

Half Yearly Report  
December 31, 2019



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DEWAN FAROOQUE MOTORS LIMITED

 YD | A YOUSUF DEWAN COMPANY

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## DEWAN FAROOQUE MOTORS LIMITED

### Company Information

#### Non-Executive Directors

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

Chairman Board of Directors

#### Executive Directors

Mr. Waseem-ul- Haque Ansari

#### 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.

#### LEGAL ADVISORS

A.K. Brohi & Co.  
  
Sharif & Co. (Advocates)  
3rd Floor, Uni Plaza,  
I.I. Chundrigar Road, Karachi.

#### SHARES REGISTRAR / TRANSFER AGENT

BMF Consultants  
Pakistan (Pvt.) Limited  
Anum Estate Building, Room No.  
310 & 311,  
3rd Floor, 49, Darul Aman Society,  
Main Shahrah-e-Faisal,  
Adjacent to Baloch Colony Bridge,  
Karachi, Pakistan.

#### REGISTERED OFFICE

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

#### FACTORY

Jilaniabad, Budhu Talpur,  
District Sajawal,  
Sindh.



A YOUSUF DEWAN COMPANY

## Directors' Report

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements of the Company for the six months' period ended December 31, 2019.

During the period under review the gross sales is Rs. 0.178 (Dec 2018: Rs.0.916) Million, gross loss is Rs. 72.398 (Dec 2018: Rs.117.668) million and the after-tax loss is Rs. 97.621 (Dec 2018: Rs.84.293) million.

The sale of local Car/SUV/LCV sector for the six months' period ended December 31, 2019 has shown a decline of approx. 38% as compared to the corresponding period of last year. The main reason for reduction in volume is depreciation of Pak Rupee against US Dollar, the impact of which has been passed on to the customers. Further increase in car financing cost also had a significant impact on the vehicle demand. Federal Excise Duty on locally manufactured Cars, Jeeps and SUVs will also have negative impact on sales volumes. The Company is going through tough conditions and making best endeavors to survive. A number of recovery suits have been instituted by Banks/Financial Institutions alleging default of company which are being successfully defended by our counsels. The proposal of re-profiling of the Company's debts is expected to be completed very soon. After the restructuring of debt, the Company's operation will be normalized.

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Rahim, in the name of our beloved Prophet, Muhammad (peace be upon him), for the continued showering of his blessings, guidance, strength, health and prosperity to us, our Company, our Country and the Nation, and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to the whole Muslim Ummah, Ameen, Summa-Ameen

### LO-MY LORD IS INDEED HEARER OF PRAYER (AL-QURAN)

Under / By Authority of the Board of Directors

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

**Haroon Iqbal**  
Director

Karachi: February 25, 2020

## **FEROZE SHARIF TARIQ & CO.**

**FEROZE SHARIF TARIQ & CO.**  
Chartered Accountants  
4-N/4, BLOCK 6, P.E.C.H.S,  
KARACHI 75400

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### **REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF DEWAN FAROOQUE MOTORS LIMITED**

#### **Introduction**

We have reviewed the accompanying Condensed interim Statement of financial Position of **Dewan Farooque Motors Limited** ("the company") as at December 31, 2019 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of these Condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

#### **Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Basis of adverse opinion**

- a) The condensed interim financial statements of the company for the period ended December 31, 2019 as disclosed in note 2 to the condensed interim financial Statements reflect loss after taxation of Rs. 97.621 (December 31, 2018: Rs. 84.293) million and as of that date it has accumulated losses of Rs. 3.838 (June 30, 2019: Rs.3.740) billion which resulted in net capital deficiency of Rs. 2.450 (June 30, 2019: Rs. 2.353) billion and its current liabilities exceeded its current assets by Rs. 4.592 (June 30, 2019: Rs. 4.550) billion and total assets by Rs. 2.433 (June 30, 2019: Rs. 2.336) Billion without providing the mark up as refer in below para (b). The operations of the company were closed in intervals between the periods 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 amounting to Rs. 6.884 billion for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties. 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.

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- b) The company has not made provision of mark-up for the year amounting to Rs. 355.669 million (refer note 11) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of mark-up 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 mark-up should be made in these financial statements. Had the provision of mark-up been made in the financial statements, the loss after taxation for the year would have been higher by Rs.5.971 billion and mark-up payable would have been higher and shareholders' equity would have been lower by Rs. 5.971 billion.

### Adverse Conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) above, these accompanying interim financial Statements as of and for the six months period ended December 31, 2019 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

### Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2019.

