,181	3,378,036	-	-	-	3,378,036
Accumulated depreciation	-	576,167	1,259,014	121,147	281,494	64,288	2,302,111	(113,974)	-	(113,974)	2,188,137
Net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,925	113,974	-	113,974	1,189,899
Depreciation rate % per annum		5%	10%	10%	20%	10%					

3.1.1 The above assets are mortgaged with the Financial Institutions /Banks as disclosed in note no 19.4 and the note 1.1 to the financial Statements.

Notes to the Financial Statements

For The Year Ended June 30, 2018

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 (2017: Rs. 69.721 Million) and leasedhold land is Rs. 8.311 Million (2017: Rs. 8.311 Million)

3.2 Depreciation charge for the period has been allocated as follows:

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
Cost of goods manufactured	20.1	65,692	71,915
Distribution expenses	21	3,775	4,133
Administration and general expenses	22	6,041	6,613
		75,508	82,661

4. INVESTMENT

Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related party			
65,375,455 ordinary shares of Rs. 10 each (2017: 65,375,455 ordinary shares of Rs. 10 each)	4.1	804,131	804,131
		804,131	804,131
Share of Profit		506,199	384,396
		1,310,330	1,188,527
Fair value as per Market price Quoted in Pakistan Stock Exchange		1,176,758	1,319,276
Market value (Rupees per share)		18.00	20.18
Percentage of equity held		13.50%	13.50%

4.1 The summarized financial information of the associates over which the company exercises significant influence based on audited financial statements for the year ended June 30, 2018 are as follows:

	Note	June 30, 2018	June 30, 2017 (Restated)
		----- (Rs. in '000) -----	
Total Assets		30,247,170	30,267,464
Total Liabilities		12,981,362	13,887,100
Revenues		13,473,483	12,856,279
Profit after tax		902,242	1,305,559
Accumulated Profit up to June 30		5,493,314	4,371,622

Notes to the Financial Statements

For The Year Ended June 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
5. STORES AND SPARES			
Stores		17,367	18,944
Spares		41,858	48,918
		59,225	67,862
Less : Provision for obsolescence / slow moving stocks		(5,064)	(5,064)
		54,161	62,798
5.1 Movement in provision for obsolescence and slow moving items			
Opening balance			
Provision during the year		5,064	5,064
Closing balance		-	-
		5,064	5,064
6. STOCK-IN-TRADE			
Manufacturing stock			
Raw materials and components		144,225	144,225
Finished goods		2,980	2,980
		147,205	147,205
Trading stock			
Trading stock (including in transit of Rs. Nil) 2017 Rs. Nil		27,730	28,328
Less : Provision for obsolescence / slow moving stocks		(126,382)	(111,959)
		48,553	63,574
6.1 Movement in provision for obsolescence and slow moving items			
Opening balance		111,959	111,959
Provision during the year		14,423	-
Closing balance		126,382	111,959
7. TRADE DEBTS - Considered good		95,183	83,663
7.1 It includes a sum of Rs. 74.830 Million (2017: Rs.63.311 Million) receivable from Daehan-Dewan Motor Company (Pvt.) Limited a related party. The maximum aggregate amount of trade receivable from related party at the end of any month during the year was Rs.74.829 Million (2017: Rs.69.665 Million).			

Notes to the Financial Statements

For The Year Ended June 30, 2018

7.2 The age analysis of other receivables from related party is as follows.

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
Not yet due		30,921	3,440
Past due			
- up to 3 months		9,613	8,243
- 3 to 6 months		-	51,628
- 6 to 12 months		11,102	-
- More than one year		23,194	-
		74,830	63,311
8 SHORT TERM LOAN TO AN ASSOCIATED UNDERTAKING - Considered good			
Dewan Automotive Engineering Limited	8.1	154,879	154,879
		154,879	154,879

8.1 The company has charged markup on loans to associated undertakings carrying markup @1% above the borrowing of the company. At the end of the period these loans carries markup at the rate of 7.43% (2017: 7.14%) per annum.

8.2 The maximum aggregate amount of loan at the end of any month during the year was Rs. 154.879 Million (2017: Rs. 154.879 Million).

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - Considered good			
Suppliers and contractors		482	-
Considered good		181,467	181,467
Considered doubtful		181,949	181,467
Less: Provision for doubtful advances		(181,467)	(181,467)
		482	-
Employee		3,459	4,663
Sales tax		-	11,405
		3,941	16,068
Deposits			
Margin against letters of guarantees		2,050	2,050
Others		16,620	16,821
		18,670	18,871
Other receivables			
Markup on loan to associated undertaking (note 8 & 9.1)		760,390	748,850
Others		1	1
		760,391	748,851
		783,002	783,790

Notes to the Financial Statements

For The Year Ended June 30, 2018

9.1 The maximum aggregate amount receivable at the end of any month during the year was Rs. 760.390 Million (2017: Rs. 748.850 Million).

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

	June 30, 2018	June 30, 2017
	----- (Rs. in '000) -----	
Not yet due	3,058	2,757
Past due		
- up to 3 months	2,896	2,749
- 3 to 6 months	2,795	2,779
- 6 to 12 months	2,791	2,748
- More than one year	748,850	737,816
	760,390	748,850

10. TAXATION

10.1 Income tax assessments of the company have been finalized upto and including the tax year 2017 relating to income year ended June 30, 2017 and certain appeals for the Tax year 2008, 2009 and 2010 are pending before the income tax appellate authorities. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit. The company is in loss, therefore provision has been made in the accounts for minimum tax as per provisions of the Income Tax Ordinance, 2001.

10.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements as the company is not in operational activities as described in note 1 of these financial statements.

10.3 Management had a practice of recording tax expense based on the generally accepted interpretation of tax laws and accordingly sufficient provision in respect of taxation for last three years has been provided in these financial statements.

10.4 Subsequent to the amendment of section 5(A) of the Income tax Ordinance, 2001, tax at the applicable rate shall be imposed on every public company which derives profit for the year. However, this tax shall not apply in case of a company which distributes at least specified percentage of after tax profits within six months of the end of the tax year in the form of cash dividend. Liability in respect of such tax, if any, is recognized when the prescribed time period for distribution of dividend expires.

