

# ANNUAL REPORT 2017



**DEWAN FAROOQUE MOTORS LIMITED**



**YD**

A YOUSUF DEWAN COMPANY

## Contents

Company Information	2
Mission Statement	3
Notice of Annual General Meeting	4
Statement under Section 160 of the Companies Ordinance, 1984	7
Directors' Report	9
Key Operating and Financial Data	13
Statement of Compliance with the Code of Corporate Governance	14
Review report to the members on statement of Compliance with best practices of the Code of Corporate Governance	17
Auditors' Report	19
Balance Sheet	21
Profit & Loss Account	22
Statement Of Comprehensive Income	23
Cash Flow Statement	24
Statement of Changes in Equity	25
Notes to the Financial Statements	26
Pattern of Shareholding	55
Form of Proxy	59
Form of Proxy (Urdu)	60
Directors' Report (Urdu)	64
Notice of Annual General Meeting (Urdu)	68

## Company Information

### Executive Directors

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

Chairman Board of Directors

### Non-Executive Directors

Mr. Haroon Iqbal  
Syed Muhammad Anwar

### 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. Haroon Iqbal	Chairman
Dewan Muhammad Yousuf Farooqui	Member
Mr. Aziz-ul-Haque	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 Nineteenth Annual General Meeting of Dewan Farooque Motors Limited ("DFML" or "the Company") will be held on Monday, October 30, 2017, 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 Extra Ordinary General Meeting of the Company held on Monday, December 19, 2016;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2017, 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.
2. To consider and if deemed fit, approve the addition in Articles of Association of the Company as mention in detail
3. In connection with consent from shareholders for the transmission of the annual audited accounts in any approved transmission medium; and provision for appointment of a non-members as proxy in case of e-voting; and pass the following resolutions, with or without modifications, as Special Resolutions;
4. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution with or without modification:

"RESOLVED THAT consent & approval of the members of Dewan Farooque Motors Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.

"FURTHER RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

## DEWAN FAROOQUE MOTORS LIMITED

"RESOLVED FURTHER THAT Mr. Haroon Iqbal, Director or Mr. Muhammad Naeemuddin Malik, Director & Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purpose of implementing this resolution."

By order of the Board



**Muhammad Naeemuddin Malik**  
Director & Company Secretary

Karachi: October 2, 2017

***"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 23, 2017 to October 30, 2017 (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 Nineteenth Annual General Meeting of Dewan Farooque Motors Limited ("the Company" or "DFML") to be held on Monday, October 30, 2017 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 limit of short term loan to an associated company in compliance with the provisions of Section 199 of the Companies Act. 2017.

SR #	DESCRIPTION	LOANS AND ADVANCES
		<b>Dewan Automotive Engineering Limited</b>
a)	Total Investment approved	Rs. 154.878 million
b)	Amount of investment made to-date	Rs. 154.878 million
c)	Reasons for not having made complete investment so far where resolution required it to be implemented in specified time; and	N/A
d)	Material change in the financial statements of associated companies since date of the resolution passed for approval of investment in such Company:	June 2012
e)	Earnings/(Loss) per share	-9.01
f)	Shareholders equity	-1,767.261
g)	Total Assets	803.178
h)	Break-up Value	-82.58
RENEWAL IN PREVIOUS LIMITS REQUESTED I.E:		Sanctioned Rs. 154.878 million

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 Eighteenth Annual General Meeting of the Company, be and is hereby authorized and empowered to renew the sanctioned limit for short term loan sought for approval in the previous general meeting in respect of following associated company:

### LOAN

Borrowing Company:  
Dewan Automotive Engineering Limited

(Rupees in Million)  
154.878

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





## 2. Circulation of Annual Reports through CD/DVD/USB:-

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual audited accounts, notices of general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual reports.

The Company shall supply the hard copies of the aforesaid documents to the shareholders on demand, free of cost within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with the postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the Directors of the Company have no interest in the Special Business except in their capacity as shareholders and Directors of the Company.

**"RESOLVED THAT consent & approval of the members of Dewan Farooque Motors Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.**

## 3. To consider, and if thought appropriate, approve and resolve the passing of the following proposed special resolutions in respect of alterations to the Articles of Association of the Company.

### i). Addition of Clause 47-A of the Articles of Associations of the Company.

The provisions and requirements for e-voting including instrument for appointing proxy as prescribed by regulatory authority from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.

**"RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".**

**"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".**

The Directors of the Company are not directly or indirectly interested with the affairs of the Special Business, which nevertheless is intended to streamline the above-said provision of the Articles of Association of the Company with the like provision of the Companies Act, 2017, and also acts and benefits to the business convenience of the Company, and its Board of Directors taken as a whole.

## 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, 2017 and welcomes you to the 19th Annual General Meeting.

### Financial Overview

The summary of financial performance for the year, along with the comparative figures of financial year 2016 is as follows:

	Year ended June 30, 2017	Year ended June 30, 2016
	----- (Rupees in thousand) -----	
Gross Sales	97,771	23,827
Gross (loss)	(151,455)	(130,742)
Operating (loss)	(200,179)	(204,149)
Net (loss) after tax	(13,212)	(43,060)

### Year under review:

Overall automobile sector sales in the passenger car and LCV segment for FY17 has shown a nominal decline 3% when compared with the last year, the total units sold being 209,585. The decline in growth than last year is due to the conclusion of the 'Apna Rozgar Scheme'. Adjusting for the last year's volume under the Apna Rozgar Scheme, the segment has shown a positive growth. Recovering economy, better law and order situation and availability of Banks car financing at lower interest rate are the main factors behind the increase in volumes particularly the passenger car segment. The new ADP 2016-2021 is highly beneficial to the industry. New players are entering into the Pakistan market which will bring healthy competition. With the improved economic indicators and the successful completion of CPEC entailing to enhanced road network, it is expected that the automobile sales volumes will increase.

Due to non-availability of banking lines, the production activity of the Company during the year remained suspended resulting in unabsorbed fixed and other cost which ultimately contributed to the financial loss of the Company. The company is operating under tough conditions due to the aforesaid reason 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. During the year under review the Company has entered into an agreement with Daehan-Dewan Motor Company (Pvt.) Ltd for manufacture of vehicles under toll manufacturing arrangement. The requisite approval is pending with the Government. The production is expected to start soon after the receipt of approval.

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)**

### Corporate and financial reporting framework:

- The financial statements for the year ended June 30, 2017, 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, 2017 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, 2017 was Rs.59.271 (2016: Rs.65.990) 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	3
Mr. Haroon Iqbal	4
Mr. Aziz-ul-Haque	5
Mr. Waseem-ul-Haq Ansari	5
Mr. Syed Muhammad Anwar	5
Mr. Muhammad Naeem Uddin Malik	5
Mr. Mohammad Saleem Baig	5

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

## DEWAN FAROOQUE MOTORS LIMITED

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:

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. (0.10).

### 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, 2017 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.

### **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

**DEWAN MUHAMMAD YOUSUF FAROOQUI**

Chief Executive

Karachi: September 29, 2017

## Key Operating and Financial Data

PARTICULARS	2017	2016	2015	2014	2013	2012
	..... Rs. in '000' .....					
Gross Sales	97,771	23,827	65,154	1,195,574	3,533	3,263
Net Sales	84,517	19,801	54,161	986,779	3,044	3,047
Gross (loss) / profit	(151,455)	(130,742)	(132,746)	(54,987)	(165,072)	(189,113)
Operating (loss) / profit	(200,179)	(204,149)	(222,919)	(183,761)	(243,694)	(287,854)
(Loss) / profit before tax	(12,367)	(43,060)	(113,287)	(105,209)	(316,740)	(228,637)
(Loss) / profit after tax	(13,212)	(43,060)	(113,287)	(115,428)	(316,740)	(221,463)
Retained Earnings	(3,426,248)	(3,413,036)	(3,369,976)	(3,256,688)	(3,246,869)	(3,026,061)
Share Capital	1,387,353	1,087,353	1,087,353	1,087,353	1,087,353	1,087,353
Shareholders Equity	(2,038,895)	(2,025,683)	(2,282,623)	(2,169,335)	(2,159,516)	(1,938,708)
Fixed Assets	1,189,899	1,158,584	1,241,244	1,328,587	1,435,041	1,553,240
Total Assets	3,524,715	3,491,470	3,428,311	3,480,449	4,036,261	4,141,633
<b>FINANCIAL ANALYSIS</b>						
<b>Profitability Ratios</b>						
Gross (loss) / Profit Margin	-179.20%	-660.28%	-245.10%	-5.57%	-5423.19%	-6206.97%
Operating (loss) / profit Margin	-236.85%	-1031.00%	-411.59%	-18.62%	-8006.20%	-9447.78%
(loss) / profit before tax	-14.63%	-217.46%	-209.17%	-10.66%	-10406.00%	-7504.18%
(loss) / profit after tax	-15.63%	-217.46%	-209.17%	-11.70%	-10406.00%	-7268.73%
<b>Return on Investment</b>						
(loss) / Earnings per share before tax (Rs/share)	(0.09)	(0.40)	(1.04)	(0.97)	(2.91)	(2.10)
(loss) / Earnings per share after tax (Rs/share)	(0.10)	(0.40)	(1.04)	(1.06)	(2.91)	(2.04)
<b>Activity Ratios</b>						
Sales to Total Assets-Times	0.03	0.01	0.02	0.34	0.00	0.00
Sales to Fixed Assets-Times	0.08	0.02	0.05	0.90	0.00	0.00
<b>Liquidity Ratios</b>						
Current ratio (excluding current maturity of LTL)	0.29	0.30	0.40	0.41	0.52	0.52
Current ratio (including current maturity of LTL)	0.23	0.23	0.32	0.32	0.42	0.42
Book value per share (Rs)	(15.28)	(18.63)	(20.99)	(19.95)	(19.86)	(17.83)



## Statement Of Compliance with The Code Of Corporate Governance

### For the Year Ended June 30, 2017

The statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in the Listing Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited ("PSX") for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the board includes One Independent Director, Two Non-Executive Directors and Four Executive Directors of the Company.