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



### CHARTERED ACCOUNTANTS

Place: Karachi

Date: 25 February 2020

A Member Firm of Mohammed Hossain & Co.-Certified Public Accountants-USA

**DEWAN FAROOQUE MOTORS LIMITED**  
**Condensed Interim Statement of Financial Position**  
**As at December 31, 2019**

ASSETS	Note	December 31, 2019 Unaudited	June 30, 2019 Audited	
		(Rs. in '000)		
<b>NON-CURRENT ASSETS</b>				
Property, Plant and Equipment	6	909,023	940,899	
Investment	7	1,249,843	1,273,164	
<b>CURRENT ASSETS</b>				
Stores and spares		52,293	52,293	
Stock-in-trade		46,817	46,992	
Trade debts - considered good		3,164	12,124	
Short term loan to associated undertaking - considered good		154,879	154,879	
Advances, deposits, prepayments and other receivables - Considered good		807,460	795,942	
Taxation - net		23,534	23,342	
Cash and bank balances		124,725	125,267	
		1,212,872	1,210,839	
<b>TOTAL ASSETS</b>		<b>3,371,738</b>	<b>3,424,902</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Share Capital				
Authorized				
150,000,000 (June 30, 2019: 150,000,000)				
Ordinary shares of Rs.10 each		<b>1,500,000</b>	<b>1,500,000</b>	
<b>Issued, subscribed and paid-up</b>				
Issued, subscribed and paid-up		1,387,353	1,387,353	
Revenue Reserve		(3,837,605)	(3,739,984)	
Accumulated loss		(2,450,252)	(2,352,631)	
<b>NON-CURRENT LIABILITIES</b>				
Long term security deposits		12,700	12,700	
Deferred Liabilities		4,231	4,231	
<b>CURRENT LIABILITIES</b>				
Sponsor's loan	8	255,079	253,279	
Trade and other payables		355,323	312,666	
Unclaimed Dividend		1,814	1,814	
Short term finances-secured	9	4,095,913	4,095,913	
Current maturity of long term loans		1,096,930	1,096,930	
		5,805,059	5,760,602	
<b>CONTINGENCIES AND COMMITMENTS</b>	10			
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,371,738</b>	<b>3,424,902</b>	

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

  
**Haroon Iqbal**  
Director

  
**Muhammad Naeem Uddin Malik**  
Chief Financial Officer



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**Condensed Interim Statement Of Profit Or Loss Account**  
**For the half year and quarter ended December 31, 2019**

Note	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
-----Unaudited-----				
(Rs. in '000)				
<b>GROSS SALES</b>	<b>178</b>	<b>916</b>	<b>178</b>	<b>567</b>
Sales tax	26	153	26	97
Commission	-	-	-	-
	<b>26</b>	<b>153</b>	<b>26</b>	<b>97</b>
<b>NET SALES</b>	<b>152</b>	<b>763</b>	<b>152</b>	<b>470</b>
Cost of sales	<b>72,550</b>	<b>118,431</b>	<b>34,949</b>	<b>54,296</b>
<b>GROSS LOSS</b>	<b>(72,398)</b>	<b>(117,668)</b>	<b>(34,797)</b>	<b>(53,826)</b>
Distribution expenses	-	311	-	(1,031)
Administration and general expenses	<b>13,003</b>	<b>20,555</b>	<b>6,764</b>	<b>11,660</b>
	<b>13,003</b>	<b>20,866</b>	<b>6,764</b>	<b>10,629</b>
<b>OPERATING LOSS</b>	<b>(85,401)</b>	<b>(138,534)</b>	<b>(41,561)</b>	<b>(64,455)</b>
<b>OTHER INCOME/(LOSS)</b>	<b>(12,215)</b>	<b>54,373</b>	<b>(8,494)</b>	<b>24,789</b>
	<b>(97,616)</b>	<b>(84,161)</b>	<b>(50,055)</b>	<b>(39,666)</b>
Finance cost	11	3	2	19
<b>(LOSS) BEFORE TAXATION</b>	<b>(97,619)</b>	<b>(84,283)</b>	<b>(50,057)</b>	<b>(39,685)</b>
<b>TAXATION</b>	<b>2</b>	<b>10</b>	<b>2</b>	<b>(159)</b>
<b>(LOSS) FOR THE PERIOD</b>	<b>(97,621)</b>	<b>(84,293)</b>	<b>(50,059)</b>	<b>(39,526)</b>
Basic / diluted (Loss) per share (Rupee)	12	<b>(0.70)</b>	<b>(0.61)</b>	<b>(0.36)</b>
		<b>(0.70)</b>	<b>(0.61)</b>	<b>(0.29)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