June 30, 2018	June 30, 2017
----- (Rs. in '000) -----	

11. CASH AND BANK BALANCES

Cash in hand		584	633
Cash at banks in current accounts	11.1	127,650	123,047
		128,234	123,680

Notes to the Financial Statements

For The Year Ended June 30, 2018

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

12. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

2018 (No of Shares in '000)	2017	Note	June 30, 2018 ----- (Rs. in '000) -----	June 30, 2017
135,065	105,065	Ordinary shares of Rs.10/- each fully paid in cash	1,350,651	1,050,651
3,670	3,670	Ordinary shares of Rs.10/- each, issued as fully paid bonus shares	36,702	36,702
138,735	108,735		1,387,353	1,087,353

12.1 13,650,000 (2016: 13,650,000) shares are held by Related party

Note	June 30, 2018 ----- (Rs. in '000) -----	June 30, 2017
------	---	------------------

13. LONG TERM LOANS - secured

From banking companies and other financial institutions

Allied Bank Limited - I	13.1	71,429	71,429
Saudi Pak Agricultural and Investment Company - I	13.2	90,000	90,000
National Bank of Pakistan	13.3	62,500	62,500
MCB Bank Limited (formerly NIB Bank)	13.4	110,000	110,000
Pak Oman Investment Company Limited		-	45,324
Saudi Pak Agricultural and Investment Company - II	13.5	63,000	63,000
Summit Limited	13.6	700,000	700,000
		1,096,929	1,142,253
Less: Current portion shown under current liabilities	13.7	1,096,930 (1,096,930)	1,142,253 1,142,253
		-	-

13.1 The loan carries mark up at the base rate plus 2.5% per annum. Base rate has been defined as average rate of ASK SIDE of the six months KIBOR. Base rate will be set at the last business day before the installment date for the immediately preceding installment. Presently markup on the finance works out to 14.51% (2017 : 14.51 %) per annum.

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



Notes to the Financial Statements

For The Year Ended June 30, 2018

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

- 13.2** The loan carries mark up at the base rate plus 3.00% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 15.01% (2017: 15.01%) per annum.

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

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

- 13.3** The finance carries mark up at the base rate plus 2.50% per annum. Base rate has been defined as average rate of ASK SIDE of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 14.51% (2017: 14.51%) per annum.

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

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

- 13.4** The finance carries mark up at the base rate plus 4.00 % per annum. Base rate has been defined as ASK rate of six months KIBOR prevailing on the last business day at the beginning of each quarterly period. Presently markup on the finance works out to 16.01% (2017: 16.01 %) per annum.

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

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

- 13.5** The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set first time on date of disbursement and subsequently on January 1st and July 1st. Presently markup on the finance works out to 15.01 % (2017: 15.01%) per annum.

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

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

- 13.6** The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be reset on bi-annual basis i.e. on January 1st and July 1st every year. Presently markup on the finance works out to 15.01 % (2017: 15.01%) per annum.

Notes to the Financial Statements

For The Year Ended June 30, 2018

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

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

13.7 This includes overdue installments amounting to Rs. 1,096,930 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. 19.4 to the financial Statements.

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

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

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
15. DEFERRED LIABILITIES			
Deferred taxation	15.1	-	-
Staff gratuity	15.2	4,231	4,514
		4,231	4,514
15.1 Deferred Taxation			
Credit balance arising due to:			
Accelerated tax depreciation allowances		170,632	195,686
Share of profit in associated company		151,860	119,163
		322,492	314,849
Less: Debit balance arising due to:			
Gratuity		(1,269)	(1,399)
Provision for obsolete/slow moving Stores and Spares		(1,519)	(1,570)
Provision for obsolete/slow moving Stock-in-Trade		(37,915)	(34,707)
Carry forward tax losses and others		(402,602)	(577,298)
		(443,305)	(614,974)
Deferred tax assets		(120,813)	(300,125)
Deferred tax asset not recognized		120,813	300,125
		-	-
15.2 Staff gratuity			
Balance at the beginning of the period		4,514	4,514
Less: Payments made during the period		283	-
		4,231	4,514

Notes to the Financial Statements

For The Year Ended June 30, 2018

Note **June 30,** **June 30,**
 2018 **2017**
 -----(Rs. in '000)-----

16. LOAN FROM DIRECTOR

Balance at the beginning of the period
Add: Loan received during the year

116,067	-
124,908	116,067
240,975	116,067

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

17. TRADE AND OTHER PAYABLES

Creditors
Trade creditors

17.1 **2,166,153** 2,164,949

Accrued liabilities
Accrued expenses

208,679 176,106

Payable to provident fund

17.2 - -

Other Payables

Sales tax payable

1,945 6
2,376,777 2,341,061

17.1 It includes Bank Liability against Letter of Credits Rs. 2.117 (2017: Rs. 2.117) Million.

Note **June 30,** **June 30,**
 2018 **2017**
 -----(Rs. in '000)-----
 (Unaudited) (Audited)

17.2 General Disclosures

Size of fund

57,199 59,334

Cost of investments

57,165 59,294

Fair value of investments

17.1.1 **57,055** 59,271

Percentage of investments

100% 100%

Notes to the Financial Statements

For The Year Ended June 30, 2018

17.1.1 The breakup of fair value of investments is:

	June 30, 2018		June 30, 2017	
	— (Unaudited) —		— (Audited) —	
	(Rs. in '000)	(%)	(Rs. in '000)	(%)
Term Deposit Certificates	40,000	70	40,000	67
Money Market Fund	872	2	937	2
Bank balance	16,183	28	18,334	31
Total	57,055	100	59,271	100

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

June 30, 2018 **June 30, 2017**
----- (Rs. in '000) -----

18. SHORT TERM FINANCES - SECURED

Under mark-up / profit arrangements

1,978,024 1,978,024

The facilities for short term finances under markup / profit arrangements available from various banks amounted to Rs. 2,255 (2017: Rs.2,255) million.

The rate of markup / profit ranges from 8.74% to 20% (2017: 8.74% to 20.00%) per annum.

The facilities are secured by way of pari passu charge against hypothecation of the company's stock in trade and book debts and are generally for a period of one year, renewable at the end of the period.

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

19. CONTINGENCIES AND COMMITMENTS

Contingencies

19.1 The company, in the past, received 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 which is pending for hearing. It is expected that the decision will be in favour of the Company. The company also expect a similar decision against the cases for the balance amount of Rs.87.1 million, as the facts of the cases and questions of law involved are identical.

Notes to the Financial Statements

For The Year Ended June 30, 2018

19.2 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 as per 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.

