

ANNUAL REPORT
2026



DEWAN AUTOMOTIVE ENGINEERING LIMITED



Contents

Company Information	2
Mission Statement	3
Notice of Annual General Meeting	4
Directors' Report	7
Chairman's Review	12
Key Operating and Financial Data	13
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	14
Independent Auditor's Modified Review Report to the Members of Dewan Automotive Engineering Limited	17
Independent Auditor's Report	19
Statement of Financial Position	23
Statement of Profit or Loss	24
Statement of Comprehensive Income	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Financial Statements	28
Pattern of Shareholding	53
Directors' Report (Urdu)	59
Notice of Annual General Meeting (Urdu)	61
Form of Proxy	
Form of Proxy (Urdu)	

Company Information

Board of Directors

Executive Directors

Waseem-ul-Haque Ansari

Chief Executive Officer

Non-Executive Directors

Ishtiaq Ahmed

Chairman Board of Directors

Syed Maqbool Ali

Abdul Basit

(Nominee Director in DMPL)

Mehmood-ul-Hassan Asghar

(Nominee Director in DMPL)

Ms. Momna Gul

(Nominee Director in DMPL)

Independent Director

Aziz-ul-Haque

Audit Committee Members

Aziz-ul Haque

Chairman

Syed Maqbool Ali

Member

Ishtiaq Ahmed

Member

Human Resource & Remuneration Committee

Aziz-ul Haque

Chairman

Syed Maqbool Ali

Member

Waseem-ul-Haque Ansari

Member

Chief Financial Officer

Muhammad Farooq Khan

Company Secretary

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 & Atif 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 44th Annual General Meeting of **Dewan Automotive Engineering Limited** will be held at Dewan Cement Limited Factory Site, at Deh Ghagar, Dhabeji, District Malir, Karachi, Pakistan on Monday, October 26, 2026 at 04:00 p.m. to transact the following businesses;

1. To confirm the minutes of the preceding Extra Ordinary General Meeting of the Company held on Friday, January 2, 2026;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2026, 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, 2027, 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
September 28, 2026

Notes:

- a. The share transfer books of the company will remain closed from October 19, 2026 to October 26, 2026 (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 389(1)/2023 dated March 21, 2023 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 24, 2026.
- (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;

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form (i.e. CDC Account) within four (4) years from the date of the promulgation of the Companies Act, 2017. Pursuant to the SECP letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their Shares in Book-Entry Form (i.e. CDC Account) in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form, into the Book-Entry Form.



h. Updating of Particulars:

The Shareholders are requested to promptly notify change in their address, if any, to the Company's Share Registrar. In case of corporate entity, the shareholders are requested to promptly notify change in their particulars of their authorized representative, if applicable.

i. Restriction on Distribution of Gifts:

In accordance with the directive issued by the SECP Vide SRO 452 (1)/2025 dated 17th March 2025 the Company would like to inform all the shareholders that no gifts will be distributed at the AGM.

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 30 June 2026 and welcomes you to the 44th Annual General Meeting.

Economy under review:

During FY2025-26, Pakistan's economy continued to stabilize, with real GDP growth of 3.7% and per-capita income increasing to US\$1,901. The external position strengthened, with SBP foreign exchange reserves reaching approximately US\$16.5 billion and total liquid reserves around US\$22.0 billion by year-end. Pakistan also remained on track under the IMF program, while improved fiscal and external conditions supported greater international confidence.

Average CPI inflation, however, increased to 7.05% and accelerated toward year-end, prompting the SBP to raise the policy rate to 11.5% after an earlier reduction to 10.5%. Overall, FY2025-26 reflected moderate economic recovery and stronger external buffers, while inflationary pressures, debt servicing requirements and structural vulnerabilities remained key challenges.

Industry review

Pakistan's automotive industry staged a strong recovery in FY 2026, driven by a 56.1% surge in passenger car production and an 89.4% jump in commercial vehicles. This growth was fueled by easing inflation, lower interest rates, and a revival in auto financing. Additionally, the government introduced the new Auto Industry Policy (2026-31), which implements a simplified four-tier tariff structure, strict penalties on delayed vehicle deliveries, and aggressive tax incentives to boost local electric vehicle (EV) production.

Company performance

Financial Overview

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

	2026 (Rupees in '000)	2025
Gross Sales	—	—
Gross (loss)	(11,583)	(13,249)
Operating (loss)	(16,687)	(21,053)
Net (loss) after tax	(50,622)	(51,943)

The revival of vehicle production by our sister concern has created an opportunity for the Company to recommence the supply of parts, as carried out in the past. However, the continued shortage of working capital is restricting the Company's ability to restart its operations and pursue its sales targets. Operations are expected to resume once adequate working capital resources become available.

Future Outlook

Management continues its efforts to arrange the funding required to address the Company's working capital requirements and facilitate the resumption of manufacturing activities. The outlook remains positive, as securing the necessary financial resources would enable the Company to restore its operations and benefit from the business opportunity arising from the supply of its products to the sister concern.

Observation in the Auditors' Report

The Auditors have qualified their report due to significance of the matters as referred to in Para (a) & (b) and our comments on these issues are given below:

Going concern assumption:

These financial statements have been prepared on a going concern basis, as management considers the circumstances currently affecting the Company are temporary and expects them to improve following the availability of working capital resumption of operations of the Company. The Company has settled its outstanding liabilities with all banks and financial institutions and expects to secure the required working capital facilities to support the resumption of its operations. Management remains confident that the Company will recommence its operations in the near term and, accordingly, the financial statements have been prepared on the going concern basis. The status of these matters has been fully disclosed in Note 2 to the audited financial statements.

