

DEWAN FAROOQUE MOTORS LIMITED

October 2, 2019

FORM-4

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi, Pakistan Fax No. (+92 21) 111-573-329

Subject: **Notice of Annual General Meeting**

Dear Sir,

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Thursday, October 24, 2019 for circulation amongst the TRE Certificate Holders of the Exchange.

Yours faithfully


Muhammad Naeemuddin Malik
Director & Company Secretary


Haroon Iqbal
Director

Enclosures: (As above)

 **YD** | A YOUSUF DEWAN COMPANY

DEWAN FAROOQUE MOTORS LIMITED

Registered Office: Dewan Centre, 3-A, Lalazar Beach Hotel Road, Karachi - 74000 Pakistan
Fax +92 21 35630860 | UAN +92 21 111 364 111

WWW.YOUSUFDEWAN.COM

DEWAN FAROOQUE MOTORS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty First Annual General Meeting of **Dewan Farooque Motors Limited** ("DFML" or "**the Company**") will be held on **Thursday, October 24, 2019, at 02:00 p.m.** at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

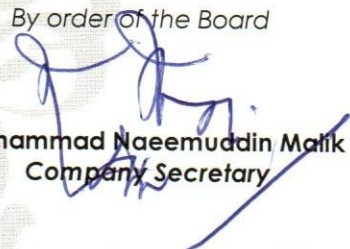
ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 25, 2018;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2019, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors' of the Company for the year ended June 30, 2020, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

Special Business:

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

By order of the Board


Muhammad Naeemuddin Malik
Company Secretary

Karachi: September 27, 2019

"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 17, 2019 to October 24, 2019 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:



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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 changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual



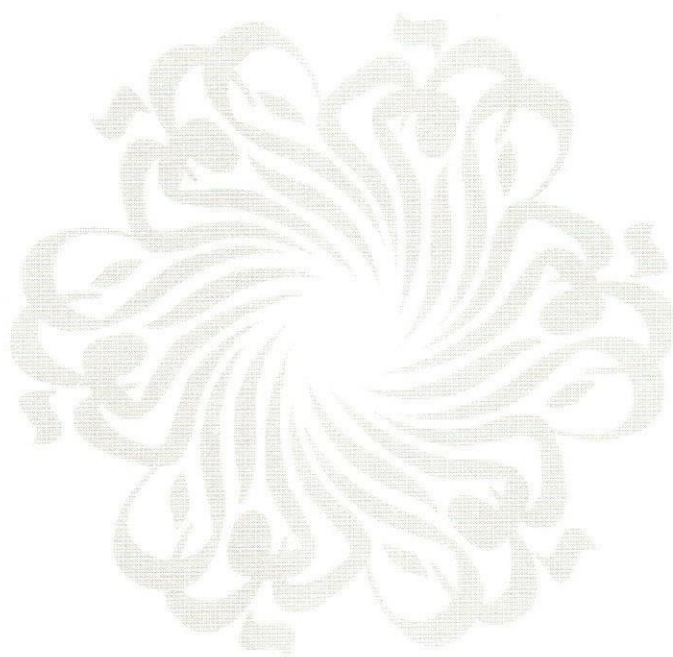
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General Meeting through email instead of sending the same through post, to those members who desires to avail this facility? The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DFML/index.html>



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

This statement is annexed as an integral part of the Notice of the Twenty First Annual General Meeting of Dewan Farooque Motors Limited ("the Company" or "DFML") to be held on Thursday, October 24, 2019 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

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

SR.#	DESCRIPTION	Reference								
a)	Name of the Associated Company Criteria of associated relationship	Dewan Automotive Engineering Limited Common Directorship								
b)	Amount of loans and advances	Rs. 154.879 million								
c)	In Case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 154.879 million								
d)	Earnings/(Loss) per share for the last three years.	<table><tr><td>2018</td><td>2017</td><td>2016</td></tr><tr><td>-2.24</td><td>-1.99</td><td>-3.03</td></tr></table>	2018	2017	2016	-2.24	-1.99	-3.03		
2018	2017	2016								
-2.24	-1.99	-3.03								
e)	Financial position, including main items of balance sheet and profit and loss	<table><tr><td>Earnings / (loss) per share</td><td>-2.24</td></tr><tr><td>Shareholders' equity</td><td>-1,116.213</td></tr><tr><td>Total Assets</td><td>326.621</td></tr><tr><td>Break-up value</td><td>-54.35</td></tr></table>	Earnings / (loss) per share	-2.24	Shareholders' equity	-1,116.213	Total Assets	326.621	Break-up value	-54.35
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Shareholders' equity	-1,116.213									
Total Assets	326.621									
Break-up value	-54.35									
f)	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Interbank offered rate at the relevant period	As the Company has approached its lenders for restructuring and no mark-up is payable as per the proposal. Therefore, as per regulation 5(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, three months KIBOR rate is applicable.								
g)	Rate of interest, mark-up, profit, fees or commission etc., to be charged	Rate of interest to be charged will be 1% above three months KIBOR rate. Three months KIBOR as of September 25, 2019 is 13.85% per annum.								
h)	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any:	Borrowing is unsecured.								
i)	Repayment schedules and terms of loans or advances to be given to the investee company	Renewal for one year.								



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J)	Salient feature of all the agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	As per the terms of the agreement with the borrower the Company may recover the amount of loan by way of swap with assets/investments owned by the borrower.
k)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	The following are interested directors to the extent of their respective shareholding in the investee company which are as follows: a) Mr. Haroon Iqbal 500 (0.0023%) b) Mr. Waseem-ul-Haque Ansari 500 (0.0023%) c) Mr. Muhammad Naeemuddin Malik 1,000 (0.0047%) d) Mr. Aziz-ul-Haque 1,000 (0.0047%)
	Any other important details necessary for the members to understand the transaction.	None.

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

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

LOAN

Borrowing Company:
Dewan Automotive Engineering Limited

(Rupees in Million)
154.879

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



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By order of the Board
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Company Secretary

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Safar 2, 1441
WEDNESDAY,
October 2, 2019

20 Pages, Regd. No. K-337
Vol. XXXIII No. 198 | Rs 22

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Karachi | Wednesday, October 2, 2019
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عمومی امور

- ### خصوصی امور

کراچی 27 ستمبر 2019ء

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**A YOUSUF DEWAN COMPANY
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