19.3 Letter of guarantees issued by the banks amounting to Rs. 250.336 (2017: Rs.250.336) million.

19.4 In respect of liabilities towards banks / financial institutions disclosed in note 13,17 and 18 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 suits amount 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 State Bank of Pakistan rules 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

19.5 Capital expenditure commitments outstanding amounts to Rs. Nil (2017: Nil).

19.6 Commitments in respect of letters of credit other than for capital expenditure amounts to Rs. Nil (2017: Nil).

20. OPERATING RESULTS

Note	Manufacturing		Trading		Total	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
(Rs. in '000)						
Sales	60,242	959	1,389	96,812	61,631	97,771
Sales tax	8,753	139	222	13,095	8,975	13,234
Commission and discounts	-	20	-	-	-	20
	8,753	159	222	13,095	8,975	13,254
Net sales	51,489	800	1,167	83,717	52,656	84,517
Cost of sales						
Opening stock	2,980	3,742	28,328	57,359	31,308	61,101
Cost of goods manufactured	190,281	157,745	-	-	190,281	157,745
Purchases	-	-	658	48,434	658	48,434
Closing stock	(2,980)	(2,980)	(27,730)	(28,328)	(30,710)	(31,308)
	190,281	158,507	1,256	77,465	191,537	235,972
Gross (loss) / profit	(138,792)	(157,707)	(89)	6,252	(138,881)	(151,455)
Distribution expenses	15,496	182	351	19,081	15,847	19,263
Administration and general expenses	31,678	279	718	29,182	32,396	29,461
	47,174	461	1,069	48,263	48,243	48,724
Operating (Loss)	(185,966)	(158,168)	(1,158)	(42,011)	(187,124)	(200,179)

Notes to the Financial Statements

For The Year Ended June 30, 2018

	Note	June 30, 2018 ------(Rs. in '000)-----	June 30, 2017
20.1 Cost of goods manufactured			
Raw material and vendor parts consumed			
Opening stock		144,225	144,225
Purchases		-	-
Closing stock		(144,225)	(144,225)
		-	-
Stores and spares consumed		201	1,116
Salaries, wages and other benefits	20.2	91,973	73,062
Insurance		1,645	631
Depreciation	3.2	65,692	71,915
Communication		845	356
Printing, stationery and office supplies		125	43
Rent, rates & Taxes		100	100
Utilities		10,029	7,253
Traveling & entertainment		2,294	1,168
Vehicle running		4,387	952
Fee & subscription		341	10
Repairs and maintenance		12,649	1,139
Add: Opening stock of work-in-process		-	-
Less: Closing stock of work-in-process		-	-
		190,281	157,745
		190,281	157,745

20.2 Included herein is a sum of Rs. 0.681 (2017: Rs. 0.350) million relating to recognized Provident fund scheme.

21. DISTRIBUTION EXPENSES

Salaries, allowances and other benefits	21.1	11,208	12,406
Depreciation	3.2	3,775	4,133
Insurance		39	-
Traveling & entertainment		81	931
Vehicle running		277	33
Communication		204	98
Printing, stationery and office supplies		13	15
Legal and professional		250	709
Advertising & sales promotion		-	938
		15,847	19,263

21.1 Included herein is a sum of Rs.0.247 (2017: Rs. 0.412) million relating to recognized Provident fund scheme.

21.2 The distribution expenses have been allocated between manufacturing and trading activities (note 20) on the basis of net sales.

Notes to the Financial Statements

For The Year Ended June 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
22. ADMINISTRATION AND GENERAL EXPENSES			
Salaries, allowances and other benefits	22.1	18,591	17,165
Rent, rates and taxes		3,269	100
Depreciation	3.2	6,041	6,613
Insurance		298	16
Traveling & entertainment		95	485
Vehicle running		848	655
Communication		156	153
Printing, stationery and office supplies		641	436
Legal and professional		800	2,029
Advertising & publicity		86	82
Fee and subscription		1,024	1,132
Repairs and maintenance		-	31
Auditors' remuneration	22.2	540	540
Security		7	24
		32,396	29,461

22.1 Included herein is a sum of Rs.0.355 (2017: Rs. 0.392) million relating to recognized Provident fund scheme.

22.2 Auditors' remuneration

Audit fee	330	330
Interim review and other certifications	110	110
Out of pocket expenses	100	100
	540	540

22.3 The administration and general expenses have been allocated between manufacturing and trading activities (note 20) on the basis of net sales.

		June 30, 2018	June 30, 2017
		----- (Rs. in '000) -----	
23. OTHER INCOME			
Profit on Short Term Loan to Associated undertaking	8.2	11,541	11,034
Others		1,633	636
Share of profit of equity investment in associate	2.6.2	121,803	176,282
		134,977	187,952

Notes to the Financial Statements

For The Year Ended June 30, 2018

24 FINANCE COST

During the year ended June 30, 2018 the company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 335.047 million, accumulated Rs. 5.060 billion. The management is hope full 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 and consequently the Share holders equity would have been lower and accrued markup would have been higher by the same amount. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

June 30, 2018 June 30, 2017

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

25 TAXATION

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

Current - for the year
 - for prior year

658	845
1,984	-
2,642	845

25.2 A comparison of provision on account of income taxes with most recent tax assessment for last three years is as follows.

	Provision for taxation	Tax assessed	Excess/ Short fall
2017	2,829	2,829	-
2016	-	-	-
2015	-	-	-

25.3 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.

June 30, 2018 June 30, 2017

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

26. (LOSS) PER SHARE

26.1 Basic (loss) per share

Net (loss) for the period	Rs. In thousand	(69,432)	(13,212)
Weighted average number of ordinary shares	number in thousand	133,421	133,421
Basic (loss) per share	Rupee	(0.52)	0.10

Notes to the Financial Statements

For The Year Ended June 30, 2018

**June 30,
2018** **June 30,
2017**
-----**(Rs. in '000)**-----

26.2 Diluted (loss) per share

Net (loss) for the period	Rs. In thousand	(69,432)	(13,212)
Weighted average number of ordinary shares	number in thousand	133,421	133,421
Diluted (loss) per share	Rupee	(0.52)	0.10

27. CASH AND CASH EQUIVALENTS

Cash and bank balances	128,234	123,680
Short term finances	(1,978,024)	(1,978,024)
	(1,849,790)	(1,854,345)

28. 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:

	June 30, 2018			June 30, 2017		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executive
	----- Rs. in '000' -----					
Managerial remuneration	-	10,397	5,860	-	8,665	1,484
Bonus	-	-	-	-	-	-
House rent, utilities and other benefits	-	3,499	1,570	-	2,915	516
Retirement benefits	-	528	236	-	440	78
Medical	-	-	-	-	-	-
Leave passage / assistance	-	-	-	-	-	-
	-	14,424	7,666	-	12,020	2,078
No. of persons	1	3	3	1	3	1

28.1 The chief executive, executive directors and certain executives of the company are provided free use of company maintained cars.