  
**Haroon Iqbal**  
 Director

  
**Muhammad Naeem Uddin Malik**  
 Chief Financial Officer

**DEWAN FAROOQUE MOTORS LIMITED**  
**Condensed Interim Statement Of Comprehensive Income**  
**For the half year and quarter ended December 31, 2019**

	Half Year Ended	Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019
-----Unaudited-----			
(Rs. in '000)			
(Loss) for the period	(97,621)	(84,293)	(50,059)
Other comprehensive Income(Loss) for the period:	-	-	-
<b>Total comprehensive (Loss) for the period</b>	<b><u>(97,621)</u></b>	<b><u>(84,293)</u></b>	<b><u>(50,059)</u></b>
			<b><u>(39,526)</u></b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

  
**Haroon Iqbal**  
 Director

  
**Muhammad Naeem Uddin Malik**  
 Chief Financial Officer



A YOUSUF DEWAN COMPANY

**Condensed Interim Statement Of Cash Flows**  
**For the half year ended December 31, 2019**

December 31, 2019	December 31, 2018
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-----Unaudited-----  
(Rs. in '000)

**CASH FLOW FROM OPERATING ACTIVITIES**

(Loss) before taxation

**(97,619)**

Add / (Less) : Depreciation

**31,876**

Gain (Loss) due to Change in valuation  
of investment in associates

**23,321**

Financial charges

**3**

**55,200**

**(42,419)**

**-**

**175**

**8,960**

**(11,518)**

**42,657**

**(194)**

**(3)**

**40,077**

**(84,283)**

**35,048**

**(44,350)**

**122**

**(9,180)**

**(93,463)**

**1,868**

**668**

**49,602**

**(7,633)**

**36,206**

**(381)**

**(122)**

**80,208**

Decrease in stores & spares

Decrease in stock in trade

Decrease in trade debts

(Increase) in advances, deposits,

pre-payments & other receivables

Increase in trade, other payables and borrowings

Tax (paid)

Financial charges (paid)

**Net cash flow from operating activities**

**(2,342)**

**(13,255)**

**CASH FLOW FROM INVESTING ACTIVITIES**

Capital expenditure incurred

**-**

**(891)**

**Net cash flow from investing activities**

**-**

**(891)**

**CASH FLOW FROM FINANCING ACTIVITIES**

Sponsor's loan

**1,800**

**(11,067)**

**Net cash flow from financing activities**

**1,800**

**(11,067)**

**NET (DECREASE) IN CASH & CASH EQUIVALENTS**

**(542)**

**(3,079)**

**CASH & CASH EQUIVALENTS AT BEGINNING**

**OF THE PERIOD**

**(1,852,757)**

**(1,849,790)**

**CASH & CASH EQUIVALENTS AT END**

**OF THE PERIOD**

**(1,853,299)**

**(1,852,869)**

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

**Haroon Iqbal**  
Director

**Muhammad Naeem/Uddin Malik**  
Chief Financial Officer

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Statement of Changes in Equity**  
**For the half year ended December 31, 2019**

	Share Capital	Accumulated (Loss)	Total
-----Unaudited-----			
(Rs. in '000)			
<b>Balance as on July 01, 2018</b>	1,387,353	(3,495,680)	(2,108,327)
Total comprehensive (Loss) for the period	--	(84,293)	(84,293)
<b>Balance as on December 31, 2018</b>	<b>1,387,353</b>	<b>(3,579,973)</b>	<b>(2,192,620)</b>
<b>Balance as on July 01, 2019</b>	1,387,353	(3,739,984)	(2,352,631)
Total comprehensive (loss) for the period	-	(97,621)	(97,621)
<b>Balance as on December 31, 2019</b>	<b>1,387,353</b>	<b>(3,837,605)</b>	<b>(2,450,252)</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

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

  
**Haroon Iqbal**  
 Director

  
**Muhammad Naeem Uddin Malik**  
 Chief Financial Officer



A YOUSUF DEWAN COMPANY

## Notes to the Condensed Interim Financial Statements For the half year ended December 31, 2019

### 1 THE COMPANY AND ITS OPERATION

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 company started Production on contract assembly basis from March 2018 and subsequently suspended temporarily.

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.