Category	Name of Directors
Independent Director	Aziz-ul-Haque
Executive Directors	Dewan Muhammad Yousuf Farooqui
	Waseem-ul-Haque Ansari
	Muhammad Naeem Uddin Malik
	Mohammad Saleem Baig
	Haroon Iqbal
Non-Executive Directors	Syed Muhammad Anwar

2. Six Directors have confirmed that they are not serving as director in more than seven listed companies including this Company, however, one director is serving as director in more than seven listed Yousuf Dewan Companies .
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the board on August 10, 2016 was filled up by the Directors on August 29, 2016.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by the director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified on clause 5.19.7 of CCG, one director is exempted from the requirement of directors' 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. There was no change in the position of CFO, Company Secretary and Head of Internal Audit during the year.
11. The Directors report for this year has been prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The director, CEO and executives do not hold any interest in the shares of the company other than the disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of CCG.
15. The board has formed an Audit Committee. It comprises three members of whom one is an independent director, who is also the Chairman and two members are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members of whom one is an independent director, one is an executive director and one is a non-executive director and the Chairman of the committee is a non-executive director.
18. 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.
19. 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, 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 Accountants (IFAC) guidelines on code of ethics are adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The closed period, prior to the announcement of interim/final results, and business decisions, which may materially effect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

**YD**

A YOUSUF DEWAN COMPANY

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all the other material principles enshrined in the CCG have been complied with.

**Dewan Muhammad Yousuf Farooqui**  
Chief Executive

**Haroon Iqbal**  
Director

Karachi: September 29, 2017

## **REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE**

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Dewan Farooque Motors Limited** ("the Company") for the year ended June 30, 2017 to comply with the requirements of Listing Regulation of Pakistan Stock Exchange Limited.

The responsibility for compliance with the 'Code of Corporate Governance' is that of the Board of Directors of the Company. Our responsibility is to review, to the extent, where such compliance can be objectively verified, whether the 'Statement of Compliance' reflects the status of the company's compliance with the provisions of the 'Code of Corporate Governance' and report if it does not and to highlight any compliance with the requirements of the code. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the Company to comply with the Code.

As 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 Director's 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 code requires the Company to place before the Audit committee, and upon recommendation of the Audit committee, place before the Board of Directors for their consideration and approval its related party transactions distinguishing between transactions carried out on term equivalent to those that prevail in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of approval of the related party transactions by the Board of Directors upon recommendation of the audit committee. We have not carried out any procedures to determine 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 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.

Based on our review, except for the above instances of non compliance, nothing has come to our attention which causes us to believe that the 'Statement of Compliance' does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the Company for the year ended June 30, 2017.

Furthermore, we highlight that one director of the company is serving as director in more than seven listed Companies as reflected in the note 2 in the statement of compliance.



(CHARTERED ACCOUNTANTS)

Place: Karachi

Date: September 29, 2017

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of Dewan Farooque Motors Limited, as at June 30, 2017, and related Profit and Loss account, Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof, for the year then ended, 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 purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) The financial statements of the company for the year ended June 30, 2017 as disclosed in note 1.1 to the financial Statements reflect loss after taxation of Rs. 13.212 (2016: Rs.43.060 ) million and as of that date it has accumulated losses of Rs. 3.426 (2016: Rs. 3.413) billion which resulted in net capital deficiency of Rs. 2.039 (2016: Rs. 2.026) billion and its current liabilities exceeded its current assets by Rs. 4.282 (2016: Rs.4.211) billion and total assets by Rs. 2.018 (2016: Rs. 2.004) 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 19.4 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.320.954 million (refer note 24) 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. 320.954 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 4.724 billion.



- c) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- d) in our opinion:
- i) the Balance Sheet and Profit and Loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
- ii) the expenditure incurred during the year was for the purpose of the Company's business; and
- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- e) 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 discussed in para (a) further coupled with the effects of the matter discussed in para (b) above, the Balance Sheet, Profit & Loss Account, statement of Comprehensive income, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss its Comprehensive income, Cash flows and Changes in Equity for the year then ended; and
- f) In our opinion, "no Zakat was deductible at source under the Zakat and Ushr Ordinance 1980".

**Place: KARACHI**  
Dated: September 29, 2017



**CHARTERED ACCOUNTANTS**  
Audit Engagement Partner: Mohammad Tariq

# Balance Sheet

As At June 30, 2017

	Note	June 30, 2017	June 30, 2016
------(Rs. in '000)-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	1,075,925	1,158,584
Long-term deposits (with leasing companies)		-	36,000
Investment	4	1,188,527	1,012,246
<b>CURRENT ASSETS</b>			
Stores and spares	5	62,798	63,914
Stock-in-trade	6	63,574	95,907
Trade debts - considered good	7	46,840	22,859
Short term loans to associated undertakings - considered good	8	154,879	154,879
Advances, deposits, prepayments and other receivables- considered good	9	783,790	786,406
Taxation - net	10	24,702	22,066
Cash and bank balances	11	123,680	138,609
		1,260,263	1,284,640
<b>TOTAL ASSETS</b>		<b>3,524,715</b>	<b>3,491,470</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
<b>Authorized</b>			
150,000,000 (2016: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up	12	1,387,353	1,087,353
Advance against issue of share capital	12.2	-	300,000
Reserves		(3,426,248)	(3,413,036)
		(2,038,895)	(2,025,683)
<b>NON-CURRENT LIABILITIES</b>			
Long term loans - secured	13	-	-
Liabilities against assets subject to finance lease	14	-	-
Long term security deposits		16,700	16,700
Deferred Liabilities	15	4,514	4,514
<b>CURRENT LIABILITIES</b>			
Loan from director	16	116,067	-
Trade and other payables	17	2,306,052	2,291,766
Short term finances-secured	18	1,978,024	1,986,171
Current maturity of long term loans		1,142,253	1,179,429
Current maturity of liabilities against assets subject to finance lease	14	-	38,573
		5,542,396	5,495,939
<b>CONTINGENCIES AND COMMITMENTS</b>	19		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,524,715</b>	<b>3,491,470</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

# Profit and Loss Account

For The Year Ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
		------(Rs. in '000)-----	
<b>GROSS SALES</b>	20	<b>97,771</b>	23,827
Sales tax		<b>13,234</b>	3,486
Commission and discounts		<b>20</b>	540
	20	<b>13,254</b>	4,026
<b>NET SALES</b>		<b>84,517</b>	19,801
Cost of sales	20	<b>235,972</b>	150,543
<b>GROSS (LOSS)</b>		<b>(151,455)</b>	(130,742)
Distribution expenses	21	<b>19,263</b>	39,244
Administration and general expenses	22	<b>29,461</b>	34,163
<b>OPERATING (LOSS)</b>		<b>(200,179)</b>	(204,149)
<b>OTHER INCOME</b>	23	<b>187,952</b>	171,224
		<b>(12,227)</b>	(32,925)
Finance cost	24	<b>140</b>	137
Provision for obsolescence / slow moving stocks		<b>-</b>	9,998
		<b>140</b>	10,135
<b>(LOSS) BEFORE TAXATION</b>		<b>(12,367)</b>	(43,060)
<b>TAXATION</b>	25	<b>845</b>	-
<b>(LOSS) AFTER TAXATION</b>		<b>(13,212)</b>	(43,060)
Basic (loss) per share (Rupees)	26	<b>(0.10)</b>	(0.40)
Diluted (loss) per share (Rupees)	26	<b>(0.10)</b>	(0.39)

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**Dewan Muhammad Yousuf Farooqui**  
 Chief Executive

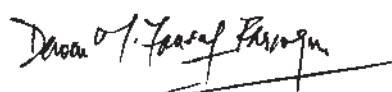
  
**Haroon Iqbal**  
 Director

# Statement of Comprehensive Income

For The Year Ended June 30, 2017

	June 30, 2017	June 30, 2016
	------(Rs. in '000)-----	
(Loss) for the year	(13,212)	(43,060)
<b>Other comprehensive income / (loss)</b>	-	-
Total comprehensive (loss) for the year	<u>(13,212)</u>	<u>(43,060)</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



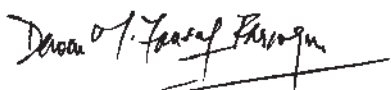
**Haroon Iqbal**  
Director

# Cash Flow Statement

For The Year Ended June 30, 2017

Note	June 30, 2017	June 30, 2016
	------(Rs. in '000)-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	<b>(12,367)</b>	(43,060)
Add / (Less) : Depreciation	<b>82,661</b>	90,150
Gain due to Change in valuation of investment in associates	<b>(176,282)</b>	(144,605)
Financial charges	<b>140</b>	137
	<b>(93,481)</b>	(54,318)
	<b>(105,848)</b>	(97,378)
Decrease in stores & spares	<b>1,116</b>	2,419
Decrease / (Increase) in stock in trade	<b>32,333</b>	(6,842)
Decrease / (Increase) in trade debts	<b>(23,981)</b>	(600)
Decrease / (Increase) in advances, deposits, pre-payments & other receivables	<b>(9,221)</b>	(41,299)
Increase / (Decrease) in trade, other payables and borrowings	<b>14,286</b>	(349)
Tax (paid)	<b>(3,481)</b>	(3,145)
Dividend (paid)	-	(1)
Financial charges (paid)	<b>(140)</b>	(137)
Gratuity (paid)	-	(13)
	<b>10,911</b>	(49,968)
<b>Net cash flow from operating activities</b>	<b>(94,937)</b>	(147,346)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure incurred	-	(7,490)
Short term loans (recovered from) associated undertakings	-	59,659
Markup received on short term loans to associated undertakings	<b>11,837</b>	5,000
<b>Net cash flow from investing activities</b>	<b>11,837</b>	57,169
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Loan from Directors	<b>116,067</b>	-
Advance against issue of share capital	-	263,802
Long term loans (repaid)	<b>(37,176)</b>	-
Finance Lease repayments	<b>(2,573)</b>	(1,821)
<b>Net cash flow from financing activities</b>	<b>76,318</b>	261,981
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(6,783)</b>	171,805
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>(1,847,562)</b>	(2,019,367)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(1,854,345)</b>	(1,847,562)

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**Dewan Muhammad Yousuf Farooqui**  
 Chief Executive

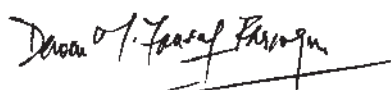
  
**Haroon Iqbal**  
 Director

## Statement Of Changes In Equity

For The Year Ended June 30, 2017

	Share Capital	Share Capital	Reserves		
	Issued, subscribed and paid-up	Advance against issue of shares	Unappropriated (loss)	Total Reserves	Total
	------(Rs. in '000)-----				
<b>Balance as at July 01, 2015</b>	1,087,353	-	(3,369,976)	(3,369,976)	(2,282,623)
Total Comprehensive (loss) for the year	-	-	(43,060)	(43,060)	(43,060)
Receipt	-	300,000	-	-	300,000
<b>Balance as at June 30, 2016</b>	1,087,353	300,000	(3,413,036)	(3,413,036)	(2,025,683)
<b>Balance as at July 01, 2016</b>	1,087,353	300,000	(3,413,036)	(3,413,036)	(2,025,683)
Issuance of shares	300,000	(300,000)			
Total Comprehensive (loss) for the year	-	-	(13,212)	(13,212)	(13,212)
<b>Balance as at June 30, 2017</b>	1,387,353	-	(3,426,248)	(3,426,248)	(2,038,895)

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**Dewan Muhammad Yousuf Farooqui**  
 Chief Executive

  
**Haroon Iqbal**  
 Director



# Notes To The Financial Statements

For The Year Ended June 30, 2017

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

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.