28.2 Comparative figures have been restated to reflect changes in the definition of executive as per Companies Act, 2017.

Notes to the Financial Statements

For The Year Ended June 30, 2018

29. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

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

	June 30, 2018	June 30, 2017
	----- (Rs. in '000) -----	
Sales	60,242	96,768
Markup charged for the period on short term loans to associated undertakings	11,541	11,034
Amount received against markup on short term loans to associated undertakings	-	11,837
Loan from Director	124,908	116,067
Provident Fund	1,283	1,154
Share of profit on equity investment in Dewan Cement Limited	121,803	176,282

29.1 The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the financial statements.

29.2 Details to compensation to the key management personnel have been disclosed in the note 28 to the financial statements.

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2018

30. PLANT CAPACITY AND PRODUCTION

Capacity of the plant on single shift basis is 10,000 (2017:10,000) units. Company's own production is Nil. (2017: Nil.) due to freezing of working capital limits by banks. Further, during the year the company produced 403 units of Daehan DT-1 1 ton pick up on contract assembly basis. (2017: Nil).

31. FINANCIAL INSTRUMENTS BY CATEGORY

As at June 30, 2018			
	Loans and receivables	Derivatives used for hedging	Total
Assets	Rs. in '000'		
Trade debts	95,183	-	95,183
Other receivables	760,391	-	760,391
Cash and bank balance	128,234	-	128,234
	983,808	-	983,808

As at June 30, 2017			
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Liabilities	Rs. in '000'		
Trade and other payables	-	2,373,018	2,373,018
	-	2,373,018	2,373,018

As at June 30, 2017			
	Loans and receivables	Derivatives used for hedging	Total
Assets	Rs. in '000'		
Trade debts	46,840	-	46,840
Other receivables	748,851	-	748,851
Cash and bank balance	123,680	-	123,680
	919,371	-	919,371

As at June 30, 2017			
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Liabilities	Rs. in '000'		
Trade and other payables	-	2,304,232	2,304,232
	-	2,304,232	2,304,232

Notes to the Financial Statements

For The Year Ended June 30, 2018

32 FINANCIAL RISK MANAGEMENT

32.1 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 who possess good credit ratings.

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. 1,964.947 (2017: Rs 1,901.915) million, the financial assets which are subject to credit risk amounted to Rs. 1032.582 (2017: Rs. 974.104) million.

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.

32.2 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.

32.3 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.

32.3.1 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, the company cannot hedge its currency risk exposure.

32.3.2 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 is respect of the following

Notes to the Financial Statements

For The Year Ended June 30, 2018

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, 2018
(Rupees in '000)							

ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

Jun 30, 2018

FINANCIAL ASSETS

Trade debts	-	-	-	95,183	-	95,183	95,183
Loans to associated undertakings	7.43%	154,879	-	154,879	-	-	154,879
Advances, deposits and other receivables	-	-	-	782,520	-	782,520	782,520
Investment	-	-	-	804,131	-	804,131	804,131
Cash and bank balances	-	-	-	128,234	-	128,234	128,234
		<u>154,879</u>	<u>-</u>	<u>1,810,068</u>	<u>-</u>	<u>1,810,068</u>	<u>1,964,947</u>

FINANCIAL LIABILITIES

Long term loans	14.51-16.01	(1,096,930)	-	(1,096,930)	-	-	(1,096,930)
Long term deposits	-	-	-	-	16,700	16,700	16,700
Trade and other payables	-	-	-	2,374,832	-	2,374,832	2,374,832
Short term finances	8.74-20.00	<u>1,978,024</u>	<u>-</u>	<u>1,978,024</u>	<u>-</u>	<u>-</u>	<u>1,978,024</u>
		<u>881,094</u>	<u>-</u>	<u>2,374,832</u>	<u>16,700</u>	<u>2,391,532</u>	<u>3,272,626</u>

OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

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

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, 2017
(Rupees in '000)							

ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

June 30, 2017

FINANCIAL ASSETS

Trade debts	-	-	-	46,840	-	46,840	46,840
Loans to associated undertakings	7.11%	154,879	-	154,879	-	-	154,879
Advances, deposits and other receivables	-	-	-	772,385	-	772,385	772,385
Investment	-	-	-	804,131	-	804,131	804,131
Cash and bank balances	-	-	-	123,680	-	123,680	123,680
		<u>154,879</u>	<u>-</u>	<u>1,747,036</u>	<u>-</u>	<u>1,747,036</u>	<u>1,901,915</u>

FINANCIAL LIABILITIES

Long term loans	14.51-16.01	1,142,253	-	1,142,253	-	-	1,142,253
Long term deposits	-	-	-	-	16,700	16,700	16,700
Trade and other payables	-	-	-	2,304,232	-	2,304,232	2,304,232
Short term finances	8.74-20.00	<u>1,978,024</u>	<u>-</u>	<u>1,978,024</u>	<u>-</u>	<u>-</u>	<u>1,978,024</u>
		<u>3,120,277</u>	<u>-</u>	<u>2,304,232</u>	<u>16,700</u>	<u>2,320,932</u>	<u>5,441,209</u>

OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

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

Notes to the Financial Statements

For The Year Ended June 30, 2018

32.3.3 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.

33. 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.

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'.

34. NUMBER OF EMPLOYEES	June 30, 2018	June 30, 2017
Total number of employees (including contractual labour) as at June 30	359	127
Total number of factory employees (including contractual labour) as at June 30	333	107
Average number of employees (including contractual labour) as at June 30	225	169
Average number of factory employees (including contractual labour) as at June 30	213	144

35. Summary of significant events and transactions in the current reporting period

- Loan from director increased.
- Contract assembly of vehicles commenced.
- Please refer to the director report for detailed discussion about the company's performance.

Notes to the Financial Statements

For The Year Ended June 30, 2018

36. OPERATING SEGMENT

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

Revenue from Manufacturing/Contract assembly represent 97.75% (2017: 0.98%) of total revenue whereas, remaining represents revenue from trading activities.

All non current assets of the Company as at June 30, 2018 are located in Pakistan.

Revenue from single major customer of the Company represents 97.75% (2017: 97.55%) of total revenue of the Company.

37. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 28, 2018 by the Board of Directors of the company.

38. GENERAL

Figures have been rounded off to the nearest thousand rupees.

39. CORRESPONDING FIGURES


Corresponding figures have been reclassified/rearranged whenever necessary.

