

ANNUAL REPORT
2019



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 134(3) of The Companies Act. 2017	7
Chairman's Review	9
Directors' Report	10
Key Operating and Financial Data	15
Statement of Compliance with listed companies Code of Corporate Governance	16
Independent Auditor's Review Report to the members	19
Independent Auditor's Report to the members	21
Statement of Financial Position	29
Statement of Profit & Loss Account	30
Statement of Comprehensive Income	31
Statement of Cash Flow	32
Statement of Changes in Equity	33
Notes to the Financial Statements	34
Pattern of Shareholding	66
Form of Proxy	69
Form of Proxy (Urdu)	70
Directors' Report (Urdu)	75
Notice of Annual General Meeting (Urdu)	80
Jama Punji	

Company Information

Non-Executive Directors

Mr. Haroon Iqbal
Mr. Syed Muhammad Anwar
Mr. Mohammad Saleem Baig
Mr. Imran Ahmed Javed

Chairman Board of Directors

Executive Directors

Mr. Waseem-ul- Haque Ansari
Mr. Muhammad Naeem Uddin Malik

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Mr. Waseem-ul- Haque Ansari

CFO & COMPANY SECRETARY

Mr. Muhammad Naeem Uddin Malik

AUDIT COMMITTEE MEMBERS

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

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Mr. Waseem-ul- Haque Ansari	Member
Mr. Haroon Iqbal	Member

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

LEGAL ADVISORS

A.K. Brohi & Co.

FACTORY

Jilaniabad, Budhu Talpur,
District Sajawal,
Sindh.

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.

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 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 Dhando, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

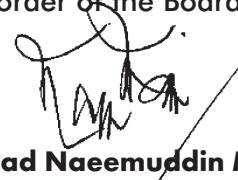
ORDINARY BUSINESS:

1. To confirm the minutes of the preceding 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 ending 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.

DEWAN FAROOQUE MOTORS LIMITED

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 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

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

SR #	DESCRIPTION	REFERENCE
a)	Name of the Associated Company Criteria of associated relationship	Dewan Automotive Engineering Limited Common Directorship
b)	Amount of loans and advances	Rs. 154.879 million
c)	In Case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.	Rs. 154.879 million
d)	Earnings/(Loss) per share for the last three years.	2018 2017 2016 -2.24 - 1.99 -3.03
e)	Financial position, including main items of balance sheet and profit and loss	Earnings / (loss) per share -2.24 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.

SR #	DESCRIPTION	REFERENCE																
		Dewan Automotive Engineering Limited																
J)	Salient feature of all the agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.	<p>The loan shall carry Markup @ 1% above lender's average short-term borrowing cost or the Karachi interbank Offered Rate, whichever is applicable.</p> <p>The tenor of loan may be extended by the lender, subject to the approval of shareholders.</p> <p>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.</p>																
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 or under consideration.	<p>The following are interested directors to the extent of their respective shareholding in the investee company which are as follows:</p> <table> <tr> <td>a) Mr. Haroon Iqbal</td> <td>500</td> </tr> <tr> <td>(0.0023%)</td> <td></td> </tr> <tr> <td>b) Mr. Waseem-ul-Haque Ansari</td> <td>500</td> </tr> <tr> <td>(0.0023%)</td> <td></td> </tr> <tr> <td>c) Mr. Muhammad Naeemuddin Malik</td> <td>1,000</td> </tr> <tr> <td>(0.0047%)</td> <td></td> </tr> <tr> <td>d) Mr. Aziz-ul-Haque</td> <td>1,000</td> </tr> <tr> <td>(0.0047%)</td> <td></td> </tr> </table>	a) Mr. Haroon Iqbal	500	(0.0023%)		b) Mr. Waseem-ul-Haque Ansari	500	(0.0023%)		c) Mr. Muhammad Naeemuddin Malik	1,000	(0.0047%)		d) Mr. Aziz-ul-Haque	1,000	(0.0047%)	
a) Mr. Haroon Iqbal	500																	
(0.0023%)																		
b) Mr. Waseem-ul-Haque Ansari	500																	
(0.0023%)																		
c) Mr. Muhammad Naeemuddin Malik	1,000																	
(0.0047%)																		
d) Mr. Aziz-ul-Haque	1,000																	
(0.0047%)																		
l)	Any other important details necessary for the members to understand the transaction.	None.																

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

"RESOLVED THAT, the company, in accordance with the provisions of Section 199 of the Companies Act. 2017, Clause 111 (X) of the Memorandum of Association and the terms and conditions hereby approved in the 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: (Rupees in Million)

Dewan Automotive Engineering Limited **154.879**

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

Chairman's Review

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

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

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

During financial year ended June 30, 2019, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in sufficient time prior to the board and its committee meetings. All the directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.



Haroon Iqbal
Chairman

September 25, 2019

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, 2019 and welcomes you to the 21st Annual General Meeting.

Financial Overview

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

	Year ended June 30, 2019	Year ended June 30, 2018
	—(Rupees in thousand)—	
Gross Sales	1,844	61,631
Gross (loss)	(202,325)	(138,881)
Operating (loss)	(229,213)	(187,124)
Net (loss) after tax	(244,304)	(69,432)

Year under review:

During the year the automobile sector sales in the passenger car, SUV and LCV segment has shown a decline of 7% as compared with the last year, the total units sold being 240,646. Recession in economic activity, restriction on non-filers from purchase of vehicles, increase in interest rates, and significant depreciation of PKR resulting in increased cost of production and escalation in selling prices are the main factors behind contraction in demand. Though the Government has withdrawn the restriction on purchase of vehicles by non-filer but in the recent budget has imposed Federal Excise Duty on locally manufactured cars and SUVs which has further escalated the selling prices.

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

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

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

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

DEWAN FAROOQUE MOTORS LIMITED

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

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

During the year one casual vacancy was occurred on the Board of Directors, which was duly filled by the Board.

Principal Activities of the Company

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

Principal Risks and Uncertainties

The Company consider the following as key risks:

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

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

Corporate Social Responsibility

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

Subsequent Events

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

Corporate and financial reporting framework:

- The financial statements for the year ended June 30, 2019, 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, 2019 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, 2019 was Rs.39.597 (2018: Rs.57.055) 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 four meetings of the Board were held. The attendance of directors was as follows;

Name of Director	No. of meetings attended
Dewan Muhammad Yousuf Farooqui	-
Mr. Haroon Iqbal	4
Mr. Aziz-ul-Haque	4
Mr. Waseem-ul-Haq Ansari	3
Mr. Syed Muhammad Anwar	4
Mr. Muhammad Naeem Uddin Malik	4
Mr. Mohammad Saleem Baig	4
Mr. Imran Ahmed Javed	2

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

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

DEWAN FAROOQUE MOTORS LIMITED

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

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

Name of Director	No. of meetings attended
Mr. Aziz-ul-Haque	1
Mr. Haroon Iqbal	1
Mr. Waseem-ul-Haque Ansari	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. (1.83).

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, 2019 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



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director

Karachi: September 25, 2019

Key Operating and Financial Data

PARTICULARS	2019	2018	2017	2016	2015	2014
..... Rs. in '000'						
Gross Sales	1,844	61,631	97,771	23,827	65,154	1,195,574
Net Sales	1,529	52,656	84,517	19,801	54,161	986,779
Gross (loss) / profit	(202,325)	(138,881)	(151,455)	(130,742)	(132,746)	(54,987)
Operating (loss) / profit	(229,213)	(187,124)	(200,179)	(204,149)	(222,919)	(183,761)
(Loss) / profit before tax	(244,285)	(66,790)	(12,367)	(43,060)	(113,287)	(105,209)
(Loss) / profit after tax	(244,304)	(69,432)	(13,212)	(43,060)	(113,287)	(115,428)
Retained Earnings	(3,739,984)	(3,495,680)	(3,426,248)	(3,413,036)	(3,369,976)	(3,256,688)
Share Capital	1,387,353	1,387,353	1,387,353	1,087,353	1,087,353	1,087,353
Shareholders Equity	(2,352,631)	(2,108,327)	(2,038,895)	(2,025,683)	(2,282,623)	(2,169,335)
Fixed Assets	940,899	1,010,088	1,189,899	1,158,584	1,241,244	1,328,587
Total Assets	3,424,902	3,607,124	3,524,715	3,491,470	3,428,311	3,480,449
FINANCIAL ANALYSIS						
Profitability Ratios						
Gross (Loss) / Profit Margin	-13232.50%	-263.75%	-179.20%	-660.28%	-245.10%	-5.57%
Operating (loss) / profit Margin	-14991.04%	-355.37%	-236.85%	-1031.00%	-411.59%	-18.62%
(loss) / profit before tax	-15976.78%	-126.84%	-14.63%	-217.46%	-209.17%	-10.66%
(loss) / profit after tax	-15978.02%	-131.86%	-15.63%	-217.46%	-209.17%	-11.70%
Return on Investment						
(loss) / Earnings per share before tax (Rs/share)	(1.76)	(0.48)	(0.09)	(0.40)	(1.04)	(0.97)
(loss) / Earnings per share after tax (Rs/share)	(1.76)	(0.50)	(0.10)	(0.40)	(1.04)	(1.06)
Activity Ratios						
Sales to Total Assets-Times	0.001	0.02	0.03	0.01	0.02	0.34
Sales to Fixed Assets-Times	0.002	0.06	0.08	0.02	0.05	0.90
Liquidity Ratios						
Current ratio (excluding current maturity of LTL)	0.26	0.28	0.29	0.30	0.40	0.41
Current ratio (including current maturity of LTL)	0.21	0.23	0.23	0.23	0.32	0.32
Book value per share (Rs)	(17.63)	(15.80)	(15.28)	(18.63)	(20.99)	(19.95)

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

For the Year Ended June 30, 2019

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

1. The total number of directors are seven as per the following:
 - a. Male: 7
 - b. Female: The requirement to have Female representation in the Company's board will be complied upon reconstitution
2. The composition of board is as follows:
 - a) Independent Director Aziz-ul-Haque
 - b) Other Non-executive Directors Haroon Iqbal
Mohammad Saleem Baig
Syed Muhammad Anwar
Imran Ahmed Javed
 - c) Executive Directors Waseem-ul-Haque Ansari
Muhammad Naeem Uddin Malik
3. Six directors have confirmed that none of them is serving as a director on more than five listed companies, including this company, whereas, one director is serving as director in more than five listed Yousuf Dewan Companies.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

DEWAN FAROOQUE MOTORS LIMITED

9. Three of the Directors are qualified under the directors training program. During the year the board did not arrange training program for its directors.
 10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
 11. CFO and CEO duly endorsed the financial statements before approval of the board.
 12. The board has formed committees comprising of members given below:
 - a) Audit Committee Aziz-ul-Haque - Chairman
Syed Muhammad Anwar - Member
Haroon Iqbal - Member
 - b) HR and Remuneration Committee Aziz-ul-Haque - Chairman
Waseem-ul-Haque Ansari -Member
Haroon Iqbal - Member
 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
 14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee 4 quarterly meetings during the financial year ended June 30, 2019
 - b) HR and Remuneration Committee 1 annual meeting held during the financial year ended June 30, 2019
 15. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director

Karachi: September 25, 2019

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

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Dewan Farooque Motors Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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

- a) The composition of board has included one independent director Mr. Aziz ul Haque, whereas in our opinion he does not meet the criteria of independence due to his cross-director ship in other group companies.
- b) The chairman of Audit committee shall be an independent director, whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason reflect in para (a) above.
- c) The chairman of Human Resource and Remuneration Committee shall be an independent director whereas in our view Mr. Aziz ul Haque does not meet the criteria of independence due to the reason reflect in para (a) above.

