

ANNUAL REPORT
2024



DEWAN AUTOMOTIVE ENGINEERING LIMITED

 **YD** | A YOUSUF DEWAN COMPANY

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Company Information

Board of Directors

Executive Directors

Mr. Waseem-ul-Haque Ansari Chief Executive Officer

Non-Executive Directors

Mr. Ishtiaq Ahmed Chairman Board of Directors
(Nominee Director in DMPL)
Syed Maqbool Ali (Nominee Director in DMPL)
Mr. Abdul Basit (Nominee Director in DMPL)
Mr. Mehmood-ul-Hassan Asghar (Nominee Director in DMPL)
Mrs. Muhammad Irfan Ali

Independent Director

Mr. Aziz-ul-Haque

Audit Committee Members

Mr. Aziz-ul Haque Chairman
Syed Maqbool Ali Member
Mr. Ishtiaq Ahmed Member

Human Resource & Remuneration Committee

Mr. Aziz-ul Haque Chairman
Syed Maqbool Ali Member
Mr. Waseem-ul-Haque Ansari Member

Chief Financial Officer

Mr. Muhsin Ali

Company Secretary

Mr. Muhammad Hanif German

Registered Address

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

Factory

Dewan City Sajawal, District Thatta, Sindh.

Auditors

Faruq Ali & Co.
Chartered Accountants

Shares Registrar Transfer Agent

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

Legal Advisor

Abbas & Arif Law Associates

Website

www.yousufdewan.com

Vision Statement

The vision of Dewan Automotive Engineering Limited is to become a leading market player in the automobile sector.

Mission Statement

- ❁ To assume leadership role in the technological advancement of the industry and achieve the highest level of qualitative and 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 42nd Annual General Meeting of **Dewan Automotive Engineering Limited** will be held at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan on Thursday, October 24, 2024 at 02:00 p.m. to transact the following businesses;

1. To confirm the minutes of the preceding Annual General Meeting of the Company held on Thursday, October 26, 2023;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2025, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By order of the Board



Muhammad Hanif German
(Company Secretary)

Karachi
October 02, 2024

Notes:

- a. The share transfer books of the company will remain closed from October 17, 2024 to October 24, 2024 (both days inclusive). Transfers received in order at the share registrar office M/s. 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.
- b. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote for his/her behalf. proxies in order to be effective must be received at the Shares Registrar Office duly stamped and signed not less than 48 hours (Working days only) before the time of holding of the meeting.

CDC Account Holder will further have to follow the guidelines as laid down in Circular 1 dated January 26,2000 issued by Securities and Exchange commission of Pakistan for attending the meeting and appointment of proxies.

- c. members are requested to promptly communicate the change in their addresses, if any, to the Company's share registrar.

d. 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/Dael/index.html>

e. Video Conference Facility:

Pursuant to the provisions of the Companies Act, 2017, member can avail video conference facility to participate in this Annual General Meeting provided that the company receives consent from the members holding in aggregate 10% or more shareholding, residing in a city, at least seven (7) days prior to the date of meeting. Subject to the fulfillment of the above conditions, members shall be informed of the venue along with complete information necessary to access the facility. Format of request form has been placed on the Company's website.

f. Attendance through Zoom:

The members may attend the AGM online through ZOOM, by following the below guidelines:

- (i) The member shall get himself/herself registered by sending his/her request to the Company at e-mail ID dael.corp@yousufdewan.com as per Standard Request Form available on the Company's website (<http://www.yousufdewan.com/DAEL/index.html>) or can send his/her request to the Company Secretary at Dewan Centre, 3-A Lalazar Beach Hotel Road Karachi along with a legible copy of CNIC not later than October 22, 2024.
- (ii) Zoom link shall be sent by the Company only on email ID or Mobile/Whatsapp Number mentioned in Standard request Form.

g. Deposit of physical Shares into CDC Account;

As per section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the commission, within a period not exceeding four years from the commencement of the Act i.e May 30, 2017.

The physical Shareholders having physical shareholding are encouraged to open CDC Investor Account with CDC or CDC Sub-Account with any of the brokers to place their physical shares into Script less form.

h. E-Voting Procedure

- (a) Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers, and email addresses available in the register of members of the Company within due course.



- (b) The web address, login details, will be communicated to members via email.
- (c) Identity of the members indenting to cast vote through E-voting shall be authenticated through authenticated login.
- (d) E-Voting lines will start from October 17, 2024 at 10 am and shall close on October 23, 2024 at 5 p.m. Members can cast their votes any time in the period.

i) Postal Ballot

For voting through Postal Ballot members may exercise their right to vote as per provisions of the Companies (Postal Ballot) Regulations, 2018 subject to the requirement of Section 143 and 144 of the Companies Act, 2017. Further details in this regard will be communicated to the shareholders within the legal time frame as stipulated under these said Regulations, if required.

The members shall ensure that duly filled and signed ballot paper along with copy of CNIC should reach the Chairman of the meeting through post on the Company's Registered office or email at dael.corp@yousufdewan.com one day before the Annual General Meeting i.e. October 23, 2024 during the working hours. The signature on the ballot paper shall match with the signature on CNIC or Company records.

j) Particulars of Physical Shareholders:

According to section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical Shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to Company's Share Registrar at their address M/s. 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, email (bmfconsultantspakistan@gmail.com) immediately to avoid any non-compliance of law or any inconvenience in future.

Directors' Report

The Board of Directors of Dewan Automotive Engineering Limited is pleased to present its annual report along with the Company's audited financial statements for the year ended June 30, 2024 and welcomes you to the 42th Annual General Meeting.

Economy under review:

Pakistan's economy grew by 2.38% in the fiscal year 2023-24, after facing significant hurdles due to record-high inflation of 23.4%, unfavorable interest rates, a weakened exchange rate, and soaring fuel and energy costs. Delays in the resumption of the IMF program further exacerbated the economic slowdown.

The automotive sector has been severely affected by these challenges, including economic volatility, inflationary pressures, and import issues, leading to production halts for key manufacturers. While there is cautious optimism for 2024 with hopes for economic stabilization and relaxed import policies, the industry's performance in FY 2024 remains notably weaker compared to FY 2023.

The revival of the IMF program and financial aid from other different countries have paved the way for potential economic recovery. However, Pakistan's economic situation remained fragile.

Company performance

Financial Overview

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

	2024	2023
	(Rupees in '000)	
Gross Sales	-	-
Gross (loss)	(13,933)	(15,513)
Operating (loss)	(16,752)	(26,196)
Net (loss) after tax	(67,912)	(85,086)

During the year under review, the company's production was halted. This led to financial losses resulting from unabsorbed overheads and other expenses.

However, the company is preparing to restart its operations to supply parts to its sister concern, which has already resumed the assembly of commercial vehicles and passenger cars.

Observation in the Auditors' Report

The Auditors have qualified the report due to significance of the matter as referred in Para (a) of the Auditors Report.

Going concern assumption:

These financial statements have been prepared on going concern assumption because the conditions being faced by the company are temporary and would reverse due to the resumption of operations of the company's sister concern to whom the supplies of its products are to be made. The Company have already settled its liabilities in respect of all its banks/financial institutions & expect to avail working capital lines for its operations. The management is confident that the company will be in operations soon & accordingly, the accounts have been prepared on going concern basis. The company has fully explained the status of the above matters in respect Note 2 to the annexed audited Financial Statements.

Corporate Governance and financial reporting framework:

The directors are pleased to state that the company is compliant with the provisions of the Code of Corporate Governance as required by Securities and Exchange Commission of Pakistan (SECP).

Following are the statements on Corporate and Financial Reporting Frame work:

The financial statements for the year ended June 30, 2024, prepared by the management of the Company, present fairly its state of affairs, the result 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, 2024 and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements except for the departures disclosed in 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 2 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 the last six years is enclosed with the report;
- All taxes have been paid and nothing is outstanding, except as disclosed in note 16 of the annexed audited financial statements;

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

DEWAN AUTOMOTIVE ENGINEERING LIMITED

- Mr. Waseem ul-Haque Ansari
- Mr. Ishtiaq Ahmed
- Syed Maqbool Ali
- Mr. Abdul Basit
- Mr. Mehmood-Ul-Hassan Asghar
- Mr. Muhammad Irfan Ali
- Mr. Aziz-ul-Haque

During the year two casual vacancies was occurred which was filled by the Board of Directors of the Company.

Principal Activities of the Company

Dewan Automotive Engineering Limited is incorporated in Pakistan as a public limited Company and is listed on the Pakistan Stock Exchange. The Company's principal activity is manufacturing, assembling, trading, and selling of tractors, light commercial vehicles, and motorcycles primarily in Pakistan. It also trades in and manufactures related parts and implements.

Principal Risks and Uncertainties

The Company consider the following as key risks:

- Depreciation of Pak Rupee against US Dollar;
- Non-availability of working capital.

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.

The Board of Directors comprise of individuals with diversified knowledge who endeavor to contribute toward the aim of the Company with the best of their abilities. During the year four meetings of the Board of Directors was held. The attendance of directors was as follows;

Names of Directors	No of meetings attended
Mr. Waseem-ul-Haque Ansari	4
Syed Maqbool Ali	4
Mr. Ishtiaq Ahmed	4
Mr. Muhammad Irfan Ali	4
Mr. Aziz-ul-Haque	4
Mr. Mehmood-Ul-Hassan Asghar	4
Mr. Abdul Basit	4

The audit committee comprise of three members, all of them are non-executive. During the year four meetings of audit committee was held.