Description	Reclassified from	Reclassified to	2017 ----- (Rs. in '000) -----
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	1,814
Receivable from customer	Trade and other payable	Trade debts	36,823

The Chief Executive of the Company is presently out of country and hence, these financial statements have been signed by two directors duly authorized in this behalf.


Haroon Iqbal
 Director


Waseem-ul-Haque Ansari
 Director


Muhammad Naeem Uddin Malik
 Chief Financial Officer

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance
as at June 30, 2018

Sr #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	13,650,000	9.84%
2.	NIT and ICP	-	-	0.00%
3.	Directors, CEO, their Spouses & Minor Children	9	63,879,268	46.04%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	77	4,497,509	3.24%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	8	179,675	0.13%
7.	Individuals	6,591	56,528,790	40.75%
	TOTAL	6,686	138,735,242	100.00%

DETAILS OF CATEGORIES OF SHAREHOLDERS

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1. Associated Companies				
1.1	Dewan Sugar Mills Limited	1	13,650,000	9.84%
		1	13,650,000	9.84%
2. NIT and ICP		-	-	-
3. Directors, CEO, their Spouses & Minor Children				
	Directors and CEO			
3.1	Dewan Muhammad Yousuf Farooqui	2	63,403,768	45.70%
3.2	Mr. Haroon Iqbal	1	500	0.00%
3.3	Mr. Aziz ul Haq	1	500	0.00%
3.4	Mr. Waseem-ul-Haque Ansari	1	500	0.00%
3.5	Mr. Syed Muhammad Anwar	1	500	0.00%
3.6	Mr. Muhammad Naeemuddin Malik	1	500	0.00%
3.7	Mr. Muhammad Saleem Baig	1	500	0.00%
		8	63,406,768	45.70%
	Spouses of Directors and CEO			
3.8	Mrs. Hina Yousuf	1	472,500	0.34%
		1	472,500	0.34%
	Minor Children of Directors and CEO	-	-	-

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Muhammad Yousuf Farooqui	2	63,403,768	45.70%
2	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.



**THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)**

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 **30.06.2018**

4.	Number of Shareholders	Shareholdings			Total Shares held
	467	1	-	100	Shares 14,071
	1123	101	-	500	Shares 522,504
	1605	501	-	1,000	Shares 1,373,668
	2161	1,001	-	5,000	Shares 6,166,399
	585	5,001	-	10,000	Shares 4,645,408
	322	10,001	-	20,000	Shares 4,773,300
	132	20,001	-	30,000	Shares 3,390,647
	62	30,001	-	40,000	Shares 2,269,250
	60	40,001	-	50,000	Shares 2,830,799
	20	50,001	-	60,000	Shares 1,107,765
	22	60,001	-	70,000	Shares 1,458,320
	15	70,001	-	80,000	Shares 1,127,000
	8	80,001	-	90,000	Shares 690,000
	21	90,001	-	100,000	Shares 2,074,292
	20	100,001	-	120,000	Shares 2,206,106
	8	120,001	-	140,000	Shares 1,054,090
	6	140,001	-	160,000	Shares 909,550
	6	160,001	-	180,000	Shares 1,035,000
	3	180,001	-	200,000	Shares 579,507
	11	200,001	-	250,000	Shares 2,456,182
	2	250,001	-	300,000	Shares 561,000
	4	300,001	-	350,000	Shares 1,268,700
	2	350,001	-	400,000	Shares 722,000
	1	400,001	-	450,000	Shares 450,000
	6	450,001	-	500,000	Shares 2,862,000
	1	500,001	-	650,000	Shares 613,500
	1	650,001	-	850,000	Shares 825,234
	2	850,001	-	950,000	Shares 1,890,000
	1	950,001	-	1,300,000	Shares 1,105,000
	2	1,300,001	-	1,400,000	Shares 2,765,000
	1	1,400,001	-	1,600,000	Shares 1,557,000
	1	1,600,001	-	2,000,000	Shares 1,615,000
	1	2,000,001	-	2,500,000	Shares 2,257,500
	1	2,500,001	-	3,000,000	Shares 2,505,682
	1	3,000,001	-	14,000,000	Shares 13,650,000
	1	14,000,001	-	25,000,000	Shares 24,341,393
	1	25,000,001	-	40,000,000	Shares 39,062,375
	6,686	TOTAL			138,735,242

THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	63,879,268	46.04%
5.2	Associated Companies, undertakings and related parties	13,650,000	9.84%
5.3	NIT and ICP	-	0.00%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	96,550	0.07%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	83,125	0.06%
5.7	Shareholders holding 5%	77,053,768	55.54%
5.8	General Public		
	a. Local	56,501,640	40.73%
	b. Foreign	27,150	0.02%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	4,497,509	3.24%

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 20th Annual General Meeting of the Company to be held on Thursday, October
 25, 2018 at 03:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2018.

AFFIX
REVENUE
STAMP
RS. 5/-

Signature _____

Witness: _____
 Signature

Witness: _____
 Signature

Name: _____
 Address: _____

Name: _____
 Address: _____

IMPORTANT:

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

4. Further Instructions for CDC Account holders:

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



پراکسی فارم بیسویں سالانہ جنرل میٹنگ

اہم اعلان

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

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

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

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ کا

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

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

میری / ہماری موجودگی کی صورت میں کمپنی کے سالانہ اجلاس عام بروز جمعرات 25 اکتوبر، 2018 بوقت 3 بجے سہ پہر میں میری / ہماری جاب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ 2018 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

_____ دستخط

_____ گواہ: _____ گواہ:

_____ نام: _____ نام:

_____ مکمل پتہ: _____ مکمل پتہ:

_____ نوٹ:

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

حصص یافتگی کا طریقہ کار:

کمپنی کے شیئر ہولڈنگ کا طریقہ کار مورخہ 30 جون 2018ء کی سالانہ رپورٹ میں شامل ہے۔

کمپنی شیئرز کی تجارت:

ڈائریکٹرز، ایگزیکٹوز اور دیگر اہل خانہ بچوں نے دوران سال شیئر کی کوئی تجارت نہیں کی۔

اظہار تشکر:

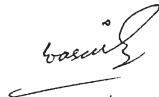
بورڈ کی جانب سے معزز حصص یافتگان و فاقی و صوبائی حکومتوں، ان کے ماتحت اداروں، بینکوں، ترقیاتی و مالی اداروں، لیزنگ کمپنیوں، ڈیلرز، وینڈرز اور صارفین کی مسلسل حمایت اور سرپرستی پر ان کا شکریہ ادا کرتا ہوں۔
بورڈ بھی کمپنی کے ایگزیکٹو، اراکین، عملہ اور کارکنان کی زیر نظر سال کے دوران قابل قدر خدمات، خلوص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


