

Quarterly Report

March 2025



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COMPANY INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Waseem-ul- Haque Ansari

Chief Executive Officer

Non-Executive Directors

Mr. Ishtiaq Ahmed

Chairman Board of Directors

Mr. Syed Maqbool Ali

(Nominee Director in DMPL)

Mr. Abdul Basit

(Nominee Director in DMPL)

Mr. Mehmood-ul-Hassan Asghar

(Nominee Director in DMPL)

Mr. Muhammad Irfan Ali

Independent Director

Mr. Aziz-ul-Haque

AUDIT COMMITTEE

Mr. Aziz-ul-Haque

Chairman

Mr. Syed Maqbool Ali

Member

Mr. Ishtiaq Ahmed

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque

Chairman

Mr. Syed Maqbool Ali

Member

Mr. Waseem-ul- Haque Ansari

Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Haris

COMPANY SECRETARY

Mr. Muhammad Hanif German

REGISTERED OFFICE

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

FACTORY

Dewan City Sajawal, District Thatta, Sindh.

AUDITORS

Faruq Ali & Co., Chartered Accountants

LEGAL ADVISORS

Abbas & Arif Law Associated

SHARES REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited

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 period ended 31st March 2025.

Overview

The automotive industry has shown some improvement despite the numerous challenges faced by the country's economy. The production of cars and pickups increased by 27% and 44% respectively, whereas tractor production has dropped by 54%, highlighting disparities within the industry. Factors such as currency fluctuations, fuel costs, and economic and political uncertainty continue to pose hurdles in the progress of the industry. However, the growth in exports and foreign investments may provide opportunities for sustained recovery of the overall economy.

Financial Overview

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

	March 2025	March 2024
	(Rupees in '000)	
Sales – Net	--	--
Gross (loss)	(9,968)	(10,503)
(Loss) after taxation	(35,380)	(59,404)

During the period, our sister company reached an exciting milestone by officially starting operations — a big step forward for all of us. Although the production of auto parts has hit a temporary pause due to limited working capital, the management is actively working to secure the required funding. Once resolved, production will resume smoothly, ensuring steady supply to our sister concern. We're optimistic that overcoming these short-term challenges will put the company back on track for growth.


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: 28 April 2025

DEWAN AUTOMOTIVE ENGINEERING LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

		(Un-Audited) 31 March 2025	(Audited) 30 June 2024
	Notes	----- (Rupees in '000) -----	
<u>ASSETS</u>			
NON-CURRENT ASSETS			
Property, plant and equipment	6	172,716	182,586
Long term deposit		503	503
Available for sale investment	7	16,471	16,471
		189,690	199,560
CURRENT ASSETS			
Advances		1,376	1,376
Advance income tax - Net		2,859	2,762
Bank balances		521	552
		4,756	4,690
		194,446	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 reserve			
Merger reserve		82,090	82,090
Settlement claim from Ford Motors		86,194	86,194
Surplus on revaluation of property, plant and equipment	8	52,733	55,503
Revenue reserves			
General reserve		9,900	9,900
Accumulated losses		(2,004,907)	(1,972,297)
		(1,559,990)	(1,524,610)
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	9	308,898	284,038
Deferred taxation	10	20,069	21,200
		328,967	305,238
CURRENT LIABILITIES			
Trade and other payables		378,141	376,294
Short term finance		154,879	154,879
Accrued mark-up		892,449	892,449
		1,425,469	1,423,622
CONTINGENCIES AND COMMITMENTS			
	11	--	--
		194,446	204,250

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

Waseem-ul-Haque Ansari
Chief Executive

Muhammad Haris
Chief Financial Officer

Ishtiaq Ahmed
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS & QUARTER ENDED 31 MARCH 2025 (UN-AUDITED)**

		Nine Months Ended		Quarter Ended	
		31 March	31 March	31 March	31 March
	Notes	2025	2024	2025	2024
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales - Net		--	--	--	--
Cost of sales		(9,968)	(10,503)	(3,321)	(3,421)
Gross (loss)		(9,968)	(10,503)	(3,321)	(3,421)
Operating expenses					
Administrative expenses		(2,510)	(1,815)	(784)	(784)
Operating (loss)		(12,478)	(12,318)	(4,105)	(4,205)
Other income	12	828	829	274	277
Finance cost	13	(24,861)	(49,145)	(8,287)	(16,299)
(Loss) before taxation		(36,511)	(60,634)	(12,118)	(20,227)
Taxation - Net		1,131	1,230	377	410
(Loss) for the period		(35,380)	(59,404)	(11,741)	(19,817)
(Loss) per share - Basic and diluted - (Rupees)		(1.65)	(2.78)	(0.55)	(1.84)

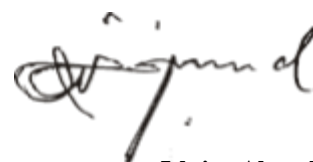
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul- Haque Ansari
Chief Executive