Name of Director	No. of meetings attended
Mr. Aziz-ul-Haque	4
Mr. Ishtiaq Ahmed	4
Syed Maqbool Ali	4

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

Name of Director	No. of meetings attended
Mr. Aziz ul Haque	1
Mr. Waseem-ul-Haque Ansari	1
Syed Maqbool Ali	1

Auditors:

The present Auditors Messer's Faruq Ali & Co, Chartered Accountants, have retired and offer themselves for re-appointment.

The Board of Director on recommendation of the Audit committee has recommended the re-appointment of Messer's Faruq Ali & Co. Chartered Accountants.

Loss per share

The Loss per share is Rs. 3.17 (2023: Rs. 3.98)

Dividend

Due to loss for the year as well as accumulated losses, no dividend has been recommended by the Board.

Pattern of Shareholding:

The pattern of Shareholding of the Company as at June 30, 2024 is included in the Annual Report.

Trading in Company Shares

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

Vote of Thanks:

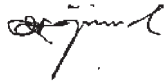
On behalf of the Board, I thank you, the valued shareholders, Federal and Provincial Government and their functionaries, banks, development financial institutions, leasing companies, dealers, vendors and customers for their continued support and patronage.

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.

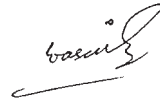
Conclusion:

In conclusion, we bow, beg and pray to Almighty Allah, Rehman-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 (HOLY QURAN)



Ishtiaq Ahmed
Chairman Board of Directors



Waseem-ul-Haque Ansari
Chief Executive

October 01, 2024

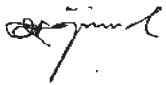
Chairman's Review

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, 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 the financial year ended June 30, 2024, 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.



Ishtiaq Ahmed
Chairman

October 01, 2024

Summarised Key Operating and Financial Data of Last Six Years

PARTICULARS	2024	2023	2022	2021	2020	2019
 Rs. in '000'					
Gross Sales	-	-	-	-	7,313	22,109
Net Sales	-	-	-	-	6,251	18,896
Gross (Loss) / Profit	(13,933)	(15,513)	(16,699)	(17,760)	(20,872)	(29,518)
Operating (loss)/profit	(16,752)	(26,196)	(19,283)	(27,118)	(26,136)	(57,586)
(loss) / profit before tax	(69,552)	(86,871)	(52,407)	(46,610)	(61,680)	(86,519)
(loss) / profit after tax	(67,912)	(85,086)	(50,805)	(44,508)	(59,386)	(84,046)
Retained Earnings	178,184	178,184	178,184	178,184	178,184	178,184
Share Capital	214,000	214,000	214,000	214,000	214,000	214,000
Shareholders Equity	(1,524,610)	(1,456,698)	(1,371,612)	(1,320,807)	(1,276,299)	(1,216,913)
Fixed Assets	182,586	196,962	212,681	222,079	240,058	259,767
Total Assets	204,250	211,887	235,963	240,923	255,140	274,903
FINANCIAL ANALYSIS						
Gross (loss)/profit Margin	-	-	-	-	-	-472.21%
Operating (loss) /profit Margin	-	-	-	-	-	-921.22%
(loss)/profit before tax	-	-	-	-	-	-1384.08%
(loss) / profit after tax	-	-	-	-	-	-1344.52%
Return on Investment						
(Loss) / Earnings per share before tax (Rs/Share)	(3.25)	(4.06)	(2.45)	(2.18)	(2.88)	(4.04)
(Loss) / Earnings per share after tax (Rs/Share)	(3.173)	(3.98)	(2.37)	(2.08)	(2.78)	(3.93)
Activity Ratios						
Sales to Total Assets-Times	-	-	-	-	-	2.27
Sales to Fixed Assets-Times	-	-	-	-	-	0.02
Liquidity Ratios						
Current ratio	0.003	0.003	0.003	0.002	0.008	0.008
Book value per share (Rs.)	(71.24)	(68.07)	(64.09)	(61.72)	(59.64)	(56.86)

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For The Year Ended June 30, 2024

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 of Board.
2. The composition of board is as follows:
 - a) Independent Director : Mr. Aziz-ul-Haque
 - b) Other Non-executive Directors : Mr. Ishtiaq Ahmed
Syed Maqbool Ali
Mr. Mehmood-ul-Hassan Asghar
Mr. Abdul Basit
Mr. Muhammad Irfan Ali
 - c) Executive Directors : Mr. Waseem-ul-Haque Ansari
3. Six Directors have confirmed that they are not serving as Director in more than seven listed Companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
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 AUTOMOTIVE ENGINEERING LIMITED

9. Three Directors are qualified under the directors training program. During the year the board did not arrange training program. However, we will arrange the same in the next coming session.
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 | : | Mr. Aziz-ul-Haque | Chairman |
| | | Syed Maqbool Ali | Member |
| | | Mr. Ishtiaq Ahmed | Member |
| b) HR and Remuneration Committee | : | Mr. Aziz-ul-Haque | Chairman |
| | | Syed Maqbool Ali | Member |
| | | Mr. Waseem-ul-Haque Ansari | 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 meetings during the financial year ended June 30, 2024 |
| b) HR and Remuneration Committee | : | 1 annual meeting held during the financial year ended June 30, 2024 |
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.

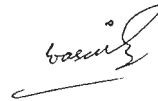
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Non-Mandatory Requirement	Reg No.	Explanation
1	<p>Directors' Training.-</p> <p>It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.</p>	19	Currently, three Directors are qualified under the directors training program. The Company is encouraging and planning to arrange DTP certification for the remaining Directors.



Ishtiaq Ahmad
Chairman Board of Directors



Waseem-ul-Haq Ansari
Chief Executive

Karachi: October 1, 2024



C-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, Opp. Maritime : (021) 34301967
Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969
Fax : (021) 34301965

Independent Auditor's Modified Review Report to the Members of Dewan Automotive Engineering Limited

Review Report to the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors ('the Board') of **Dewan Automotive Engineering Limited** (the Company) for the year ended 30 June 2024 in accordance with the requirements of regulation 36 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. 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.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

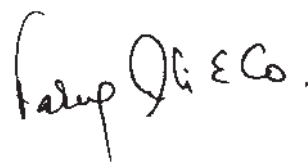
- The independent directors shall not be less than two or one third of total members of the board, whichever is higher, whereas board includes one independent director, who in our view does not meet the criteria of independence on account of his cross directorship in associated companies; accordingly, due to the foregoing reasons, requirements of chairman of audit and HR Remuneration Committee to be an independent director has also not been complied with.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

Further, we highlight below instances of non-compliance with the requirements of the Codes as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S.No Reference Description

- | | | |
|-----|------------------|--|
| (1) | Paragraph 1 | The company has no female director in its Board, as required by the Regulations. |
| (2) | Paragraph 2 | The board of the directors includes only one independent director, which is below the limit of one third of the board, as required by regulations. |
| (3) | Paragraph 3 | One of the directors of the Company is serving as a director in more than seven listed companies. |
| (4) | Paragraph 9 & 19 | Three directors are qualified under the directors' training program which is less than the prescribed criteria of the directors' training program as by 30 June 2024 all the directors are required to acquire prescribed certification. |



CHARTERED ACCOUNTANTS
Engagement partner: Fasih uz Zaman

Dated: October 3, 2024

Karachi

UDIN: CR202410179uOd7Jq21Y



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INDEPENDENT AUDITOR'S REPORT

To the members of Dewan Automotive Engineering Limited

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Dewan Automotive Engineering Limited ('the Company'), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss, statement of 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 material accounting policy information 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, because of the significance of the matters discussed in the basis for adverse opinion section of our report, the statement of financial position, statement of profit or loss, statement of 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 30 June 2024 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 30 June 2024 reflect loss after taxation of Rs.67.912 million and as of that date it has accumulated losses of Rs.1,972.297 million which resulted in net capital deficiency of Rs.1,524.610 million and its current liabilities exceeded its current assets by Rs.1,418.932 million and total assets by Rs.1,219.372 million. The operations of the Company are closed. 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 revaluation of certain classes of property, plant and equipment of the Company was carried out in the year 2018 (note 5.3 to the financial statements). As per requirements of International Accounting Standard -16 'Property, Plant and Equipment', revaluation is required to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date, whereas no revaluation has been conducted since the year 2018. The carrying amounts of said classes of property, plant and equipment may not reflect their fair values as at balance sheet date. In the absence of further revaluation, we are unable to quantify the effect that such a revaluation would have on the said assets.

Key Audit Matter(s)

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 period. 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.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion section.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report 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. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

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 the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Continuation Sheet

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 as applicable in Pakistan, 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.

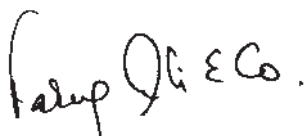
We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with 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, 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 matter described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, statement of 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) however, the same are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980). The engagement partner on the audit resulting in this independent auditor's report is Fasih uz Zaman.



