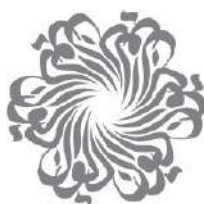


Half Yearly Report

December 31, 2024



DEWAN AUTOMOTIVE ENGINEERING LIMITED



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DEWAN AUTOMOTIVE ENGINEERING LITIED

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DEWAN AUTOMOTIVE ENGINEERING LIMITED

Company Information

BOARD OF DIRECTORS

Executive Director

Mr. Waseem-ul-Haque Ansari

Chief Executive Officer

Non-Executive Directors

Mr. Ishtiaq Ahmed

Mr. Abdul Basit

Mr. Mehmood-ul-Hassan Asghar

Mr. Muhammad Irfan Ali

Syed Maqbool Ali

Chairman Board of Directors

(Nominee Director in DMPL)

(Nominee Director in DMPL)

Director

(Nominee Director in DMPL)

Independent Director

Mr. Azizul Haque

CHIEF FINANCIAL OFFICER

Mr. Muhsin Ali

COMPANY SECRETARY

Mr. Muhammad Hanif German

AUDIT COMMITTEE

Mr. Azizul Haque

Mr. Ishtiaq Ahmad

Syed Maqbool Ali

Chairman

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Azizul Haque

Mr. Waseem ul Haque Ansari

Syed Maqbool Ali

Chairman

Member

Member

AUDITORS

Faruq Ali & Company

Chartered Accountants

C-88, ground floor, KDA Scheme No. 1

Main Karsaz road,

Opposite maritime museum Karachi.

LEGAL ADVISORS

Abbas & Atif Law Associates

SHARE REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Ltd.

Anum Estate Building, Room No. 310 & 311,

3rd Floor, 49, Darul Aman Society,

Main Shahr-e-Faisal,

Adjacent to Baloch Colony Bridge,

Karachi, Pakistan

REGISTERED OFFICE

Dewan Centre, 3-A Lalazar

Beach Luxury Hotel Road

Karachi.

FACTORY

Dewan City Sajawal District Thatta, Sindh.

WEBSITE

www.yousufdewan.com

DIRECTORS' REPORT

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

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements for the half year ended December 31, 2024 duly reviewed by auditors.

Economic Overview:

The economy of Pakistan during the period demonstrated a steady improvement supported by the macroeconomic management measures, inflation control and the steps taken for fiscal and external account stability. The inflation rate has declined to 7.2% as compared to 28.8% a year earlier and the State Bank of Pakistan has also reduced the policy rate to 12%. The current account balance reports a surplus of USD 1.21 billion in the first half of FY25, primarily driven by higher remittances as well as improved performance on export front. The Pakistani rupee remained stable during the half year which indicates the favorable external developments. These positive economic fundamentals and declining inflation anticipate the continuous sustainable economic growth in the coming months.

The automobile industry achieved a recovery in the first half of the fiscal year 2025. Overall automobile production increased by 28.3 percent, whereas sales grew by 28.2 percent over the same period last year. Significant increases in the production of cars, trucks, and buses, along with jeeps and pick-ups reflect increased consumer demand and enhanced business confidence.

Financial Overview

During the period under review the financial performance is as follows.

	December 2024	December 2023
	(Rupees in '000)	
Sales – Net	--	--
Gross (loss)	(6,647)	(7,082)
(Loss) after taxation	(23,639)	(39,587)

During the period under review, our sister company successfully commenced its operations, marking a significant milestone. However, due to the non-availability of working capital, we have not yet been able to commence production of auto parts. The management is actively working on securing the necessary working capital to enable the resumption of production activities and start the supply to our sister concern. We remain optimistic that with the resolution of the working capital constraints, Company's operations will soon be back on track.

Auditors, in their review report, did not agree with the going concern assumption used in preparation of interim condensed financial statements, leading to their adverse opinion on the interim condensed financial statements. In response to the auditors' observations we state that the management is in the process of arranging working capital and as a result hopeful for the resumption of the operations of the company in near future. The justifications regarding preparation of interim condensed financial statements on going concern assumption are more fully explained in note 2 to the interim condensed financial statements.