Non-revaluation of Property, Plant & Equipment:

The periodic revaluation of Property, Plant and Equipment in accordance with IAS 16 could not be carried out due to the Company's limited working capital position. As the Company's operations have remained suspended for several years, incurring the significant cost associated with a formal valuation was considered imprudent given the limited availability of funds. The Company intends to undertake a comprehensive revaluation of its assets and recognize their fair market values once the required capital is secured.

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 Framework:

- The financial statements for the year ended 30 June 2026, 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 30 June 2026 and accounting estimates are based on reasonable and prudent judgment.

DEWAN AUTOMOTIVE ENGINEERING LIMITED

- 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 for 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.

- Waseem ul Haque Ansari
- Ishtiaq Ahmad
- Abdul Basit
- Syed Maqbool Ali
- Mehmood-ul-Hassan Asghar
- Aziz-ul-Haque
- Ms. Momna Gul

During the year one casual vacancy occurred which was filled by the Board of Directors of the Company.

Gender pay-gap

In compliance with the SECP's Gender Pay Gap Statement (Circular 10 of 2024), we report that for the year ended 30 June 2026, due to the Company's non-operational status, the workforce was limited to two employees, both of whom are male. Therefore, as no female employee is on payroll during the year, the calculation of the mean and median gender pay gap is not applicable.

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 remains committed to conducting its business responsibly, with due consideration to the interests of its stakeholders, employees and the environment. During periods of active operations, the Company has focused on providing on-the-job training to newly hired personnel to enhance their skills and capabilities. The Company also seeks to provide employment opportunities to underprivileged individuals residing in the vicinity of its plant, thereby contributing towards improvement in their standard of living.

The Company places due importance on the health and safety of its employees and environmental protection and, upon resumption of operations, intends to continue complying with all applicable laws, rules and regulations relating to its manufacturing activities. Appropriate Standard Operating Procedures are maintained to safeguard the health and safety of employees. The Company also remains committed to supporting the well-being of communities in the surrounding areas, including through the provision of medical facilities, where applicable.

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

Names of Directors	No of meetings attended
Aziz-ul Haque	6
Waseem-ul-Haque Ansari	6
Syed Maqbool Ali	6
Ishtiaq Ahmed	6
Muhammad Irfan Ali	6
Abdul Basit	6
Mehmood-ul-Hassan Asghar	6
Momna Gull	1

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

Name of Director	No. of meetings attended
Aziz-ul-Haque	4
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
Aziz ul Haque	1
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. 2.37 (2025: Rs. 2.43)

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 30 June 2026 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 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)



Ishtiaq Ahmed
Chairman Board of Directors



Waseem-ul-Haque Ansari
Chief Executive Officer

28 September 2026

**YD**

A YOUSUF DEWAN COMPANY

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 30 June 2026, six 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

28 September 2026

Summarised Key Operating and Financial Data of Last Six Years

PARTICULARS	2026	2025	2024	2023	2022	2021
	 Rs. in '000'					
Gross Sales	-	-	-	-	-	-
Net Sales	-	-	-	-	-	-
Gross (Loss) / Profit	(11,583)	(13,249)	(13,933)	(15,513)	(16,699)	(17,760)
Operating (loss)/profit	(16,687)	(21,053)	(16,752)	(26,196)	(19,283)	(27,118)
(loss) / profit before tax	(52,010)	(53,451)	(69,552)	(86,871)	(52,407)	(46,610)
(loss) / profit after tax	(50,622)	(51,943)	(67,912)	(85,086)	(50,805)	(44,508)
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	(1,627,175)	(1,576,553)	(1,524,610)	(1,456,698)	(1,371,612)	(1,320,807)
Fixed Assets	157,350	169,417	182,586	196,962	212,681	222,079
Total Assets	174,428	186,270	204,250	211,887	235,963	240,923
FINANCIAL ANALYSIS						
Gross (loss)/profit Margin	-	-	-	-	-	-
Operating (loss) /profit Margin	-	-	-	-	-	-
(loss)/profit before tax	-	-	-	-	-	-
(loss) / profit after tax	-	-	-	-	-	-
Return on Investment						
(Loss) / Earnings per share before tax (Rs/Share)	(2.36)	(2.50)	(3.25)	(4.06)	(2.45)	(2.18)
(Loss) / Earnings per share after tax (Rs/Share)	(2.30)	(2.43)	(3.17)	(3.98)	(2.37)	(2.08)
Activity Ratios						
Sales to Total Assets-Times	-	-	-	-	-	-
Sales to Fixed Assets-Times	-	-	-	-	-	-
Liquidity Ratios						
Current ratio (excluding current maturity of LTL)	0.003	0.003	0.003	0.003	0.003	0.002
Current ratio (Including current maturity of LTL)	0.003	0.003	0.003	0.003	0.003	0.002
Book value per share (Rs.)	(76.04)	(73.67)	(71.24)	(68.07)	(64.09)	(61.72)

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

For The Year Ended 30 June 2026

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 : 1
2. The composition of board is as follows:
 - a) Independent Director : Mr. Aziz-ul-Haque
 - b) Other Non-executive Directors : Syed Maqbool Ali
Mr. Ishtiaq Ahmed
Mr. Mehmood-ul-Hassan Asghar
Mr. Abdul Basit
Ms. Momna Gull
 - 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.

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 Syed Maqbool Ali Mr. Ishtiaq Ahmed	Chairman Member Member
b) HR and Remuneration Committee	:	Mr. Aziz-ul-Haque Syed Maqbool Ali Mr. Waseem-ul-Haque Ansari	Chairman Member 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, 2026
b) HR and Remuneration Committee	:	1 annual meeting held during the financial year ended June 30, 2026
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.