اختتام:

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

(آمین یا رب العالمین)

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


وسیم الحق انصاری
ڈائریکٹر


بارون اقبال
ڈائریکٹر

کراچی، مورخہ 28 ستمبر 2018ء

**YD**

A YOUSUF DEWAN COMPANY

- ۱۰۔ مورخہ 30 جون 2018ء کو پراونڈنٹ فنڈ انویسٹمنٹ 57,055 ملین روپے تھی سال 2017ء میں 59,271 ملین روپے تھی۔
- ۱۱۔ بورڈ آف ڈائریکٹرز کے تمام افراد اپنی بہترین صلاحیتوں اور بھرپور معلومات کے ساتھ کمپنی کے مقاصد کے حصول میں برسرِ پیکار ہیں۔

دوران سال بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے جس میں حاضری مندرجہ ذیل رہی۔

ڈائریکٹر کے اسماء گرامی	اجلاس میں شرکت
۱۔ دیوان محمد سوسف فاروقی	4
۲۔ ہارون اقبال	4
۳۔ وسیم الحق انصاری	4
۴۔ محمد نعیم الدین ملک	4
۵۔ محمد سلیم بیگ	4
۶۔ سید محمد انوار	4
۷۔ عزیز الحق	4

بورڈ کے اجلاس میں شرکت سے قاصر ڈائریکٹر کو چھٹی دی گئی تھی۔ آڈٹ کمیٹی تین ڈائریکٹرز پر مشتمل ہے جن میں ایک ڈائریکٹر خود مختار اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔

سال رواں کے دوران چار اجلاس منعقد ہوئے جن میں میران کی شرکت حسب ذیل رہی۔

ڈائریکٹر کے اسماء گرامی	اجلاس میں شرکت
۱۔ دیوان محمد سوسف فاروقی	1
۲۔ ہارون اقبال	1
۳۔ عزیز الحق	1

آڈیٹرز:

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

فی حصص نقصان:

فی حصص نقصان (0.10) روپے ہے۔

ڈیویڈنڈ:

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

۳۔ بینک الاکڑ کی عدم دستیابی۔

کمپنی اندرونی و بیرونی حضرت وغیر یقینی صورتحال پر قایو پانے کے لیے ضروری اقدامات کر رہی ہے۔

کاروباری وسماجی ذمہ داریاں:

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

متوقع صورتحال:

اس سال کے اختتام اور اس رپورٹ کے اختتام تک کمپنی کی مالی حیثیت میں کوئی خاطر خواہ تبدیلی واقع نہیں ہوئی۔ کمپنی کے تعمیلی بیان کو اپنی جائزہ رپورٹ میں آڈیٹرز نے کہا ہے کہ چیئرمین اور ایگزیکٹو ڈائریکٹر غیر انتظامیہ ڈائریکٹرز میں سے ایک ہی شخص ہے لہذا اب چیئرمین غیر انتظامیہ ہوگا۔ سال کے آخر تعمیل میں بیان کی تصدیق کی گئی ہے۔

کاروباری و مالیاتی رپورٹنگ کا تجزیہ:

- ۱۔ مورخہ 30 جون 2018ء کو مکمل ہونے والے مالی سال کے لیے کمپنی کی مینجمنٹ کے تیار کردہ مالی گوشوارے اپنے اداری امور، عملدرآمد کے نتائج، لین دین اور ایکویٹی میں تبدیلی کے شفاف مظہر ہیں۔
- ۲۔ کمپنی کے لین دین کاریکارڈ مرتب کرنے کے لیے کتابیں مروجہ قوانین کے مطابق تیار کی جاتی ہیں۔
- ۳۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی ایف آر ایس) جو کہ پاکستان میں رائج ہیں کو مالی گوشواروں کی تیاری اور نمٹانے میں بروئے کار لایا گیا اور ہر مالی امور کو مذکورہ گوشواروں میں واضح کیا گیا ہے۔
- ۴۔ مورخہ 30 جون 2018ء کو مکمل ہونے والے مالی سال کے لیے مالی گوشواروں کی تیاری میں مجوزہ اکاؤنٹنگ پالیسیاں عمل میں لائی گئیں ہیں اور اکاؤنٹنگ تخمینے موزوں اور انصاف پڑتی ہیں۔
- ۵۔ انٹرنیشنل کنٹرول کا نظام مضبوط عملدرآمد اور نگرانی بھی موثر طور پر زیر عمل ہے۔
- ۶۔ مینجمنٹ نے نوٹ 1.1 میں چلتے ہوئے ادارے کے طور پر کمپنی کی اہلیت کا تفصیلی جائزہ پیش کیا ہے اور منسلک مال گوشواروں کے نوٹ 24 میں مارک اپ کی نان پر ورنگ کے بارے میں واضح کیا ہے۔
- ۷۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کی تفصیلات کے مطابق کارپوریٹ گورننس کے بہتر عملدرآمد میں کوئی کوتاہی نہیں کی گئی۔
- ۸۔ گزشتہ سات سال کی مختصر کی آپریٹنگ اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہیں۔
- ۹۔ تمام محصولات ادا کرائے گئے اور کوئی واجب الادا نہیں۔ سوائے ان کے جو کہ منسلک آڈٹ شدہ مالی گوشوارے کے نوٹ نمبر 17 میں درج ہے۔



توقع ہے جس کے بعد کمپنی کی پیداواری سرگرمیاں معمول پر آجائیں گی۔ بینکوں، دیگر مالیاتی اداروں اور لیزنگ کمپنیوں کے واجب الادا قرضے اکاؤنٹس کے نوٹس میں ظاہر کردیئے گئے ہیں۔ آڈیٹرز رپورٹ کے پیر (اے) اور (بی) میں پیش کردہ معاملہ اہمیت کے باعث آڈیٹرز نے رپورٹ کو ایفائی کر لی۔ مینجمنٹ نے مالی گوشواروں کے متعلقہ نوٹس میں معاملہ کی تفصیلات کی وضاحت کی ہے۔ مینجمنٹ کو مکمل اعتماد ہے کہ کمپنی قرض دہندگان کے ساتھ مالی دھانچہ کی دوبارہ تشکیل کو حتمی شکل دینے اور حالیہ صورتحال سے نکلنے کے قابل ہو جائے گی۔

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

اگر تم میرے شکر گزار ہو تو میں تمہیں اور زیادہ دوں گا۔ (القرآن)