During the year the company entered into Toll manufacturing agreement dated August 01, 2016 with Dehan-Dewan Motor Company (pvt) Ltd (a Related Party ) to manufacture the vehicles on Toll manufacturing basis.

### 1.1 GOING CONCERN ASSUMPTION

The company has incurred a loss after taxation of Rs. 13.212 million during the year ended June 30, 2017. As of that date it has accumulated losses of Rs.3.426 billion and its current liabilities exceeded its current asset by Rs. 4.282 billion. Furthermore, the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.4.724 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. The Company suspended its production from November 2010 till August 2013 and against closed the production since March 2014. Further, the company has been unable to ensure timely repayments of debts due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course the 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. 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, 2017

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. Furthermore as referred in note 1 above, the company has entered into a Toll manufacturing agreement which will enable the company to restart its operations.

## 2 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in 23 to the financial statements, for which the management concludes that provisioning of markup (note 24) would conflict with the objective of financial statements. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984 provision of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

### 2.1 Basis of preparation

These accounts have been prepared under the historical cost convention.

### 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 New standards, interpretations and amendments

The Company has adopted the following revised standards, amendments and interpretation of IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements – Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

# Notes To The Financial Statements

For The Year Ended June 30, 2017

IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim –financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim –financial report'

The adoption of the above accounting standards did not have any effect on the –financial statements.

Standards and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

<b>Standard or Interpretation</b>	<b>Effective date (accounting periods beginning on or after)</b>
IFRS 2: Share-based Payments – Classification and measurement of Share based Payments Transaction (Amendments)	01 January 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet Finalized
IAS 7 Statement of Cash Flows - Disclosure Initiative (Amendment)	01 January 2017

# Notes To The Financial Statements

For The Year Ended June 30, 2017

<b>Standard or Interpretation</b>	<b>Effective date (accounting periods beginning on or after)</b>
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2019

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

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 (see note 2 below). The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<b>Standard</b>	<b>Effective date (Accounting periods Beginning on or after)</b>
IFRS 9 – Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 15 – Revenue from Contracts with Customers	01 January 2018
IFRS 16 – Leases	01 January 2019
IFRS 17 – Insurance Contracts	01 January 2021

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 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:

- i. Useful lives of Property, Plant and equipment (note 2.5 and 3.1)
- ii. Provision for doubtful trade debts (note 2.9)
- iii. Income taxes (note 2.12 and 25)
- iv. Classification and valuation of investments (note 2.6 and 4)
- v. Provision for Slow moving stores and spares (notes 2.7 and 5)
- vi. Provision for Slow moving stock in trade (notes 2.8 and 6)

## 2.5 Tangible fixed assets

### Property Plant and Equipment Owned

These are stated at cost less accumulated depreciation except for freehold 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 balance sheet 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.

### Capital work-in-progress

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

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 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.

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

## 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 Associate

The investment has been valued applying Equity Method in accordance with IAS 28 Accounting for investment in associates.

## 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 balance sheet 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 balance sheet 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.



# Notes To The Financial Statements

For The Year Ended June 30, 2017

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 balance sheet 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.

## 2.10 Staff retirement benefits

The company upto December 31, 2003, was operating an un-funded gratuity scheme for its employees. Provision was made accordingly in the financial statements to cover obligations under the scheme. The Company has fully provided for the liability under the gratuity scheme as of December 31, 2003.

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.

## 2.11 Long term loans / Borrowings

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

## 2.12 Taxation

### Current

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

### Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet 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.

# Notes To The Financial Statements

For The Year Ended June 30, 2017

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 balance sheet date.

## 2.13 Trade and other payables

Liability for trade and other amounts payable, are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

## 2.14 Warranty obligations

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

## 2.15 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. All monetary assets and liabilities in foreign currencies are translated at the rate of exchange prevailing at the balance sheet 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.

## 2.16 Borrowing costs

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

## 2.17 Financial instruments

### 2.17.1 Financial assets

#### 2.17.1.1 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.

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## **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 balance sheet.

## **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.

### **2.17.1.2 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.

### **2.17.1.3 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 balance sheet 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.

### **2.17.1.4 Impairment**

The company assesses at each balance sheet 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, 2017

## 2.17.1.5 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.

## 2.17.2 Financial liabilities

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

## 2.17.3 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.

## 2.18 Impairment

The carrying amounts of the Company's assets except for inventories and deferred tax assets are reviewed at each balance sheet 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.

## 2.19 Revenue recognition

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

Return on bank deposits are on an accrual basis.

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

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

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

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

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

## 2.20 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet 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, 2017

## 2.21 Related Party transactions and transfer pricing

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

## 2.22 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 balance sheet date and adjusted to reflect the current best estimate.

## 2.23 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.

## 2.24 Dividends distribution and transfer between reserves

Dividends declared are transfers between reserves made subsequent to the balance sheet 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.

## 2.25 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.

## 2.26 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, 2017	June 30, 2016
		----- (Rs. in '000) -----	
<b>3 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	3.1	<u>1,075,925</u> <u>1,075,925</u>	<u>1,158,584</u> <u>1,158,584</u>

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 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)-----											
<b>As at July 01 ,2016</b>											
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
<b>Net book value</b>	<b>78,033</b>	<b>589,647</b>	<b>350,275</b>	<b>48,892</b>	<b>40,732</b>	<b>25,436</b>	<b>1,133,015</b>	<b>25,569</b>	<b>-</b>	<b>25,569</b>	<b>1,158,584</b>
<b>Year ended June 30, 2017</b>											
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	-	-	-	-	-	-	-	-	-	-	-
<b>Disposals</b>											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer</b>											
Cost	-	-	80,000	-	-	-	80,000	(80,000)	-	(80,000)	-
Accumulated depreciation	-	-	56,987	-	-	-	56,987	(56,987)	-	(56,987)	-
Depreciation for the year	-	29,467	23,013	4,889	8,146	2,543	80,104	(23,013)	-	(23,013)	82,661
Closing net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,924	-	-	-	1,075,925
<b>As at June 30, 2017</b>											
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
<b>Net book value</b>	<b>78,033</b>	<b>560,180</b>	<b>338,230</b>	<b>44,003</b>	<b>32,586</b>	<b>22,893</b>	<b>1,075,925</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,189,899</b>
Depreciation rate % per annum		5%	10%	10%	20%	10%		10%	20%		
<b>As at July 01 ,2015</b>											
Cost	78,033	1,136,347	1,517,244	165,150	306,690	87,081	3,290,545	80,000	-	80,000	3,370,545
Accumulated depreciation	-	515,681	1,128,016	110,825	264,263	58,926	2,077,711	51,590	-	51,590	2,129,301
<b>Net book value</b>	<b>78,033</b>	<b>620,666</b>	<b>389,228</b>	<b>54,325</b>	<b>42,427</b>	<b>28,155</b>	<b>1,212,834</b>	<b>28,410</b>	<b>-</b>	<b>28,410</b>	<b>1,241,244</b>
<b>Year ended June 30, 2016</b>											
Opening net book value	78,033	620,666	389,228	54,325	42,427	28,155	1,212,834	28,410	-	28,410	1,241,244
Additions	-	-	-	-	7,390	100	7,490	-	-	-	7,490
<b>Disposals</b>											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
<b>Transfer</b>											
Cost	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	31,019	38,953	5,433	9,085	2,819	87,309	2,841	-	2,841	90,150
Closing 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
<b>As at June 30, 2016</b>											
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
<b>Net book value</b>	<b>78,033</b>	<b>589,647</b>	<b>350,275</b>	<b>48,892</b>	<b>40,732</b>	<b>25,436</b>	<b>1,133,015</b>	<b>25,569</b>	<b>-</b>	<b>25,569</b>	<b>1,158,584</b>
Depreciation rate % per annum		5%	10%	10%	20%	10%		10%	20%		

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, 2017

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

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
Cost of goods manufactured	20.1	<b>71,915</b>	78,430
Distribution expenses	21	<b>4,133</b>	4,507
Administration and general expenses	22	<b>6,613</b>	7,213
		<b>82,661</b>	90,150

## 4. INVESTMENT

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related party			
65,375,455 ordinary shares of Rs. 10 each (2016: 65,375,455 ordinary shares of Rs. 10 each)	4.1	<b>804,131</b>	804,131
Share of Profit		<b>384,396</b>	208,115
		<b>1,188,527</b>	1,012,246
Fair value as per Market price Quoted in Pakisatn stock Exchange		<b>1,319,276</b>	946,636
<b>Market value (Rupees per share)</b>		<b>20.18</b>	14.48
<b>Percentage of equity held</b>		<b>13.50%</b>	13.50%

**4.1** The summaries financial information of the associates over which the company exercises significant influence based on audited financial statements for the year ended June 30, 2017 are as follows:

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
Total Assets		<b>30,110,357</b>	25,434,769
Total Liabilities		<b>13,844,070</b>	12,311,559
Revenues		<b>12,856,279</b>	12,879,095
Profit after tax		<b>1,305,791</b>	1,499,941
Accumulated Profit up to June 30		<b>3,203,880</b>	1,611,402

# Notes To The Financial Statements

For The Year Ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
<b>5. STORES AND SPARES</b>		----- (Rs. in '000) -----	
Stores		18,944	19,448
Spares		48,918	49,530
		67,862	68,978
Less : Provision for obsolescence / slow moving stocks		(5,064)	(5,064)
		62,798	63,914
<b>6. STOCK-IN-TRADE</b>			
<b>Manufacturing stock</b>			
Raw materials and components		144,225	144,225
Finished goods		2,980	3,742
		147,205	147,967
<b>Trading stock</b>			
Trading stock (including in transit of Rs. Nil (2016 Rs 2.540 Million))		28,328	59,899
Less : Provision for obsolescence / slow moving stocks		(111,959)	(111,959)
		63,574	95,907
<b>7. TRADE DEBTS - Considered good</b>		46,840	22,860
It includes a sum of Rs.26.487 Million (2016: Nil) receivable from related party			
<b>8. SHORT TERM LOANS TO ASSOCIATED UNDERTAKINGS - Considered good</b>			
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 7.14% (2016: 7.05%) per annum.