Based on our review, except for the above instances of non compliance, above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Furthermore, we highlight that one director of the company are serving as directors in more than five listed Companies as reflected in the note 3 of the Statement of Compliance respectively.



Chartered Accountants

Karachi

Dated: September 25, 2019

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

We have audited the annexed financial statements of Dewan Farooque Motors Limited (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters described in Basis for Adverse opinion Paragraph, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

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

- a) The financial statements of the company for the year ended June 30, 2019 as disclosed in note 1.1 to the financial Statements reflect loss after taxation of Rs. 244.304 (2018: Rs. 69.432) million and as of that date it has accumulated losses of Rs. 3.740 (2018: Rs. 3.496) billion which resulted in net capital deficiency of Rs. 2.352 (2018: Rs. 2.108) billion and its current liabilities exceeded its current assets by Rs. 4.550 (2018: Rs. 4.408) billion and total assets by Rs. 2.336 (2018: Rs. 2.087) 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. 555.960 (2018: Rs. 335.047) 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. 555.960 (2018: Rs. 335.047) million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 5.615 (2018: Rs. 5.060) billion.

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

Management is responsible for the other information. The other information comprises the information in the annual report including, in particulars, the chairman's review, directors report, financial and business highlights, but does not include the financial statements and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p>First time adoption of IFRS 9 - Financial Instruments and IFRS-15 Revenue from Contracts with Customers</p> <p>As referred to in note 2.2.2 and 2.2.3 to the financial statements, the Company has adopted IFRS 9 and 15 with effect from 1 July 2018. The new standards require the Company to make provision for financial assets (trade debts) using Expected Credit Loss (ECL) approach as against the Incurred Loss Model previously applied by the Company.</p> <p>Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.</p> <p>IFRS 15 provides comprehensive model of revenue recognition along with the detailed presentation and disclosure requirements. The standard Requires the Company to exercise judgment, taking into Consideration all of the relevant Facts and circumstances when applying the model to contracts with customers.</p> <p>Given the significance of the estimates and judgments used by the management related particularly to the Calculation of allowance for ECL and to the Timing and measurements of revenue recognition as well as incremental qualitative and quantitative disclosure, we considered these as a key audit matter.</p>	<p>Our key procedures to review the application of these areas included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</p> <p>Further, we assessed the integrity and quality of the data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources as used for this purpose.</p> <p>We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</p> <p>We obtained and understanding of the additional processes and tested Control over revenue recognition established by the Company and also assist the warranty obligations their against in accordance with IFRS 15.</p> <p>We reviewed the assessment prepared by the management relating to the application of five - steps model for revenue recognition.</p> <p>We assist the resemblances of judgments exercised by the Company.</p> <p>We also Considered and reviewed, on a sample basis, terms of revenue contracts and evaluated the timing and amounts of revenue recognized.</p>

S. No.	Key Audit Matters	How the matter was addressed in our audit
		In addition to above, we assessed the adequacy of disclosures in the financial statements of the Company regarding application of IFRS 9 as per the requirements of the above standard.
2.	Contingencies	
	<p>The Company is subject to material litigations involving in various courts pertaining to Custom duty, Sales tax and Recovery of Loans by Financial Institutions, which requires management to make assessment and judgments with respect to likelihood and impact of such litigations.</p> <p>Management have engaged independent legal counsel on these matters. The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgments required to determine the level of certainty on these matters.</p> <p>The details of contingencies along with management's assessment and the related provisions are disclosed in note 19 to the financial statements.</p> <p>There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.</p>	<p>In response to this matter, our audit procedures included but were not limited to:</p> <p>Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.</p> <p>Obtaining independent opinion of legal advisors dealing with such cases in the form confirmations.</p> <p>We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</p> <p>The disclosures of legal exposures and provisions were assessed for completeness and accuracy</p> <p>In view of the significant judgments required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases.</p>

S. No.	Key Audit Matters	How the matter was addressed in our audit
		<p>Specifically, we challenged the timing of recognition for cases where there was potential exposure but it was not clear that a provision should be raised e.g. where obtaining reliable estimates are not considered possible.</p> <p>As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.</p>
3.	Unprovided Mark up on Financial Institutions Loan due to Litigation	<p>The company's exposure to huge bank loan, unprovided liabilities for mark-up aggregating to Rs. 5.615 (2018: Rs. 5.060) billion were shown (note 24 of financial statements) as this liability has not settled with the Banks our audit report is also qualified on said unprovided liability due to litigation with the financial institutions for restructuring of the Loan</p> <p>We reviewed and understood the requirements of the departure from IAS 24 Borrowing Cost:</p> <ul style="list-style-type: none"> • Considered the management's process for Calculating the markup and disclosure made in the financial Statements. • Recalculate the mark up loan wise to Check the accuracy. • Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made. <p>Discuss with senior management for the reason for non-providing the markup and seen litigation grounds.</p> <p>Obtain legal Councils Confirmation to grounds where the company contesting the litigation for the restructuring of the company's loans.</p>

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting and Reporting Standards as applicable in Pakistan and requirements of companies Act 2018 (XIX of 2018, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit except for the matter discussed in basis for adverse opinion section, we further report that in our opinion:

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

FEROZE SHARIF TARIQ & CO.

FEROZE SHARIF TARIQ & CO.

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

Feroze Sharif Tariq M.A.

Chartered Accountants

Karachi

Dated: September 25, 2019

DEWAN FAROOQUE MOTORS LIMITED

Statement of Financial Position

As At June 30, 2019

	Note	June 30, 2019	June 30, 2018		
		—(Rs. in '000)—			
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	3	940,899	1,010,088		
Investment	4	1,273,164	1,310,330		
CURRENT ASSETS					
Stores and spares	5	52,293	54,161		
Stock-in-trade	6	46,992	48,553		
Trade debts - considered good	7	12,124	95,183		
Short term loans to associated undertakings - considered good	8	154,879	154,879		
Advances, deposits, prepayments and other receivables- considered Good	9	795,942	783,002		
Taxation - net	10	23,342	22,694		
Cash and bank balances	11	125,267	128,234		
		1,210,839	1,286,706		
TOTAL ASSETS		3,424,902	3,607,124		
EQUITY AND LIABILITIES					
SHARE CAPITAL AND RESERVES					
Share Capital					
Authorized					
150,000,000 (2018: 150,000,000)		1,500,000	1,500,000		
Ordinary shares of Rs.10 each					
Issued, subscribed and paid-up	12	1,387,353	1,387,353		
Revenue reserve		(3,739,984)	(3,495,680)		
Accumulated loss					
		(2,352,631)	(2,108,327)		
NON-CURRENT LIABILITIES					
Long term loans - secured	13	-	-		
Long term security deposits	14	12,700	16,700		
Deferred Liabilities	15	4,231	4,231		
CURRENT LIABILITIES					
Sponsor's loan	16	253,279	240,975		
Trade and other payables	17	312,666	2,376,777		
Unclaimed Dividend		1,814	1,814		
Short term finances-secured	18	4,095,913	1,978,024		
Current maturity of long term loans		1,096,930	1,096,930		
		5,760,602	5,694,520		
CONTINGENCIES AND COMMITMENTS	19				
TOTAL EQUITY AND LIABILITIES		3,424,902	3,607,124		

The annexed notes from 1 to 38 form an integral part of these financial statements.


Waseem-ul-Haque Ansari
 Chief Executive


Haroon Iqbal
 Director

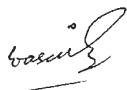

Muhammad Naeem Uddin Malik
 Chief Financial Officer

Statement Of Profit And Loss Account

For the year ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
		——(Rs. in '000)——	
GROSS SALES	20	1,844	61,631
Sales tax		315	8,975
Commission and discounts		-	-
	20	315	8,975
NET SALES		1,529	52,656
Cost of sales	20	203,854	191,537
GROSS (LOSS)		(202,325)	(138,881)
Distribution expenses	21	-	15,847
Administration and general expenses	22	26,888	32,396
OPERATING (LOSS)		(229,213)	(187,124)
OTHER INCOME/(LOSS)	23	(14,929)	134,977
		(244,142)	(52,147)
Finance cost	24	143	220
Provision for obsolescence / slow moving stocks		-	14,423
		143	14,643
(LOSS) BEFORE TAXATION		(244,285)	(66,790)
TAXATION	25	19	2,642
(LOSS) AFTER TAXATION		(244,304)	(69,432)
Basic (loss) per share (Rupees)	26	(1.83)	(0.52)
Diluted (loss) per share (Rupees)	26	(1.83)	(0.52)

The annexed notes from 1 to 38 form an integral part of these financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director



Muhammad Naeem Uddin Malik
Chief Financial Officer

Statement of Comprehensive Income

For The Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	———(Rs. in '000)———	
(Loss) for the year	(244,304)	(69,432)
Other comprehensive income / (loss)	-	-
Total comprehensive (loss) for the year	(244,304)	(69,432)

The annexed notes from 1 to 38 form an integral part of these financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director



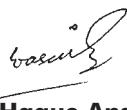
Muhammad Naeem Uddin Malik
Chief Financial Officer

Statement Of Cash Flow

For the year ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
		—(Rs. in '000)—	
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before taxation		(244,285)	(66,790)
Add / (Less) : Depreciation		70,103	75,507
Gain on disposal of fixed assets		(240)	-
Gain due to Change in valuation of investment in associates		37,166	(121,803)
Financial charges		143	220
		107,172	(46,076)
		(137,113)	(112,866)
Decrease in stores & spares		1,868	8,637
Decrease in stock in trade		1,561	15,021
Decrease / (Increase) in trade debts		83,059	(11,520)
(Increase) / Decrease in advances, deposits, pre-payments & other receivables		(12,940)	788
Increase in trade, other payables and borrowings		53,778	35,716
(Decrease) in long term security deposits		(4,000)	-
Tax (paid)		(667)	(634)
Financial charges (paid)		(143)	(220)
Gratuity (paid)		-	(283)
		122,516	47,505
Net cash flow from operating activities		(14,597)	(65,361)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(984)	(9,670)
Sale Proceeds of fixed assets		310	-
Net cash flow from investing activities		(674)	(9,670)
CASH FLOW FROM FINANCING ACTIVITIES			
Sponsor's loan		12,304	124,908
Long term loans (repaid)		-	(45,323)
Net cash flow from financing activities		12,304	79,585
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		(2,967)	4,554
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		(1,849,790)	(1,854,344)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	27	(1,852,757)	(1,849,790)