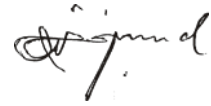
Conclusion

In conclusion, we bow, beg and pray to Almighty, Rehman-o-Rahim, in the name of his beloved Prophet, 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 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)



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman Board of Directors

Karachi: February 26, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dewan Automotive Engineering Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dewan Automotive Engineering Limited ('the Company') as at 31 December 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Basis for Adverse Opinion


- a) The condensed interim financial statements of the Company have been prepared on going concern basis despite of the fact that the Company incurred a net loss of Rs.23.639 million during the period ended 31 December 2024, and, as of that date it has accumulated losses of Rs.1,994.090 million which have resulted in net capital deficiency of Rs.1,548.249 million and its current liabilities exceeded its current assets by Rs.1,420.169 million and total assets by Rs.1,227.191 million. The operations of the Company are closed. These conditions lead us to believe that the going concern assumption used in preparation of these condensed interim 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. 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.

Adverse conclusion

Our review indicates that, because of the significance of the matters discussed in paragraph (a) and (b) above, this condensed interim financial statements is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2024.

The engagement partner on the review engagement resulting in this independent auditors' review report is Muhammad Faisal Nini. 

**CHARTERED ACCOUNTANTS****Place: Karachi****Dated: 27 FEB 2025****UDIN: RR202410178gkS09fBVm**

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS ON 31 DECEMBER 2024

	Notes	(Un-audited) 31 December 2024	(Audited) 30 June 2024
----- (Rupees in '000) -----			
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	6	176,004	182,586
Long term deposit		503	503
Available for sale investment	7	16,471	16,471
		192,978	199,560
CURRENT ASSETS			
Advances		1,376	1,376
Advance income tax - Net		2,845	2,762
Bank balances		520	552
		4,741	4,690
		197,719	204,250
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
21,800,000 (June 2024: 21,800,000) Ordinary shares of Rs.10/- each		218,000	218,000
Issued, subscribed and paid-up share capital		214,000	214,000
Capital reserves			
Merger reserve		82,090	82,090
Settlement claim from Ford Motors		86,194	86,194
Surplus on revaluation of property, plant and equipment	8	53,657	55,503
Revenue reserves			
General reserves		9,900	9,900
Accumulated losses		(1,994,090)	(1,972,297)
		(1,548,249)	(1,524,610)
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	9	300,612	284,038
Deferred taxation	10	20,446	21,200
		321,058	305,238
CURRENT LIABILITIES			
Trade and other payables		377,582	376,294
Short term finance		154,879	154,879
Accrued mark-up		892,449	892,449
		1,424,910	1,423,622
CONTINGENCIES AND COMMITMENTS			
	11	--	--
		197,719	204,250

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



Waseem ul haque Ansari
Chief Executive Officer



Muhsin Ali
Chief Financial Officer



Istiaq Ahmed
Chairman Board of Directors

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 - (Un-audited)

	Notes	Half Year Ended		Quarter Ended	
		31 December	31	31 December	31 December
		2024	December	2024	2023
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales - Net		--	--	--	--
Cost of sales		<u>(6,647)</u>	<u>(7,082)</u>	<u>(3,350)</u>	<u>(3,599)</u>
Gross (loss)		<u>(6,647)</u>	<u>(7,082)</u>	<u>(3,350)</u>	<u>(3,599)</u>
Operating expenses					
Administrative expenses		<u>(1,726)</u>	<u>(1,031)</u>	<u>(808)</u>	<u>(443)</u>
Operating (loss)		<u>(8,373)</u>	<u>(8,113)</u>	<u>(4,158)</u>	<u>(4,042)</u>
Other income	12	554	552	278	280
Finance cost	13	<u>(16,574)</u>	<u>(32,846)</u>	<u>(8,287)</u>	<u>(16,190)</u>
(Loss) before taxation		<u>(24,393)</u>	<u>(40,407)</u>	<u>(12,167)</u>	<u>(19,952)</u>
Taxation - Net		754	820	377	410
(Loss) for the period		<u><u>(23,639)</u></u>	<u><u>(39,587)</u></u>	<u><u>(11,790)</u></u>	<u><u>(19,542)</u></u>
(Loss) per share - Basic and diluted	(Rupees)	<u><u>(1.10)</u></u>	<u><u>(1.85)</u></u>	<u><u>(0.55)</u></u>	<u><u>(0.91)</u></u>

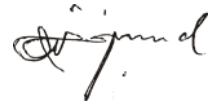
The annexed notes form an integral part of these condensed interim financial statements.