# Notes To The Financial Statements

For The Year Ended June 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rs. in '000) -----	
<b>9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
<b>Advances - Considered good</b>		
Suppliers and contractors	<b>181,467</b>	181,467
Considered doubtful	<b>(181,467)</b>	(181,467)
Less: Provision for doubtful advances	<b>-</b>	-
Employees	<b>4,663</b>	4,554
Sales tax	<b>11,405</b>	8,158
	<b>16,068</b>	12,712
<b>Deposits</b>		
Margin against letters of guarantees	<b>2,050</b>	2,050
Margin against letters of Credit	<b>-</b>	4,350
Others	<b>16,821</b>	17,640
	<b>18,871</b>	24,040
<b>Other receivables</b>		
Markup on loans to associated undertakings (note 8)	<b>748,850</b>	749,653
Others	<b>1</b>	1
	<b>748,851</b>	749,654
	<b>783,790</b>	786,406

## 10. TAXATION

Income tax assessments of the company have been finalized upto and including the tax year 2016 relating to income year ended June 30, 2016 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.

## 11. CASH AND BANK BALANCES

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
Cash in hand		<b>633</b>	648
Cash at banks in current accounts	11.1	<b>123,047</b>	137,961
		<b>123,680</b>	138,609

**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.

# Notes To The Financial Statements

For The Year Ended June 30, 2017

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

2017 (No of Shares in '000)	2016	Note	June 30, 2017 ----- (Rs. in '000) -----	June 30, 2016
<b>135,065</b>	105,065	Ordinary shares of Rs.10/- each fully paid in cash	<b>1,350,651</b>	1,050,651
<b>3,670</b>	3,670	Ordinary shares of Rs.10/- each, issued as fully paid bonus shares	<b>36,702</b>	36,702
<b>138,735</b>	108,735		<b>1,387,353</b>	1,087,353

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

**12.2** During the year the Company has issued Shares to Director of the Company as per approval granted by Securities and Exchange Commission of Pakistan.

## 13. LONG TERM LOANS - secured

### From banking companies and other financial institutions

Allied Bank Limited - I	13.1	<b>71,429</b>	71,429
Saudi Pak Agricultural and Investment Company - I	13.2	<b>90,000</b>	90,000
National Bank of Pakistan	13.3	<b>62,500</b>	62,500
NIB Bank (formerly PICIC)	13.4	<b>110,000</b>	110,000
Pak Oman Investment Company Limited	13.5	<b>45,324</b>	82,500
Saudi Pak Agricultural and Investment Company - II	13.6	<b>63,000</b>	63,000
Summit Limited	13.7	<b>700,000</b>	700,000
		<b>1,142,253</b>	1,179,429
Less:- Current portion shown under current liabilities	13.8	<b>1,142,253</b>	1,179,429
		<b>-</b>	-

**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% (2016 : 14.51 %) per annum.

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

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

**13.2** The loan carries mark up at the base rate plus 3.00% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 15.01% (2016: 15.01%) per annum.

# Notes To The Financial Statements

For The Year Ended June 30, 2017

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% (2016: 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% (2016: 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 finance carries mark up at the base rate plus 2.50% per annum. Base rate has been defined as ASK rate of six months KIBOR prevailing on the last day of preceding semi annual period. Presently markup on the finance works out to 14.51 % (2016 : 14.51 %) per annum.

The finance has been rescheduled and is to be paid in thirty three equal monthly installments commencing from August 31, 2008 and ending on April 30, 2011.

The finance is secured by first charge over fixed assets of the company by way of hypothecation of plant and machinery and equitable mortgage of land and building 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 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 % (2016: 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.

## Notes To The Financial Statements

For The Year Ended June 30, 2017

**13.7** 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 % (2016: 15.01%) per annum.

The loan is repayable through monthly installments within five years including one year grace period, markup shall continuously be paid on calendar quarter basis during grace period. The loan is secured by First Pari Passu charge over fixed assets of the company.

**13.8** This includes overdue installments amounting to Rs. 1,142,253 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.

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

### 14. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2017	June 30, 2016
	----- (Rs. in '000) -----	
Opening Balance	<b>38,573</b>	40,394
Payments	<b>(38,573)</b>	(1,821)
Current portion shown under current liabilities	-	(38,573)
	<b>-</b>	-

	June 30, 2017		June 30, 2016	
	Minimum lease Payments	Present Value	Minimum lease Payments	Present Value
Not later than one year	38,573	-	41,162	38,573
Later than one year	-	-	-	-
	38,573	-	41,162	38,573
Payment	(37,804)	-	(1,821)	-
	768	-	39,341	38,573
Financial charges	(768)	-	(768)	-
	-	-	38,573	38,573
Current portion shown under current liabilities	-	-	(38,573)	(38,573)
	-	-	-	-

# Notes To The Financial Statements

For The Year Ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
<b>15. DEFERRED LIABILITIES</b>			
Deferred taxation	15.1	-	-
Staff gratuity	15.2	4,514	4,514
		<u>4,514</u>	<u>4,514</u>
<b>15.1 Deferred Taxation</b>			
Credit balance arising due to:			
Accelerated tax depreciation allowances		195,686	210,766
Less: Debit balance arising due to:			
Gratuity		(1,399)	1,444
Carry forward tax losses and others		-	605,068
		<u>(1,399)</u>	<u>606,512</u>
<b>Deferred tax assets</b>		<b>197,085</b>	<b>(395,746)</b>
<b>Deferred tax asset not recognized</b>		<b>(197,085)</b>	<b>395,746</b>
		<u>-</u>	<u>-</u>
<b>15.2 Staff gratuity</b>			
Balance at the beginning of the period		4,514	4,527
Less: Payments made during the period		-	13
		<u>4,514</u>	<u>4,514</u>
<b>16. LOAN FROM DIRECTOR</b>			
Balance at the beginning of the period		-	36,198
Add: Loan received during the year		116,067	263,802
		<u>116,067</u>	<u>300,000</u>
Less: Transfer to Advance against issue of shares		-	(300,000)
		<u>116,067</u>	<u>-</u>
<b>17. TRADE AND OTHER PAYABLES</b>			
<b>Creditors</b>			
Trade creditors	17.1	2,128,126	2,128,126
<b>Accrued liabilities</b>			
Accrued expenses		176,106	161,635
Payable to provident fund	17.2	-	-
Unclaimed dividend		1,814	1,814
Other Payables			
Sales tax payable		6	191
		<u>2,306,052</u>	<u>2,291,766</u>
<b>17.1</b>	It includes Bank Liability against Letter of Credits Rs. 2.117 (2016: Rs. 2.117) Million		
<b>17.2 General Disclosures</b>		<b>(Unaudited)</b>	
Size of fund		59,334	65,990
Cost of investments		59,294	65,919
Fair value of investments	17.1.1	59,271	65,990
Percentage of investments		100%	100%

## Notes To The Financial Statements

For The Year Ended June 30, 2017

**17.1.1** The breakup of fair value of investments is:

	June 30, 2017 ----- (Unaudited) -----		June 30, 2016	
	(Rs. in '000)	(%)	(Rs. in '000)	(%)
Term Deposit Certificates	40,000	67	30,000	45
Money Market Fund	937	2	-	-
Bank balance	18,334	31	35,990	55
Total	59,271	100	65,990	100

**17.1.2** Investments of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

### 18. SHORT TERM FINANCES - SECURED

**June 30, 2017**      **June 30, 2016**  
----- (Rs. in '000) -----

Under mark-up / profit arrangements

**1,978,024**      1,986,171

The facilities for short term finances under markup / profit arrangements available from various banks amounted to Rs. 2,255 (2016: Rs.2,255) million.

The rate of markup / profit ranges from 8.74% to 20% (2016: 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. 344.587 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.

During the year ended June 30, 2008, the Custom, Excise and Sales Tax Appellate Tribunal has decided the case in company's favor resulting in reversal of demand to the extent of Rs.257.487 million. Against the decision of Custom, Excise and Sales Tax 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, 2017

**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 (2016: 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 (2016: Nil ).