The annexed notes from 1 to 38 form an integral part of these financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director



Muhammad Naeem Uddin Malik
Chief Financial Officer

Statement Of Changes In Equity

For The Year Ended June 30, 2019

	Share Capital	Share Capital	Reserves		Total
	Issued, subscribed and paid-up	Advance against issue of shares	Accumulated loss	Total Reserves	
----- (Rs. in '000) -----					
Balance as at July 01, 2017	1,387,353	-	(3,426,248)	(3,426,248) (2,038,895)	
Total Comprehensive (loss) for the year	-	-	(69,432)	(69,432) (69,432)	
Balance as at June 30, 2018	<u>1,387,353</u>	-	(3,495,680)	(3,495,680) (2,108,327)	
Balance as at July 01, 2018	1,387,353	-	(3,495,680)	(3,495,680) (2,108,327)	
Total Comprehensive (loss) for the year	-	-	(244,304)	(244,304) (244,304)	
Balance as at June 30, 2019	<u>1,387,353</u>	-	(3,739,984)	(3,739,984) (2,352,631)	

The annexed notes from 1 to 38 form an integral part of these financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director



Muhammad Naeem Uddin Malik
Chief Financial Officer

Notes to the Financial Statements

For The Year Ended June 30, 2019

1 THE COMPANY AND ITS OPERATIONS

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

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

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

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

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

1.1 GOING CONCERN ASSUMPTION

The company has incurred a loss after taxation of Rs. 244.304 million during the year ended June 30, 2019. As of that date it has accumulated losses of Rs.3.740 billion and its current liabilities exceeded its current asset by Rs. 4.550 billion. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.5.616 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. The Company has suspended its production from November 2010 till August 2013 and again closed the production since March 2014 . Further, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course the lenders have gone into litigations for repayment of liabilities through attachment and sale of Company's hypothecated /mortgaged properties. as disclosed in note 19.4 to the financial statements. The restructuring proposal submitted by the company to lenders is in the process of negotiation and is expected to be approved in near future.These conditions indicates the existence of material uncertainty, which may cast significant doubt about company ability to continue as going concern.

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

2 Statement of compliance

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

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

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

2.1 Basis of preparation

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

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.2.1 New standards, amendments and improvements effective during the year

The Company has adopted the following standards, amendments and improvements of International Financial Reporting Standards (IFRSs) which became effective for the current year:

- IFRS 2: Share-based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
- IFRS 9: Financial Instruments
- IFRS 15: Revenue from Contracts with Customers
- IAS 40: Investment Property: Transfers of Investment Property (Amendments)
- IFRIC 22: Foreign Currency Transactions and Advance Consideration Improvements to IFRSs Issued by IASB in December 2016
- IAS 28 – Investment in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss in an investment-by-investment choice.

Notes to the Financial Statements

For The Year Ended June 30, 2019

The adoption of the above standards, amendments and improvements to IFRSs did not have any effect on these financial statements, except for IFRS 9 as explained below:

2.2.2. IFRS 9 Financial Instruments

The Company has applied IFRS 9 using modified retrospective approach with initial application date of 1 July 2019 as notified by the SECP. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The management of the Company has assessed and concluded that the Company is in compliance with the requirements of IFRS 9.

The new accounting policy in respect of financial instruments along with the impact on the classification of financial assets and impairment of financial assets is stated in note 2.16 to these financial statements.

2.2.3. IFRS 15 Revenue from Contracts with Customers

The Company has applied IFRS 15 using modified retrospective approach with initial application date of 1 July 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 has not had any significant effects with regard to the amount of revenue recognized and when it is recognized. Hence, no cumulative adjustment amounts have been recognized to adjust the opening retained earnings as at 1 July 2019. Accordingly, the information presented for prior years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Company has assessed and concluded that the Company is in compliance with the requirements of IFRS 15. The new accounting policy in respect of revenue recognition is stated in note 2.17 to these unconsolidated financial statements.

2.2.4. Standards, amendments and improvements to approved accounting standards that are not yet effective

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

Standard or Interpretation	Effective from accounting period beginning on or after:
IFRS 3 – Definition of a Business (Amendments)	1-Jan-20
IFRS 3 – Business Combinations: Previously held interests in a joint operation	1-Jan-19
IFRS 9 – Prepayment Features with Negative Compensation (Amendments)	1-Jan-19

Notes to the Financial Statements

For The Year Ended June 30, 2019

IFRS 10 / IAS 28 – Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11 – Joint Arrangements: Previously held interests in a joint operation	1-Jan-19
IFRS 16 – Leases	1-Jan-19
IAS 1 / IAS 8 – Definition of Material (Amendments)	1-Jan-19
IAS 12 – Income Taxes: Income tax consequences of payments on financial instruments classified as equity	1-Jan-19
IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)	1-Jan-19
IAS 23 – Borrowing Costs - Borrowing costs eligible for capitalization	1-Jan-19
IAS 28 – Long-term Interests in Associates and Joint Ventures (Amendments)	1-Jan-19
IFRIC 23 – Uncertainty over Income Tax Treatments	1-Jan-19

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 IFRSs have also been issued by the IASB in December 2018. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2019 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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. The management of the Company expects that below new standards will not have any material impact on the Company's financial statements in the period of initial application.

Notes to the Financial Statements

For The Year Ended June 30, 2019

Standard

Effective annual periods beginning on or after:

IFRS 1 – First time adoption of IFRSs	1/1/2004
IFRS 14 – Regulatory Deferral Accounts	1/1/2016
IFRS 17 – Insurance Contracts	1/1/2021

2.3 Significant Accounting estimates adjustments and Assumptions

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

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

- i. Useful lives of Property, Plant and equipment (notes 2.4 and 3.1)
- ii. Provision for doubtful trade debts (note 2.8)
- iii. Income taxes (note 2.11)
- iv. Classification and valuation of investments (note 2.5)
- v. Provision for Slow moving stores and spares (note 2.6)
- vi. Provision for Slow moving stock in trade (note 2.7)

2.4 Tangible fixed assets

Property Plant and Equipment Owned

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

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

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

Judgement and estimates

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

Capital work-in-progress

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

Leased

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

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

Impairment of non-financial assets other than inventories

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

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

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

2.5 Investment

2.5.1 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.

Notes to the Financial Statements

For The Year Ended June 30, 2019

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.

2.5.2 Investment in Associates

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

2.6 Stores and spares

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

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

2.7 Stock-in-trade

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

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

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

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

2.8 Trade debts and other receivables

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

2.9 Staff retirement benefits

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

2.10 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.

2.11 Taxation

Current

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

Deferred

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

2.12 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.

2.13 Warranty obligations

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

2.14 Foreign currency translation

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

2.15 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.

2.16 Financial instruments

Financial assets

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

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Impairment of financial assets

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

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

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

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

Offsetting of financial instruments

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

Impairment of non-financial assets

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

2.17 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 though "profit or loss" are included in the profit and loss account in the period in which these arise.

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

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

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

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

2.18 Cash and cash equivalents

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

2.19 Related Party transactions and transfer pricing

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

2.20 Provisions

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

2.21 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.

2.22 Dividends distribution and transfer between reserves

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

2.23 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.

2.24 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, 2019	June 30, 2018
-----(Rs. in '000)-----			
3. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	3.1	940,899 940,899	1,010,088 1,010,088

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

	Tangible - owned						
	Free hold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office Equipment	Total
-----(Rupees in '000)-----							
As at July 01 ,2018							
Cost	78,033	1,136,347	1,597,244	165,150	322,648	88,283	3,387,705
Accumulated depreciation	-	604,161	1,292,867	125,547	288,440	66,602	2,377,617
Net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,088
Year ended Jun 30, 2019							
Opening net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,088
Additions	-	-	-	-	-	984	984
Disposals							
Cost	-	-	-	-	1,246	-	1,246
Accumulated depreciation	-	-	-	-	1,176	-	1,176
Transfer					70	-	70
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation for the year	-	26,594	30,468	3,960	6,835	2,246	70,103
Closing net book value	78,033	505,592	273,909	35,643	27,303	20,419	940,899
As at Jun 30, 2019							
Cost	78,033	1,136,347	1,597,244	165,150	321,402	89,267	3,387,443
Accumulated depreciation	-	630,755	1,323,335	129,507	294,099	68,848	2,446,544
Net book value	78,033	505,592	273,909	35,643	27,303	20,419	940,899
Depreciation rate % per annum		5%	10%	10%	20%	10%	
As at July 01 ,2017							
Cost	78,033	1,136,347	1,597,244	165,150	314,080	87,181	3,378,035
Accumulated depreciation	-	576,167	1,259,014	121,147	281,494	64,288	2,302,110
Net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,925
Year ended June 30, 2018							
Opening net book value	78,033	560,180	338,230	44,003	32,586	22,893	1,075,925
Additions	-	-	-	-	8,568	1,102	9,670
Disposals							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Transfer							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation for the year	-	27,994	33,853	4,400	6,946	2,314	75,507
Closing net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,088
As at June 30, 2018							
Cost	78,033	1,136,347	1,597,244	165,150	322,648	88,283	3,387,706
Accumulated depreciation	-	604,161	1,292,867	125,547	288,440	66,602	2,377,617
Net book value	78,033	532,186	304,377	39,603	34,208	21,681	1,010,089
Depreciation rate % per annum		5%	10%	10%	20%	10%	

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

3.1.2 Freehold land represents 73.47 Acres situated at Jilaniabad, Budhu Talpur, District Sujawal. The value of Freehold land is Rs. 69.721 Million (2018: Rs. 69.721 Million) and leasedhold land is Rs. 8.311 Million (2018: Rs. 8.311 Million)

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

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
Cost of goods manufactured	20.1	67,778	65,692
Distribution expenses	21	-	3,775
Administration and general expenses	22	2,326	6,041
		70,104	75,508

During the year, there is no distribution cost, therefore, depreciation charge for the year has been allocated between cost of goods manufactured and administration and general expense.