### 2 GOING CONCERN ASSUMPTION

The company incurred Loss after taxation of Rs.97.621 million during the period ended December 31, 2019. As of that date it has accumulated losses of Rs. 3.838 billion and its current liabilities including bank liabilities exceeded its current assets by Rs. 4.592 billion. However, excluding bank liabilities the current ratio is positive. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.5.971 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. 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 amounting to Rs. 6.884 billion through attachment and sale of Company's hypothecated /mortgaged properties. 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 condensed interim 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;

## DEWAN FAROOQUE MOTORS LIMITED

- b) Principle 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.

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.

### 3 BASIS OF PREPARATION

- 3.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting with the exception of departure of IFRS as mentioned in note 11, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements.

These condensed interim financial statements of the Company for the six months ended December 31, 2019 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.2 This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2019.
- 3.3 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 3.4 The comparative financial position presented in this condensed interim financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2019, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended December 31, 2018.

### 4 ACCOUNTING POLICIES

- 4.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual unconsolidated financial statements for the year ended June 30, 2019 except for the adoption of new standards, amendments and interpretation of International Financial Reporting Standards (IFRSs) as disclosed in note 4.2.



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#### **4.2. NEW STANDARDS, AMMENDMENTS AND IMPROVEMENTS OF IFRSs**

The Company has adopted the following accounting standards and amendments of IFRSs and the improvements to accounting standards which became effective during the current period:

**Standard or amendment:**

IFRS 16 – Leases

IFRS 9 – Prepayment features with negative compensation (Amendments)

IAS 19 – Plan amendment, curtailment or settlement (Amendments)

IAS 28 – Long term interests in associates and joint ventures (Amendments)

IFRIC 23 – Uncertainty over income tax treatments

**Improvements to accounting standards issued by the IASB in December 2017**

IFRS 3 Business combinations – Previously held interests in a joint operation

IFRS 11 Joint arrangements – Previously held interests in a joint operation

IAS 12 Income taxes – Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing costs – Borrowing costs eligible for capitalization

Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

#### **5 ESTIMATES AND JUDGEMENTS**

- 5.1 The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 5.2 Estimates and judgements made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2019.

**DEWAN FAROOQUE MOTORS LIMITED**

Note	Half year ended December 31, 2019 Unaudited	Year Ended June 30, 2019 Audited
	(Rs. in '000)	
<b>6 PROPERTY PLANT AND EQUIPMENTS</b>		
Operating Property Plant and Equipments 6.1	<b>909,022</b>	<b>940,899</b>
	<b>909,022</b>	<b>940,899</b>
<b>6.1 WDV of Operating Fixed Assets</b>		
Opening Balance	<b>3,387,443</b>	3,387,705
Add: Addition during the period	<b>-</b>	<b>984</b>
	<b>3,387,443</b>	<b>3,388,689</b>
Less: Deletion during the period	<b>-</b>	<b>(1,246)</b>
	<b>3,387,443</b>	<b>3,387,443</b>
Less : Accumulated Depreciation as on December 31, 2019 (June 30, 2019)	<b>(2,478,421)</b>	<b>(2,446,544)</b>
	<b>909,022</b>	<b>940,899</b>
<b>7 INVESTMENT</b>		
Investment in Ordinary shares of Dewan Cement Limited (DCL) - An associated company on equity method		
65,375,455 ordinary shares of Rs. 10 each	<b>804,131</b>	804,131
Share of Profit	<b>445,712</b>	<b>469,033</b>
	<b>1,249,843</b>	<b>1,273,164</b>
Fair value as per Market price Quoted in Pakisatin stock Exchange	<b>503,391</b>	<b>510,582</b>
<b>Market value (Rupees per share)</b>	<b>7.70</b>	<b>7.81</b>
<b>Percentage of equity held</b>	<b>13.50%</b>	<b>13.50%</b>

**8 Sponsor's loan**

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

**9 SHORT TERM BORROWING**

The Short term borrowings have not been renewed by the Banks as of financial position date.



A YOUSUF DEWAN COMPANY

## 10 CONTINGENCIES AND COMMITMENTS

### Contingencies

There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2019 as disclosed the banks/Financial institutions have filed suits aggregate amounting to Rs. 6.884 billion .