CHARTERED ACCOUNTANTS

Place: Karachi

Dated: October 3, 2024

UDIN: AR202410179gZTY9uC2L

Statement of Financial Position


As at 30 June 2024

	Note	June 30, 2024	June 30, 2023
————(Rs. in '000)————			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	182,586	196,962
Long term deposit		503	503
Available for sale investment	6	16,471	9,934
		199,560	207,399
CURRENT ASSETS			
Stock in trade	7	--	--
Trade debts	8	--	--
Advances	9	1,376	1,376
Advance income tax - Net		2,762	2,597
Bank balances	10	552	515
		4,690	4,488
		204,250	211,887
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 21,800,000 (2023: 21,800,000) Ordinary shares of Rs.10/- each		218,000	218,000
Issued, subscribed and paid-up share capital	11	214,000	214,000
Capital reserve			
Merger reserve		82,090	82,090
Settlement claim from Ford Motors	12	86,194	86,194
Surplus on revaluation of property, plant and equipment	13	55,503	59,519
Revenue reserves			
General reserve		9,900	9,900
Accumulated losses		(1,972,297)	(1,908,401)
		(1,524,610)	(1,456,698)
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	14	284,038	254,355
Deferred taxation	15	21,200	22,840
		305,238	277,195
CURRENT LIABILITIES			
Trade and other payables	16	376,294	374,819
Short term finance	17	154,879	154,879
Accrued mark-up	18	892,449	861,692
		1,423,622	1,391,390
CONTINGENCIES AND COMMITMENTS			
	19	--	--
		204,250	211,887


The annexed notes form an integral part of these financial statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

Statement of Profit or Loss

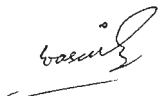
For The Year Ended June 30, 2024

	Note	2024	2023
		------(Rs. in '000)-----	
Sales - Net		-	-
Cost of sales	20	(13,933)	(15,513)
Gross (loss)		(13,933)	(15,513)
Operating expenses			
Administrative expenses	21	(2,819)	(2,302)
Other expenses	22	-	(8,381)
		(2,819)	(10,683)
Operating (loss)		(16,752)	(26,196)
Other income	23	7,640	1,092
Finance cost	24	(60,440)	(61,767)
(Loss) before taxation		(69,552)	(86,871)
Taxation - Net	25	1,640	1,785
(Loss) for the year		(67,912)	(85,086)
(Loss) per share - Basic and diluted	26	(3.17)	(3.98)

The annexed notes form an integral part of these financial statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

Statement of Comprehensive Income

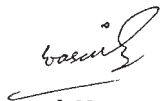
For The Year Ended June 30, 2024

	Note	2024 ------(Rs. in '000)-----	2023 -----
(Loss) for the year		(67,912)	(85,086)
Other comprehensive income for the year:		--	--
Total comprehensive (loss) for the year		<u>(67,912)</u>	<u>(85,086)</u>

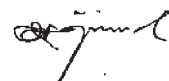
The annexed notes form an integral part of these financial statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

Statement Of Changes In Equity

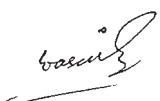
For The Year Ended June 30, 2024

Issued, subscribed and paid-up share capital	Capital reserves				Revenue reserves			Total	
	Merger reserve	Settlement claim from Ford Motors (Note 12)	Surplus on revaluation of property, plant and equipment	Total Capital reserve	General reserve	Accumulated losses	Total revenue reserves		
----- (Rupees in '000) -----									
Balance as on 1 July 2022	214,000	82,090	86,194	63,888	232,172	9,900	(1,827,684)	(1,817,784)	(1,371,612)
(Loss) for the year	-	-	-	-	-	-	(85,086)	(85,086)	(85,086)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	-	-	-	(85,086)	(85,086)	(85,086)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	(4,369)	(4,369)	-	4,369	4,369	-
Balance as at 30 June 2023	214,000	82,090	86,194	59,519	227,803	9,900	(1,908,401)	(1,898,501)	(1,456,698)
(Loss) for the year	-	-	-	-	-	-	(67,912)	(67,912)	(67,912)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	-	-	-	(67,912)	(67,912)	(67,912)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	(4,016)	(4,016)	-	4,016	4,016	-
Balance as at 30 June 2024	214,000	82,090	86,194	55,503	223,787	9,900	(1,972,297)	(1,962,397)	(1,524,610)

The annexed notes form an integral part of these financial statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

Statement of Cash Flows

For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	------(Rs. in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(69,552)	(86,871)
Adjustment for non cash charges and other items		
Depreciation	14,376	15,719
(Reversal) / impairment of impairment on investment in associate	(6,537)	8,381
Unwinding of discount / present value adjustment - Net	29,683	17,659
Finance cost	30,757	44,108
Cash flows before working capital changes	(1,273)	(1,004)
Working capital changes		
(increase)/decrease in current assets		
Advances	-	-
Increase/(decrease) in current liabilities		
Trade and other payables	1,475	1,029
	1,475	1,029
Net cash generated from operations	202	25
Payments for:		
Finance cost	-	(13,751)
Income tax	(165)	(16)
Net cash inflows / (outflows) from operating activities	37	(13,742)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan from sponsor	-	25,000
Overdue portion of loan paid	-	(11,250)
Short term finance - received	154,879	-
Short term finance - paid	(154,879)	-
Net cash inflows from financing activities	-	13,750
Net increase in cash and cash equivalents	37	8
Cash and cash equivalents at the beginning of the year	515	507
Cash and cash equivalents at the end of the year	552	515

The annexed notes form an integral part of these financial statements.


Muhsin Ali
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Notes To The Financial Statements

For The Year Ended June 30, 2024

1 THE COMPANY AND ITS OPERATIONS

Dewan Automotive Engineering Limited is a public Limited Company quoted on Pakistan Stock Exchange Limited (trading in defaulter counter). The Company's business is the assembly-cum progressive manufacture and sale of tractors, light commercial vehicles and motorcycles and trading / manufacturing of parts and implements related thereto. The Company was incorporated on May 6, 1982 and commenced commercial operations in August, 1983. The Company was taken over by Yousuf Dewan Company in April 2004.

During the year 2017, the Company received notices from Pakistan Stock Exchange Limited (PSX) in respect of non-compliance of clause 5.11.1. (c) and 5.11.1.(e) of the PSX Regulations therefore it was placed on defaulter's counter of PSX and trading of its shares was suspended. The Company has rectified the default and has requested for removal of Company from defaulter's counter. Hence no action by the Exchange under clause 5.11.1. (c) and 5.11.1.(e) is warranted under the said circumstances.

The geographical location and address of Company's business units including plant is as under:

- Company's registered office is located at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi.
- Company's production plant is situated at Sajawal and Shershah Karachi, Sindh, Pakistan.

2 GOING CONCERN ASSUMPTION

The Company incurred a net loss of Rs.67.912 million during the year ended 30 June 2024 (2023: Rs.85.086 million) and as of that date it has accumulated losses of Rs.1,972.297 million (2023: Rs.1,908.401 million) which have resulted in net capital deficiency of Rs.1,524.610 million (2023: Rs.1,456.698 million) and its current liabilities exceeded its current assets by Rs.1,418.932 million (2023: Rs.1,386.902 million) and total assets by Rs.1,219.372 million (2023: Rs.1,179.503 million). The Company has been unable to ensure payments to the creditors due to the liquidity problems. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. therefore the Company may not be able to realize its assets and discharge its liabilities in normal course of business.

However, these financial statements have been prepared using going concern assumption as the Company has the ability to arrange funds from its associated companies / sponsor as and when required. Accordingly, these financial statements have been prepared on a going concern basis.

Notes To The Financial Statements

For The Year Ended June 30, 2024

3 BASIS OF PREPARATION

3.1 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:

- International Financial Reporting Standards (IFRS) 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 IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Accounting convention

These financial statements have been prepared under the historical cost convention except certain items of property, plant and equipment which are carried at revalued amounts.

3.3 Changes in accounting standards, interpretations and pronouncements

Standards, interpretations and amendments to approved accounting standards which became effective during the year.

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

Effective Date (Period beginning on or after)

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Effective Date (Period beginning on or after)
Amendments to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction	1 January 2023

Amendments to IAS 12 'Income Taxes' - International Tax Reform — Pillar Two Model Rules	1 January 2023
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Standards, interpretation and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1 January 2024
--	----------------

Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions	1 January 2024
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Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	1 January 2024
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Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures' - Supplier Finance Arrangements	1 January 2024
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Amendments to IAS 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability	1 January 2025
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Amendments to IFRS 7 'Financial instruments - Disclosures' and IFRS 9 'Financial Instruments' - classification and measurement of financial instruments	1 January 2026
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Standard IFRS 17 'Insurance Contract'	1 January 2026
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Amendment to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely
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Notes To The Financial Statements

For The Year Ended June 30, 2024

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

3.4 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 Pak Rupees, which is the Company's functional and presentation currency.

3.5 Critical accounting estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

3.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.5.2 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

Notes To The Financial Statements

For The Year Ended June 30, 2024

3.5.3 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from April 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Owned

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously

Notes To The Financial Statements

For The Year Ended June 30, 2024

charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Property, plant and equipment are stated at cost / revalued amounts less accumulated depreciation except for the leasehold land which is stated at revalued amount. Depreciation is charged to income applying the reducing balance method over estimated useful life of the assets. Depreciation on additions is charged from the month the asset is put into use while on disposals upto the month the asset was in use. Depreciation is being charged at the rates given in note 5.1. Incremental depreciation on account of revaluation charged for the year on revalued assets is transferred from surplus on revaluation of property, plant and equipment to accumulated loss.

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Maintenance and normal repairs are charged to income as and when incurred. Major renewal and improvements are capitalized. Gain or loss, if any, on disposal of property, plant and equipment is included in income currently.

Leased

The company accounts for assets acquired under finance lease by recording the assets and related liability. Assets are recorded at lower of present value of minimum lease payments under the lease agreements and fair value of the assets. The aggregate amounts of obligation relating to these assets are accounted for at net present value of liabilities. Assets acquired under the finance leases are depreciated over the useful life of the respective asset in the manner and at the rates applicable to the company's owned assets. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of change on outstanding liabilities.

4.2 Intangible

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Notes To The Financial Statements

For The Year Ended June 30, 2024

Software under development are carried at cost. Direct cost include the purchase cost and directly attributable cost of preparing the asset for its intended use.