**19.6** Commitments in respect of letters of credit other than for capital expenditure amounts to Rs. Nil (2016: Nil).

## 20 OPERATING RESULTS

Note	Manufacturing		Trading		Total	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
(Rs. in '000 )						
<b>Sales</b>	<b>959</b>	22,203	<b>96,812</b>	1,624	<b>97,771</b>	23,827
Sales tax	<b>139</b>	3,226	<b>13,095</b>	260	<b>13,234</b>	3,486
Commission and discounts	<b>20</b>	540	<b>-</b>	-	<b>20</b>	540
	<b>159</b>	3,766	<b>13,095</b>	260	<b>13,254</b>	4,026
<b>Net sales</b>	<b>800</b>	18,437	<b>83,717</b>	1,364	<b>84,517</b>	19,801
<b>Cost of sales</b>						
Opening stock	<b>3,742</b>	17,931	<b>57,359</b>	28,869	<b>61,101</b>	46,800
Cost of goods manufactured	<b>157,745</b>	135,217	<b>-</b>	-	<b>157,745</b>	135,217
Purchases	<b>-</b>	-	<b>48,434</b>	29,627	<b>48,434</b>	29,627
Closing stock	<b>(2,980)</b>	(3,742)	<b>(28,328)</b>	(57,359)	<b>(31,308)</b>	(61,101)
	<b>158,507</b>	149,406	<b>77,465</b>	1,137	<b>235,972</b>	150,543
<b>Gross (loss) / profit</b>	<b>(157,707)</b>	(130,969)	<b>6,252</b>	227	<b>(151,455)</b>	(130,742)
Distribution expenses	<b>182</b>	36,543	<b>19,081</b>	2,703	<b>19,263</b>	39,244
Administration and general expenses	<b>279</b>	31,810	<b>29,182</b>	2,353	<b>29,461</b>	34,163
	<b>461</b>	68,353	<b>48,263</b>	5,056	<b>48,724</b>	73,407
<b>Operating (Loss)</b>	<b>(158,168)</b>	(199,322)	<b>(42,011)</b>	(4,829)	<b>(200,179)</b>	(204,149)

# Notes To The Financial Statements

For The Year Ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
<b>20.1 Cost of goods manufactured</b>			
<b>Raw material and vendor parts consumed</b>			
Opening stock		<b>144,225</b>	144,225
Purchases		-	-
Closing stock		<b>(144,225)</b>	(144,225)
		-	-
Stores and spares consumed		<b>1,116</b>	2,525
Salaries, wages and other benefits	20.2	<b>73,062</b>	44,923
Insurance		<b>631</b>	-
Depreciation	3.2	<b>71,915</b>	78,430
Communication		<b>356</b>	236
Printing, stationery and office supplies		<b>43</b>	7
Rent, rates & Taxes		<b>100</b>	188
Legal & Professional		-	100
Utilities		<b>7,253</b>	4,847
Traveling & entertainment		<b>1,168</b>	234
Vehicle running		<b>952</b>	1,834
Fee & subscription		<b>10</b>	-
Repairs and maintenance		<b>1,139</b>	1,893
Add: Opening stock of work-in-process		-	-
Less: Closing stock of work-in-process		-	-
		<b>157,745</b>	135,217
		<b>157,745</b>	135,217

**20.2** Included herein is a sum of Rs. 0.350 (2016: Rs. 0.532) million relating to recognized Provident fund scheme.

## 21. DISTRIBUTION EXPENSES

Salaries, allowances and other benefits	21.1	<b>12,406</b>	31,193
Depreciation	3.2	<b>4,133</b>	4,507
Traveling & entertainment		<b>931</b>	1,027
Vehicle running		<b>33</b>	1,475
Communication		<b>98</b>	710
Printing, stationery and office supplies		<b>15</b>	34
Legal and professional		<b>709</b>	10
Advertising & sales promotion		<b>938</b>	-
Fee and subscription		-	12
Repairs and maintenance		-	56
Warranty claims and PDI & FFS		-	220
		<b>19,263</b>	39,244



# Notes To The Financial Statements

For The Year Ended June 30, 2017

**21.1** Included herein is a sum of Rs.0.412 (2016: Rs. 0.611) 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.

	Note	June 30, 2017	June 30, 2016
		----- (Rs. in '000) -----	
<b>22. ADMINISTRATION AND GENERAL EXPENSES</b>			
Salaries, allowances and other benefits	22.1	<b>17,165</b>	21,275
Rent, rates and taxes		<b>100</b>	100
Depreciation	3.2	<b>6,613</b>	7,213
Insurance		<b>16</b>	7
Traveling & entertainment		<b>485</b>	312
Vehicle running		<b>655</b>	1,571
Communication		<b>153</b>	169
Printing, stationery and office supplies		<b>436</b>	381
Legal and professional		<b>2,029</b>	1,670
Advertising & publicity		<b>82</b>	65
Fee and subscription		<b>1,132</b>	823
Repairs and maintenance		<b>31</b>	37
Auditors' remuneration	22.2	<b>540</b>	540
Security		<b>24</b>	-
		<b>29,461</b>	34,163

**22.1** Included herein is a sum of Rs.0.392 (2016: Rs. 0.354) million relating to recognized Provident fund scheme.

## 22.2 Auditors' remuneration

Audit fee	<b>330</b>	330
Interim review and other certifications	<b>110</b>	110
Out of pocket expenses	<b>100</b>	100
	<b>540</b>	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, 2017	June 30, 2016
		----- (Rs. in '000) -----	
<b>23. OTHER INCOME</b>			
Profit on Short Term Loan to Associated undertakings	8.1	<b>11,034</b>	25,813
Others		<b>636</b>	806
Share of profit of equity investment in associate	2.6.2	<b>176,282</b>	144,605
		<b>187,952</b>	171,224

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 24 FINANCE COST

During the year ended June 30, 2017 the company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 320.954 million, accumulated Rs. 4.724 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, 2017      June 30, 2016**

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

## 25 TAXATION

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  
**Deferred**

<b>845</b>	-
<b>-</b>	-
<b>845</b>	-

### Relationship between tax expense and accounting loss

Provision for taxation is based on minimum tax liability at the rate of 1% of the turnover, therefore the relationship between accounting loss and tax expense for the year cannot be given.

**June 30, 2017      June 30, 2016**

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

## 26. (LOSS) PER SHARE

### 26.1 Basic (loss) per share

Net (loss) for the period	Rs. In thousand	<b>(13,212)</b>	(43,060)
Weighted average number of ordinary shares	number in thousand	<b>133,421</b>	108,735
Basic (loss) per share	Rupees	<b>(0.10)</b>	(0.40)

### 26.2 Diluted (loss) per share

Net (loss) for the period	Rs. In thousand	<b>(13,212)</b>	(43,060)
Weighted average number of ordinary shares	number in thousand	<b>133,421</b>	109,393
Diluted (loss) per share	Rupees	<b>(0.10)</b>	(0.39)

# Notes To The Financial Statements

For The Year Ended June 30, 2017

	June 30, 2017	June 30, 2016
	----- (Rs. in '000) -----	
<b>27. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>123,680</b>	138,609
Short term finances	<b>(1,978,024)</b>	(1,986,171)
	<b>(1,854,345)</b>	(1,847,562)

## 28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	June 30, 2017			June 30, 2016		
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	----- Rs. in '000' -----					
Managerial remuneration	-	8,665	5,818	-	4,436	19,835
Bonus	-	-	-	-	-	-
House rent, utilities and other benefits	-	2,915	1,433	-	2,219	6,793
Retirement benefits	-	440	215	-	109	1,025
Medical	-	-	-	-	-	-
Leave passage / assistance	-	-	-	-	-	-
	-	12,020	7,466	-	6,764	27,653
No. of persons	1	3	4	1	2	10

The remuneration paid to the three directors of the company, are executive directors.

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

## 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, 2017	June 30, 2016
	----- (Rs. in '000) -----	
Sales	<b>96,768</b>	42
Markup charged for the period on short term loans to associated undertakings	<b>11,034</b>	25,813
Amount received against markup on short term loans to associated undertakings	<b>11,837</b>	5,000
Loan received / transferred to Advance Against Share Capital from Director	-	(36,198)
Loan recovered / settled from associated undertaking	-	584,105
Loan from Director	<b>116,067</b>	-
Advance Against Share Capital	-	263,802
Share Against Loan Settlement	-	524,446
Provident Fund	<b>1,154</b>	1,497

Transactions with associated undertakings and related parties are undertaken on an arm's length basis.

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 30. PLANT CAPACITY AND PRODUCTION

Capacity of the plant on single shift basis is 10,000 (2016:10,000) units. Production during the year from the facility is Nil (2016: Nil) units. The production for the year remained suspended due to freezing of working capital limits by banks.

## 31. FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2017		
	Loans and receivables	Derivatives used for hedging	Total
	----- Rs. in '000' -----		
<b>Assets</b>			
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
	----- Rs. in '000' -----		
<b>Liabilities</b>			
Trade and other payables	-	2,304,232	2,304,232
	-	2,304,232	2,304,232

	As at June 30, 2016		
	Loans and receivables	Derivatives used for hedging	Total
	----- Rs. in '000' -----		
<b>Assets</b>			
Deposits	36,000	-	36,000
Trade debts	22,859	-	22,859
Other receivables	749,653	-	749,653
Cash and bank balance	138,609	-	138,609
	947,121	-	947,121

	As at June 30, 2016		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
	----- Rs. in '000' -----		
<b>Liabilities</b>			
Trade and other payables	-	2,289,762	2,289,762
	-	2,289,762	2,289,762

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 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. 1,901.915 (2016: Rs 2,041.231) million, the financial assets which are subject to credit risk amounted to Rs. 974.104 (2016: Rs. 955.986) 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 balance sheet 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, 2017

		Interest / Markup bearing			Non-Interest / Markup bearing			Total
	Interest/ mark-up rate	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	June 30, 2017
	%	(Rupees in '000)						
ON-BALANCE SHEET 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
		154,879	-	154,879	1,747,036	-	1,747,036	1,901,915
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	1,978,024	-	1,978,024	-	-	-	1,978,024
		3,120,277	-	3,120,277	2,304,232	16,700	2,320,932	5,441,209
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS								
Commitment in respect of letters of credit		-	-	-	-	-	-	-
Outstanding bank guarantee		-	-	-	233,336	17,000	250,336	250,336
		-	-	-	233,336	17,000	250,336	250,336

		Interest / Markup bearing			Non-Interest / Markup bearing			Total
	Interest/ mark-up rate	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	June 30, 2016
	%	(Rupees in '000)						
ON-BALANCE SHEET FINANCIAL INSTRUMENTS								
June 30, 2016								
FINANCIAL ASSETS								
Trade debts		-	-	-	22,859	-	22,859	22,859
Loans to associated undertakings	7.05	154,879	-	154,879	-	-	-	154,879
Advances, deposits and other receivables		-	-	-	778,248	-	778,248	778,248
Investment		-	-	-	946,636	-	946,636	946,636
Cash and bank balances		-	-	-	138,609	-	138,609	138,609
		154,879	-	154,879	1,886,352	-	1,886,352	2,041,231
FINANCIAL LIABILITIES								
Long term loans	14.51-16.01	1,179,429	-	1,179,429	-	-	-	1,179,429
Long term deposits		-	-	-	-	16,700	16,700	16,700
Trade and other payables		-	-	-	2,289,762	-	2,289,762	2,289,762
Short term finances	8.74-20.00	1,986,171	-	1,986,171	-	-	-	1,986,171
		3,165,600	-	3,165,600	2,289,762	16,700	2,306,462	5,472,062
OFF-BALANCE SHEET FINANCIAL INSTRUMENTS								
Commitment in respect of letters of credit		-	-	-	-	-	-	-
Outstanding bank guarantee		-	-	-	233,336	17,000	250,336	250,336
		-	-	-	233,336	17,000	250,336	250,336

# Notes To The Financial Statements

For The Year Ended June 30, 2017

## 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 balance sheet). total capital comprises shareholders' equity as shown in the balance sheet under 'share capital and reserves'.