Waseem ul haque Ansari
Chief Executive Officer



Muhsin Ali
Chief Financial Officer



Istiaq Ahmed
Chairman Board of Directors

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 - (Un-audited)

	<u>Half Year Ended</u>		<u>Quarter Ended</u>	
	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	<u>----- (Rupees in '000) -----</u>		<u>----- (Rupees in '000) -----</u>	
(Loss) for the period	(23,639)	(39,587)	(11,790)	(19,542)
<i>Other comprehensive income for the period:</i>	--	--	--	--
Total comprehensive (loss) for the period	<u>(23,639)</u>	<u>(39,587)</u>	<u>(11,790)</u>	<u>(19,542)</u>

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



Waseem ul haque Ansari
Chief Executive Officer



Muhsin Ali
Chief Financial Officer



Istiaq Ahmed
Chairman Board of Directors

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 - (Un-audited)

	31 December 2024	31 December 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(24,393)	(40,407)
<i>Adjustment for non cash charges and other items</i>		
Depreciation	6,582	7,188
Unwinding of discount / present value adjustment - Net	16,574	14,841
Finance cost	--	18,005
Cash flows before working capital changes	(1,237)	(373)
<i>Working capital changes</i>		
<i>(increase)/decrease in current assets</i>	--	--
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	1,288	141
	1,288	141
Net cash generated / (used) from operations	51	(232)
<i>Payments for:</i>		
Finance cost	--	(1)
Income tax	(83)	(40)
Net cash outflows from operating activities	(32)	(273)
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES	--	--
Net decrease in cash and cash equivalents	(32)	(273)
Cash and cash equivalents at the beginning of the period	552	515
Cash and cash equivalents at the end of the period	520	242

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



Waseem ul haque Ansari
Chief Executive Officer



Muhsin Ali
Chief Financial Officer



Istiaq Ahmed
Chairman Board of Directors

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 - (Un-audited)

Issued, subscribed and paid-up share capital	Capital reserves				Revenue reserves			Total
	Merger reserve	Settlement claim from Ford Motors	Surplus on revaluation of property, plant and equipment	Total capital reserves	General reserve	Accumulated losses	Total revenue reserves	
(Rupees in '000)								
214,000	82,090	86,194	59,519	227,803	9,900	(1,908,401)	(1,898,501)	(1,456,698)
--	--	--	--	--	--	(39,587)	(39,587)	(39,587)
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	(39,587)	(39,587)	(39,587)
x --	--	--	(2,008)	(2,008)	--	2,008	2,008	--
214,000	82,090	86,194	57,511	225,795	9,900	(1,945,980)	(1,936,080)	(1,496,285)
214,000	82,090	86,194	55,503	223,787	9,900	(1,972,297)	(1,962,397)	(1,524,610)
--	--	--	--	--	--	(23,639)	(23,639)	(23,639)
--	--	--	--	--	--	--	--	--
--	--	--	--	--	--	(23,639)	(23,639)	(23,639)
x --	--	--	(1,846)	(1,846)	--	1,846	1,846	--
214,000	82,090	86,194	53,657	221,941	9,900	(1,994,090)	(1,984,190)	(1,548,249)

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


Waseem ul haque Ansari
 Chief Executive Officer


Muhsin Ali
 Chief Financial Officer


Istiaq Ahmed
 Chairman Board of Directors

DEWAN AUTOMOTIVE ENGINEERING LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024 - (Un-audited)

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 Dewan Mushtaq Group in April 2004. The Company's registered office is located at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the half year ended 31 December 2024 reflect that the Company has sustained a net loss after taxation of Rs.23.639 million (June 2024: Rs.67.912 million) and, as of that date it has accumulated losses of Rs.1,994.090 million (June 2024: Rs.1,972.297 million) which have resulted in net capital deficiency of Rs.1,548.249 million (June 2024: Rs.1,524.610 million) and its current liabilities exceeded its current assets by Rs.1,420.169 million (June 2024: Rs.1,418.932 million) and total assets by Rs.1,227.191 million (June 2024: Rs.1,219.372 million) and 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

3 BASIS OF PREPARATION

- 3.1** These condensed interim financial statements of the Company for the six months ended 31 December 2024 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.
- 3.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2024.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2024 and 31 December 2023.

4 MATERIAL ACCOUNTING POLICY INFORMATION

- 4.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2024.
- 4.2** **Change in accounting standards, interpretations, and amendments to published accounting and reporting standards**

4.2.1 Amendments to published accounting and reporting standards that became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

4.2.2 Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2024. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended 30 June 2024.