بورڈ ایک خود مختار، چار ایگزیکٹو اور دو غیر ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹر کے نام مندرجہ ذیل ہیں۔

- ۱۔ دیوان محمد یوسف فاروقی
- ۲۔ ہارون اقبال
- ۳۔ وسیم الحق انصاری
- ۴۔ محمد نعیم الدین ملک
- ۵۔ محمد سلیم بیگ
- ۶۔ سید محمد انوار
- ۷۔ عزیز الحق

رواں سال کے دوران بورڈ آف ڈائریکٹرز میں کوئی جگہ خالی نہیں رہی۔

کمپنی کی بنیادی سرگرمیاں:

دیوان فاروق موٹرز لمیٹڈ پبلک لمیٹڈ کمپنی کے طور پر پاکستان اسٹاک ایکسچینج میں رجسٹرڈ ہے۔ کمپنی کی بنیادی سرگرمیوں میں گاڑیوں کی اسمبلنگ، معاہداتی اسمبلنگ اور گاڑیوں کی فروخت شامل ہیں۔

خطرات اور غیر یقینی صورتحال:

کمپنی مندرجہ ذیل امور کو اپنے کاروبار کے لیے نقصان دہ سمجھتی ہے۔

- ۱۔ ایل سی وی اور پیئجر گاڑیوں کے درمیان مسابقت۔
- ۲۔ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی۔

ڈائریکٹر رپورٹ

دیوان فاروق موٹرز لمیٹڈ کا بورڈ آف ڈائریکٹر مورخہ 30 جون 2018 کو مکمل ہونے والے مالی سال کی سالانہ رپورٹ معہ آڈٹ شدہ رپورٹ معہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے بیسویں (20) سالانہ اجلاس عام میں مسرت کے ساتھ آپ کا خیر مقدم کرتے ہیں۔

اقتصادی جائزہ:

سال رواں کی اقتصادی کارکردگی معہ مالی سال 2017ء کے تقابلی اعداد و شمار حسب ذیل ہیں۔

مورخہ 30 جون 2017ء کو مکمل	مورخہ 30 جون 2018ء کو مکمل	
ہونے والا مالی سال	ہونے والا مالی سال	
(روپے ہزاروں میں)	(روپے ہزاروں میں)	
97,771	61,631	مجموعی فروخت
(151,455)	(138,881)	مجموعی نقصان
(200,179)	(187,124)	عملدرآمد میں نقصان
(13,212)	(69,432)	بعد از ٹیکس نقصان

مالیاتی کارکردگی:

بینیچر کار اور ایل سی وی سیگمنٹ برائے مالی سال 2018ء میں مجموعی طور پر آٹو مو بائل کے شعبے کی فروخت میں گزشتہ سال کے مقابلے میں 17% فیصد کی بڑھوتری دکھائی دیتی ہے۔ کل 245,762 یونٹس فروخت ہوئے جس کے باعث آمدنی میں اضافہ ہوا۔ اس اضافے کے پیچھے بینکوں کی جانب سے کم شرح سود پر کارفنانسنگ، نئے ماڈلز کاروں اور بینچر گاڑیوں کی مانگ میں اضافہ اور ملک کے شہری علاقوں میں کرائے کی گاڑیوں کا استعمال ہے۔

قوت خرید اور کاروباری سرگرمیوں میں اضافے کے باعث پاک چین اقتصادی راہداری پراجیکٹ، بینچر کار اور ایل سی وی سیگمنٹ میں متوقع اضافہ جاری رہ سکتا ہے۔ ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث پیداواری قیمت میں اضافہ ہوا جس کے باعث گاڑیوں کی فروخت پر منفی اثر پڑے گا اور گاڑیوں کی فروخت متاثر رہے گی۔ آٹو انڈسٹری ڈیولپمنٹ پالیسی 2021ء-2016ء، ہنڈا انڈسٹریز اور نیو انڈسٹریز کے لیے انتہائی مفید ثابت ہوئی جس کے نتیجے میں نئے کارساز اداروں اور مقامی کارساز اداروں کے مابین شراکت داری میں اضافے کے ساتھ معیاری گاڑیوں کی تیاری میں معیار اور تقابلی ماحول پیدا ہوا۔

ماہ مارچ 2018ء میں کمپنی نے دیہان دیوان موٹر کمپنی پرائیوٹ لمیٹڈ کے تحت گاڑیوں کی اسمبلنگ کا معاہدہ کیا۔ تاہم بینکوں کی جانب سے کمپنی کے قرضہ جات کی تجدید نہ ہونے کے باعث دیہان دیوان موٹر کمپنی پرائیوٹ لمیٹڈ کے لیے نئی بینک لائنز بحال نہ ہو سکیں جس کے نتیجے میں دوران سال کمپنی کی پیداوار کو کم رکھا گیا نیز بعد میں عارضی طور پر بند کرنی پڑی۔ مندرجہ بالا اسباب کی وجہ سے کمپنی مشکل صورتحال سے دوچار ہے اور زندہ رہنے کے لیے سخت جدوجہد کر رہی ہے۔ موجودہ مالیاتی صورتحال کو بہتر بنانے کے لیے کمپنی نئے وفاقی اقدامات کر رہی ہے اور یہ معاملہ بھی بینکوں کے سامنے رکھ دیا گیا ہے۔ کمپنی کے قرضوں کی ری پروفائلنگ مستقبل قریب میں مکمل ہونے کی

**YD**

A YOUSUF DEWAN COMPANY

- ک ڈائریکٹرز، انسپانسرز، اکثریتی حصص یافتگان اور ان کے رشتہ داروں کی منسلکہ کمپنی یا منسلکہ انڈر ٹیکنگ یا زیر غور ٹرانزکشن میں بلا واسطہ یا بلا واسطہ دلچسپی
- مندرجہ ذیل ڈائریکٹرز انویسٹی کمپنی میں اپنی متعلقہ حصص یافتہ کی حد تک دلچسپی رکھتے ہیں۔
- الف) جناب ہارون اقبال 500 (0.0023 فیصد)
- ب) جناب وسیم الحق انصاری 500 (0.0023 فیصد)
- ج) جناب محمد نعیم الدین ملک 1000 (0.0047 فیصد)
- د) جناب عزیز الحق 1000 (0.0047 فیصد)
- کوئی نہیں
- ل ٹرانزکشن کو سمجھنے کے لیے ممبران کی دیگر ضروری اہم تفصیلات