Intangible asset is amortized from the date such asset is put into use on straight line basis over its useful life.

4.3 Impairment of property, plant and equipment

The company assesses at each balance sheet date whether there is any indication that a tangible fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount.

4.4 Deferred costs

These are amortized on a straight line basis over a period of ten years, starting from the year in which company has commenced the commercial operations.

4.5 Stores, spares and stock in trade

These are valued at lower of cost and net realizable value. The cost is determined as follows:

Stores and spares	Average cost
Stock in trade:	
Raw material	Average cost
Goods in transit	Cost comprising invoice values plus other charges incurred thereon.
Work in process	Prime cost plus appropriate portion of manufacturing overheads.
Finished goods	Average cost

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

4.6 Trade and other receivables

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, if any. An estimate for doubtful debts is made when collection of amount is no longer probable. Bad debts are written off when they are no longer recoverable.

Other receivables are recognized and carried at cost.

Notes To The Financial Statements

For The Year Ended June 30, 2024

4.7 Investments

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair values (quoted market price), unless fair value cannot be reliably measured, in such case the investments are measured at cost. Gains and losses on re-measurement to fair value are recognized directly in equity through the statement of changes in equity.

4.8 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and at banks.

4.9 Financial Instruments

4.9.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.
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Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.
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Notes To The Financial Statements

For The Year Ended June 30, 2024

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

4.9.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.9.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.9.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.9.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

Notes To The Financial Statements

For The Year Ended June 30, 2024

4.9.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

4.9.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

4.9.4 Derivative financial instruments - Other than hedging

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.9.5 Derivative financial instruments - Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.9.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

Notes To The Financial Statements

For The Year Ended June 30, 2024

4.10 Staff retirement benefits

The company operates a defined benefit plan comprising a funded gratuity scheme covering all permanent employees, under which benefits are paid on cessation of employment subject to a minimum qualifying period of service. An approved gratuity fund trust is established for the management of the gratuity obligation of the company. Annual contributions are made to the fund based on actuarial recommendations. The actuarial valuations are carried out using Projected Unit Credit Method. Remeasurement charge which comprises of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

4.11 Deferred income

Deferred income arising out of sale and lease back transactions is amortized over the period of lease term.

4.12 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

4.13 Taxation

Current

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for, using the balance sheet liability method in respect of all temporary differences arising from the differences between the carrying amount of assets and liability in the financial statements and the corresponding tax basis used in the computation of the taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future tax profits will be available against which the temporary differences can be utilized.

4.14 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of 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.

Notes To The Financial Statements

For The Year Ended June 30, 2024

4.15 Foreign currency translation

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction.

Assets and liabilities in foreign currencies, if any, are translated into rupees at the exchange rates prevailing on the balance sheet date except where forward exchange contracts have been entered into in which case the rates contracted for are used.

4.16 Related party transactions

All transactions with related parties are based on the policy that all transactions between the company and the related parties are carried out at arm's length basis.

4.17 Revenue recognition

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

4.18 Non current assets held for sale

Non current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less cost to sell.

4.19 Warranties

Warranty expenses are recognized as and when claims are received.

4.20 Borrowings costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent that these are directly attributable to the construction of qualifying assets in which case these are capitalized as part of the cost of that asset.

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost / revaluation less accumulated depreciation	5.1	182,586	196,962

Notes To The Financial Statements

For The Year Ended June 30, 2024

5.1 Operating fixed assets - At cost / revaluation less accumulated depreciation

PARTICULARS	COST / REVALUATION			DEPRECIATION			Book value as at 30 June 2024	Rate %
	As at 1 July 2023	Additions during the year	As at 30 June 2024	As at 1 July 2023	Charge for the year	As at 30 June 2024		
	----- (Rupees in '000) -----							
Freehold land								
Cost	1,202	-	1,202	-	-	-	1,202	-
Revaluation	3,598	-	3,598	-	-	-	3,598	-
Factory building on freehold land								
Cost	120,427	-	120,427	65,402	2,751	68,153	52,274	5 to 10
Revaluation	96,613	-	96,613	52,205	2,220	54,425	42,188	5
Plant and machinery								
Cost	232,224	-	232,224	188,575	4,365	192,940	39,284	10
Revaluation	104,008	-	104,008	69,656	3,436	73,092	30,916	10
Computer and allied	3,375	-	3,375	3,249	14	3,263	112	10 to 30
Furniture and office equipment	26,106	-	26,106	22,397	371	22,768	3,338	10
Motor vehicles	63,138	-	63,138	61,851	258	62,109	1,029	20
Tools and equipment	11,104	-	11,104	9,590	151	9,741	1,363	10
Refrigerators and air conditioners	1,506	-	1,506	1,379	13	1,392	114	10
Electrical appliances	318	-	318	267	5	272	46	10
Jigs and fixtures	735	-	735	667	7	674	61	10
Electrical fittings	13,697	-	13,697	6,249	745	6,994	6,703	10
Dies	4,205	-	4,205	3,809	40	3,849	356	10
Patterns	112	-	112	110	-	110	2	20
TOTAL	682,368	--	682,368	485,406	14,376	499,782	182,586	

PARTICULARS	COST / REVALUATION			DEPRECIATION			Book value as at 30 June 2023	Rate %
	As at 1 July 2022	Additions during the year	As at 30 June 2023	As at 1 July 2022	Charge for the year	As at 30 June 2023		
	----- (Rupees in '000) -----							
Freehold land								
Cost	1,202	-	1,202	-	-	-	1,202	-
Revaluation	3,598	-	3,598	-	-	-	3,598	-
Factory building on freehold land								
Cost	120,427	-	120,427	62,505	2,897	65,402	55,025	5 to 10
Revaluation	96,613	-	96,613	49,868	2,337	52,205	44,408	5
Plant and machinery								
Cost	232,224	-	232,224	183,725	4,850	188,575	43,649	10
Revaluation	104,008	-	104,008	65,838	3,818	69,656	34,352	10
Computer and allied	3,375	-	3,375	3,234	15	3,249	126	10 to 30
Furniture and office equipment	26,106	-	26,106	21,984	413	22,397	3,709	10
Motor vehicles	63,138	-	63,138	61,529	322	61,851	1,287	20
Tools and equipment	11,104	-	11,104	9,422	168	9,590	1,514	10
Refrigerators and air conditioners	1,506	-	1,506	1,365	14	1,379	127	10
Electrical appliances	318	-	318	262	5	267	51	10
Jigs and fixtures	735	-	735	659	8	667	68	10
Electrical fittings	13,697	-	13,697	5,421	828	6,249	7,448	10
Dies	4,205	-	4,205	3,765	44	3,809	396	10
Patterns	112	-	112	110	-	110	2	20
TOTAL	682,368	--	682,368	469,687	15,719	485,406	196,962	

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
5.2	The depreciation charge for the year has been allocated as follows:		
Cost of sales	20	13,513	14,776
Administrative expenses	21	863	943
		<u>14,376</u>	<u>15,719</u>

5.3 The revaluation of property, plant and equipment was carried out as of 1 July 2018 by M/s. Anderson Consulting (private) limited (an independent valuer who is located in Karachi) on the basis of their professional assessment of prevailing market values. The revaluation resulted in a surplus amounting to Rs.18.009 million which was incorporated in these financial statements.

Particulars	Written down value of assets before revaluation	Revalued amount	Revaluation surplus
Lend	2,400	4,800	2,400
Factory building	125,026	128,503	3,477
Plant and machinery	119,968	132,100	12,132
	<u>247,394</u>	<u>265,403</u>	<u>18,009</u>

5.4 Had there been no revaluation, the net book value of the items of property, plant and equipment would have been as follows:

	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----		
Net book value		
Freehold land	1,202	1,202
Factory building on freehold land	52,274	55,025
Plant and machinery	39,284	43,649
	<u>92,760</u>	<u>99,876</u>

5.5 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.185.800 million.

Notes To The Financial Statements

For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
6 AVAILABLE FOR SALE INVESTMENT		
Investment in associated company Dewan Mushtaq Trade Limited (Public, unquoted company) 4,000,000 (2023: 4,000,000) Ordinary shares of Rs.10/- each	40,000	40,000
Provision for impairment loss	(23,529)	(30,066)
	<u>16,471</u>	<u>9,934</u>
6.1	Since this investment is in unquoted company therefore this is measured at cost less accumulated impairment because the fair value can not be measured reliably.	
6.2	Investments in associated company or undertakings have been made in accordance with the requirements under the Act.	
6.3	Dewan Mushtaq Trade Limited is engaged in import, export, sale and trade in petrochemicals, paints and other products. The Company has 14.31% interest in ownership of the investee company. The net assets (excess of assets over liabilities) of investee company as disclosed in the latest available un-audited financial statements for the year ended 30 June 2024, amounted to Rs.115.090 million.	
	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
7 STOCK IN TRADE		
Raw materials and components	129,886	129,886
Trading stock	30,263	30,263
	<u>160,149</u>	<u>160,149</u>
Provision for slow moving and obsolescence stocks	(160,149)	(160,149)
	<u>-</u>	<u>-</u>
8 TRADE DEBTS		
Considered doubtful	944	944
Provision for doubtful debts	(944)	(944)
	<u>-</u>	<u>-</u>
9 ADVANCES		
Sales tax advance	1,376	1,376
Other advances - Considered doubtful	5,077	5,077
	<u>6,453</u>	<u>6,453</u>
Provision for doubtful advance	(5,077)	(5,077)
	<u>1,376</u>	<u>1,376</u>

Notes To The Financial Statements

For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
10 BANK BALANCES		
Cash at banks - current accounts	552	515

	June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023
	----- (Number of shares) -----			----- (Rs. in '000) -----	
11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL					
20,535,871	20,535,871	Ordinary shares of Rs. 10/- each issued as fully paid in cash	205,359	205,359	
864,129	864,129	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	8,641	8,641	
21,400,000	21,400,000		214,000	214,000	

12 CAPITAL RESERVES

Capital reserve on settlement claim from Ford Motors arose due to receipt of settlement claim from Ford Motors, as per clause 12 (a) of the Compensation agreement between the Company and Ford Motors dated 22 January 1990.