		(Un-audited) 31 December 2024	(Audited) 30 June 2024
		----- (Rupees in '000) -----	
6	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets -		
	At cost less accumulated depreciation	6.1	
		176,004	182,586
	6.1 Operating fixed assets - At cost / revaluation less accumulated depreciation		
	Opening carrying value	182,586	196,962
	Additions during the period / year	--	--
	Depreciation charged during the period / year	(6,582)	(14,376)
	Closing carrying value	176,004	182,586
7	AVAILABLE FOR SALE INVESTMENT		
	Investment in associated company		
	Dewan Mushtaq Trade Limited (Public, unquoted company)		
	4,000,000 (June 2024: 4,000,000) Ordinary shares of Rs.10/- each	40,000	40,000
	Provision for impairment loss	(23,529)	(23,529)
		16,471	16,471
	7.1 Since these investment is in unquoted company therefore this is measured at cost less accumulated impairment because the fair value can not be measured reliably.		
	7.2 Investments in associated company or undertakings have been made in accordance with the requirements under the Act.		

	(Un-audited) 31 December 2024	(Audited) 30 June 2024
	----- (Rupees in '000) -----	
8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Balance as at 1 July	55,503	59,519
Incremental depreciation charged on related assets - Net of tax	(1,846)	(4,016)
	<u>53,657</u>	<u>55,503</u>

9 LONG TERM LOAN - Unsecured

From director - At amortized cost

Opening	9.1	354,200	354,200
Accumulated present value adjustment		(266,691)	(266,691)
Accumulated interest charged to profit and loss account		213,103	196,529
		<u>300,612</u>	<u>284,038</u>

9.1 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.

10 DEFERRED TAXATION

Deferred tax liability arising out of		
surplus on revaluation of property plant and equipment	<u>20,446</u>	<u>21,200</u>

10.1 The Company has not recognized deferred tax asset amounting to Rs.210.753 million (June 2024: Rs.214.826 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.

11 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2024.

	Half Year Ended		Quarter Ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
12 OTHER INCOME				
Rental income	544	544	272	272
Interest income on saving account	10	8	6	8
	<u>554</u>	<u>552</u>	<u>278</u>	<u>280</u>

		Half Year Ended		Quarter Ended	
		31 December	31 December	31 December	31 December
		2024	2023	2024	2023
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
13	FINANCE COST				
	Unwinding of discount /				
	present value adjustment - Net	16,574	14,841	8,287	7,420
	Mark-up on borrowings				
	from related parties	--	18,005	--	8,769
		<u>16,574</u>	<u>32,846</u>	<u>8,287</u>	<u>16,189</u>

14 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. Material transactions with related parties are given below:

Name of the related party	Basis of relationship	Percentage of shareholding	Nature of transactions during the year	(Un-audit)	(Un-audit)
				31 December 2024	31 December 2023
Dewan Farooq Motors Limited	Group Company	0.12%	Mark up expense	--	18,005
Dewan Mushtaq Motors Company (pvt) Ltd	Group Company	--	Rental Income	544	544

15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 Financial risk factors

The Company is exposed to the credit risks, liquidity risks and market risks (including currency rate risk and other price risk) from its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

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

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and

disclosures required in the annual financial statements.

15.2 Fair value hierarchy

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.

16 CORRESPONDING FIGURES

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

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26th February 2025 in accordance with the resolution of the Board of Directors of the Company.

18 GENERAL

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



Waseem ul haque Ansari
Chief Executive Officer



Muhsin Ali
Chief Financial Officer



Istiaq Ahmed
Chairman Board of Directors

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)

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز اختتامی مالیاتی سال 31 دسمبر 2024ء کو ختم ہونے والی ششماہی کیلئے غیر میعاد عبوری مالیاتی حسابات پیش کرنے پر خوشی محسوس کر رہے ہیں جو کہ آڈیٹرز کی جانب سے نظر ثانی شدہ ہیں۔

معاشی جائزہ:

دوران مدت پاکستان کی معاشی صورتحال مستحکم رہی، جو کہ میکرو اکنامک انتظامی اقدامات، مہنگائی پر قابو پانے، اور مالی و بیرونی کھاتوں کے استحکام کے لیے کیے گئے اقدامات کی بدولت ممکن ہوا۔ مہنگائی کی شرح 7.2 فیصد تک کم ہوئی جو ایک سال قبل 28.8 فیصد تھی، جبکہ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ کو کم کر کے 12 فیصد کر دیا۔ مالی سال 2025ء کی پہلی ششماہی میں جاری کھاتے کا توازن 1.21 بلین امریکی ڈالر کے قریب رہا، جو بنیادی طور پر ترسیلات زر میں اضافے اور برآمدات میں بہتری کے سبب ممکن ہوا۔ دوران مدت پاکستانی روپیہ مستحکم رہا، جو بیرونی اقتصادی صورتحال کے سازگار ہونے کی علامت ہے۔ یہ مثبت معاشی عوامل اور مہنگائی میں کمی آئندہ مہینوں میں پائیدار اقتصادی ترقی کی توقعات کو مزید مستحکم کر رہے ہیں۔