4. INVESTMENT

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

65,375,455 ordinary shares of Rs. 10 each (2018: 65,375,455 ordinary shares of Rs. 10 each)	4.1	804,131	804,131
Share of Profit		469,033	506,199
		1,273,164	1,310,330
Fair value as per Market price Quoted in Pakisatn Stock Exchange		510,582	1,176,758
Market value (Rupees per share)		7.81	18.00
Percentage of equity held		13.50%	13.50%

4.1 The summarized financial information of the associates over which the company exercises significant influence based on audited financial statements for the year ended June 30, 2019 are as follows:

	Note	June 30, 2019	June 30, 2018 (Restated)
		-----(Rs. in '000)-----	
Total Assets		29,895,176	30,247,170
Total Liabilities		12,878,064	12,981,362
Revenues		12,054,025	13,423,885
(Loss)/Profit after tax		(275,304)	902,242
Accumulated Profit up to June 30		5,413,615	5,493,314

Notes to the Financial Statements

For The Year Ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
5. STORES AND SPARES			
Stores		16,430	17,367
Spares		40,927	41,858
Less : Provision for obsolescence / slow moving stocks		57,357	59,225
		(5,064)	(5,064)
		52,293	54,161
5.1 Movement in provision for obsolescence and slow moving items			
Opening balance		5,064	5,064
Provision during the year		-	-
Closing balance		5,064	5,064
6. STOCK-IN-TRADE			
Manufacturing stock			
Raw materials and components		144,225	144,225
Finished goods		2,980	2,980
		147,205	147,205
Trading stock			
Trading stock (including in transit of Rs. Nil) 2018 Rs. Nil		26,169	27,730
Less : Provision for obsolescence / slow moving stocks		(126,382)	(126,382)
		46,992	48,553
6.1 Movement in provision for obsolescence and slow moving items			
Opening balance		126,382	111,959
Provision during the year		-	14,423
Closing balance		126,382	126,382
7. TRADE DEBTS - Considered good			
7.1 It includes a sum of Rs. Nil Million (2018: Rs.74.830 Million) receivable from Daehan-Dewan Motor Company (Pvt.) Limited a related party. The maximum aggregate amount of trade receivable from related party at the end of any month during the year was Rs.62.420 Million (2018: Rs.74.829 Million).		12,124	83,663

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
Not yet due		-	30,921
Past due			
- up to 3 months		-	9,613
- 3 to 6 months		-	-
- 6 to 12 months		-	11,102
- More than one year		-	23,194
		<hr/>	<hr/>
			74,830

8 SHORT TERM LOAN TO AN ASSOCIATED UNDERTAKING - Considered good

Dewan Automotive Engineering Limited	8.1	154,879	154,879
		<hr/>	<hr/>

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 13.97% (2018: 7.43%) per annum.

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

9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	

Advances - Considered good

Suppliers and contractors		-	482
Considered good		181,467	181,467
Considered doubtful		181,467	181,949
Less: Provision for doubtful advances		(181,467)	(181,467)
		-	482
Employee		3,064	3,459
Sales tax		898	-
		3,962	3,941

Deposits

Margin against letters of guarantees
Others

2,050	2,050
11,511	16,620
13,561	18,670

Other receivables

Markup on loan to associated undertaking (note 8 & 9.1)
Others

778,418	760,390
1	1
778,419	760,391
795,942	783,002

Notes to the Financial Statements

For The Year Ended June 30, 2019

9.1 The maximum aggregate amount receivable at the end of any month during the year was Rs. 778.418 Million (2018: Rs. 760.390 Million).

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

	June 30, 2019	June 30, 2018
	-----(Rs. in '000)-----	
Not yet due	5,394	3,058
Past due		
- up to 3 months	4,486	2,896
- 3 to 6 months	4,509	2,795
- 6 to 12 months	3,638	2,791
- More than one year	760,390	748,850
	778,418	760,390

10. TAXATION

10.1 Income tax assessments of the company have been finalized upto and including the tax year 2018 relating to income year ended June 30, 2018 and certain appeals for the Tax year 2008,2009 and 2010 are pending before the income tax appellate authorities. However, the Commissioner of Income Tax may at any time during a period of five years from the date of filing of return may select the deemed assessment for audit. The company is in loss, therefore provision has been made in the accounts for minimum tax as per provisions of the Income Tax Ordinance, 2001.

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

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

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

June 30, 2019	June 30, 2018
-----(Rs. in '000)-----	

11. CASH AND BANK BALANCES

Cash in hand	598	5 8 4
Cash at banks in current accounts	124,669	127,650
	125,267	128,234

Notes to the Financial Statements

For The Year Ended June 30, 2019

- 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.
- 11.2** Represents deposits placed with conventional banks .

12. ISSUED, SUBSCRIBED AND PAID-UP-CAPITAL

			Note	June 30, 2019	June 30, 2018
2019	2018 (No of Shares in '000)			-----(Rs. in '000)-----	
135,065	135,065	Ordinary shares of Rs.10/- each fully paid in cash		1,350,651	1,350,651
3,670	3,670	Ordinary shares of Rs.10/- each, issued as fully paid bonus shares		36,702	36,702
138,735	<u>138,735</u>			1,387,353	<u>1,387,353</u>

- 12.1** 13,650,000 (2018: 13,650,000) shares are held by Related party.

13. LONG TERM LOANS - secured

From banking companies and other financial institutions

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

- 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% (2018 : 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.

Notes to the Financial Statements

For The Year Ended June 30, 2019

- 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% (2018: 15.01%) per annum.

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

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

- 13.3** The finance carries mark up at the base rate plus 2.50% per annum. Base rate has been defined as average rate of ASK SIDE of the six months KIBOR. Base rate will be set on the last day of preceding quarter. Presently markup on the finance works out to 14.51% (2018: 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% (2018: 16.01 %) per annum.

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

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

- 13.5** The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be set first time on date of disbursement and subsequently on January 1st and July 1st. Presently markup on the finance works out to 15.01 % (2018: 15.01%) per annum.

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

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

- 13.6** The loan carries mark up at the base rate plus 3% per annum. Base rate has been defined as average ASK rate of the six months KIBOR. Base rate will be reset on bi-annual basis i.e. on January 1st and July 1st every year. Presently markup on the finance works out to 15.01 % (2018: 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.

Notes to the Financial Statements

For The Year Ended June 30, 2019

- 13.7** This includes overdue installments amounting to Rs. 1,096,930 million. Banks/financial institutions has filed suit in the High Court of Sindh U/s 9 of Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery through sale of company's assets. The company is defending these cases. The outcome is awaited and it is expected that it will be in favour of company as fully disclosed in note no. 19.4 to the financial Statements.
- 13.8** Since the Company is in litigation with banks confirmation have not been received.
- 14.** These deposits have been received from dealers and are interest free. These deposits have been utilized for the purpose of business in accordance with the term of written agreement with the dealers under section 217 of Companies Act, 2017.

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
15. DEFERRED LIABILITIES			
Deferred taxation	15.1	-	-
Staff gratuity	15.2	4,231	4,231
		4,231	4,231
15.1 Deferred Taxation			
Credit balance arising due to:			
Accelerated tax depreciation allowances		160,519	170,632
Share of profit in associated company		136,020	151,860
		296,539	322,492
Less: Debit balance arising due to:			
Gratuity		(1,227)	(1,269)
Provision for obsolete/slow moving Stores and Spares		(1,469)	(1,519)
Provision for obsolete/slow moving Stock-in-Trade		(36,651)	(37,915)
Carry forward tax losses and others		(429,301)	(402,602)
		(468,647)	(443,305)
Deferred tax assets			
Deferred tax asset not recognized			
15.2 Staff gratuity		(172,109)	(120,813)
Balance at the beginning of the period		172,109	120,813
Less: Payments made during the period		-	-
		4,231	4,514
		-	283
		4,231	4,231
16. SPONSOR'S LOAN			
Balance at the beginning of the period		240,975	116,067
Add: Loan received during the year		12,304	124,908
		253,279	240,975

Notes to the Financial Statements

For The Year Ended June 30, 2019

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

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
17. TRADE AND OTHER PAYABLES			
Creditors			
Trade creditors	17.1	48,248	48,264
Accrued liabilities			
Accrued expenses		264,415	208,679
Sales tax payable		3	1,945
		312,666	<u>258,888</u>

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

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
18. SHORT TERM FINANCES - SECURED			
From banks & financial institutions			
- Short term loan (Under mark-up / profit arrangements)	18.1 & 18.4	1,978,024	1,978,024
- Overdue letter of credits	18.4	2,117,889	2,117,889
		4,095,913	<u>4,095,913</u>

- 18.1** The facilities for short term finances under markup / profit arrangements available from various banks amounted to Rs. 2,255 (2018: Rs.2,255) million.
- 18.2** The rate of markup / profit ranges from 8.74% to 20% (2018: 8.74% to 20.00%) per annum.
- 18.3** The facilities are secured by way of pari passu charge against hypothecation of the company's stock in trade and book debts and are generally for a period of one year, renewable at the end of the period.
- 18.4** Since the company is in litigation with banks confirmations from most of them have not been received.

Notes to the Financial Statements

For The Year Ended June 30, 2019

19 CONTINGENCIES AND COMMITMENTS

Contingencies

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

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

- 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 (2018: Rs. 250.336) million.

- 19.4** In respect of liabilities towards banks / financial institutions disclosed in note 13 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 (2018: Nil).

- 19.6** Commitments in respect of letters of credit other than for capital expenditure amounts to Rs. Nil (2018: Nil).