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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	Directors' Training.- 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.	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.
2	Nomination Committee	29	The Board has not constituted a separate Nomination Committee, as the constitution of such committee is not mandatory under the Regulations. The functions and responsibilities relating to nomination and appointment of directors are being considered and dealt with by the Board, as and when required, in accordance with the applicable regulatory requirements.
3	Risk Management Committee	30	The Board has not constituted a separate Risk Management Committee, as the constitution of such committee is not mandatory under the Regulations. The Board oversees and reviews the Company's risk management matters and procedures, as and when required, and considers such matters in the overall interest of the Company.

Ishtiaq Ahmad
Chairman Board of Directors

Waseem-ul-Haq Ansari
Chief Executive

Karachi: September 28, 2026



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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 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 2026 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 2026.

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 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. |
| (2) | Paragraph 3 | One of the directors of the Company is serving as a director in more than seven listed companies. |
| (3) | 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 2026 all the directors are required to acquire prescribed certification. |

CHARTERED ACCOUNTANTS

Place: Karachi

Dated: 30 September 2026

UDIN: CR202610178C1aAVK3ci

Engagement partner: Muhammad Faisal Nini.



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Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969
Fax : (021) 34301965

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 2026, 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 2026 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 2026 reflect loss after taxation of Rs.50.622 million and as of that date it has accumulated losses of Rs.2,067.771 million which resulted in net capital deficiency of Rs.1,627.175 million and its current liabilities exceeded its current assets by Rs.1,777.178 million and total assets by Rs.1,608.871 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 Muhammad Faisal Nini.



CHARTERED ACCOUNTANTS

Place: Karachi
Dated: 30 September 2026
UDIN: AR2026101781ReGfaWul

Statement of Financial Position

As at 30 June 2026

	Note	30 June, 2026	30 June, 2025
		————(Rs. in '000)————	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	157,350	169,417
Long term deposit		503	503
Available for sale investment	6	10,454	11,917
		168,307	181,837
CURRENT ASSETS			
Stock in trade	7	--	--
Trade debts	8	--	--
Advances and receivables	9	3,098	1,376
Advance income tax - Net		2,928	2,927
Bank balances	10	95	130
		6,121	4,433
		174,428	186,270
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 21,800,000 (2025: 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	48,412	51,810
Revenue reserves			
General reserve		9,900	9,900
Accumulated (losses)		(2,067,771)	(2,020,547)
		(1,627,175)	(1,576,553)
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	14	--	--
Deferred taxation	15	18,304	19,692
		18,304	19,692
CURRENT LIABILITIES			
Current portion of long term loan from sponsor	14	354,200	317,185
Trade and other payables	16	381,771	378,618
Short term finance	17	154,879	154,879
Accrued mark-up	18	892,449	892,449
		1,783,299	1,743,131
CONTINGENCIES AND COMMITMENTS			
	19	--	--
		174,428	186,270

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


Muhammad Farooq Khan
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Statement of Profit or Loss

For The Year Ended 30 June 2026

	Note	2026 ------(Rs. in '000)-----	2025
Sales - Net		-	-
Cost of sales	20	(11,583)	(13,249)
Gross (loss)		(11,583)	(13,249)
Operating expenses			
Administrative expenses	21	(3,641)	(3,250)
Other expenses	22	(1,463)	(4,554)
		(5,104)	(7,804)
Operating (loss)		(16,687)	(21,053)
Other income	23	1,692	1,101
Finance cost	24	(37,015)	(33,499)
(Loss) before taxation		(52,010)	(53,451)
Taxation - Net	25	1,388	1,508
(Loss) for the year		(50,622)	(51,943)
(Loss) per share - Basic and diluted (Rupees)	26	(2.37)	(2.43)

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


Muhammad Farooq Khan
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Statement of Comprehensive Income

For The Year Ended 30 June 2026

	Note	2026 ------(Rs. in '000)-----	2025 -----
(Loss) for the year		(50,622)	(51,943)
Other comprehensive income for the year:		-	-
Total comprehensive (loss) for the year		<u>(50,622)</u>	<u>(51,943)</u>

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


Muhammad Farooq Khan
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Statement Of Changes In Equity

For The Year Ended 30 June 2026

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 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 year	-	-	-	-	-	-	(51,943)	(51,943)	(51,943)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	-	-	-	(51,943)	(51,943)	(51,943)

Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax - - - (3,693) (3,693) - 3,693 3,693 -

Balance as at 30 June 2025 214,000 82,090 86,194 51,810 220,094 9,900 (2,020,547) (2,010,647) (1,576,553)

(Loss) for the year	-	-	-	-	-	-	(50,622)	(50,622)	(50,622)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	-	-	-	(50,622)	(50,622)	(50,622)

Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax - - - (3,398) (3,398) - 3,398 3,398 -

Balance as at 30 June 2026 214,000 82,090 86,194 48,412 216,696 9,900 (2,067,771) (2,057,871) (1,627,175)

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


Muhammad Farooq Khan
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Statement of Cash Flows

For The Year Ended 30 June 2026

	Note	30 June, 2026	30 June, 2025
		------(Rs. in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		(52,010)	(53,451)
Adjustment for non cash charges and other items			
Depreciation		12,067	13,169
Impairment on investment in associate	6	1,463	4,554
Unwinding of discount		37,015	33,147
Finance cost		-	352
Cash flows before working capital changes		(1,465)	(2,229)
Working capital changes			
(increase)/decrease in current assets			
Advances and receivables		(1,722)	-
Increase/(decrease) in current liabilities			
Trade and other payables		3,153	2,324
		1,431	2,324
Net cash (used in) / generated from operations		(34)	95
Payments for:			
Finance cost		-	(352)
Income tax		(1)	(165)
Net cash (outflows) from operating activities		(35)	(422)
CASH FLOWS FROM INVESTING ACTIVITIES		-	-
CASH FLOWS FROM FINANCING ACTIVITIES		-	-
Net (decrease) in cash and cash equivalents		(35)	(422)
Cash and cash equivalents at the beginning of the year		130	552
Cash and cash equivalents at the end of the year		95	130