Muhammad Haris
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS & QUARTER ENDED 31 MARCH 2025 (UN-AUDITED)**

	Nine Months Ended		Quarter Ended	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
(Loss) for the period	(35,380)	(59,404)	(11,741)	(19,817)
Other comprehensive income for the period	--	--	--	--
Total comprehensive (loss) for the period	(35,380)	(59,404)	(11,741)	(19,817)

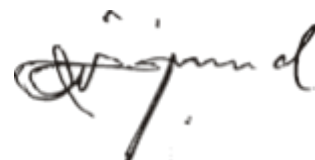
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul- Haque Ansari
Chief Executive



Muhammad Haris
Chief Financial Officer




Ishtiaq Ahmed
Chairman Board of Directors


DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 31 MARCH 2025 (UN-AUDITED)



	31 March 2025	31 March 2025
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(36,511)	(60,634)
<i>Adjustment for non cash charges and other items</i>		
Depreciation	9,870	10,785
Unwinding of discount	24,860	22,262
Finance cost	1	26,882
Cash flows before working capital changes	(1,780)	(705)
<i>Working capital changes</i>		
(Increase)/decrease in current assets		
Advances	--	--
Increase/(decrease) in current liabilities		
Trade and other payables	1,847	759
	1,847	759
Net cash generated from operations	67	54
<i>Payments for:</i>		
Finance cost	(1)	(1)
Income tax	(97)	(40)
Net cash (outflows) / inflows from operating activities	(31)	13
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES	--	--
Net (decrease) / increase in cash and cash equivalents	(31)	13
Cash and cash equivalents at the beginning of the period	552	515
Cash and cash equivalents at the end of the period	521	528

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


Waseem-ul- Haque Ansari
Chief Executive


Muhammad Haris
Chief Financial Officer


Ishtiaq Ahmed
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 31 MARCH 2025 (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) -----									
Balance as on 1 July 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 period	--	--	--	--	--	--	(59,404)	(59,404)	(59,404)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive (loss) for the period	--	--	--	--	--	--	(59,404)	(59,404)	(59,404)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	56,507	56,507	--	(56,507)	(56,507)	--
Balance as at 31 March 2024	214,000	82,090	86,194	116,026	284,310	9,900	(2,024,312)	(2,014,412)	(1,516,102)
Balance as on 1 July 2024	214,000	82,090	86,194	55,503	223,787	9,900	(1,972,297)	(1,962,397)	(1,524,610)
(Loss) for the period	--	--	--	--	--	--	(35,380)	(35,380)	(35,380)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive (loss) for the period	--	--	--	--	--	--	(35,380)	(35,380)	(35,380)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	(2,770)	(2,770)	--	2,770	2,770	--
Balance as at 31 March 2025	214,000	82,090	86,194	52,733	221,017	9,900	(2,004,907)	(1,995,007)	(1,559,990)

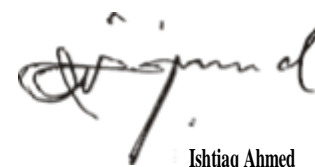
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul- Haque Ansari
Chief Executive



Muhammad Haris
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE NINE MONTHS ENDED 31 MARCH 2025 (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 Yousuf Dewan Company 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 nine months ended 31 March 2025 reflect that the Company has sustained a net loss after taxation of Rs. 35.38 million (June 2024: Rs.67.91 million) and, as of that date it has accumulated losses of Rs.2,004.907 million (June 2024: Rs.1,972.297 million) which have resulted in net capital deficiency of Rs.1,559.990 million (June 2024: Rs.1,524.610 million) and its current liabilities exceeded its current assets by Rs.1,420.71 million (June 2024: Rs.1,418.93 million) and total assets by Rs.1,231.02 million (June 2024: Rs.1,219.372 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 condensed interim financial statements have been prepared on going concern assumption as the Company has the ability to arrange funds from its associated companies / sponsor as and when required. Accordingly, these condensed interim financial statements have been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements of the Company for the nine months ended 31 March 2025 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.

4 MATERIAL ACCOUNTING POLICY INFORMATION

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.

5 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.

6 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets -

At cost / revaluation less accumulated depreciation	6.1	172,716	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	(9,870)	(14,376)
Closing carrying value	172,716	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

Provision for impairment loss

40,000	40,000
(23,529)	(23,529)
16,471	16,471

7.1 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.

7.2 Investments in associated company or undertakings have been made in accordance with the requirements under the Act.

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	(2,770)	(4,016)
	52,733	55,503

9 LONG TERM LOAN - Unsecured**From sponsor - At amortized cost**

Opening balance	9.1	354,200	354,200
Accumulated present value adjustment		(266,691)	(266,691)
Accumulated interest charged to profit or loss		221,389	196,529
		308,898	284,038

9.1 The above loan is interest free and unsecured. 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	20,069	21,200
--	--------	--------

10.1 The Company has not recognized deferred tax asset amounting to Rs.211.750 million (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.