اس ضمن میں مندرجہ ذیل قرارداد ترمیم بلا ترمیم بطور خصوصی قرارداد پاس کرنے کی تجویز رکھی گئی ہے قرار پایا کہ کمپنی کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 میمورنڈم آف ایسوسی ایشن کے کلاز III (X) اور شرائط و ضوابط کے مطابق منظوری دیتی ہے کہ کمپنی کے انیسواں سالانہ اجلاس عام میں کمپنی کو مندرجہ ذیل منسلکہ کمپنی کے ضمن میں گزشتہ سالانہ اجلاس میں منظوری کے لیے قلیل المدتی قرضہ کی مختص شدہ حد میں تجوید کرنے کا اختیار دیا جائے۔

قرضہ

حاصل کرنے والے کمپنی

154.879 ملین روپے

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ

حد کی تجوید کی مدت ایک سال ہوگی اور مزید ایک سال کے لیے تجدید آئندہ اجلاس عام میں ہوگی۔

دیوان فاروق موٹرز لمیٹڈ

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 134(3) کے تحت گوشوارہ ہذا دیوان فاروق موٹرز لمیٹڈ (کمپنی یا ڈی ایف ایم ایل) کے بیسویں سالانہ اجلاس عام جو 25 اکتوبر 2018ء کو دیوان سینٹ فیلکسری سائٹ واقع دیہہ ڈھنڈو، دھابئی، ضلع ملیر کراچی پاکستان میں منعقد ہوگا نوٹس کے ہمراہ منسلک ہے اور اجلاس میں انجام دیے جانے والے خصوصی امور سے متعلق حقائق پر مبنی ہے۔

خصوصی امور

1: کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 کی تعمیل میں ایک منسلکہ کمپنی کو قلیل المدتی قرضہ کی بخش کردہ حد میں تجدید پر غور و خوض اور منظوری۔

حوالہ

نمبر شمار تصریحات

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ مشترکہ ڈائریکٹر شپ

الف منسلکہ کمپنی کا نام اور اس سے تعلق کا معیار

154.879 ملین روپے

ب قرضہ اور پیشگیوں کی رقم

154.879 ملین روپے

ج مذکورہ منسلکہ کمپنی یا منسلکہ انڈر ٹیکنگ کو پہلے ہی فراہم کیے گئے کسی قرضہ کی صورت میں مکمل تفصیلات

2015/-5.31

د گزشتہ تین سال کے لیے آمدنی / نقصان فی شیئر

2016/-3.03

2017/-1.79

آمدنی (نقصان) فی حصص -1.79

ہ مالی صورتحال بشمول بیلنس شیٹ کا اہم حصہ اور نفع و نقصان

شیئر ہولڈرز کی ایکویٹی -1.182.545

کل اثاثے 326.621

بریک اپ ویلیو 55.26-

و کمپنی کی سرمایہ کاری کی اوسط قرضہ کی لاگت یا قرضہ جات کی عدم موجودگی میں متعلقہ مدت میں

کراچی انٹر بینک کے پیش کردہ نرخ

وصولی کیے جانے والے سود کی شرح ایک فیصد، KIBOR

ز سود، مارک اپ منافع فیس یا کمیشن وغیرہ نے نرخ جو وصول کیے جائیں گے

شرح پر 7.433 فیصد ہوگی

قرضے کا اجرا غیر محفوظ ہے

ح قرضہ حاصل کرنے والی کمپنی یا انڈر ٹیکنگ کو فراہم کیے جانے والے قرضہ پر کلکٹر ل سیکورٹی کے

کوائف

ایک سال کے لیے تجدید

ط انویسٹی کمپنی کو دیے جانے والے قرضوں اور پیشگیوں کی واپسی کا شیڈول اور شرائط

قرضہ مارک اپ کی شرح، قرض دہندہ کی اوسط قلیل المدتی

ی منسلکہ کمپنی یا منسلکہ انڈر ٹیکنگ سے مجوزہ سرمایہ کاری کے ضمن میں طے کیے جانے والے معاہدوں

قرضہ جات کی لاگت یا کراچی انٹر بینک کے پیش کردہ نرخ پر

کے اہم نکات

ایک فیصد ہوگی جو نافذ العمل ہے

قرضہ کی مدت میں شیئر ہولڈرز کی منظوری کے ساتھ توسیع کی

جاسکتی ہے قرضہ کی رقم، قرض دار کے اثاثوں / سرمایہ کاری سے

وصول کی جاسکتی ہے۔



- اپ لوڈ ڈھوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ ایجنسی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

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

5. تاحالی سی این آئی سی فراہم نہ کرنے والے شیئر ہولڈرز کو نوٹس

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

6. شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

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

7. مالی گوشواروں وغیرہ کی الیکٹرونکلی ترسیل

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

سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق موٹرز لمیٹڈ (ڈی ایف ایم ایل یا کمپنی) کا بیسواں سالانہ اجلاس عام جمعرات 25 اکتوبر 2018ء کو دن کے تین بجے دیوان سیمنٹ لمیٹڈ فیکٹری سائٹ واقع دیھ ڈھنڈو، دھاتی ضلع ملیر، کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا، اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

عمومی امور

1. گزشتہ سالانہ اجلاس عام منعقدہ پیر 30 اکتوبر 2017ء کی کارروائی کی توثیق۔
2. 30 جون 2018ء کو مکمل ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ سالانہ گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی وصولی، غور و خوض اور منظوری۔
3. آئندہ سال کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

خصوصی امور

1. کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 199 کے تحت ایک ایسوسی ایٹڈ کمپنی کے لیے قلیل المدتی قرضوں/پیش گوئی پر غور و خوض اور منظوری۔

بحکم بورڈ



محمد نعیم الدین ملک

ڈائریکٹر و کمپنی سیکریٹری

کراچی 1 اکتوبر 2018ء

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

نوٹ:

1. کمپنی کی منتقلی حصص کی کتب 18 اکتوبر 2018ء تا 25 اکتوبر 2018ء (دونوں دن شامل) بند رہیں گی۔
2. ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے سیکرٹری جنرل انسٹراکٹڈ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انعام اسٹیٹ بلڈنگ کمرہ نمبر 311-310 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کریں۔
3. اجلاس ہذا میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کے لیے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے پر کسی کی تقرری کی دستاویز مندرجہ بالا پتے پر کمپنی کو اجلاس کے انعقاد سے کم از کم اڑھتالیس گھنٹے قبل مل جانی چاہیے۔
4. سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکوریٹی اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

الف) برائے اجلاس میں شرکت

- i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکوریٹی گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق

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