Notes to the Financial Statements

For The Year Ended June 30, 2019

20 OPERATING RESULTS

	Note	Manufacturing		Trading		Total	
		June 30, 2019	June 30, 2018	June 30, 2019 (Rs. in '000)	June 30, 2018	June 30, 2019	June 30, 2018
Sales		-	60,242	1,844	1,389	1,844	61,631
Sales tax		-	8,753	315	222	315	8,975
Commission and discounts		-	8,753	315	222	315	8,975
Net sales		-	51,489	1,529	1,167	1,529	52,656
Cost of sales							
Opening stock	20.1	2,980	2,980	27,730	28,328	30,710	31,308
Cost of goods manufactured		202,293	190,281	-	-	202,293	190,281
Purchases		-	-	-	658	-	658
Closing stock		(2,980)	(2,980)	(26,169)	(27,730)	(29,149)	(30,710)
Gross (loss) / profit		202,293	190,281	1,561	1,256	203,854	191,537
		(202,293)	(138,792)	(32)	(89)	(202,325)	(138,881)
Distribution expenses	21	-	15,496	-	351	-	15,847
Administration and general expenses	22	-	31,678	26,888	718	26,888	32,396
Operating (Loss)		(202,293)	(185,966)	(26,920)	(1,158)	(229,213)	(187,124)

Note	June 30, 2019	June 30, 2018
------	------------------	------------------

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

20.1 Cost of goods manufactured

Raw material and vendor parts consumed

Opening stock		144,225	144,225
Purchases		-	-
Closing stock		(144,225)	(144,225)
Stores and spares consumed		-	201
Salaries, wages and other benefits	20.2	110,368	91,973
Insurance		356	1,645
Depreciation	3.2	67,778	65,692
Communication		511	845
Printing, stationery and office supplies		89	125
Rent, rates & Taxes		100	100
Utilities		10,665	10,029
Traveling & entertainment		2,684	2,294
Vehicle running		4,746	4,387
Fee & subscription		535	341
Repairs and maintenance		4,461	12,649
Add: Opening stock of work-in-process		-	-
Less: Closing stock of work-in-process		-	-
		202,293	190,281
		202,293	190,281

20.2 Included herein is a sum of Rs. 1.188 (2018: Rs. 0.681) million relating to recognized Provident fund scheme.

Notes to the Financial Statements

For The Year Ended June 30, 2019

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
21. DISTRIBUTION EXPENSES			
Salaries, allowances and other benefits	21.1	-	11,208
Depreciation	3.2	-	3,775
Insurance		-	39
Traveling & entertainment		-	81
Vehicle running		-	277
Communication		-	204
Printing, stationery and office supplies		-	13
Legal and professional		-	250
		<hr/>	<hr/>
		-	15,847
		<hr/>	<hr/>

- 21.1** Included herein is a sum of Rs. Nil (2018: Rs. 0.247) 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, 2019	June 30, 2018
		-----(Rs. in '000)-----	
22. ADMINISTRATION AND GENERAL EXPENSES			
Salaries, allowances and other benefits	22.1	20,556	18,591
Rent, rates and taxes		100	3,269
Depreciation	3.2	2,326	6,041
Insurance		57	298
Traveling & entertainment		126	95
Vehicle running		1,075	848
Communication		118	156
Printing, stationery and office supplies		413	641
Legal and professional		43	800
Advertising & publicity		38	86
Fee and subscription		1,369	1,024
Repairs and maintenance		111	-
Auditors' remuneration	22.2	551	540
Security		5	7
		<hr/>	<hr/>
		26,888	32,396
		<hr/>	<hr/>

- 22.1** Included herein is a sum of Rs.0.599 (2018: Rs. 0.355) million relating to recognized Provident fund scheme.

Notes to the Financial Statements

For The Year Ended June 30, 2019

	June 30, 2019	June 30, 2018
	-----(Rs. in '000)-----	
22.2 Auditors' remuneration		
Audit fee	330	330
Interim review and other certifications	121	110
Out of pocket expenses	100	100
	551	540

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

	Note	June 30, 2019	June 30, 2018
		-----(Rs. in '000)-----	
23. OTHER INCOME/(LOSS)			
Gain on disposal of fixed assets		240	-
Profit on Short Term Loan to Associated undertaking	8.2	18,028	11,541
Others		3,969	1,633
Share of (loss)/profit of equity investment in associate	2.5.2	(37,166)	121,803
		(14,929)	134,977

24 FINANCE COST

During the year ended June 30, 2019 the company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 555.960 million, accumulated Rs. 5.615 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, 2019	June 30, 2018
	-----(Rs. in '000)-----	

25. TAXATION

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

Current - for the year	19	658
- for prior year	-	1,984
	19	2,642

Notes to the Financial Statements

For The Year Ended June 30, 2019

25.2 Relationship between tax expense and accounting loss

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

June 30, 2019	June 30, 2018
-----(Rs. in '000)-----	

26. (LOSS) PER SHARE

26.1 Basic/Diluted (loss) per share

Net (loss) for the period	Rs. In thousand	(244,304)	(69,432)
Weighted average number of ordinary shares	number in thousand	133,421	133,421
Basic/Diluted (loss) per share	Rupee	(1.83)	(0.52)

27. CASH AND CASH EQUIVALENTS

Cash and bank balances	125,267	128,234
Short term finances	(1,978,024)	(1,978,024)
	(1,852,757)	(1,849,790)

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	June 30, 2019			June 30, 2018		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executive
----- Rs. in '000' -----						
Managerial remuneration	1,738	2,084	4,795	-	10,397	5,860
Bonus	-	-	-	-	-	-
House rent, utilities and other benefits	958	1,148	2,645	-	3,499	1,570
Retirement benefits	145	174	292	-	528	236
Medical	-	-	-	-	-	-
Leave passage / assistance	-	-	-	-	14,424	7,666
	2,841	3,406	7,732			
No. of persons	1	1	4	-	3	3

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

June 30, 2019	June 30, 2018
-----(Rs. in '000)-----	

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:

Sales	76	60,242
Markup charged for the period on short term loans to associated undertakings	18,028	11,541
Sponsor's Loan	12,304	124,908
Provident Fund	1,787	1,283
Share of (loss)/profit on equity investment in Dewan Cement Limited	(37,166)	121,803

- 29.1** The outstanding balance with related parties as at the year-end have been disclosed in the respective notes to the financial statements.
- 29.2** Details to compensation to the key management personnel have been disclosed in the note 28 to the financial statements.
- 29.3** Following are the related parties with whom the company had entered into transactions or have arrangements/agreements in place.

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

30. PLANT CAPACITY AND PRODUCTION

Capacity of the plant on single shift basis is 10,000 (2018:10,000). Production (including Contract Assembly) during the year is Nil (2018: 403) due to non-availability of banking lines.

Notes to the Financial Statements

For The Year Ended June 30, 2019

31 FINANCIAL INSTRUMENTS BY CATEGORY

	As at June 30, 2019		
	Loans and receivables	Derivatives used for hedging	Total
----- Rs. in '000' -----			
Assets			
Trade debts	12,124	-	12,124
Other receivables	778,419	-	778,419
Cash and bank balance	125,267	-	125,267
	915,810	-	915,810

	As at June 30, 2019		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
----- Rs. in '000' -----			
Liabilities			
Trade and other payables	-	312,663	312,663
	-	312,663	312,663

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

	As at June 30, 2018		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
----- Rs. in '000' -----			
Liabilities			
Trade and other payables	-	256,943	256,943
	-	256,943	256,943

Notes to the Financial Statements

For The Year Ended June 30, 2019

32 FINANCIAL RISK MANAGEMENT

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

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 having rating ranging between AA+ to AA-

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

Credit risk arises from derivative financial instruments and balances with bank and financial institutions, as well as credit exposures to customers, including trade receivables and committed transaction. Out of the total financial assets of Rs. 1,891.444 (2018: Rs 1,964.947) million, the financial assets which are subject to credit risk amounted to Rs.962.047 (2018: Rs. 1,032.582) million. Table marked as 32.1.1 provides analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates disclosed in relevant note of receivables.

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

32.2 Liquidity Risk

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

32.3 Market risk

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

32.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company manages its currency risk by close monitoring of currency markets. As per central bank regulations, As on June 30, 2019 the company does not have any financial assets or financial Liabilities which are denominated in foreign currencies.

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, 2019

Interest/ mark-up rate %	Interest / Markup bearing			Non-Interest / Markup bearing			Total June 30, 2019
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees in '000)							

ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

June 30, 2019

FINANCIAL ASSETS

Trade debts				12,124		12,124	12,124
Loans to associated undertakings	11.68%	154,879	-	154,879	-	-	154,879
Advances, deposits and other receivables				795,044		795,044	795,044
Investment				804,131		804,131	804,131
Cash and bank balances				125,267		125,267	125,267
		<u>154,879</u>	<u>-</u>	<u>154,879</u>	<u>-</u>	<u>1,736,566</u>	<u>1,891,445</u>

FINANCIAL LIABILITIES

Long term loans	14.51-16.01	1,096,930	-	1,096,930	-	-	1,096,930
Long term deposits		-	-	-	12,700	12,700	12,700
Trade and other payables		-	-	312,663	-	312,663	312,663
Short term finances	8.74-20.00	<u>4,095,913</u>	-	<u>4,095,913</u>	-	-	4,095,913
		<u>5,192,843</u>	-	<u>5,192,843</u>	<u>312,663</u>	<u>12,700</u>	<u>325,363</u>
							5,518,206

OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

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

Interest/ mark-up rate %	Interest / Markup bearing			Non-Interest / Markup bearing			Total June 30, 2018
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	
(Rupees in '000)							

ON-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

June 30, 2018

FINANCIAL ASSETS

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

FINANCIAL LIABILITIES

Long term loans	14.51-16.01	1,096,930	-	1,096,930	-	-	1,096,930
Long term deposits		-	-	-	16,700	16,700	16,700
Trade and other payables		-	-	256,943	-	256,943	256,943
Short term finances	8.74-20.00	<u>4,095,913</u>	-	<u>4,095,913</u>	-	-	4,095,913
		<u>5,192,843</u>	-	<u>5,192,843</u>	<u>256,943</u>	<u>16,700</u>	<u>273,643</u>
							5,466,486

OFF-STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

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

Notes to the Financial Statements

For The Year Ended June 30, 2019

32.3.3 Fair value of financial instruments

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

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

33. Capital risk management

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

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

	June 30, 2018	June 30, 2017
Total number of employees (including contractual labour) as at June 30	209	359
Average number of employees (including contractual labour) as at June 30	206	225

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

- Loan from director increased.
- Please refer to the director report for detailed discussion about the company's performance.

36. OPERATING SEGMENT

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

All non current assets of the Company as at June 30, 2019 are located in Pakistan.

Notes to the Financial Statements

For The Year Ended June 30, 2019

37. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 25, 2019 by the Board of Directors of the company.

38. GENERAL

Upto the last year June 30, 2018 Liability against Letter of Credits amounting to Rs. 2.177 billion is shown under the head of account in Trade Creditors from the year of the company. The same is reclassifying this amount to Short Term Borrowings/ Loans .