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


Muhammad Farooq Khan
 Chief Financial Officer


Waseem-ul-Haque Ansari
 Chief Executive Officer


Ishtiaq Ahmed
 Chairman

Notes To The Financial Statements

For The Year Ended 30 June 2026

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 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.50.622 million during the year ended 30 June 2026 (2025: Rs.51.943 million) and as of that date it has accumulated losses of Rs.2,067.771 million (2025: Rs.2,020.547 million) which have resulted in net capital deficiency of Rs.1,627.175 million (2025: Rs.1,576.553 million) and its current liabilities exceeded its current assets by Rs.1,777.178 million (2025: Rs.1,738.698 million) and total assets by Rs.1,608.871 million (2025: Rs.1,556.861 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.

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. Accounting and reporting standards applicable in Pakistan comprise of:

Notes To The Financial Statements

For The Year Ended 30 June 2026

- IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of, directives and notifications issued under the Companies Act, 2017.

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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 amendments to accounting and reporting standards

3.3.1 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, 2026. 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 21 'The effects of changes in foreign exchange rates' - Lack of exchangeability	1 January 2025
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3.3.2 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 IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
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Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity	1 January 2026
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Notes To The Financial Statements

For The Year Ended 30 June 2026

Adoption of IFRS 18 'Presentation and Disclosures in Financial Statements'	1 January 2027
Adoption of IFRS 17 'Insurance Contracts'	1 January 2027
Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'	1 January 2027
IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'	1 July 2029
IFRS S2 'Climate-related Disclosures'	1 July 2029

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 20 'Regulatory Assets and Regulatory Liabilities'

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:

Notes To The Financial Statements

For The Year Ended 30 June 2026

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.

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 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.



Notes To The Financial Statements

For The Year Ended 30 June 2026

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 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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

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.

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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

4.6 Financial Instruments

4.6.1 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. 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.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss 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.
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.
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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

4.6.2 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.

4.6.2.1 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.

4.6.2.2 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.

4.6.3 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.

4.6.3.1 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 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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

4.6.3.2 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.

4.6.4 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. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.6.5 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. 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.

4.6.6 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.

4.7 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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

4.8 Deferred income

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

4.9 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.

4.10 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.

4.11 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.

4.12 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.

Notes To The Financial Statements

For The Year Ended 30 June 2026

4.13 Revenue recognition

Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer, and control either transfers over time or at a point of time. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Return on bank deposits, term deposit receipts are accounted for on an accrual basis.

4.14 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.

4.15 Warranties

Warranty expenses are recognized as and when claims are received.

4.16 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	30 June, 2026	30 June, 2025
		----- (Rs. in '000) -----	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost / revaluation less accumulated depreciation	5.1	157,350	169,417

Notes To The Financial Statements

For The Year Ended 30 June 2026

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

----- 2 0 2 6 -----								
PARTICULARS	COST / REVALUATION			DEPRECIATION			Book value as at 30 June 2026	Rate %
	As at 1 July 2025	Additions during the year	As at 30 June 2026	As at 1 July 2025	Charge for the year	As at 30 June 2026		
	----- (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	70,767	2,483	73,250	47,177	5 to 10
Revaluation	96,613	-	96,613	56,534	2,004	58,538	38,075	5
Plant and machinery								
Cost	232,224	-	232,224	196,869	3,535	200,404	31,820	10
Revaluation	104,008	-	104,008	76,183	2,782	78,965	25,043	10
Computer and allied	3,375	-	3,375	3,276	11	3,287	88	10 to 30
Furniture and office equipment	26,106	-	26,106	23,102	300	23,402	2,704	10
Motor vehicles	63,138	-	63,138	62,315	165	62,480	658	20
Tools and equipment	11,104	-	11,104	9,881	127	10,008	1,096	10
Refrigerators and air conditioners	1,506	-	1,506	1,403	11	1,414	92	10
Electrical appliances	318	-	318	280	8	288	30	10
Jigs and fixtures	735	-	735	680	6	686	49	10
Electrical fittings	13,697	-	13,697	7,664	603	8,267	5,430	10
Dies	4,205	-	4,205	3,885	32	3,917	288	10
Patterns	112	-	112	112	-	112	-	20
TOTAL	682,368	--	682,368	512,951	12,067	525,018	157,350	

----- 2 0 2 5 -----								
PARTICULARS	COST / REVALUATION			DEPRECIATION			Book value as at 30 June 2025	Rate %
	As at 1 July 2024	Additions during the year	As at 30 June 2025	As at 1 July 2025	Charge for the year	As at 30 June 2025		
	----- (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	68,153	2,614	70,767	49,660	5 to 10
Revaluation	96,613	-	96,613	54,425	2,109	56,534	40,079	5
Plant and machinery								
Cost	232,224	-	232,224	192,940	3,929	196,869	35,355	10
Revaluation	104,008	-	104,008	73,092	3,091	76,183	27,825	10
Computer and allied	3,375	-	3,375	3,263	13	3,276	99	10 to 30
Furniture and office equipment	26,106	-	26,106	22,768	334	23,102	3,004	10
Motor vehicles	63,138	-	63,138	62,109	206	62,315	823	20
Tools and equipment	11,104	-	11,104	9,741	140	9,881	1,223	10
Refrigerators and air conditioners	1,506	-	1,506	1,392	11	1,403	103	10
Electrical appliances	318	-	318	272	8	280	38	10
Jigs and fixtures	735	-	735	674	6	680	55	10
Electrical fittings	13,697	-	13,697	6,994	670	7,664	6,033	10
Dies	4,205	-	4,205	3,849	36	3,885	320	10
Patterns	112	-	112	110	2	112	-	20
TOTAL	682,368	--	682,368	499,782	13,169	512,951	169,417	