## 34. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 107 (2016: 78) and the average number of persons employed during the year were 144 (2016: 63).

## 35. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 29, 2017 by the Board of Directors of the company.

## 36. GENERAL

Figures have been rounded off to the nearest thousand rupees.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

**Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance**  
as at June 30, 2017

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	83	8,072,672	5.82%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	11	650,680	0.47%
7.	Individuals	6,412	52,482,622	37.83%
	<b>TOTAL</b>	<b>6,516</b>	<b>138,735,242</b>	<b>100.00%</b>

**DETAILS OF CATEGORIES OF SHAREHOLDERS**

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
<b>1. Associated Companies</b>				
1.1	Dewan Sugar Mills Limited	1	13,650,000	9.84%
		<b>1</b>	<b>13,650,000</b>	<b>9.84%</b>
<b>2. NIT and ICP</b>		-	-	-
<b>3. Directors, CEO, their Spouses &amp; Minor Children</b>				
	<b>Directors and CEO</b>			
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%
		<b>8</b>	<b>63,406,768</b>	<b>45.70%</b>
	<b>Spouses of Directors and CEO</b>			
3.8	Mrs. Hina Yousuf	1	472,500	0.34%
		<b>1</b>	<b>472,500</b>	<b>0.34%</b>
	<b>Minor Children of Directors and CEO</b>	-	-	-

**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 **30.06.2017**

4.	Number of Shareholders	Shareholdings			Total Shares held
	454	1	-	100	Shares 13,978
	1047	101	-	500	Shares 481,545
	1545	501	-	1,000	Shares 1,312,472
	2132	1,001	-	5,000	Shares 6,088,259
	595	5,001	-	10,000	Shares 4,806,025
	330	10,001	-	20,000	Shares 4,963,277
	138	20,001	-	30,000	Shares 3,496,076
	47	30,001	-	40,000	Shares 1,684,500
	64	40,001	-	50,000	Shares 3,050,799
	20	50,001	-	60,000	Shares 1,118,900
	11	60,001	-	70,000	Shares 730,000
	18	70,001	-	80,000	Shares 1,387,500
	12	80,001	-	90,000	Shares 1,034,500
	18	90,001	-	100,000	Shares 1,786,792
	9	100,001	-	120,000	Shares 983,606
	12	120,001	-	140,000	Shares 1,560,590
	16	140,001	-	160,000	Shares 2,430,550
	2	160,001	-	180,000	Shares 343,500
	5	180,001	-	200,000	Shares 969,007
	5	200,001	-	220,000	Shares 1,030,000
	2	220,001	-	240,000	Shares 459,000
	4	240,001	-	260,000	Shares 1,011,182
	1	260,001	-	280,000	Shares 269,500
	4	280,001	-	300,000	Shares 1,174,000
	1	300,001	-	320,000	Shares 302,000
	2	320,001	-	340,000	Shares 661,500
	1	340,001	-	450,000	Shares 445,000
	3	450,001	-	500,000	Shares 1,417,500
	2	500,001	-	550,000	Shares 1,035,500
	1	550,001	-	650,000	Shares 602,500
	1	650,001	-	700,000	Shares 700,000
	1	700,001	-	750,000	Shares 704,234
	2	750,001	-	800,000	Shares 1,590,000
	1	800,001	-	850,000	Shares 841,000
	1	850,001	-	950,000	Shares 940,000
	1	950,001	-	1,100,000	Shares 1,100,000
	1	1,100,001	-	1,300,000	Shares 1,228,500
	1	1,300,001	-	1,400,000	Shares 1,365,000
	1	1,400,001	-	2,000,000	Shares 1,800,000
	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
	<b>6,516</b>	<b>TOTAL</b>			<b>138,735,242</b>

**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	643,050	0.46%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	7,630	0.01%
5.7	Shareholders holding 5%	77,053,768	55.54%
5.8	General Public		
	a. Local	52,473,472	37.82%
	b. Foreign	9,150	0.01%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	8,072,672	5.82%
		215,789,010	156%



## 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 19th Annual General Meeting of the Company to be held on Monday,  
 October 30, 2017 at 03:00 p.m. and my adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

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 انیسویں 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 \_\_\_\_\_ جوہدات 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 میں میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2017 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 ہو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کا اہل ہو گا/ہو گی یا اپنی جگہ کسی اور فرد کو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کے لئے مقرر کر سکے گا۔
- (3) یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل ایک 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 تیار 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 اپنی 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)

اظہار تشکر:

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

اختتام:

آخر میں ہم اللہ تعالیٰ رحمن و رحیم سے پیارے نبی کے نام پر اپنے کمپنی، ملک اور قوم پر اس کی رحمت، ہدایت، قوت، صحت اور خوشحالی، کیلئے بدست دعا ہیں اور اللہ تعالیٰ سے کل امت مسلمہ کیلئے امن، اخوت، اتحاد اور سچے جذبہ ایمانی کیلئے دعا کرتے ہیں۔ (آمین ثمہ آمین)  
بے شک میرا ملک سے کی دعا سننے والا ہے۔ (القرآن)

*Dewan Farooque*

بحکم بورڈ آف ڈائریکٹرز

دیوان محمد یوسف فاروقی

چیف ایگزیکٹو

کراچی 29 ستمبر 2017ء



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

آڈٹ کمپنی 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 ممبران کی شرکت حسب ذیل ہے۔

ڈائریکٹر کا نام	اجلاس میں شرکت
جانب عزیز الحق	4
جناب ہارون اقبال	4
سید محمد انور	4

سال رواں کے دوران افرادی قوت اور مشاہیرہ کمیٹی کا ایک اجلاس منعقد ہوا جس میں ممبران کی شرکت حسب ذیل رہی۔

ڈائریکٹر کا نام	اجلاس میں شرکت
جناب ہارون اقبال	1
دیوان محمد یوسف فاروقی	1
جناب عزیز الحق	1

آڈیٹرز:

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

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۔

حصص یا فٹگی کا طریقہ کار:

کمپنی کے شیئر ہولڈنگ کا طریقہ کار 30 جون 2017ء کی سالانہ رپورٹ میں شامل ہے۔

کمپنی شیئرز کی تجارت:

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

آڈیٹرز رپورٹ کے پیرا (اے) اور (بی) میں پیش کردہ معاملہ کی اہمیت کے باعث آڈیٹرز نے رپورٹ کو الیقائی 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 ڈھانچہ کی دوبارہ تشکیل کو حتمی شکل دینے اور حالیہ صورتحال سے نکلنے کے قابل ہے۔ ہم تہہ دل سے اپنے سربراہوں کیلئے اللہ تعالیٰ جو نہایت مہربان اور بڑا رحم کرنے والا ہے سے دعا گو ہیں کہ اس نے آپ کی کمپنی کو اپنے کرم سے نوازا اور مشکل اوقات میں مدد فرمائی۔

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

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

30 جون 2017ء کو مکمل ہونے والے سال کیلئے کمپنی کی مینجمنٹ کے تیار کردہ مالی گوشوارے اپنے ادارتی امور، عملدرآمد کے نتائج، لین دین اور ایکویٹی میں تبدیلی کے شفاف مظہر ہیں۔

30 جون 2017ء کو مکمل ہونے والے سال کیلئے مالی گوشواروں کی تیاری میں مجوزہ اکاؤنٹنگ پالیسیاں عمل میں لائی گئیں ہیں اور اکاؤنٹنگ تخمینے موزوں اور انصاف پر مبنی ہیں۔

انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (آئی ایف آر ایس) جو پاکستان میں رائج ہیں، کو مالی گوشواروں کی تیاری اور نمٹانے میں بروئے کار لایا گیا ہے اور ہر مالی امور کو مدکورہ گوشواروں میں واضح کیا گیا ہے۔

انٹرنیشنل کنٹرول کا نظام مضبوط اور عملدرآمد اور نگرانی بھی موثر طور پر زیر عمل ہے۔

مینجمنٹ نے نوٹ 1.1 میں چلتے ہوئے ادارہ کے طور پر کمپنی کی اہلیت کا تفصیلی جائزہ پیش کیا ہے اور منسلک مالی گوشواروں کے نوٹ 24 میں مارک اپ کی نان پرورنگ کے بارے میں واضح کیا ہے۔ اشاک ایکسچینج آف پاکستان کے لسٹنگ ریگولیشنز کی تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین عملدرآمد میں کوئی کوتاہی نہیں کی گئی۔

گزشتہ چھ سال کی مختصر کی آپریٹنگ اور مالی اعداد و شمار رپورٹ کے ہمراہ منسلک ہیں۔

تمام محصولات ادا کر دیئے گئے اور کوئی واجب الادا نہیں۔ سوائے ان کے جو منسلک آڈٹ شدہ مالی مالی گوشوارہ کے نوٹ نمبر 17 میں اندراج کے۔

30 جون 2017ء کو پروایڈنٹ فنڈ انویسٹمنٹ 59.271 ملین روپے تھی (2016ء 65.990 ملین روپے)