Waseem-ul-Haque Ansari
Chief Executive



Haroon Iqbal
Director



Muhammad Naeem Uddin Malik
Chief Financial Officer

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance
as at June 30, 2019

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	7	3,500	0.00%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	60	3,101,472	2.24%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	6	97,675	0.07%
7.	Individuals	6,396	121,882,595	87.85%
TOTAL		6,470	138,735,242	100.00%

DETAILS OF CATEGORIES OF SHAREHOLDERS

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies			
1.1	Dewan Sugar Mills Limited	1	13,650,000	9.84%
		1	13,650,000	9.84%
2.	NIT and ICP	-	-	-
3.	Directors, CEO, their Spouses & Minor Children			
3.1	Directors and CEO			
3.1	Mr. Haroon Iqbal	1	500	0.00%
3.2	Mr. Aziz ul Haq	1	500	0.00%
3.3	Mr. Waseem-ul-Haque Ansari	1	500	0.00%
3.4	Mr. Syed Muhammad Anwar	1	500	0.00%
3.5	Mr. Muhammad Naeemuddin Malik	1	500	0.00%
3.6	Mr. Muhammad Saleem Baig	1	500	0.00%
3.7	Mr. Imran Ahmed Javed	1	500	0.00%
		7	3,500	0.00%
3.8	Spouses of Directors and CEO			
				0.00%
				0.00%
	Minor Children of Directors and CEO			
				-
				-

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

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Muhammad Yousuf Farooqui	2	63,403,768	45.70%
2	Dewan Sugar Mills Limited	1	13,650,000	9.84%

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

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

DEWAN FAROOQUE MOTORS LIMITED

Form 34

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

PATTERN OF SHAREHOLDING

1. Incorporation Number
2. Name of the Company
3. Pattern of holding of the shares held by the Shareholders as at

0039756

DEWAN FAROOQUE MOTORS LIMITED

3 0 . 0 6 . 2 0 1 9

Number of Shareholders			Shareholdings		Total Shares held
456	1	-	100	Shares	13,934
1027	101	-	500	Shares	477,195
1502	501	-	1,000	Shares	1,272,834
2149	1,001	-	5,000	Shares	6,193,568
595	5,001	-	10,000	Shares	4,707,321
329	10,001	-	20,000	Shares	4,865,689
147	20,001	-	30,000	Shares	3,740,672
46	30,001	-	40,000	Shares	1,640,750
62	40,001	-	50,000	Shares	2,899,299
24	50,001	-	60,000	Shares	1,333,220
16	60,001	-	70,000	Shares	1,040,620
11	70,001	-	80,000	Shares	833,501
7	80,001	-	90,000	Shares	604,000
21	90,001	-	100,000	Shares	2,058,000
17	100,001	-	120,000	Shares	1,893,106
9	120,001	-	140,000	Shares	1,157,610
11	140,001	-	160,000	Shares	1,663,550
2	160,001	-	180,000	Shares	355,500
3	180,001	-	200,000	Shares	579,007
5	200,001	-	250,000	Shares	1,097,182
9	250,001	-	300,000	Shares	2,435,000
1	300,001	-	350,000	Shares	323,000
1	350,001	-	400,000	Shares	353,000
2	400,001	-	450,000	Shares	900,000
6	450,001	-	500,000	Shares	2,889,000
1	500,001	-	850,000	Shares	825,234
2	850,001	-	950,000	Shares	1,890,000
1	950,001	-	1,300,000	Shares	1,105,000
2	1,300,001	-	1,500,000	Shares	2,790,000
1	1,500,001	-	2,500,000	Shares	2,257,500
1	2,500,001	-	3,000,000	Shares	2,505,682
1	3,000,001	-	5,000,000	Shares	4,981,500
1	5,000,001	-	14,000,000	Shares	13,650,000
1	14,000,001	-	25,000,000	Shares	24,341,393
1	25,000,001	-	40,000,000	Shares	39,062,375
6,470		TOTAL		138,735,242	

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

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	3,500	0.00%
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	97,550	0.07%
5.5	Insurance Companies	-	0.00%
5.6	Modarabas and Mutual Funds	125	0.00%
5.7	Shareholders holding 5%	77,053,768	55.54%
5.8	General Public		
a.	Local	121,879,595	87.85%
b.	Foreign	3,000	0.00%
5.9	Others (Joint Stock Companies, Brokage Houses, Employees Funds & Trustees)	3,101,472	2.24%

Form of Proxy

I/We _____
of _____ being _____
a member(s) of **DEWAN FAROOQUE MOTORS LIMITED** and holder of _____
Ordinary Shares as per Registered Folio No. / CDC Participant's ID and Account No. _____
____ hereby appoint _____
of _____
or falling him _____
of _____
who is also member of **DEWAN FAROOQUE MOTORS LIMITED** vide Registered Folio No. / CDC
Participant's ID and Account No. _____ as my/our proxy to vote for me/us
and _____
on my/our behalf at the 21st Annual General Meeting of the Company to be held on Thursday, October
24, 2019 at 02:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2019.

AFFIX
REVENUE
STAMP
RS. 5/-

Signature _____

Witness: _____

Signature

Witness: _____

Signature

Name: _____

Name: _____

Address: _____

Address: _____

IMPORTANT:

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

4. Further Instructions for CDC Account holders:

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

پر اکسی فارم بیسیوین سالانہ جنرل میٹنگ

اعلان اہم

یہ پر اکسی فارم مکمل پر کر کے ہمارے رجسٹر اشیئر زٹر انفسرا یجینٹ کے آفس میں ضرور جمع کروائیں، بی ایم ایف کنسلٹنٹ (پرائیویٹ) لیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالeman سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی-50، 75350، پاکستان۔ میٹنگ کے انعقاد سے اڑتا لیں گھٹنے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پر اکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم کا (کامل یتہ)

بچیت میر

دیوان فاروق موڑز لائڈنگ حصہ کے الک، ر جسٹرڈ فویلو نمبر /

کا سی ڈی سی آئی ڈی اور کھاتہ نمبر

میں تقریر کریا / کرتی ہوں جو بذاتِ خود بھی دل پان فاروق مولڑز

Affix
Revenue
Stamp
Rs. 5/-

بطور گواہ میں / ہم نے بروز 2019 کو میرے / ہمارے ہاتھ سے مہر لگائی۔
بتاریخ 2019 بوقت 2 بجے سہ پر میں میری / ہماری جاپ سے ووٹ دے۔

_____ گواہ: _____

نام: _____ نام: _____

نام: _____ نام: _____ نام: _____

محل پذیرش: _____ محل پذیرش: _____

(۱) کمپنی کے اکاؤنٹس کا شناختی کر کے، کمپنی کے اکاؤنٹس کا شناختی کر کے، کمپنی کے اکاؤنٹس کا شناختی کر کے،

(۱) تویی میں / خاون اس وقت پر ای میں طور پر کام لئے جائیں / کارپوریٹس میں جو کوئی ایسے سلسلہ کا فرمان رسمی ہے جو پہنچ کارمن نہ ہو۔

(2) لوئی میں اس بجکار پہنچ کا سب سے بڑا سرکاری ادارہ ہے جو اسلام میں تحریکت اور وحدت کا سفر لے رہے ہیں۔

(3) یہاں کی فارم انجلاز سے 48 گھنٹے میں یہی پتی کے سسٹر ڈاٹس میں مل طور پر کپڑا اور دھوکھے کے سامنے موجود موصول ہو جانا چاہیے۔

بہایات برائے CDC اکاؤنٹ ہولڈر رز: (4)

(۱) ارزوی تہار لئن کا وٹ ہوڈر / سب اکا وٹ ہوڈر اور / یا ایسا صل بھی کسی بھی سیکیوری ر روپ کا

س اور دیگر بحثیات کی روایتی میں پرا ہی ہو سلما / ہو سعی ہے۔

(ii) پرائی فارم پرداز اور ادمان کے نام اور CNIC مبرمکھ پتے لے موجود ہو۔

(iii) CNIC یا پورٹر میں صدر قانون کے مطابق فارم کے سامنے شکل ہو۔

اٹھار تسلیم:

یورڈ کی جانب سے میں معزز حصص یافتگان، وفاقی و صوبائی حکومتوں، ان کے ماتحت اداروں، بینکوں، ترقیاتی و مالیاتی اداروں، لیز نگ کمپنیز، ڈیلرز، وینڈر رز اور صارفین کی مسلسل حمایت اور سرپرستی پر ان کا شکر یہ ادا کرتا ہوں۔

یورڈ بھی کمپنی کے ایگر کیلوز، ارکین، عملہ اور کار کننان کی زیر نظر سال کے دوران قابل مدرخدمات، خلوص اور جدوجہد کو سراہتے ہوئے خوشی محسوس کرتا ہے۔

نتیجہ:

آخر میں ہم اللہ سبحان و تعالیٰ سے دعا گوئیں کہ وہ پیغمبر آخر زماں حضرت محمد ﷺ پر کروڑ ہاں رحمت و برکات کا نزول فرمائے اور حضرت محمد ﷺ کے صدقہ طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت، خوشحالی و محبت عطا فرمائے۔ ہماری کمپنی کو ملک و قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارگی کے ساتھ پچی ملتِ اسلامیہ بننے کی روح پر وان چڑھائے۔

(آمین یا رب العالمین)

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

یورڈ آف ڈائریکٹرز کے اختیار کے تحت۔

ہارون اقبال

ڈائریکٹر

وسید الحق انصاری

چیف ایگر کیلو

کراچی، مورخہ 25 نومبر 2019ء

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

اجلاس میں شرکت	ڈائریکٹر کے اسماءً گرامی
4	عزیز الحق ☆
4	ہارون اقبال ☆
4	سید محمد انوار ☆

دوران سال ہی میں رسورس اور معادن کمپنی کا ایک اجلاس منعقد ہوا جس میں ممبران کی حاضری مندرجہ ذیل رہی۔

اجلاس میں شرکت	ڈائریکٹر کے اسماءً گرامی
1	عزیز الحق ☆
1	ہارون اقبال ☆
1	وسیم الحق انصاری ☆

آڈیٹر:

موجودہ آڈیٹر زمیر ز فیروز شریف طارق ایڈ کمپنی چارٹرڈ اکاؤنٹینٹس سبکدوش ہو گئے ہیں اور دوبارہ تقریری کے لئے اپنی خدمات پیش کی ہیں آڈٹ کمیٹی کی سفارشات پر بورڈ آف ڈائریکٹرز نے میسر ز فیروز شریف طارق ایڈ کمپنی چارٹرڈ اکاؤنٹینٹس کی دوبارہ تقریری کی سفارش کی ہے۔

فی حصص نقصان:

فی حصص نقصان (1.83) روپے ہے۔

منافع منقسمہ:

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

حصص یا پیشی کا طریقہ کار:

کمپنی کے شیر ہولڈنگ کا طریقہ کار مورخہ 30 جون 2019ء کی سالانہ پورٹ میں شامل ہے۔

کمپنی شیرز کی تجارت:

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

متوّقہ صورتحال:

جیسا کہ اوپر بیان کیا گیا ہے کمپنی کے مالی سال کے اختتام تک کمپنی کی مالی حیثیت میں کوئی خاطرخواہ تبدیلی واقع نہیں ہوئی۔

کاروباری و مالیاتی رپورٹنگ کا تجزیہ:

مورخہ 30 جون 2019ء کو مکمل ہونے والے مالی سال کے لئے کمپنی کی میخفیت کے تیار کردہ مالی گوشوارے اپنے ادارتی امور، عملدرآمد کے نتائج، لین دین اور ایکوئی میں تبدیلی کے شفاف مظہر ہیں۔

کمپنی کے لین دین کا ریکارڈ مرتب کرنے کے لئے کتابیں مردجمہ قوانین کے مطابق تیار کی جاتی ہیں۔