Notes To The Financial Statements

For The Year Ended 30 June 2026

Note **30 June,** **30 June,**
 2026 **2025**
 -----(**Rs. in '000**)-----

5.2 The depreciation charge for the year has been allocated as follows:

Cost of sales	20	11,343	12,379
Administrative expenses	21	724	790
		<u>12,067</u>	<u>13,169</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 there 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
Land	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:

	30 June,	30 June,
	2026	2025
	-----(Rs. in '000)-----	
Net book value		
Freehold land	1,202	1,202
Factory building on freehold land	47,177	49,660
Plant and machinery	31,820	35,355
	<u>80,199</u>	<u>86,217</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 as at the date of last revaluation.

Notes To The Financial Statements

For The Year Ended 30 June 2026

30 June,
2026
----- (Rs. in '000) -----
30 June,
2025

6 AVAILABLE FOR SALE INVESTMENT

Investment in associated company
Dewan Mushtaq Trade Limited (Public, unquoted company)
4,000,000 (2025: 4,000,000)
Ordinary shares of Rs.10/- each
Accumulated provision for impairment loss

40,000	40,000
(29,546)	(28,083)
<u>10,454</u>	<u>11,917</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 audited draft financial statements for the year ended 30 June 2025, amounted to Rs.73.049 million.

7 STOCK IN TRADE

30 June,
2026
----- (Rs. in '000) -----
30 June,
2025

Raw materials and components
Trading stock

Provision for slow moving and obsolescence stocks

129,886	129,886
30,263	30,263
160,149	160,149
(160,149)	(160,149)
<u>-</u>	<u>-</u>

8 TRADE DEBTS

Considered doubtful
Provision for doubtful debts

944	944
(944)	(944)
<u>-</u>	<u>-</u>

9 ADVANCES AND RECEIVABLES

Sales tax advance
Rent receivable from related parties
Other advances - Considered doubtful

Provision for doubtful advance

9.1

1,411	1,376
1,687	-
5,077	5,077
8,175	6,453
(5,077)	(5,077)
<u>3,098</u>	<u>1,376</u>

9.1 The aggregate amount due from related parties at the end of any month during the year did not exceed Rs. 1.087 million.

Notes To The Financial Statements

For The Year Ended 30 June 2026

10 BANK BALANCES

Cash at banks - current accounts

30 June,
2026 30 June,
2025
----- (Rs. in '000) -----

95	130
<u>95</u>	<u>130</u>

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

30 June,
2026 30 June,
2025
----- (Number of shares) -----

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
<u>21,400,000</u>	<u>21,400,000</u>		<u>214,000</u>	<u>214,000</u>

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
Incremental deprecation charged on related assets during the year - Net of tax

51,810	55,503
(3,398)	(3,693)
<u>48,412</u>	<u>51,810</u>

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 30 June 2026

	Note	30 June, 2026	30 June, 2025
		----- (Rs. in '000) -----	
14 LONG TERM LOAN - Unsecured			
From sponsor - At amortized cost			
Opening balance	14.1	354,200	354,200
Accumulated present value adjustment		(266,691)	(266,691)
Accumulated interest charged to profit or loss		266,691	229,676
		<u>354,200</u>	<u>317,185</u>
Less: Current portion of long term loan - Shown under current liabilities		<u>(354,200)</u>	<u>(317,185)</u>
		<u>-</u>	<u>-</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>18,304</u>	<u>19,692</u>
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15.1 The Company has not recognized deferred tax asset amounting to Rs.227.249 million (2025: Rs.220.804 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 30 June 2026

	Note	30 June, 2026	30 June, 2025
		----- (Rs. in '000) -----	
16 TRADE AND OTHER PAYABLES			
Trade creditors	16.1	293,044	293,044
Accrued expenses		35,069	31,945
Advance from dealers		39,989	39,989
Advance from customers		4,962	4,962
Withholding tax payable		6,627	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>381,771</u>	<u>378,618</u>

16.1 This includes amount of Rs.6.346 million (2025: Rs.6.346 million) related to Daehan-Dewan Motors Company (Private) Limited (associated company).

	Note	30 June, 2026	30 June, 2025
		----- (Rs. in '000) -----	
17 SHORT TERM FINANCE			
Non interest bearing	17.1	<u>154,879</u>	<u>154,879</u>

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

18 ACCRUED MARK-UP

Associated company	<u>892,449</u>	<u>892,449</u>
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19 CONTINGENCIES AND COMMITMENTS

There is no contingencies and commitments as at reporting date.

Notes To The Financial Statements

For The Year Ended 30 June 2026

	Note	30 June, 2026	30 June, 2025
		----- (Rs. in '000) -----	
20 COST OF SALES			
Depreciation	5.2	11,343	12,379
Salaries and benefits		240	870
Manufacturing cost		11,583	13,249
Finished goods - Opening		30,263	30,263
Finished goods - Closing		(30,263)	(30,263)
		-	-
Cost of goods manufactured		11,583	13,249
21 ADMINISTRATIVE EXPENSES			
Depreciation	5.2	724	790
Legal and professional		834	806
Auditor's remuneration	21.1	500	500
Fees and subscription		687	338
Salaries, wages and benefits		260	530
Printing, stationery and office supplies		261	238
Communication		8	37
Entertainment		14	11
Rent, rates and taxes		336	-
Repair & maintenance		17	-
		3,641	3,250
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
		500	500

Notes To The Financial Statements

For The Year Ended 30 June 2026

	Note	2026 ----- (Rs. in '000) -----	2025
22 OTHER EXPENSES			
Impairment on investment in associate	6	1,463	4,554
23 OTHER INCOME			
Rental income		1,687	1,087
Interest income on saving account		5	14
		<u>1,692</u>	<u>1,101</u>

	Note	2026 ----- (Rs. in '000) -----	2025
24 FINANCE COST			
Unwinding of discount		37,015	33,147
Bank charges and bank balance written off		-	352
		<u>37,015</u>	<u>33,499</u>
25 TAXATION - Net			
Current tax		-	-
Current year	25.1	(1,388)	(1,508)
Deferred		<u>(1,388)</u>	<u>(1,508)</u>

Notes To The Financial Statements

For The Year Ended 30 June 2026

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 2025.