	Nine Months Ended		Quarter Ended	
	2025	2024	2025	2024
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
12 OTHER INCOME				
Rental income	815	815	271	263
Interest income on saving account	13	14	3	14
	<u>828</u>	<u>829</u>	<u>274</u>	<u>277</u>

13 FINANCE COST

Unwinding of discount /				
present value adjustment - Net	24,860	22,262	8,286	7,421
Mark-up on borrowings				
from related parties	--	26,882	--	8,877
Bank charges	1	--	--	--
	<u>24,861</u>	<u>49,144</u>	<u>8,286</u>	<u>16,299</u>

15 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	March 2025 ----- (Rupees '000) -----	March 2024 -----
Dewan Farooque Motors Limited	Group Company	0.12%	Mark up expense	--	26,882
Dewan Mushtaq Motors Company (Pvt.) Ltd	Group Company	--	Rental Income	815	815

16 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 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.

17 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 statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 28 April 2025 in accordance with the resolution of the Board of Directors of the Company.

19 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



Muhammad Haris
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors



ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان، نہایت رحم کرنے والا ہے

اگر تم شکر کرو گے تو میں تمہیں اور دوں گا (قرآن پاک)

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2025 کو ختم ہونے والی تیسری سہ ماہی کے غیر آڈیٹ شدہ عبوری مالیاتی حسابات پیش کرنے میں خوشی محسوس ہوتی ہے۔

جائزہ

اگرچہ ملک کی معیشت کو درپیش متعدد چیلنجز ہیں، آٹوموٹیو انڈسٹری نے کچھ بہتری دکھائی ہے۔ کاروں اور پک اپ گاڑیوں کی پیداوار میں بالترتیب 27% اور 44% اضافہ ہوا ہے، جبکہ ٹریکٹرز کی پیداوار میں 54% کمی ہوئی ہے، جو صنعت کے اندر عدم توازن کو ظاہر کرتی ہے۔ کرنسی کی قدر میں اتار چڑھاؤ، ایندھن کی قیمتیں، اور معاشی و سیاسی غیر یقینی صورتحال صنعت کی ترقی میں رکاوٹ بنے ہوئے ہیں۔ تاہم، برآمدات اور غیر ملکی سرمایہ کاری میں اضافہ معیشت کی پائیدار بحالی کے امکانات پیدا کر سکتا ہے۔

مالیاتی جائزہ

زیر نظر مدت کے دوران مالیاتی کارکردگی درج ذیل ہے:

مالیاتی اشاریے	مارچ 2025	مارچ 2024
		(روپے '000 میں)
فروخت - خالص	--	--
مجموعی (خسارہ)	(9,968)	(10,503)
بعد از ٹیکس (خسارہ)	(35,380)	(59,404)

اس عرصے کے دوران، ہماری الحاقی کمپنی نے ایک اہم سنگ میل عبور کیا اور باضابطہ طور پر آپریشنز کا آغاز کیا۔ یہ ہم سب کے لیے ایک بڑی پیش رفت ہے۔ اگرچہ آٹو پارٹس کی پیداوار عارضی طور پر محدود ورکنگ کیپیٹل کی وجہ سے رکی ہوئی ہے، مگر انتظامیہ مطلوبہ فنڈز کے حصول کے لیے متحرک ہے۔ جیسے ہی مالی مسائل حل ہوں گے، پیداوار دوبارہ شروع کر دی جائے گی، جس سے ہماری الحاقی کمپنی کو مسلسل سپلائی یقینی بنائی جاسکے گی۔ ہمیں یقین ہے کہ یہ وقتی چیلنجز عبور کرنے کے بعد کمپنی ترقی کی راہ پر دوبارہ گامزن ہو جائے گی۔

اختتامیہ

آخر میں، ہم عاجزی سے رحمن و رحیم رب کے حضور، اس کے محبوب نبی ﷺ کے صدقے دعا گو ہیں کہ وہ ہمیں، ہماری کمپنی، ہمارے ملک و قوم کو اپنی رحمت، رہنمائی، طاقت، صحت اور خوشحالی سے نوازے، اور پوری مسلم اُمہ کو اسلامی روح کے مطابق امن، بھائی چارے، یکجہتی اور اتحاد عطا فرمائے۔ آمین، ثم آمین۔

بے شک میرا رب دعا کا سننے والا ہے (القرآن)

اشتیاق احمد

چیئر مین بورڈ آف ڈائریکٹرز

وسیم الحق انصاری

چیف ایگزیکٹو آفیسر

کراچی: 28 اپریل 2025