بورڈ آف ڈائریکٹرز آف ڈائریکٹرز کے تمام افراد اپنی بہترین صلاحیتوں اور بھرپور معلومات کے ساتھ کمپنی کے مقاصد کے حصول میں برسرِ پیکار ہیں۔

ڈائریکٹر کا نام	اجلاس میں شرکت
دیوان محمد یوسف فاروقی	3
جناب ہارون اقبال	4
جناب عزیز الحق	5
جناب وسیم الحق انصاری	5
سید محمد انور	5
جناب محمد نعیم الدین ملک	5
جناب محمد سلیم بیگ	5





## ڈائریکٹرز رپورٹ

دیوان فاروق موثرز لمیٹڈ کا بورڈ آف ڈائریکٹرز 30 جون 2017ء کو مکمل ہونے والے سال کی سالانہ رپورٹ معہ آڈٹ شدہ مالی گوشوارے پیش کرتے ہوئے انیسویں (19) واں سالانہ اجلاس عام میں خوشی کے ساتھ آپ کا خیر مقدم کرتا ہے۔

### اقتصادی جائزہ

سال رواں کی اقتصادی کارکردگی معہ مالی سال 2016ء تقابلی اعداد و شمار حسب ذیل ہیں۔

30 جون 2017ء مکمل ہونے والا سال	30 جون 2016ء مکمل ہونے والا سال	
(روپے ہزاروں میں)	(روپے ہزاروں میں)	
97,771	23,827	مجموعی فروخت:
(151,455)	(130,742)	مجموعی نقصان
(200,179)	(204,149)	عملدرآمد میں نقصان
(13,212)	(43,060)	بعد از ٹیکس نقصان

### مالیاتی کارکردگی:

پیئجر کار اور ایل سی وی سیگمنٹ برائے مالی سال 2017ء میں مجموعی طور پر آٹوموبائل کے شعبہ کی فروخت میں گزشتہ سال کے مقابلہ میں معمولی سی کمی (03%) فیصد دکھائی دیتی ہے۔ کل 209,585 یونٹس فروخت ہوئے۔ گزشتہ سال سے پیداواری تخفیف ”اپناروزگار اسکیم“ کے اختتام کی وجہ سے ہوئی۔ گزشتہ سال کے اپنا روزگار اسکیم کے تحت تعداد کو ایڈجسٹ کرتے ہوئے سیگمنٹ میں شیت ترقی نظر آتی ہے۔ معیشت کی بحالی، امن و امان کی بہتر صورتحال اور کم شرح سود پر بینک کار فنانسنگ کی دستیابی پیئجر کار کی تعداد میں خصوصاً اضافہ کے پیچھے اہم عوامل ہیں۔ نیا اے ڈی پی 2016-2021ء صنعت کیلئے بہت زیادہ فائدہ مند ہے۔ پاکستان کی مارکیٹ میں نئے کاروباری حضرات داخل ہو رہے ہیں۔ جو بہترین مقابلہ کریں گے۔ بہتر معاشی منصوبہ بندی اور سی پی ای سی کی کامیاب تکمیل کے ساتھ سڑکوں کے جال میں توسیع سے توقع ہے کہ آٹوموبائل کی فروخت میں اضافہ ہوگا۔

بینک لائسنس کی عدم دستیابی کے باعث سال رواں کے دوران کمپنی کی کاروباری سرگرمیاں جاری رکھنے کے لیے سخت محنت کر رہی ہے پیداواری سرگرمی معطل رہی جس کے نتیجے میں مقررہ اور دیگر مالیت کی کھپت نہ ہونے کے باعث کمپنی کو مالی نقصان ہوا۔ مندرجہ بالا اسباب کی وجہ سے کمپنی مشکل صورتحال سے دوچار ہے اور زندہ رہنے کیلئے سخت جدوجہد کر رہی ہے۔ موجودہ مالیاتی صورتحال کو بہتر بنانے کیلئے کمپنی نئی دفاعی اقدامات کر رہی ہے اور یہ معاملہ بھی بینکوں سامنے رکھ دیا ہے۔ کمپنی کے قرضوں کی ری پرفائلنگ مستقبل قریب میں مکمل ہونے کی توقع ہے اور کمپنی کے آپریشنز معمول پر آ جائیں گے بینکوں اور دیگر مالی اداروں لیزنگ کمپنیوں کے واجب الادا قرضے اکاؤنٹس کے نوٹس میں ظاہر کردیئے گئے ہیں۔ مالیاتی سال کے دوران کمپنی نے دیہان دیوان موٹر کمپنی (پرائیویٹ) لمیٹڈ سے ٹول مینوفیکچرنگ آرہمنٹ کے تحت گاڑیوں کی تیاری کیلئے ایک معاہدہ کیا ہے۔ حکومت سے مطلوبہ منظوری زیر التواء ہے۔ منظوری ملنے کے فوری بعد پیداوار متوقع ہے۔

اس ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم بلا ترمیم پاس کرنے کی تجویز ہے:  
قرار پایا کہ کمپنی، کمپنیز ایکٹ 2017ء کی دفعہ 199 میمورنڈم آف ایسوسی ایشن کی کلاز III (X) اور کمپنی کے اٹھارہویں سالانہ اجلاس عام میں منظور کردہ شرائط و ضوابط کے تحت گزشتہ اجلاس عام میں مندرجہ ذیل ایسوسی ایٹڈ کمپنی کیلئے قلیل المدتی قرضوں مختص کردہ حد کی تجدید کا اختیار دیا جاتا ہے:

قرضہ

قرضہ لینے والی کمپنی:

دیوان آٹو موٹیو انجینئرنگ لمیٹڈ

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

2- سالانہ رپورٹس کی بذریعہ سی ڈی / وی ڈی / یو ایس بی ترسیل

سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان نے بذریعہ ایس آر او 470 (1) / 2016 مورخہ 31 مئی 2016ء کمپنیوں کو اجلاس عام میں شیئر ہولڈرز کی رائے حاصل کرنے کے بعد سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹسز اور کمپنی کی دیگر معلومات بذریعہ سی ڈی / وی ڈی / یو ایس بی ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ اس سے وقت اور سالانہ رپورٹس کی اشاعت پر آنے والے اخراجات کی بچت ہوگی۔

تاہم کمپنی شیئر ہولڈرز کے طلب کرنے پر ایک ہفتہ کے اندر بلا معاوضہ مذکورہ دستاویزات کی ہارڈ کاپ فراہم کر دیگی۔ شیئر ہولڈرز کی منظوری پر کمپنی ان دستاویزات کی ہارڈ کاپ کیلئے ویب سائٹ پر ایک اسٹینڈرڈ ریکونسٹ فارم مع کمپنی سیکریٹری / شیئر رجسٹرار کے ای۔ میل ایڈریس جاری کر دیگی جو اس درخواست پر عمل کریں گے۔ کمپنی کے ڈائریکٹرز خصوصی امور میں اپنی حصص یافتہ ہونے اور ڈائریکٹر کے طور پر حیثیت کے علاوہ کوئی دلچسپی نہیں رکھتے۔

”قرار پایا کہ 30 جون 2018ء تک مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ سی ڈی یا ڈی وی ڈی یا یو ایس بی ترسیل کیلئے دیوان فاروق موٹرز لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“

کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی کے ضمن میں مندرجہ ذیل مجوزہ خصوصی قرارداد پر غور و خوض اور موزوں پانے پر منظوری اور قرارداد پاس کرنا۔

(i) کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 47 - اے کا اضافہ

ای وونگ کی ضروریات اور شقوق بشمول ریگولیٹری اتھارٹی کی جانب سے وقتاً فوقتاً پروکسی کی تقرری کی دستاویز کو ان آرٹیکلز میں شامل کیا جائیگا جو آرٹیکلز آف ایسوسی ایشن کے دیگر پروویژنز کے علاوہ اور کسی کی تردید کے بغیر ہوں گے۔

”قرار پایا کہ ای وونگ کی صورت میں غیر ممبرز کی بطور پروکسی تقرری کی منظوری دی جاتی ہے“

”مزید قرار پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیٹر سے ضروری منظوری کے بعد اور اسی طرح کمپنی کے آرٹیکلز اور ایسوسی ایشن میں ترمیم / اضافہ اور تبدیلی کیلئے دفعہ 134 (3) کے تحت ممبران کو پیش گوشوارہ اور فارم قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“

کمپنی کے ڈائریکٹرز خصوصی امور میں بالواسطہ یا بلاواسطہ کوئی دلچسپی نہیں رکھتے جو باوجودیکہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مذکورہ بالا پروویژن کمپنیز ایکٹ 2017ء کی پروویژن کی طرح مستحکم کرنے اور کمپنی کے کاروبار کی سہولت کے مفاد میں کام کرنے کے خواہشمند ہیں اور بورڈ آف ڈائریکٹرز مجموعی طور پر کام کر رہے ہیں۔



## (6) مینڈیٹ برائے ای۔ ڈیوینڈ

نقد منافع منقسمہ کی ادائیگی کے عمل کو زیادہ موثر بنانے کی غرض سے ای۔ ڈیوینڈ طریقہ کار کا آغاز کیا گیا ہے جس کے ذریعے شیئرز ہولڈرز کو بلا کسی تاخیر کے اپنے متعلقہ بینک اکاؤنٹس میں منافع منقسمہ کی رقم الیکٹرونک جمع کردہ مل جائے گی۔ اس طرح منافع منقسمہ جات متعلقہ بینک اکاؤنٹ میں فوراً کریڈٹ کر دیئے جائیں گے اور منافع منقسمہ کے واریز کی ڈاک میں گمشدگی، بلا تقسیم واپس آ جانے یا غلط پتے پر ڈیپوزٹ وغیرہ ہونے کے امکانات نہیں ہوں گے۔ سیکورٹی اینڈ ایکس چینج کمیشن آف پاکستان (SECP) نے بذریعہ نوٹس نمبر SM/CDC 2008 (4) مورخہ 05 اپریل 2013ء تمام لسٹڈ کمپنیز کو ہدایت کی ہے کہ وہ ای۔ ڈیوینڈ طریقہ کار کا اختیار کریں اس بنا پر کہ شیئرز ہولڈرز کیلئے یہ سودمند رہے گا۔ مندرجہ بالا کے پیش نظر آج سے گزارش کی جاتی ہے کہ آپ ڈیوینڈ مینڈیٹ فارم پر شدہ اور دستخط شدہ ہو فراہم کرتے ہوئے ای۔ ڈیوینڈ کے حق میں ایک ڈیوینڈ مینڈیٹ فراہم کریں۔