	2026	2025
	----- (Rs. in '000) -----	
26 LOSS PER SHARE - Basic and diluted		
Loss after taxation attributable to ordinary shareholders	(50,622)	(51,943)
	----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding during the year	21,400,000	21,400,000
	----- (Rupees) -----	
Loss per share - Basic	(2.37)	(2.43)

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 2026 and 30 June 2025 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 30 June 2026

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	2026 ----- (Rupees '000) -----	2025 ----- (Rupees '000) -----
Dewan Motorcycle and Engineering (Private) Limited	Group Company	-	Rental Income	600	-
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

	2026 ----- (Numbers) -----	2025 ----- (Numbers) -----
Number of employees as at 30 June	1	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 30 June 2026

31 DISCLOSURES FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES

Following information has been disclosed as required under Part I Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O. 1278 (I) / 2024 dated August 15, 2024:

			2026	2025
			----- (Rs. in '000) -----	
Statement of financial position				
Assets				
Cash at bank	Shariah Compliant	10	84	130
	Non-Shariah		11	-
Statement of profit or loss				
	Non-Shariah		-	-
Other income	Non-Shariah	23	5	14

Relationship with Shariah-compliant financial institutions:

The Company maintains banking relationships with Bank Islami Pakistan Limited, an Islamic banking institution.

32 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.

32.1 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:

Notes To The Financial Statements

For The Year Ended 30 June 2026

	30 June, 2026	30 June, 2025
	----- (Rs. in '000) -----	
Advances	3,098	1,376
Bank balances	95	130
	<u>3,193</u>	<u>1,506</u>

32.2 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:

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees in '000)					
2026						
Non-derivative financial liabilities						
Long term loans	354,200	354,200	354,200	-	-	-
Trade and other payables	370,182	370,182	370,182	-	-	-
Accrued mark-up	892,449	892,449	892,449	-	-	-
Short term finance	154,879	154,879	154,879	-	-	-
	<u>1,771,710</u>	<u>1,771,710</u>	<u>1,771,710</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	(Rupees in '000)					
2025						
Non-derivative financial liabilities						
Long term loans	317,185	317,185	-	317,185	-	-
Trade and other payables	367,058	367,058	367,058	-	-	-
Accrued mark-up	892,449	892,449	892,449	-	-	-
Short term finance	154,879	154,879	154,879	-	-	-
	<u>1,731,571</u>	<u>1,731,571</u>	<u>1,414,386</u>	<u>317,185</u>	<u>-</u>	<u>-</u>

Notes To The Financial Statements

For The Year Ended 30 June 2026

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.

32.3 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:

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. As of the reporting date, the Company has no financial liabilities subject to variable interest rates. Consequently, the Company is not exposed to cash flow interest rate risk and no cash flow sensitivity analysis is required for the current reporting period.

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.

32.4 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.

32.5 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 30 June 2026

33 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.

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 28 September, 2026 in accordance with the resolution by the Board of Directors of the Company.

35 GENERAL

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman

The Companies Act, 2017
Companies Regulations, 2024
 [Section 227(2)(f) and Regulation 30]

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 **30.06.2026**

4.	Number of Shareholders	Shareholding Slab	Total Shares held
	626	shareholding from 1 to 100 shares	37,605
	563	shareholding from 101 to 500 shares	160,205
	192	shareholding from 501 to 1000 shares	166,453
	252	shareholding from 1001 to 5000 shares	616,483
	51	shareholding from 5001 to 10000 shares	389,164
	17	shareholding from 10001 to 15000 shares	206,756
	8	shareholding from 15001 to 20000 shares	151,835
	3	shareholding from 20001 to 25000 shares	62,624
	7	shareholding from 25001 to 35000 shares	222,904
	3	shareholding from 35001 to 50000 shares	140,369
	1	shareholding from 50001 to 60000 shares	59,500
	1	shareholding from 60001 to 120000 shares	117,000
	2	shareholding from 120001 to 150000 shares	300,000
	1	shareholding from 150001 to 220000 shares	217,950
	1	shareholding from 220001 to 270000 shares	262,815
	3	shareholding from 270001 to 290000 shares	846,000
	1	shareholding from 290001 to 300000 shares	300,000
	1	shareholding from 310001 to 350000 shares	348,800
	2	shareholding from 350001 to 550000 shares	1,091,000
	1	shareholding from 550001 to 600000 shares	576,949
	1	shareholding from 600001 to 660000 shares	653,850
	1	shareholding from 660001 to 700000 shares	691,094
	3	shareholding from 700001 to 1300000 shares	3,835,911
	1	shareholding from 1300001 to 3000000 shares	2,367,637
	1	shareholding from 3000001 to 3800000 shares	3,702,637
	1	shareholding from 3800001 to 4000000 shares	3,874,459
	1744	Total	21,400,000