## 11 FINANCE COST

During the period ended December 31, 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. 355.669 million. The management is hopeful that the decision of the court will be in favor of the Company and the restructuring proposal will be accepted by the lenders. However had the Company provided this amount in the financial statements during the year the loss of the Company would have been increased by Rs. 5.971 billion and consequently the Share holders equity would have been lower and accrued markup would have been higher by Rs.5.971 billion. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

	Half Year Ended December 31, 2019	December 31, 2018	Quarter Ended December 31, 2019	December 31, 2018
-----Unaudited-----				
(Rs. in '000)				

## 12 (LOSS) PER SHARE - Basic/Diluted

(Loss) for the period	<u><u>(97,621)</u></u>	<u><u>(84,293)</u></u>	<u><u>(50,059)</u></u>	<u><u>(39,526)</u></u>
Weighted average number of ordinary shares issued during the year	<u><u>138,735</u></u>	<u><u>138,735</u></u>	<u><u>138,735</u></u>	<u><u>138,735</u></u>
(Loss) Per Share -Basic/Diluted (Rupee)	<u><u>(0.70)</u></u>	<u><u>(0.61)</u></u>	<u><u>(0.36)</u></u>	<u><u>(0.29)</u></u>

## 13 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

Related parties transactions are carried out in the normal course of business. Material transaction during the period are given below:

DEWAN FAROOQUE MOTORS LIMITED

Half year ended December 31, 2019 Unaudited	Year Ended June 30, 2019 Audited
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(Rs. in '000)

Sales	-	76
Markup charged for the period on short term loan to associated undertaking	11,477	18,028
Sponsor's loan	1,800	12,304
Provident Fund	63	1,787
Share of (loss) on equity investment in Dewan Cement Limited	(8,496)	(37,166)

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

**14 CORRESPONDING FIGURES**

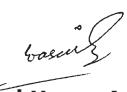
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial Position of annual financial statements, whereas statement of profit or loss , statement of comprehensive income, Statement of cash flow and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year."

**15 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on February 25, 2020 by the Board of Directors of the Company.

**16 GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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

  
**Haroon Iqbal**  
 Director

  
**Muhammad Naeem-Uddin Malik**  
 Chief Financial Officer

## ڈائریکٹر پورٹ

دیوان فاروق موثزل مید کا بورڈ آف ڈائریکٹر 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ رپورٹ معدہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے مسرت کے ساتھ خیر مقدم کرتا ہے۔ اقتصادی جائزہ زیر نظر ششماہی جائزہ رپورٹ کے مطابق مجموعی فروخت 0.178 (دسمبر 2018ء میں 0.916) ملین روپیہ، مجموعی خسارہ 72.398 (دسمبر 2018ء میں 66.66) ملین روپیہ اور یادداشتی خسارہ 62.1 (دسمبر 2018ء میں 84.293) ملین روپیہ۔

مورخہ 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کی کارکردگی گزشتہ سال کے اسی عرصے کے مقابلے میں کاروں، ایل سی وی/ایس یووی گاڑیوں کی فروخت میں تقریباً 38% فیصد کی کمی آتی ہے جس کی بنیادی وجہ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مسلسل کمی کے باعث گاڑیوں کی لگت میں بھی اضافہ ہوا ہے۔ حکومت کی جانب سے فیڈرل ایکسائز ڈیوٹی عائد کرنے کی وجہ سے مقامی کار ساز اداروں کی کاریں، ہپس اور ایس یووی گاڑیوں کی فروخت پر منفی اثرات مرتب ہوئے ہیں۔ کمپنی ان مشکل حالات میں زندہ رہنے کے لیے بھرپور اقدامات کر رہی ہے۔ کمپنی کی جانب سے یہیں اور دیگر مالیاتی اداروں سے مالی معاملات کی یہتھی کے لیے بھرپور اکامیاب کوششیں کی جا رہی ہیں، موجودہ مالیاتی صورت حال کو ہبہ ترینے کے لیے کمپنی نئے وفاعی اقدامات کر رہی ہے اور یہ معاملہ بھی یہیں کے سامنے رکھ دیا گیا ہے۔ کمپنی کے قرضوں کی روپہ فائلنگ کی تکمیل میں قریب میں مکمل ہونے کی توقع ہے جس کے بعد انشا اللہ کمپنی کے آپریشنز جلد معمول پر آ جائیں گے۔

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

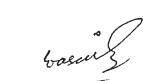
(آمین یا رب العالمین)

بے شک ہمارا رب دعاویں کا سنبھال والا ہے۔ (القرآن)



ہارون اقبال

ڈائریکٹر



وسیم الحق انصاری

چیف ایگزیکٹو

کراچی، مورخہ 25 فروری 2020ء

DEWAN FAROOQUE MOTORS LIMITED

WWW.YOUSUFDEWAN.COM