## (7) مالی گوشواروں وغیرہ کی الیکٹرونک ترسیل

سیکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) نے بذریعہ 787 (1) مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ جائزہ اجلاس کے نوٹس کے ہمراہ آڈٹ شدہ مالیاتی گوشوارے بذریعہ ای۔ میل اپنے ممبران کو ارسال کرنے کی اجازت دیدی ہے۔ لہذا ممبران سے درخواست ہے کہ آڈٹ شدہ مالی گوشواروں اور نوٹس کو بذریعہ ای۔ میل وصولی کیلئے اپنی رائے اور ای میل ایڈریس فراہم کریں۔ اس سہولت سے استفادہ کیلئے اسٹینڈرڈ ریکورسٹ فارم کمپنی کی ویب سائٹ: <http://www.yusufdewan.com/DFML/index.html> پر دستیاب ہیں۔

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

یہ گوشوارہ دیوان فاروق موثرز لمیٹڈ (کمپنی یا ڈی ایف ایم ایل) کے پیر 30 اکتوبر 2017ء کو دن کے 3 بجے دیوان سینٹ لمیٹڈ پلانٹ سائٹ - دیہہ ڈھنڈو دھانجی ضلع ملیر کراچی پاکستان کے نوٹس ہذا کے ہمراہ ارسال کیا جا رہا ہے اور اجلاس ہذا میں انجام دیئے جانے والے خصوصی امور سے متعلق ٹھوس حقائق پر مبنی ہے۔

## خصوصی امور

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

نمبر شمار	تفصیلات	قرضہ اور پیشگیاں دیوان آٹوموٹیو انجینئرنگ لمیٹڈ
(الف)	کل منظور شدہ انویسٹمنٹ	154.878 ملین روپے
(ب)	تا وقت سرمایہ کاری کی منظوری	154.878 ملین روپے
(ج)	ابھی تک مکمل سرمایہ کاری نہ کرنے کے اسباب جبکہ قرضہ امداد میں مقررہ مدت میں عملدرآمد کیلئے کہا گیا تھا	N/A
(د)	اس کمپنی میں سرمایہ کاری کی منظوری کیلئے قرضہ امداد پاس ہو سکی تاریخ ایسوسی ایٹڈ کمپنیوں کے مالی گوشواروں میں تبدیلی	جون 2012ء
(ه)	آمدنی (نقصان) فی حصص	-9.01
(و)	شیئرز ہولڈرز ایکٹیوٹی	-1,767.261
(ز)	کل اثاثے	803.178
(ح)	بریک اپ ویلیو	-82.58
	گزشتہ ریکورڈیشن کی حد کی تجدید	مختص کردہ 154.878 ملین روپے

کمپنیز ایکٹ مجریہ 2017ء کی دفعہ 134(3) کے تحت اجلاس ہذا میں انجام دینے والے خصوصی امور سے متعلق گوشوارہ نوٹس ہذا کے جزو کے طور پر منسلک ہے۔

نوٹس:

- (1) کمپنی کی منتقلی حصص کی کتب 23 اکتوبر تا 30 اکتوبر 2017ء (دونوں دن شامل) بند رہے گی۔
- (2) ممبران سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹر اٹھانے کے لئے ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ انعم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311 تھرڈ فلور 49-دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل۔ کراچی پاکستان کو مطلع کریں۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل میر اپنی جانب سے شرکت اور رائے دہی کے لئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس ہذا کے انعقاد سے کم از کم اڑھتالیس گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈروں کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر I 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 اس فرد کو جس کی سیکورٹیز گروپ اکاؤنٹ میں ہو اور ان کی رجسٹریشن تفصیلات قوائد کے مطابق اپ لوڈ ہوں ہوں اس کو اجلاس میں شرکت کے موقع پر اپنی شناخت کے موقع پر اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (ii) کارپوریٹ اینٹیٹی کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ پیش کرنا ہوگا۔

ب۔ برائے پروکسی کی تقرری:

- (i) انفرادی اکاؤنٹ ہولڈر یا سب/اکاؤنٹ ہولڈر اور/یا جس فرد کی سیکورٹیز گروپ اکاؤنٹ اور میں ہو اور ان کی رجسٹریشن تفصیلات قوائد کے مطابق اپ لوڈ ہوں اس کو پروکسی فارم حسب بالا جمع کرنا ہوگا۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہئے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم کے ہمراہ منسلک ہونی چاہئے۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل سی این آئی سی یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اینٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد شخص کے دستخط کا نمونہ پروکسی فارم کے ہمراہ پیش کرنا ہوگا۔

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

جن ممبران نے ابھی تک سی این آئی سی کی فوٹو کاپیاں کمپنی کو پیش نہیں کی ہیں ان سے دوبارہ درخواست ہے کہ جلد از جلد داخل کرادیں تاکہ سیکورٹیز اینڈ ایکس چینج کمیشن آف پاکستان کے ایس آر او نمبر 83(1) 2012 مورخہ 5 جولائی 2012ء کی تعمیل میں ڈیویڈنڈ وارنٹس پر اندراج کیا جاسکے۔ لسٹڈ کمپنیوں کیلئے لازمی ہے کہ رجسٹرڈ حصص یافتگان یا مختار نمائندوں کا سی این آئی سی نمبر ڈیویڈنڈ وارنٹس پر درج کیا جائے۔ لہذا تاخیر سی این آئی سی کی تصدیق شدہ کاپی ہمارے شیئرز رجسٹر اٹھانے کو فراہم کرنے کی ہدایت کی جاتی ہے۔



## سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان فاروق موٹرز لمیٹڈ (ڈی ایف ایم ایل یا کمپنی) کا انیسواں (19) سالانہ اجلاس عام پیر 30 اکتوبر 2017ء کو سہ پہر تین بجے دیوان سیمینٹ لمیٹڈ - فیکٹری سائٹ واقع دیہہ ڈھنڈو - دھانیجی - ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائیگا۔ اجلاس کا آغاز تلاوت کلام پاک سے ہوگا۔

### عمومی امور

- (1) کمپنی کے غیر معمولی اجلاس عام منعقدہ پیر 19 دسمبر 2016ء کی کارروائی کی توثیق۔
- (2) 30 جون 2017ء کو مکمل ہونے والے سال کے لئے آڈٹ شدہ سالانہ مالی گوشواروں معہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
- (3) آئندہ سال کے لئے 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 ایسوسی ایٹڈ کمپنیوں کیلئے قبل المدتی قرضوں / پیشگیوں پر غور و خوض اور منظوری۔
  - 2- کمپنی کے آرٹیکلز آف ایسوسی ایشن کے تحت گوشوارہ میں درج تفصیلات کے مطابق ترمیم / اضافہ پر غور و خوض اور موزوں پانے پر منظوری۔
  - 3- سالانہ آڈٹ شدہ اکاؤنٹس کی کسی منظور شدہ ذریعہ سے منتقلی اور ای۔ ووٹنگ کی صورت میں کسی غیر ممبر کی بطور پروکسی کیلئے شیئر ہولڈرز کی رائے کے حصول کے ضمن میں مندرجہ ذیل خصوصی قرارداد ترمیم پاس کرنا۔
  - 4- ایس آر او 47Q(1) 2016 مورخہ 31 مئی 2016ء جاری کردہ سیکورٹیز اینڈ ایکسچینج آف پاکستان کے تحت سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی بذریعہ ڈی یا ڈی وی یا یو ایس بی تریسل کیلئے شیئر ہولڈرز کی منظوری حاصل کرنے کیلئے مندرجہ ذیل قرارداد ترمیم بلا ترمیم پاس کرنا۔
- ”قرار پایا کہ 30 جون 2018ء کو مکمل ہونے والے سال کیلئے اور آئندہ ممبران کو سالانہ آڈٹ شدہ مالی گوشواروں، اجلاس عام کے نوٹسز اور دیگر معلومات و اطلاعات کی اصل کاپی کی بجائے بذریعہ ڈی یا ڈی وی یا یو ایس بی تریسل کیلئے دیوان فاروق موٹرز لمیٹڈ (کمپنی) کے ممبران کی رائے اور منظوری حاصل کی جائے۔“
- ”مزید قرار پایا کہ ای ووٹنگ کی صورت میں غیر ممبر کی بطور پروکسی کی تقرری کی منظوری دی جاتی ہے“
- ”مزید قرار پایا کہ مندرجہ بالا پاس کردہ قرارداد کے سلسلہ میں اور ریگولیٹر سے ضروری منظوری کے بعد اور اسی طرح کمپنی کے آرٹیکلز اور ایسوسی ایشن میں ترمیم / اضافہ اور تبدیلی کیلئے دفعہ 134(3) کے تحت ممبران کو پیش گوشوارہ اور فارم قرارداد ہذا کے جزو ہونے کی منظوری دی جاتی ہے۔“
- ”قرار پایا کہ ڈائریکٹرز ہارون اقبال اور ڈائریکٹر و کمپنی سیکریٹری محمد نعیم الدین ملک کو قرارداد ہذا پر عملدرآمد کیلئے تمام اقدامات، کارروائیاں اور قانونی دستاویزات کی تیاری اور اتفاقی اور ضروری امور انجام دینے کا اختیار دیا جاتا ہے۔“
- کمپنیز ایکٹ 2017ء کی دفعہ 134(3) کے تحت خصوصی امور سے متعلق گوشوارہ نوٹس ہذا کے ہمراہ ممبران کو ارسال کیا جا رہا ہے جو اس کا جزو قرار پایا ہے۔

بجلم بورڈ  
محمد نعیم الدین ملک  
ڈائریکٹر و کمپنی سیکریٹری

کراچی۔

02 اکتوبر 2017ء

**DEWAN FAROOQUE MOTORS LIMITED**

**[WWW.YOUSUFDEWAN.COM](http://WWW.YOUSUFDEWAN.COM)**