مالی سال 2025ء کی پہلی ششماہی میں آٹو موبائل انڈسٹری نے بحالی کا مظاہرہ کیا۔ گاڑیوں کی تیاری میں مجموعی طور پر 28.3 فیصد اضافہ ہوا، جبکہ فروخت میں گزشتہ سال کے اسی عرصے کے مقابلے میں 28.2 فیصد اضافہ دیکھنے میں آیا۔ کاروں، ٹرکوں، بسوں، جیپوں اور پک اپس کی تیاری میں نمایاں اضافے سے صارفین کی بڑھتی ہوئی طلب اور کاروباری اعتماد میں بہتری کی عکاسی ہوتی ہے۔

مالیاتی جائزہ:

زیر جائزہ مدت کے دوران مالیاتی جائزہ درج ذیل ہے:

دسمبر 2023ء	دسمبر 2024ء	
(روپے '000 میں)	(روپے '000 میں)	
--	--	فروخت۔ خالص
(7,082)	(6,647)	مجموعی (خسارہ)
(39,587)	(23,639)	بعد از ٹیکس (خسارہ)

زیر جائزہ مدت کے دوران، ہماری الحاقی کمپنی نے کامیابی سے اپنے آپریشنز کا آغاز کیا، جو ایک اہم سنگ میل ہے۔ تاہم، ورکنگ کیپٹل کی عدم دستیابی کے باعث ہم تاحال آٹو پارٹس کی تیاری شروع نہیں کر سکے۔ انتظامیہ ضروری ورکنگ کیپٹل کے حصول کے لیے سرگرم عمل ہے تاکہ پیداواری سرگرمیاں بحال کی جاسکیں اور ہماری الحاقی کمپنی کو سپلائی کا آغاز کیا جاسکے۔ ہمیں یقین ہے کہ جیسے ہی ورکنگ کیپٹل کی قلت دور ہوگی، کمپنی کے آپریشنز دوبارہ مستحکم ہو جائیں گے۔

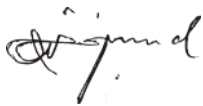
آڈیٹرز نے اپنی جائزہ رپورٹ میں جاری کاروبار کے مفروضے سے اتفاق نہیں کیا، جو عبوری مختصر مالیاتی گوشواروں کی تیاری میں استعمال کیا گیا تھا، اور اس کے نتیجے میں آڈیٹرز نے ان گوشواروں پر منفی رائے دی۔ آڈیٹرز کے مشاہدات کے جواب میں، ہم یہ وضاحت کرتے ہیں کہ انتظامیہ ورکنگ کیپٹل کے انتظام میں مصروف ہے اور کمپنی کے آپریشنز کی جلد بحالی کے لیے پُر امید ہے۔ جاری کاروبار کے مفروضے کی بنیاد پر عبوری مختصر مالیاتی گوشواروں کی تیاری کی وجوہات نوٹ 2 میں تفصیل سے بیان کی گئی ہیں۔

نتیجہ:

اللہ تعالیٰ کے فضل و کرم سے کمپنی کی انتظامیہ آئندہ ششماہی میں بہتر نائج کیلئے اپنی پوری کوششیں جاری رکھے گی۔ نتیجہ کے حوالے سے ہم اللہ تعالیٰ رحمٰن و رحیم سے دعا کرتے ہیں وہ اپنے حبیب حضرت محمد ﷺ کے طفیل اپنی رحمت، ہدایات اور فضل و کرم ہم پر اسی طرح قائم رکھے جو کہ نہ صرف ہم پر بلکہ ہماری کمپنی اور ہمارے ملک پر بھی اپنی رحمت نازل کرے، ہم اللہ تعالیٰ سے یہ بھی دعا کرتے ہیں کہ تمام مسلم امہ کے مابین صحیح اسلامی جذبہ، اخوت اور بھائی چارگی پیدا کرے۔ آمین ثناء آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے



اشتیاق احمد

چیئر مین، بورڈ آف ڈائریکٹرز



وسیم الحق انصاری

چیف ایگزیکٹو آفیسر

مورخہ: 26 فروری 2025ء