13 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at 1 July	59,519	63,888
Incremental deprecation charged on related assets during the year - Net of tax	(4,016)	(4,369)
	55,503	59,519

13.1 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

Notes To The Financial Statements

For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
14 LONG TERM LOAN - Unsecured		
From sponsor - At amortized cost		
Opening balance	354,200	329,200
Received during the year	-	25,000
	14.1 <u>354,200</u>	<u>354,200</u>
Accumulated present value adjustment	(266,691)	(266,691)
Accumulated interest charged to profit and loss account	196,529	166,846
	<u>284,038</u>	<u>254,355</u>

14.1 The above loan is interest free and unsecured. This loan shall be treated as subordinated to the principal amounts of the long term debt owing to the creditors of the Company from time to time and to all debts of the Company from time to time owing to the banks and financial institutions and accordingly may only be repaid by the Company in whole or in part provided that upon such repayment, the Company shall comply with the debt to equity ratio requirements of the Prudential Regulations of State Bank of Pakistan as applicable to the Company for the time being.

Since the loan is interest free and repayable in lump sum on 30 June 2026, as per the requirements of International Financial Reporting Standards (IFRSs) it has been discounted to its fair value, being the present value of the expected future cash flows at 11.67% per annum.

15 DEFERRED TAXATION

Deferred tax liability arising out of surplus on revaluation of property plant and equipment	<u>21,200</u>	<u>22,840</u>
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15.1 The Company has not recognized deferred tax asset amounting to Rs.214.826 million (2023: Rs.602.353) million arising due to available tax losses and credits since it is not probable that future taxable profits will be available against which the temporary differences can be utilized. The deferred tax liability reflected in these financial statements relates to the surplus on revaluation of property, plant and equipment only.

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
16 TRADE AND OTHER PAYABLES			
Trade creditors	16.1	293,044	293,044
Accrued expenses		29,621	28,146
Advance from dealers		39,989	39,989
Advance from customers		4,962	4,962
Withholding tax payable		6,598	6,598
Liability for staff gratuity		1,888	1,888
Workers' Profit Participation Fund		145	145
Interest on Workers' Profit Participation Fund		47	47
		<u>376,294</u>	<u>374,819</u>

16.1 This includes amount of Rs.6.346 million (2023: Rs.6.346 million) related to Daehan-Dewan Motors Company (Private) Limited (associated company).

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
17 SHORT TERM FINANCE			
<i>From related party (associated company) - Unsecured</i>			
Interest bearing	17.1	-	154,879
Non interest bearing	17.2	154,879	-
		<u>154,879</u>	<u>154,879</u>

17.1 This is an unsecured finance from an associated company, which carries mark-up @ 3 Month Kibor + 1% per annum (2023: @ 3 Month Kibor + 1% per annum). This finance has been fully repaid during the year.

17.2 This is an unsecured and interest free finance from an associated company and is repayable on demand.

18 ACCRUED MARK-UP

Associated company	892,449	861,692
	<u>892,449</u>	<u>861,692</u>

19 CONTINGENCIES AND COMMITMENTS

There is no contingencies and commitments as at reporting date.

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Note	June 30, 2024	June 30, 2023
----- (Rs. in '000) -----			
20 COST OF SALES			
Depreciation	5.2	13,513	14,776
Salaries and benefits		420	420
Utilities and generator fuel charges		-	114
Printing, stationary and office supplies		-	198
Communication		-	3
Repairs and maintenance		-	2
Manufacturing cost		<u>13,933</u>	<u>15,513</u>
Finished goods - Opening		<u>30,263</u>	<u>30,263</u>
Finished goods - Closing		<u>(30,263)</u>	<u>(30,263)</u>
		-	-
Cost of goods manufactured		<u><u>13,933</u></u>	<u><u>15,513</u></u>
21 ADMINISTRATIVE EXPENSES			
Depreciation	5.2	863	943
Legal and professional		511	-
Auditor's remuneration	21.1	500	500
Fees and subscription		372	549
Salaries, wages and benefits		300	260
Printing, stationary and office supplies		269	47
Communication		4	3
		<u>2,819</u>	<u>2,302</u>
21.1 Auditor's remuneration			
Audit of financial statements		300	300
Review of half yearly financial statements		150	150
Review report on code of corporate governance		50	50
		<u>500</u>	<u>500</u>

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Note	2024 ----- (Rs. in '000) -----	2023
22 OTHER EXPENSES			
Impairment on investment in associate	6	-	8,381
23 OTHER INCOME			
Reversal of impairment on investment in associate	6	6,537	-
Rental income		1,087	1,087
Interest income on saving account		16	5
		<u>7,640</u>	<u>1,092</u>
24 FINANCE COST			
Unwinding of discount / present value adjustment - Net		29,683	17,659
Mark-up on borrowings from related parties		30,757	31,680
Settlement loss		-	12,428
		<u>60,440</u>	<u>61,767</u>
25 TAXATION - Net			
Current tax			
Current year	25.1	-	-
Deferred		(1,640)	(1,785)
		<u>(1,640)</u>	<u>(1,785)</u>

Notes To The Financial Statements

For The Year Ended June 30, 2024

25.1 Relationship between accounting profit and tax expense for the year

Provision for taxation is based on minimum tax @ 1.25% of the turnover under section 113 of the Income Tax Ordinance, 2001 and tax on rental income therefore there is no relationship between accounting profit and tax expense for the year.

25.2 The income tax assessments of the Company deemed to have been finalized upto and including Tax year 2023.

	2024	2023
	----- (Rs. in '000) -----	
26 LOSS PER SHARE - Basic and diluted		
Loss after taxation attributable to ordinary shareholders	<u>(67,912)</u>	<u>(85,086)</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding during the year	<u>21,400,000</u>	<u>21,400,000</u>
	----- (Rupees) -----	
Loss per share - Basic	<u>(3.17)</u>	<u>(3.98)</u>

26.1 A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June 2024 and 30 June 2023 which would have any effect on the loss per share if the option to convert is exercised.

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

27.1 Chief executive and directors of the Company did not charge any fee or other remuneration.

27.2 No employee of the Company falls under the definition of "executive" as per the Companies Act, 2017. Hence no disclosure is given in the financial statements.

Notes To The Financial Statements

For The Year Ended June 30, 2024

28 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The transaction with associated companies are in the normal course of business and have been entered on an arm's length basis. The remuneration paid to chief executive, directors, executive and key management personnel in terms of their employment is disclosed in note 27 to the financial statements. Material transactions and balances with related parties are given below:

Name of the related party	Basis of relationship	Percentage of shareholding	Nature of transactions during the year	2024	2023
				----- (Rupees '000) -----	
Dewan Farooq Motors Limited	Group Company	0.12%	Mark up expense	30,757	31,680
			Short term finance repaid	154,879	-
Dewan Motors Private Limited	Group Company	-	Short term finance received	154,879	-
Dewan Mushtaq Motors Company (pvt) Ltd	Group Company	-	Rental Income	1,087	1,087

Balances with related parties are shown in long term loan (note 14), trade creditors (note 16.1), short term finance (note 17) and accrued mark up (note 18) to the financial statements.

29 NUMBER OF EMPLOYEES	2024	2023
	----- (Numbers) -----	
Number of employees as at 30 June	2	2
Average number of employees during the year	2	2

30 PLANT CAPACITY AND PRODUCTION

Tractors:

Sanctioned plant capacity	6,000	6,000
Actual production	-	-

Motorcycles:

Annual capacity	60,000	60,000
Actual production	-	-

Auto parts and other related products:

The Company manufactures various types and sizes of automotive parts to be used in various types of vehicles including motorcycles. Keeping in view the demand by its customers, the production capacity for the auto parts and other related products cannot be determined.

The operations of the Company are closed due to working capital constraints.

Notes To The Financial Statements

For The Year Ended June 30, 2024

31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The board of directors has the 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.

31.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The company's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	June 30, 2024	June 30, 2023
	-----(Rs. in '000)-----	
Advances	1,376	1,376
Bank balances	552	515
	1,928	1,891

31.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The following are the contractual maturities of the financial liabilities, including estimated mark-ups:

Notes To The Financial Statements

For The Year Ended June 30, 2024

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
(Rupees in '000)						
2024						
Non-derivative financial liabilities						
Long term loans	284,038	354,200	-	-	-	354,200
Trade and other payables	364,734	364,734	364,734	-	-	-
Accrued mark-up	892,449	892,449	892,449	-	-	-
Short term finance	154,879	154,879	154,879	-	-	-
	<u>1,696,100</u>	<u>1,766,262</u>	<u>1,412,062</u>	<u>-</u>	<u>-</u>	<u>354,200</u>
2023						
Non-derivative financial liabilities						
Long term loans	254,355	354,200	-	-	-	354,200
Trade and other payables	363,259	363,259	363,259	-	-	-
Accrued mark-up	861,692	861,692	861,692	-	-	-
Short term finance	154,879	170,849	170,849	-	-	-
	<u>1,634,185</u>	<u>1,750,000</u>	<u>1,395,800</u>	<u>-</u>	<u>-</u>	<u>354,200</u>

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effect as at 30 June.