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2025

INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

2.3	Categories of Shareholders	Shares held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.		
	Syed Maqbool Ali	1,000	0.00%
	Mr. Waseem-Ul-Haq Ansari	1,000	0.00%
	Mr. Ishtiaq Ahmed	1,000	0.00%
	Mr. Aziz ul Haque	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%
		3,500	0.02%
2.3.2	Associated Companies, undertakings and related parties.		
	Dewan Motors (Private) Limited	4,746,259	22.18%
		4,746,259	22.18%
2.3.3	NIT and ICP	56,200	0.26%
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	59,500	0.28%
2.3.5	Insurance Companies	66,800	0.31%
2.3.6	Modarabas and Mutual Funds	-	0.00%
2.3.7	General Public		
	a. Local	15,761,170	73.65%
	b. Foreign	1,765	0.01%
		15,762,935	73.66%
2.3.8	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	704,806	3.29%
	TOTAL	21,400,000	100.00%

SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS

Dewan Abdul Baqi Farooqui	1,278,637	5.97%
Dewan Asim Mushfiq Farooqui	1,278,637	5.97%
Dewan Abdullah Ahmed Swaleh Farooqui	1,278,637	5.97%
Dewan Muhammad Zia Ur Rehman Farooqui	2,368,637	11.07%
Dewan Muhammad Yousuf Farooqui	3,702,637	17.30%
Dewan Motors (Pvt.) Limited	4,746,259	22.18%
	14,653,444	68.47%

سال کے دوران ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی کا ایک اجلاس منعقد ہوا، جس میں اراکین کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	شرکت کردہ اجلاسوں کی تعداد
عزیز الحق	۱
وسیم الحق انصاری	۱
سید مقبول علی	۱

آڈیٹر

موجودہ آڈیٹر، میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور اپنی دوبارہ تقرری کے لیے خود کو پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی سفارش کی ہے۔

نی حصص نقصان

نی حصص نقصان 2.37 روپے ہے (2025: 2.43 روپے)۔

ڈیویڈنڈ

سال کے نقصان کے ساتھ ساتھ جمع شدہ نقصانات کے باعث بورڈ نے کسی ڈیویڈنڈ کی سفارش نہیں کی۔

حصص داری کا انداز (Pattern of Shareholding)

30 جون 2026 تک کمپنی کی حصص داری کا انداز سالانہ رپورٹ میں شامل ہے۔

کمپنی کے حصص میں تجارت

سال کے دوران کسی ڈائریکٹر، ایگزیکٹو، ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی۔

اظہار تشکر

بورڈ کی جانب سے میں آپ، محترم حصص یافتگان، وفاقی اور صوبائی حکومتوں اور ان کے اہلکاروں، بینکوں، ترقیاتی مالیاتی اداروں، لیزنگ کمپنیوں، ڈیلرز، وینڈرز اور صارفین کا ان کی مسلسل معاونت اور سرپرستی پر شکریہ ادا کرتا ہوں۔
بورڈ زیر جائزہ سال کے دوران کمپنی کے ایگزیکٹوز، عملے کے اراکین اور کارکنان کی قیمتی خدمات، وفاداری اور کاوشوں کو بھی سراہتا ہے۔

اختتامیہ

آخر میں ہم عاجزی اور الحاح کے ساتھ رحمن و رحیم، سے، اس کے محبوب نبی ﷺ کے وسیلے سے، دعا گو ہیں کہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی برکتوں، رہنمائی، قوت، صحت اور خوشحالی کی مسلسل بارش فرمائے، اور پوری امت مسلمہ کو حقیقی اسلامی روح کے ساتھ امن، ہم آہنگی، بھائی چارے اور اتحاد سے نوازے۔ آمین، ثم آمین۔

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

استیقا احمد

وسیم الحق انصاری

چیف ایگزیکٹو آفیسر

چیرمین بورڈ آف ڈائریکٹرز

28 ستمبر 2026



بنیادی خطرات اور غیر یقینی صورتحال

کمپنی درج ذیل کو اہم خطرات سمجھتی ہے:

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

کمپنی مذکورہ خطرات اور غیر یقینی صورتحال سے نمٹنے اور ان کے اثرات کو کم کرنے کے لیے اندرونی اور بیرونی سطح پر کوشاں ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنے اسٹیک ہولڈرز، ملازمین اور ماحول کے مفادات کو مد نظر رکھتے ہوئے ذمہ داری کے ساتھ کاروبار کرنے کے عزم پر قائم ہے۔ فعال آپریشنز کے ادوار میں کمپنی نے نو بھرتی شدہ عملے کی مہارتوں اور صلاحیتوں کو بہتر بنانے کے لیے دوران ملازمت تربیت فراہم کرنے پر توجہ دی۔ کمپنی اپنے پلانٹ کے آس پاس رہنے والے پسماندہ افراد کو روزگار کے مواقع فراہم کرنے کی بھی کوشش کرتی ہے، تاکہ ان کے معیار زندگی میں بہتری آ سکے۔

کمپنی اپنے ملازمین کی صحت و سلامتی اور ماحولیاتی تحفظ کو خصوصی اہمیت دیتی ہے اور آپریشنز کی بحالی پر اپنی مینوفیکچرنگ سرگرمیوں سے متعلق تمام قابل اطلاق قوانین، قواعد و ضوابط کی تعمیل جاری رکھنے کا ارادہ رکھتی ہے۔ ملازمین کی صحت اور حفاظت کے تحفظ کے لیے مناسب اسٹینڈرڈ آپریٹنگ پروسیجرز برقرار رکھے گئے ہیں۔ کمپنی آس پاس کے علاقوں کی بہبود میں معاونت کے لیے بھی پر عزم ہے، جس میں جہاں قابل اطلاق ہو طبی سہولیات کی فراہمی شامل ہے۔