مورخہ 30 جون 2019ء کو مکمل ہونے والے مالی سال کے لئے مالی گوشواروں کی تیاری میں مجوزہ اکاؤنٹنگ پالیسیاں عمل میں لائی گئی ہیں اور اکاؤنٹنگ تجھیے موزوں اور انصاف پر ہیں۔

انٹریشنل فائلر پورٹنگ اسٹیڈرڈ (آئی ایف آر ایس) جو کہ پاکستان میں رائج ہیں کو مالی گوشواروں کی تیاری اور نمائانے میں بروئے کارلا یا گیا ہے اور ہر مالی امور کو نہ کوہہ گوشواروں میں واضح کیا گیا ہے۔

داخلی نشروں کا نظام ڈیزائن کے لحاظ سے مستحکم ہے جس کے نفاذ میں موثر انداز سے نگرانی کی گئی ہے۔

انتظامیہ نے نوٹ 1.1 میں چلتے ہوئے ادارے کے طور پر کمپنی کی الیکٹریکی تفصیلی جائزہ پیش کیا ہے اور منسلک حالیہ گوشواروں کے نوٹ 24 میں مارک اپ کی نان پر وویڈنگ کے بارے میں واضح کیا ہے۔

پاکستان اسٹاک ایکچینج کے لئے نیک گیلی بیشنز کی تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین عملدرآمد میں کوئی کوتاہی نہیں کی گئی۔

گزشتہ نو سال کی مختصر کی آپرینگ اور مالی اعداد و شمار پورٹ کے ہمراہ منسلک ہیں۔

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

مورخہ 30 جون 2019ء کو پر اویڈینٹ فنڈ کی سرمایہ کاری منصانہ مالیت 39.597 ملین روپے تھی سال 2018ء میں 57.055 ملین روپے تھی۔

یورڈ آف ڈائریکٹرز کے تما افراد اپنی بہترین صلاحیتوں اور بھرپور معلومات کے ساتھ کمپنی کے مقاصد کے حصول میں برسر پیکار ہیں۔ دوران سال

یورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے جس میں حاضری مندرجہ ذیل رہی۔

اجلاس میں شرکت	ڈائریکٹرز کے اسماء گرامی
-	دیوان محمد یوسف فاروقی
4	ہارون اقبال
4	عزیز الحق
3	ویم احت انصاری
4	سید محمد انوار
4	محمد نعیم الدین ملک
4	محمد سلیم بیگ
2	عمراں احمد جاوید

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

ہم انتہائی عاجزی اور شکر کے ساتھ اللہ سبحان و تعالیٰ کے سامنے سنبھود ہیں جو کہ بڑا مہربان اور حیم ہے۔ جس نے ان مشکل اوقات میں آپ کی کمپنی کو بے شمار نعمات سے نوازا۔

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

بوروڈ میں ایک خود مختار، چارا گیز کیٹو اور دوناں ایگزیکیٹو ائر یکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام مندرجہ ذیل ہیں۔

- ☆ دیوان محمد یوسف فاروقی
- ☆ ہارون اقبال
- ☆ وسیم الحق انصاری
- ☆ محمد نعیم الدین ملک
- ☆ محمد سلیم بیگ
- ☆ سید محمد انوار
- ☆ عمران احمد جاوید
- ☆ عزیز الحق

دوران سال بوروڈ آف ڈائریکٹرز میں ایک جگہ خالی ہوئی جو کہ بوروڈ کے ذریعہ پر کر لی گئی۔

کمپنی کی بنیادی سرگرمیاں:

دیوان فاروق موثر زلمیجہد پاکستان میں بطور پبلک لمبید کمپنی کی حیثیت سے کام کرتی ہے اور پاکستان اشک ایکسچنچ میں اس کا نام موجود ہے۔ کمپنی کی بنیادی سرگرمیوں میں گاڑیوں کی اسٹمبلنگ، معابرداری اسٹمبلنگ، گاڑیوں کی ترقیاتی تیاریاں اور گاڑیوں کی فروخت شامل ہے۔

بنیادی خطرات اور غیر یقینی صورتحال:

کمپنی مندرجہ ذیل چیزوں کو لکلیدی خطرہ سمجھتی ہے۔

☆ ایل سی وی، ایس یووی اور پیپنچر گاڑیوں کے درمیان مسابقت۔

☆ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی۔

☆ شرح سود میں اضافہ۔

☆ بیننگ لائز کی عدم دستیابی۔

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

کاروباری و سماجی ذمہ داریاں:

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

ڈائریکٹر پورٹ

دیوان فاروق موڑز لمینٹ کا بورڈ آف ڈائریکٹر زمور نہ 30 جون 2019ء کو مکمل ہونے والے مالی سال کی سالانہ رپورٹ معاذ شدہ رپورٹ معہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے ایکسوال (21) سالانہ اجلاس عام میں مسرت کے ساتھ آپ کا خیر مقدم کرتا ہے۔

مالی جائزہ:

مالی سال 2019ء کے لئے کارکردگی کا مقابلی خلاصہ اعداد و شمار کے ساتھ حسب ذیل ہے۔

مولود 30 جون 2018ء کو مکمل ہونے والے مالی سال (روپے ہزاروں میں)	مولود 30 جون 2019ء کو مکمل ہونے والے مالی سال (روپے ہزاروں میں)	مجموعی فروخت
61,631	1,844	مجموعی نقصان
(138,881)	(202,325)	عملدر آمد میں نقصان
(187,124)	(229,213)	بعداز گلیں نقصان
(69,432)	(244,304)	

مالیاتی کارکردگی:

گزشتہ سال کے مقابلے میں مسافر کار، ایس یو ڈی اور ایل سی وی سی گٹٹنٹ میں آٹوموبائل کے شعبے میں فروخت کے اندر 7% کی کمی واقع ہوئی ہے اور کل فروخت شدہ یونیٹ کی قیمت فروخت 240,646 گاڑیوں کی خریداری پر نان فاکرڈ کے لئے پابندی، شرح سود میں اضافہ اور روپے کی قدر میں کمی کے باعث پیداواری لاگت اور گاڑیوں کی قیمت میں اضافہ معاشی سرگرمیوں میں مندی کے اہم عوامل ہیں۔ اگرچہ حکومت نے نان فاکرڈ پر سے گاڑیوں کی خریداری پر سے پابندی اٹھائی ہے لیکن حالیہ بیجٹ میں مقامی طور پر تیار شدہ کاروں اور ایس یو ڈی پرفیڈرل ایکسائز ڈی ٹوٹی عائد کر دی گئی ہے جس کے باعث گاڑیوں کی قیمت میں مزید اضافہ کر دیا ہے۔

بینکوں کی جانب سے کمپنی کے قرضہ جات کی تجدید نہ ہونے کے باعث دے ہمان دیوان کمپنی (پرائیویٹ) لمینٹ کے لئے بینک لائنز جال نہ ہو سکیں۔ جس کے نتیجے میں کمپنی کی پیداواری سرگرمیاں معطل رہیں۔ پیداواری سرگرمیوں کی عدم موجودگی میں کمپنی مقررہ اور دیگر لاجٹ کی وصولی کرنے سے قادر ہی جس کے باعث کمپنی مالیاتی خسارہ میں رہی۔ مذکورہ وجہات کی وجہ سے کمپنی سخت حالات میں کام کر رہی ہے اور اپنی بقاء کی بھروسہ پور کر شکر رہی ہے۔ موجودہ مالیاتی صورتحال پر قابو پانے کے لئے کمپنی مختلف قسم کی انسدادی اقدامات کر رہی ہے اور اس معاملے کو بینکوں کے سامنے بھی رکھا گیا ہے۔ کمپنی کے قرضوں کی رسی پروفائل میں متفاہی قریب میں کمبل ہونے کی توقع ہے جس کے بعد کمپنی کی پیداواری سرگرمیاں معمول پر آ جائیں گی۔ بینکوں اور دیگر مالیاتی اداروں الیز نگ کمپنیز کے واجب الادا قرضوں کی تفصیلات اکاؤنٹس کے نوٹس میں ظاہر کر دی گئی ہیں۔ آڈیٹر زنے معاملے کی اہمیت کی وجہ سے رپورٹ کو غیر تسلی بخش قرار دیا ہے۔ انتظامیہ نے مالی یہیات سے متعلق نوٹ میں معاملے کی حیثیت کی وضاحت کی ہے۔ انتظامیہ کو مکمل اعتماد ہے کہ کمپنی قرض دہندگان کے ساتھ مالی تنظیم نوکٹی شکل دے گی اور موجودہ صورتحال سے نکل آئے گی۔

تفصیلات ریفرنس	نمبر شمار
انویسٹی کمپنی میں مندرجہ ذیل ڈائریکٹرز اپنی حصہ یا فنی تک دلچسپی رکھتے ہیں۔ (الف) جتاب ہارون اقبال 500 (0.0023 نیصد) (ب) جتاب ویسیم الحق انصاری 500 (0.0023 نیصد) (ج) جتاب محمد نعیم الدین مک 1000 (0.0047 نیصد) (د) جتاب عزیز الحق 1000 (0.0047 نیصد)	(xi) ڈائریکٹرز، اسپانسرز، اکثریتی حصہ یا فنی اور ان کے رشتہ داروں کی ایسوی ایبلڈ کمپنی یا ایسوی ایبلڈ انڈرٹیکٹ یا زیر غور معاملات میں بالواسطہ یا بلا واسطہ دلچسپی۔
کوئی نہیں۔	دیگر ضروری اور اہم تفصیلات ٹرانزیکشن کو سمجھنے کیلئے

اس ٹھمن میں مندرجہ ذیل خصوصی قرارداد ترمیم بلاتر ترمیم پاس کرنے کی تجویز۔

قرار پایا کہ کمپنی کمپنیہ ایکٹ محریہ 2017ء کی دفعہ 199 اور میورنڈم آف ایسوی ایشن کی کلاز II(X) اور کمپنی کے بیسویں سالانہ اجلاس عام میں منظورہ کردہ شرائط وضوابط کے مطابق گزشتہ اجلاس عام میں منظور کردہ شرائط وضوابط کے مطابق گزشتہ اجلاس عام میں مندرجہ ذیل ایسوی ایبلڈ کمپنی کے ٹھمن میں قلیل المدى قرض کی مختص کردہ حد کی تجدید کا اختیار دیا جاتا ہے۔

قرضہ:

قرضہ لینے والی کمپنی۔

دیوان آؤموٹیو نجیسٹر نگ لیمیٹڈ۔ 154.879 میلن روپے۔
حد کی تجدید کی مدت ایک سال ہوگی اور آئندہ اجلاس عام میں مزید ایک سال کیلئے قابل تجدید ہوگی۔