31.3 Market risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The Company's financial instruments are in its functional currency therefore it is not exposed to currency risk, however the company's exposure to interest rate risk is as follows:

Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The company's exposure to the risk of changes in interest rates relates primarily to the following:

Notes To The Financial Statements

For The Year Ended June 30, 2024

	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
Variable rate instruments at carrying amounts:		
Financial liabilities		
Short term finance	-	154,879
	-	154,879

Fair value sensitivity analysis for fixed rate instruments:

The company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

	June 30, 2024	June 30, 2023
	----- (Rs. in '000) -----	
Effect on loss / profit due to change of 100 BPs		
Increase	-	1,549
Decrease	-	(1,549)

31.4 Fair value of financial instruments

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

31.5 Capital risk management

The Company's prime objective when managing capital is to safe guard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Notes To The Financial Statements

For The Year Ended June 30, 2024

32 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, however there has been no significant reclassifications.

33 DATE OF AUTHORIZATION FOR ISSUE

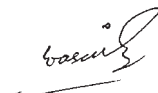
These financial statements have been authorized for issue on 1st October 2024 in accordance with the resolution by the Board of Directors of the Company.

34 GENERAL

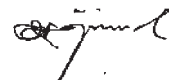
These financial statements are presented in Rupees and figures have been rounded off to the nearest thousand rupees.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

PATTERN OF SHAREHOLDING

1. Incorporation Number **0009414**
2. Name of the Company **DEWAN AUTOMOTIVE ENGINEERING LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **30.06.2024**

4. Number of Shareholders	Shareholding Slab		Total Shares held	Percentage
	From	To		
409	1	100	31,208	0.15%
436	101	500	121,086	0.57%
123	501	1,000	112,243	0.52%
148	1,001	5,000	370,924	1.73%
29	5,001	10,000	232,532	1.09%
11	10,001	15,000	140,000	0.65%
4	15,001	20,000	75,499	0.35%
3	20,001	25,000	62,700	0.29%
1	25,001	30,000	26,000	0.12%
2	30,001	40,000	77,000	0.36%
4	40,001	50,000	194,003	0.91%
2	50,001	60,000	104,333	0.49%
1	60,001	70,000	60,500	0.28%
1	70,001	130,000	124,500	0.58%
3	130,001	150,000	440,500	2.06%
2	150,001	220,000	433,320	2.02%
1	220,001	250,000	242,500	1.13%
1	250,001	280,000	262,815	1.23%
4	280,001	300,000	1,146,000	5.36%
1	300,001	400,000	348,800	1.63%
3	400,001	600,000	1,667,949	7.79%
2	600,001	700,000	1,344,944	6.28%
3	700,001	1,300,000	3,835,911	17.92%
1	1,300,001	2,500,000	2,367,637	11.06%
1	2,500,001	3,800,000	3,702,637	17.30%
1	3,800,001	3,900,000	3,874,459	18.10%
1197	TOTAL		21,400,000	100.00%

**PATTERN OF SHAREHOLDING UNDER REGULATION
37(X)(I) OF THE CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2024**

5.	Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shareholding
	Directors, CEO, their Spouses & Minor Children			
	Syed Maqbool Ali	1	1,000	0.00%
	Mr. Waseem-Ul-Haq Ansari	1	1,000	0.00%
	Mr. Ishtiaq Ahmed	1	1,000	0.00%
	Mr. Aziz ul Haque	1	500	0.00%
	Mr. Abdul Basit (Nominee Director By DMPL)	-	-	0.00%
	Mr. Imran Ahmed Javed (Nominee Director By DMPL)	-	-	0.00%
	Mr. Mehmood-ul-Hassan Asghar (Nominee Director By DMPL)	-	-	0.00%
	Associated Companies			
	Dewan Motors (Pvt.) Limited	3	4,746,259	22.18%
	NIT and ICP	2	56,400	0.26%
	Executives	-	-	0.00%
	Banks, Development Financial Institutions, Non-Banking Finance Companies	1	60,500	0.28%
	Insurance Companies	3	73,633	0.34%
	Modarabas and Mutual Funds	-	-	0.00%
	General Public			
	a. Local	1,164	15,754,637	73.62%
	b. Foreign	5	1,865	0.01%
	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	15	703,206	3.29%
	TOTAL	1,197	21,400,000	100.00%

SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS

Name Of Shareholder	Number of Shareholders	Number of Shares held	Percentage of Shareholding
Dewan Motors (Pvt.) Limited	3	4,746,259	22.18%
Dewan Muhammad Yousuf Frooqui	1	3,702,637	17.30%
Dewan Zia-ur-Rehman Farooqui	2	2,368,637	11.07%
Dewan Abdullah Ahmed Swaleh Farooqui	1	1,278,637	5.97%
Dewan Asim Mushfiq Farooqui	1	1,278,637	5.97%
Dewan Abdul Baqi Farooqui	1	1,278,637	5.97%

**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.

کمپنی شیئرز میں تجارت:

دوران سال کسی بھی ڈائریکٹرز، ایگزیکٹو، ان کی بیگمات و بچوں نے کمپنی کے شیئرز میں کوئی تجارت نہیں کی ہے۔

اظہار تشکر:

بورڈ کی جانب سے، میں آپ، معزز حصص یافتگان، وفاقی اور صوبائی حکومتوں اور ان کے افسران، بینکوں، ترقیاتی مالی اداروں، لیزنگ کمپنیوں، ڈیلرز، وینڈرز، اور صارفین کا ان کی مسلسل حمایت اور تعاون کے لیے شکرگزار ہوں۔

بورڈ ادارے کی اپنی ٹیم، ایگزیکٹو اراکین، اسٹاف کے ساتھی اور ورکرز کا بھی بھرپور شکریہ ادا کرتا ہے جو کمپنی کی ترقی میں اپنا بھرپور کردار ادا کر رہے ہیں۔ ہم آپ کی محنت اور کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔

اختتامی بیان:

اختتام پر اللہ پاک رحمن و رحیم کے حضور سجدہ ریز ہو کر دعا مانگتے ہیں ہمارے نبی سرکارِ دو عالم ﷺ کے وسیلے سے کہ اے اللہ ہماری رہنمائی کرتا رہے اور کمپنی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتا ہوں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

بے شک میرا رب دعا سننے والا ہے (القرآن)

بورڈ کے ڈائریکٹران کی جانب سے



اشتیاق احمد

چیئرمین بورڈ آف ڈائریکٹرز

کیم اکتوبر 2024ء

4	جناب محمد عرفان علی
4	جناب عزیز الحق
4	جناب محمود الحسن اصغر
4	جناب عبدالباسط

آڈٹ کمیٹی میں تین ڈائریکٹرز شامل ہیں، ان میں سے دو غیر ایگزیکٹو ہیں۔ سال کے دوران آڈٹ کمیٹی کی چار میٹنگ ہوئیں۔

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	4
جناب اشتیاق احمد	4
سید مقبول علی	4

دوران سال انسانی وسائل اور خدمات کی کمیٹی کی ایک میٹنگ منعقد ہوئی، اس میٹنگ میں حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	1
جناب ہارون اقبال	1
سید مقبول علی	1

آڈیٹرز:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آنے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

خسارہ فی شیئر:

فی شیئر خسارہ مبلغ 3.17 روپے (2023: 3.98 روپے) ہے۔

ڈویڈنڈ:

مجموعی نقصانات کے ساتھ ساتھ دوران سال خسارہ کے باعث بورڈ کی جانب سے کسی ڈویڈنڈ کی سفارش نہیں کی گئی ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنی کی شیئر ہولڈنگ کا پیٹرن 30 جون 2024ء سالانہ رپورٹ کے ساتھ منسلک ہے۔



- ☆ سید مقبول علی
- ☆ جناب عبدالباسط
- ☆ جناب محمود الحسن اصغر
- ☆ جناب محمد عرفان علی
- ☆ جناب عزیز الحق

دوران سال دو آسامیاں خالی ہوئیں، جنہیں کمپنی کے بورڈ آف ڈائریکٹرز نے پُر کر دیا۔

کمپنی کی بنیادی سرگرمیاں:

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ پاکستان میں بطور پبلک لمیٹڈ کمپنی رجسٹرڈ ہے اور یہ پاکستان اسٹاک ایکسچینج میں درج ہے۔ کمپنی کی بنیادی سرگرمی ٹریڈرز، ہلکی مال بردار گاڑیوں، اور موٹر سائیکل کی تیاری، اسمبلی، تجارت، اور فروخت کرنا ہے، جو بنیادی طور پر پاکستان میں کی جاتی ہے۔ کمپنی متعلقہ پرزہ جات اور آلات کی تجارت اور انہیں تیار بھی کرتی ہے۔

خطرات اور غیر یقینی صورتحال:

کمپنی درج ذیل امور کو اپنے لئے نقصان دہ سمجھتی ہے:

- ☆ امریکی ڈالر کے مقابلے میں پاکستانی روپیہ کی قدر میں کمی؛
- ☆ ورکنگ کیپٹل کی عدم دستیابی۔

کمپنی داخلی اور خارجی دونوں طرح سے مذکورہ خطرات اور عدم یقینی صورتحال کے اثرات کو کم کرنے اور ان کا مقابلہ کرنے کیلئے بھی اقدامات کر رہی ہے۔

کاروباری اور سماجی ذمہ داریاں:

کمپنی اپنے کاروبار کو ایک ذمہ دار انداز میں انجام دیتی ہے، جس میں اپنے اسٹیک ہولڈرز اور ماحول کا خیال رکھا جاتا ہے۔ کمپنی بنیادی طور پر نئے بھرتی کیے گئے ورکنگ فورس کو ملازمت پر تربیت فراہم کرنے پر توجہ دیتی ہے، تاکہ وہ مناسب مہارتیں حاصل کر سکیں۔ ورکنگ فورس کی بھرتی کے دوران، کمپنی قریبی علاقوں میں رہائش پذیر ضرورت مند لوگوں کی حوصلہ افزائی کرتی ہے، جس سے ان کی معیار زندگی میں اضافہ ہوتا ہے۔ اس کے علاوہ، ملازمین کی صحت اور حفاظت بھی ایک اور اہم شعبہ ہے جس پر توجہ دی جاتی ہے۔ کمپنی تمام متعلقہ قواعد و ضوابط کی پابندی کرتی ہے تاکہ پیداوار کے عمل میں ماحولیاتی تحفظ کو یقینی بنایا جاسکے۔ ملازمین کی صحت اور حفاظت کے تحفظ کے لیے معیاری عملی طریقہ کار وضع کیے گئے ہیں۔ کمپنی قرب و جوار کے علاقے میں رہائش پذیر لوگوں کو طبی سہولیات فراہم کرنے میں بھی مصروف عمل ہے۔

بورڈ کے ڈائریکٹران قابل اور کئی علوم کے ماہرین پر مشتمل ہیں جو کمپنی کو منافع بخش بنانے میں اپنا بھرپور کردار ادا کر رہے ہیں۔ زیر جائزہ سال کے دوران بورڈ نے چار ملاقاتیں کیں، جن میں اراکین کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب وسیم الحق انصاری	4
سید مقبول علی	4
جناب اشفاق احمد	4

آڈیٹرز رپورٹ کا مشاہدہ:

آڈیٹرز نے اپنی رپورٹ کو مشروط کیا ہے کیونکہ رپورٹ میں ذکر کردہ معاملہ پیرا (a) میں خاص اہمیت کا حامل ہے۔

جاری کاروباری مفروضہ:

یہ مالیاتی گوشوارے جاری کاروباری مفروضے پر تیار کیے گئے ہیں کیونکہ کمپنی کو درپیش حالات عارضی ہیں اور کمپنی کی ذیلی کمپنی کی پیداوار دوبارہ شروع ہونے کی وجہ سے یہ حالات تبدیل ہو جائیں گے، جس کو کمپنی اپنی مصنوعات فراہم کرے گی۔ کمپنی نے پہلے ہی اپنے تمام بینکوں/مالیاتی اداروں سے متعلق واجبات ادا کر دیئے ہیں اور اپنے آپریٹنگ کے لیے ورکنگ کیپیٹل لائسنز حاصل کرنے کی توقع رکھتی ہے۔ انتظامیہ کو یقین ہے کہ کمپنی جلد دوبارہ اپنی سرگرمیوں کا آغاز کرے گی، لہذا مالیاتی گوشوارے جاری کاروباری بنیاد پر تیار کیے گئے ہیں۔ کمپنی نے ان معاملات کی تفصیلات وضاحت کے ساتھ نوٹ 2 میں منسلک آڈٹ شدہ مالیاتی گوشواروں میں بیان کی ہیں۔

کوڈ آف کارپوریٹ گورننس:

ڈائریکٹرز بتاتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے مطلوبہ کارپوریٹ گورننس کوڈ کی دفعات پر عمل پیرا ہے۔

درج ذیل بیانات کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر مبنی ہیں:

- ۱- 30 جون 2024ء کو اختتام پذیر مالی سال میں انتظامیہ کی جانب سے تیار کئے گئے کمپنی کے مالیاتی گوشوارے کمپنی کے حالات، کاروباری نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- ۲- کمپنی کے کھاتوں کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ۳- 30 جون 2024ء کو اختتام پذیر مالی سال کے مالیاتی گوشوارے تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیاں مسلسل اختیار کی جاتی رہی ہیں اور تمام مالیاتی گوشوارے میں اندازے سمجھداری سے بہتر فیصلوں پر مرتب کئے گئے ہیں۔
- ۴- انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسے پاکستان میں نافذ العمل ہیں انہیں ویسے ہی مالیاتی گوشواروں کی تیاری میں نافذ کیا گیا۔
- ۵- کمپنی میں اندرونی کنٹرول سسٹم کا ڈیزائن موزوں ہے اور بہت موثر انداز میں لاگو ہے اور اس کی عمدگی سے دیکھ بھال کی جاتی رہی ہے۔
- ۶- ایسے کوئی خدشات نہیں جن کی بنیاد پر یہ کہا جاسکے کہ کمپنی کے مستقبل یا آگے کاروبار کرنے پر کوئی شک کیا جاسکتا ہے، ماسوائے ایک معاملے کے جو کمپنی کے مالیاتی نتائج میں نوٹ نمبر 2 میں درج ہے۔
- ۷- کارپوریٹ گورننس کی تمام اعلیٰ اقدار جیسا کہ پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشن میں سے کوئی بھی قابل ذکر قانونی شق ترک نہیں کی گئی ہے۔
- ۸- گذشتہ چھ سالوں کے کلیدی آپریٹنگ اور فنانشل معلومات مختصر آس رپورٹ میں شامل ہیں۔
- ۹- تمام واجب الادا ٹیکسز ادا کر دیئے گئے ہیں اور مزید کچھ واجب الادا نہیں، ماسوائے ان کے جو کہ آڈٹ شدہ مالیاتی نتائج کے نوٹ نمبر 16 میں ظاہر کیا گیا ہے۔

کمپنی کا بورڈ آف ڈائریکٹرز ایک خود مختار، ایک ایگزیکٹو اور پانچ غیر ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام درج ذیل ہیں:

☆ جناب وسیم الحق انصاری

☆ جناب اشتیاق احمد

ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

دیوان آٹوموٹیو و انجینئرنگ لمیٹڈ کے بورڈ کے ڈائریکٹران کی جانب سے 30 جون 2024ء کو اختتام پذیر مالی سال کی سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کئے جاتے ہیں اور آپ کو کمپنی کی 42 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہا جاتا ہے۔

اقتصادی جائزہ:

مالی سال 2023-24 میں پاکستان کی معیشت میں 2.38 فیصد کی شرح سے اضافہ ہوا، حالانکہ اسے ریکارڈ بلند افراط زر 23.4 فیصد، ناموافق شرح سود، کمزور زر مبادلہ کی قدر، اور ایندھن اور توانائی کی بڑھتی ہوئی قیمتوں جیسے سنگین چیلنجز کا سامنا تھا۔ آئی ایم ایف پروگرام کی بحالی میں تاخیر نے معاشی سست روی کو مزید متاثر کیا۔

ان چیلنجز سے آٹوموٹیو کا شعبہ بری طرح متاثر ہوا ہے، جن میں اقتصادی غیر یقینی صورتحال، افراط زر کے دباؤ، اور درآمدات کے مسائل شامل ہیں، جس کے نتیجے میں اہم مینوفیکچررز کی پیداوار رک گئی ہے۔ اگرچہ 2024ء کے لیے امید ہے کہ معیشت میں استحکام آئے گا اور درآمدی پالیسیوں میں نرمی ہوگی، تاہم مالی سال 2024ء میں اس صنعت کی کارکردگی مالی سال 2023ء کے مقابلے میں نمایاں طور پر کمزور رہی ہے۔

آئی ایم ایف پروگرام کی بحالی اور دیگر مختلف ممالک سے مالی امداد نے مکمل معاشی بحالی کی راہ ہموار کی ہے۔ تاہم، پاکستان کی معاشی صورتحال اب بھی نازک ہے۔

کمپنی کی کارکردگی:

مالی جائزہ:

زیر جائزہ سال کی مالی کارکردگی کا خلاصہ اور تقابلی اعداد و شمار درج ذیل ہیں:

2023 (روپے میں)	2024 (روپے میں)	
		مجموعی فروخت
(15,513)	(13,933)	مجموعی (خسارہ)
(26,196)	(16,752)	آپریٹنگ (خسارہ)
(85,086)	(67,912)	بعد از ٹیکس خالص (خسارہ)

زیر جائزہ سال کے دوران کمپنی کی پیداوار معطل رہی، جس کے نتیجے میں غیر استعمال شدہ اور وہیڈز اور دیگر اخراجات سے مالی نقصانات کا سامنا کرنا پڑا۔

تاہم، کمپنی دوبارہ اپنے آپریٹنگز کا آغاز کرنے کی تیاری کر رہی ہے تاکہ اپنی ذیلی کمپنی کو پرزہ جات فراہم کر سکے، جس نے پہلے ہی کمرشل گاڑیوں اور مسافر کاروں کی اسمبلی دوبارہ شروع کر دی ہے۔

آئی (پوسٹل بیلٹ

بذریعہ بیلٹ وونگ کیلئے اراکین کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی دفعات کے مطابق اپنا حق رائے دہی استعمال کر سکتے ہیں جو کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے تقاضوں سے مشروط ہے۔ مذکورہ ریگولیشنز کے تحت متعین قانونی ٹائم فریم کے اندر اگر ضرورت محسوس ہوئی تو مزید تفصیلات اراکین کو ارسال کی جائیں گی۔