دیوان فاروق موڑز لمبٹ

کمپنیرا یکٹ مجریہ 2017 کی دفعہ 134(3) کے تحت گوشوارہ

گوشوارہ ہند ادیوان فاروق موڑز لمبٹ (کمپنی یا ڈی ایف ایم ایل) کے جمعرات 24 اکتوبر 2019ء کو دیوان سینئٹ فیکٹری سائنس واقع دیہہ ڈھنڈو دھانیجی صلح ملیر کراچی پاکستان میں منعقد ہونے والے اکیسویں (21) سالانہ اجلاس میں انجام دیئے جانے والے خصوصی امور پر مبنی ہے۔ اور اجلاس کے نوٹس کے ہمراہ منتسلک ہے۔

خصوصی امور

(1) کمپنیرا یکٹ مجریہ 2017ء کی دفعہ 199 کے تحت ایک ایسوی ایڈٹ کمپنی کو منص قبیل المدتی قرضہ کی حد کی تجدید پر غور و خوض اور منظوری۔

نمبر شمار	تفصیلات	ریزنس
(i)	ایسوی ایڈٹ کمپنی کا نام ایسوی ایڈٹ تعلق کا معیار	دیوان آٹو موٹر ٹیکسٹر نگ لمیڈ مشترکہ ڈائریکٹر شپ
(ii)	قرضہ اور پیشگیوں کی رقم	154.879 ملین روپے۔
(iii)	مذکورہ ایسوی ایڈٹ کمپنی یا ایسوی ایڈٹ انٹرٹیکنگ کو پہلے سے جاری قرضہ کی صورت میں مکمل تفصیلات۔	154.879 ملین روپے۔
(iv)	گزشتہ تین سال کیلئے فی حصہ آمدنی / نقصان	2018/2.24، 2017/1.99، 2016/3.03
(v)	مالي صورت حال، بثموں بیمس شیٹ کے میں آنکھ اور نفع نقصان	آمدنی / نقصان فی حصہ 2.24 شیئر ہولڈرز کی ایکیوٹی 1,116.213 کل اٹاٹے 326.621۔
(vi)	سرمایہ کارکمپنی کا خریدار اوس طیا بارو ٹنگ کی عدم موجودگی میں کراچی انٹرپینک متعلقہ مدت کی شرح کی پیشکش کرتی ہے۔	اگر کمپنی نے اپنے لینڈز سے تجدید کیلئے رابطہ کیا ہے اور تجویز کے مطابق کو مارک اپ قابل ادا نگی نہیں تو کمپنیز (انوئٹمنٹ ان ایسوی ایڈٹ کمپنیز یا ایسوی ایڈٹ انٹرٹیکنگ) ریکولیشنز مجریہ 2017ء کی دفعہ 5(4) کے مطابق تین ماہ کا KIBOR ریٹ نافذ اعمال ہے۔
(vii)	وصول کیا جائے والا نفع، مارک اپ، فیس یا کمیشن کا نرخ	وصول کئے جانے والے منافع کا نرخ ایک فیصد، تین ماہ کے KIBOR ریٹ پر ہوگا۔
(viii)	بارو ٹنگ کی اضافات ہے۔	25 ستمبر 2019ء کا تین ماہ کے KIBOR ریٹ 13.85% سالانہ ہے۔
(ix)	انوئٹی کمپنی کو جاری کردہ قرضوں یا پیشگیوں کی مد میں ادا نگی کا شیدوں۔	ایک سال کیلئے تجدید۔
(x)	ایسوی ایڈٹ کمپنی یا ایسوی ایڈٹ انٹرٹیکنگ سے مجوزہ سرمایہ کاری کیلئے کئے گئے کے مذاہدہ کی شق کے مطابق کمپنی قرضدار کیلئے اس کے اٹاؤں / سرمایہ کاری سے قرضہ کی رقم وصول کرے گی۔	لینڈز کے اوس طیل المدتی قرضے یا کراچی انٹرپینک کے پیش کردہ نرخ جو بھی نافذ اعمال ہو، پر ایک فیصد مارک اپ ہوگا۔ قرضہ کی مدت میں لینڈز / حصہ یا فنگان کی منظور سے توسعہ کریگا۔ معاهدہ کی شق جانبو اے معاهدوں کے اہم نکات۔

7) مالی گوشواروں وغیرہ کی الیکٹرونیکی منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر آر اے 787(1) 2014/ ستمبر 8، 2014 کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں معا اجلاس عام کے نوٹسز اپنے ان ممبر ان کوڈاک کی بجائے بذریعہ ای میل ارسال کرنے کی اجازت دی ہے جو سہولت ہذا کے استفادہ کرنے کے خواہشمند ہوں، چانچہ مالی گوشواروں اور سالانہ اجلاس عام کے نوٹسز بذریعہ ای میل وصول کرنے کے متنی سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DFML/index.html> پر مستیاب اسٹینڈرڈ رکویسٹ فارم پر کر کے اپنے عنڈیہ سے تحریراً مطلع کریں۔

الف) برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لودڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا صل پا سپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کاپوریٹ ایمٹسٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اثار نی معنا مزفرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پرسکسی کی تقری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب ہولڈر اور یا افراد کی صورت میں جن کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لودڈ ہوں پرسکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرنے ہوں گے۔
- (ii) پرسکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پرسکسی کے سی این آئی سی یا پا سپورٹ کی تصدیق شدہ کا پیاس پرسکسی فارم سے مسلک کرنی ہوں گی۔
- (iv) پرسکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا صل پا سپورٹ پیش کرنا ہوگا۔
- (v) کاپوریٹ ایمٹسٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اثار نی معنا مزفرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پرسکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔

5) سی این آئی سی فراہم نے کرنے والے شیئرز ہولڈر زکونوٹس

جن میران نے ابھی تک سی این آئی سی کی فوٹو کا پیاس کمپنی کو پیش نہیں کی ہیں ان سے دوبارہ درخواست ہے کہ جلد از جلد داخل کرادیں تاکہ سیکیورٹیز ایئڑا یکچھ کمیشن آف پاکستان کے الیمنی آراؤ نمبر 831(1) 2012ء کی تعلیم میں ڈیویڈنڈ وارٹس پر اندر اراج کیا جاسکے۔ لسٹید کمپنیوں کیلئے لازمی ہے کہ رجسٹرڈ حصہ یافتگان یا مختار نمائشوں کا سی این آئی سی نمبر ڈیویڈنڈ وارٹس پر درج کیا جائے۔ لہذا بلا تاخیر سی این آئی سی کی تصدیق شدہ کا پی ہمارے شیئرز رجسٹر اک فراہم کرنے کی ہدایت کی جاتی ہے۔

6) مینڈیٹ برائے ای ڈیویڈنڈ

نقد منافع منقسمہ کی ادائیگی کے عمل کو زیادہ موثر بنانے کی غرض سے ای ڈیویڈنڈ کا طریقہ آغاز کیا گیا ہے جس کے ذریعے شیئرز ہولڈر کو بلکہ سی تاخیر کے اپنے متعلقہ بینک اکاؤنٹس میں منافع منقسمہ کی رقم الکشرونک جمع کر دہل جائے گی۔ اس طرح منافع منقسمہ جات متعلقہ بینک اکاؤنٹ میں فوراً کریٹ کر دیے جائیں گے اور منافع منقسمہ کے وارٹس کی ڈاک میں گشداری، بلائقیم واپس آجائے یا غلط پتے پر ڈیلیور وغیرہ ہونے کا امکانا نہیں ہوں گے۔ سیکیورٹیز ایئڑا یکچھ کمیشن آف پاکستان (SECP) نے بذریعہ نوبٹ نمبر 2008-2013ء مورخہ 8 اپریل 2013ء تمام لسٹید کمپنیز کو ہدایت کی ہے کہ وہ ای ڈیویڈنڈ طریقہ کارکارا اختیار کریں اس یا پر کہ شیئرز ہولڈر زکیلے یہ سودمندر ہے گا۔ مندرجہ بالا کے پیش نظر آج سے گزارش کی جاتی ہے کہ آپ ڈیویڈنڈ مینڈیٹ فارم پر شدہ اور دستخط شدہ ہو، فراہم کرتے ہوئے ای ڈیویڈنڈ کے حق میں ایک ایک ڈیویڈنڈ مینڈیٹ فراہم کریں۔

سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ دیوان فاروق موڑلیڈ (ڈی ایف ایم ایل یا کمپنی) کا کیسوں سالانہ اجلاس عام جمعرات 24 اکتوبر 2019ء کو دن 02:00 بجے دیوان سینٹ لمیڈ۔ فیشری سائٹ واقع دیہہ ڈھنڈ وہاں پر مطلع میر کراچی، پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔ اجلاس کا آغاز تلاوت قرآن پاک سے ہو گا۔

عمومی امور

- (1) کمپنی کے گزشتہ سالانہ اجلاس عام منعقدہ جمعرات 25 اکتوبر 2018ء کا کارروائی کی توثیق۔
- (2) 30 جون 2019ء کو مل ہوانے والے سال کیلئے کمپنی آڈٹ شدہ مالی گوشواروں معاً ڈیزراڈریکٹریز کی رپورٹ کی وصولی، غور و خوض اور منتظری۔
- (3) 30 جون 2020ء کو مل ہوانے والے سال کیلئے کمپنی کے آڈیٹریز کی تقری اور ان کے مشاہدہ کا تھیں۔
- (4) چیزیں میں کی اجازت سے دیگر امور کی انجام دہی

خصوصی امور

- (1) کمپنی ایکٹ مجریہ 2017ء کی دفعہ 199 کے تحت ایک ایسوی ایڈٹریکٹ کمپنی کو قبیل المدنی قرضوں / پیشکیوں کے اجراء پر غور و خوض اور منتظری۔

جکم بورڈ

 محمد نعیم الدین ملک
 کمپنی سیکریٹری

کراچی 27 ستمبر 2019ء

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

نوٹ:

- (1) کمپنی کی منتقلی حصہ کی کتب 18 اکتوبر 2019 تا 25 اکتوبر 2019 (دونوں دن شامل) بندر ہیں گی۔
- (2) ممبران سے پتہ میں کسی قائم کی تبدیلی سے فوری طور پر ہمارے شیرز رجسٹر انسفر اجیٹ بی ایم ایف نسلٹٹس پاکستان (پرائیوٹ) لمیڈ واقع نغم اسٹیٹ بلڈنگ کمرہ نمبر 111 اور 310 تھرڈ فلور 49 دارالامان سوسائٹی میں شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل میراپی جانب سے شرکت اور رائے دہی کیلئے دوسرے میر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی دستاویز اجلاس کے انعقاد سے کم از کم اڑتا لیں 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پرل جانی چاہیے۔
- (4) سی ڈی سی اکاؤنٹ ہولڈر کو مزید برائے سیکورٹیز اینڈ ایچیچیکن کیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہو گا۔

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