اراکین اس بات کو یقینی بنائیں گے کہ باضابطہ طور پر دستخط شدہ بیلٹ پیپر معہ شناختی کارڈ کی نقل چیئرمین کو کمپنی کے رجسٹرڈ پتہ dael.corp@yousufdewan.com پر ای میل کے ذریعے سالانہ اجلاس عام کے انعقاد کے دن سے ایک دن قبل یعنی 23 اکتوبر، 2024 کے کاروبار ایام کے دوران ارسال کیے جائیں گے۔ بیلٹ پیپر پر دستخط شناختی کارڈ یا کمپنی کے ریکارڈز پر موجود دستخط جیسے ہونے چاہئے۔

جے (فیزیکل حصص یافتگان کے کوائف

کمپنیز ایکٹ 2017 کے سیکشن 119 اور کمپنیز (جنرل پروویژنز اینڈ فارمز) ریگولیشنز 2018 کے ضابطہ 19 کے مطابق تمام فیزیکل حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ مستقبل میں کسی بھی قانون کی عدم تعمیل یا کسی بھی پریشانی سے بچتے کیلئے اپنی لازمی معلومات جیسا کہ شناختی کارڈ نمبر، پتہ، ای میل ایڈریس، رابطہ نمبر، انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) وغیرہ کمپنی کے شیئر رجسٹرار کو ان کے پتے میسرز بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انم اسٹیٹ بلڈنگ، کمرہ نمبر 3 1 1 اور 3 1 1، چوتھی منزل، 4 9، دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی ای میل bmfconsultantspakistan@gmail.com پر فوری طور پر ارسال کریں۔

(ای) ویڈیو کانفرنس کی سہولت

کمپنیز ایکٹ 2017 کی دفعات کی تعمیل میں اراکین سالانہ اجلاس عام میں ویڈیو کانفرنس کی سہولت کے ذریعے شرکت کر سکتے ہیں بشرطیکہ 10 فیصد یا زائد حصص رکھنے اور شہر میں رہنے والے اراکین اجلاس کی تاریخ سے کم سے کم 7 روز قبل اپنی رضامندی فراہم کریں گے۔ مذکورہ بالا شرائط کی تعمیل کی صورت میں تمام ضروری معلومات اور جگہ کے بارے میں آگاہ کیا جائے گا، درخواست کا فارم کمپنی کی ویب سائٹ پر دستیاب ہے۔

ایف) زوم اپیلی کیشن کے ذریعے اجلاس میں شرکت

اراکین درج ذیل ہدایات پر عمل درآمد کر کے زوم کے ذریعے سالانہ اجلاس عام میں آن لائن شرکت کر سکتے ہیں۔

(i) اراکین 22 اکتوبر، 2024 سے قبل کمپنی کی ویب سائٹ

<http://www.yousufdewan.com/dael/index.html> پر دستیاب معیاری درخواست فارم کے مطابق اپنی درخواست ای میل dael.corp@yousufdewan.com پر یا دیوان سینٹر، 3-A، لالہ زار بیچ ہٹل روڈ کراچی میں کمپنی سیکرٹری کے نام پر اپنی درخواست ارسال کر کے خود رجسٹر کر سکتے ہیں۔

(ii) کمپنی کی طرف سے معیاری درخواست فارم پر درج ای میل آئی ڈی یا موبائل / واٹس ایپ نمبر پر زوم کالنگ بھیجا جائے گا۔

(ج) سی ڈی سی اکاؤنٹ میں فیزیکل شیئرز کی منتقلی

کمپنیز ایکٹ 2017 کی دفعہ 72 کے تحت تمام ہر لسطہ کمپنی کیلئے ضروری ہے کہ وہ کمیشن کی طرف سے جاری کردہ نوٹیفیکیشن کی تاریخ اور کمپنیز ایکٹ 2017 کے آغاز یعنی 30 مئی 2017 سے چار سال کے اندر فیزیکل سرٹیفکیٹس کو بک انٹری فارم میں منتقل کریں۔ فیزیکل حصص رکھنے والے حصص یافتگان اپنے فیزیکل سرٹیفکیٹس کو سکرپٹ لیس فارم میں منتقل کرنے کیلئے کسی بھی سی ڈی سی یا سی ڈی سی ذیلی اکاؤنٹ کے ساتھ سی ڈی سی انویسٹر اکاؤنٹ کھول سکتے ہیں۔

ایچ) ای ووٹنگ کا طریقہ کار

اے) ای ووٹنگ کی تفصیلات کمپنی کے ان اراکین کو ای میل کے ذریعے ارسال کی جائیں گی جن کے مستند شناختی کارڈ نمبرز، فون نمبرز اور ای میل ایڈریسز کمپنی کے اراکین کے رجسٹرڈ میں دستیاب ہوں گے۔

بی) اراکین کو ای میل کے ذریعے ویب ایڈریس، لاگ ان کی تفصیلات ارسال کی جائیں گی۔

سی) ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت تصدیقی لاگ ان کے ذریعے کی جائے گی۔

ڈی) ای ووٹنگ لائنز کا آغاز 17 اکتوبر، 2024 سے صبح دس بجے شروع ہوگی اور 23 اکتوبر، 2024 کی شام پانچ بجے بند ہوں گی۔ اراکین اس مدت کے دوران اپنا ووٹ ڈال سکتے ہیں۔

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان آٹوموٹیو انجینئرنگ لمیٹڈ کا 42 واں سالانہ اجلاس عام بروز جمعرات 24 اکتوبر، 2024ء صبح 10:00 بجے دیوان سینٹر فیکٹری سائٹ، دیہہ ڈھنڈو، دھانیچ، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1. جمعرات 26 اکتوبر، 2023 کو منعقدہ کمپنی کے سالانہ اجلاس عام کی کارروائی کی توثیق۔
2. 30 جون، 2024ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں معہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
3. 30 جون، 2025ء کو مکمل ہونے والے سال کیلئے کمپنی کے قانونی آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

محکم بورڈ



محمد حنیف جرمن
کمپنی سیکرٹری

کراچی

102 اکتوبر، 2024

نوٹس:

الف) کمپنی کی حصص منقلی کی کتب 17 اکتوبر، 2024 سے 24 اکتوبر، 2024 تک (بشمول دونوں دن) بند رہیں گی۔ شیئر رجسٹرار کے دفتر واقع میسرز بی ایم ایف کنسلٹنٹ پاکستان (پرائیویٹ) لمیٹڈ، واقع انعم اسٹیٹ بلڈنگ، کمرہ نمبر 310 اور 311، تیسری منزل، 49 دارالامان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونیوالی منقلیاں اجلاس میں شرکت اور رائے دہی کیلئے بروقت سنبھلی جائیں گی۔

بی) اجلاس ہذا میں شرکت اور رائے دہی کا اہل میر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ مکمل پراکسی فارم اجلاس کے انعقاد کے وقت سے 48 گھنٹے قبل کمپنی کے شیئر رجسٹرار آفس میں جمع کرانا ہوگا۔

سی ڈی سی حصص یافتگان کو اجلاس میں شرکت اور پراکسیوں کی تعیناتی کیلئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مورخہ 26 جنوری، 2000 کو جاری کردہ سرکلر 1 میں دی گئیں مندرجہ ذیل ہدایات پر عمل درآمد کرنا ہوگا۔

سی) اراکین سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی سے فوری طور پر کمپنی کے شیئر رجسٹرار کو مطلع کریں

ڈی) مالی گوشواروں کی الیکٹرانک ترسیل








ایس ای سی پی نے اپنے نوٹیفکیشن نمبر SRO 787(1)/2014 بتاریخ 8 ستمبر، 2014 کے ذریعے کمپنیوں کو اجازت دی ہے کہ سالانہ اجلاس عام کے نوٹس کے ہمراہ سالانہ آڈٹ شدہ مالی گوشوارے ڈاک کی بجائے ای میل کے ذریعے ان اراکین کو ارسال کیے جائیں۔ ای میل کے ذریعے مذکورہ بالا گوشوارے اور ای ایم کے نوٹس وصول کرنے کے خواہشمند اراکین سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/dael/index.html> پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔



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Form of Proxy

I/We _____
of _____ being _____
a member(s) of **Dewan Automotive Engineering 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 Automotive Engineering 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 42nd Annual General Meeting of the Company to be held on Thursday,
October 24, 2024 at 02:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2024.



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.



پراکسی فارم

یہ فارم مکمل کر کے ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 311 اور 311، تیسری منزل، 49، دارالامان سوسائٹی، شاہراہ فیصل نزد یلوچ کالونی پل، کراچی 75350، پاکستان کو لازماً جمع کروادیتے۔ سالانہ عمومی اجلاس سے 48 گھنٹے پہلے یہ پراکسی فارم موصول ہو جانا چاہئے۔

میں/ہم _____ کی جانب سے _____ بحیثیت دیوان آٹوموٹیو
انجینئرنگ لمیٹڈ کے ممبران اور _____ عام حصص یافتہ فی حصص اندراج فولیو نمبر _____ اور/یا
CDS شرکاء آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____ اپنی طرف سے
_____ کو بطور پراکسی نامزد کرتے ہیں۔ یہ میری/ہماری جانب سے بروز جمعرات مورخہ 24 اکتوبر 2024ء
02:00 بجے دوپہر منعقدہ کمپنی کی 42 ویں سالانہ عمومی میٹنگ میں ووٹ دینے کے مجاز ہیں۔

دستخط برائے _____ بتاریخ _____ 2024ء

پانچ روپے کے ریونیو اسٹیپ پر دستخط
دستخط کمپنی میں کئے جانے والے دستخط
سے مختلف ناہوں۔

۱۔ دستخط _____
گواہ _____
نام _____
پتہ _____

۲۔ دستخط _____
گواہ _____
نام _____
پتہ _____

DEWAN AUTOMOTIVE ENGINEERING LIMITED

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