بورڈ آف ڈائریکٹرز متنوع علم رکھنے والے افراد پر مشتمل ہے جو اپنی بہترین صلاحیتوں کے ساتھ کمپنی کے مقاصد میں حصہ ڈالنے کی کوشش کرتے ہیں۔ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس منعقد ہوئے۔ ڈائریکٹرز کی حاضری درج ذیل رہی:

ڈائریکٹر کا نام	شرکت کردہ اجلاسوں کی تعداد
عزیز الحق	۶
وسیم الحق انصاری	۶
سید مقبول علی	۶
اشتیاق احمد	۶
محمد عرفان علی	۶
عبدالباسط	۶
محمود الحسن اصغر	۶
مومنہ گل	۱

آڈٹ کمیٹی تین اراکین پر مشتمل ہے، جو سب نان ایگزیکٹو ہیں۔ سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔

ڈائریکٹر کا نام	شرکت کردہ اجلاسوں کی تعداد
عزیز الحق	۴
اشتیاق احمد	۴
سید مقبول علی	۴

- کیش فلواور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- کمپنی کے حسابات کی مناسب کتابیں رکھی گئی ہیں۔
- 30 جون 2026 کو ختم ہونے والے سال کے مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینے معقول اور محتاط اندازوں پر مبنی ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی پیروی کی گئی ہے، سوائے ان انحرافات کے جو مالیاتی گوشواروں میں ظاہر کیے گئے ہیں۔
- اندرونی کنٹرول کا نظام ڈیزائن کے اعتبار سے مضبوط ہے اور اس پر مؤثر طریقے سے عمل درآمد اور نگرانی کی گئی ہے۔
- انتظامیہ نے کمپنی کی گورننگ کنسرن کی صلاحیت کے بارے میں اپنے خیالات کی تفصیل منسلک مالیاتی گوشواروں کے نوٹ 2 میں بیان کی ہے۔
- اسٹاک ایکسچینج آف پاکستان کے لسٹنگ ریگولیشنز میں بیان کردہ کارپوریٹ گورننس کی بہترین روایات سے کوئی مادی انحراف نہیں ہوا۔
- گزشتہ چھ سال کے اہم آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ رپورٹ کے ساتھ منسلک ہے۔
- تمام ٹیکس ادا کر دیے گئے ہیں اور کچھ بھی واجب الادا نہیں، سوائے اس کے جو آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 16 میں ظاہر کیا گیا ہے۔

بورڈ ایک آزاد ڈائریکٹر، ایک ایگزیکٹو اور پانچ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام درج ذیل ہیں:

- وسیم الحق انصاری
- اشتیاق احمد
- عبدالباسط
- سید مقبول علی
- محمود الحسن اصغر
- عزیز الحق
- محترمہ مومنہ گل

سال کے دوران ایک عارضی آسامی (casual vacancy) پیدا ہوئی جسے کمپنی کے بورڈ آف ڈائریکٹرز نے پُر کیا۔

صنعتی اجرت کا فرق (Gender Pay Gap)

SECP کے جینڈر پی گپ اسٹیٹمنٹ (سرکلر 10 آف 2024) کی تعمیل میں ہم رپورٹ کرتے ہیں کہ 30 جون 2026 کو ختم ہونے والے سال کے لیے، کمپنی کے غیر فعال ہونے کی وجہ سے، افرادی قوت صرف دو ملازمین پر مشتمل تھی، اور دونوں مرد ہیں۔ لہذا چونکہ سال کے دوران کوئی خاتون ملازم پے رول پر نہیں تھی، اوسط (mean) اور وسطانی (median) صنعتی اجرت کے فرق کا حساب قابل اطلاق نہیں ہے۔

کمپنی کی بنیادی سرگرمیاں

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر قائم ہے اور پاکستان اسٹاک ایکسچینج میں درج ہے۔ کمپنی کی بنیادی سرگرمی بنیادی طور پر پاکستان میں ٹریڈرز، ہلکی کمرشل گاڑیوں اور موٹر سائیکلوں کی تیاری، اسمبلنگ، تجارت اور فروخت ہے۔ یہ متعلقہ پرزہ جات اور آلات (implements) کی تجارت اور تیاری بھی کرتی ہے۔



ہماری سسٹر کنسرن کی جانب سے گاڑیوں کی پیداوار کی بحالی نے کمپنی کے لیے ماضی کی طرح پرزہ جات کی فراہمی دوبارہ شروع کرنے کا موقع پیدا کیا ہے۔ تاہم ورکنگ کیپیٹل کی مسلسل کمی کمپنی کو اپنی سرگرمیاں دوبارہ شروع کرنے اور فروخت کے اہداف حاصل کرنے سے روک رہی ہے۔ توقع ہے کہ مناسب ورکنگ کیپیٹل دستیاب ہونے پر آپریشنز بحال ہو جائیں گے۔

مستقبل کا منظر نامہ

انتظامیہ کمپنی کی ورکنگ کیپیٹل ضروریات پوری کرنے اور مینوفیکچرنگ سرگرمیوں کی بحالی کے لیے درکار فنڈنگ کا انتظام کرنے کی کوششیں جاری رکھے ہوئے ہے۔ منظر نامہ مثبت ہے، کیونکہ ضروری مالی وسائل کے حصول سے کمپنی اپنے آپریشنز بحال کر سکے گی اور سسٹر کنسرن کو اپنی مصنوعات کی فراہمی سے پیدا ہونے والے کاروباری موقع سے فائدہ اٹھا سکے گی۔

آڈیٹرز کی رپورٹ میں مشاہدہ

آڈیٹرز نے آڈیٹرز کی رپورٹ کے "منفی رائے کی بنیاد" (basis of adverse opinion) کے تحت پیرا (a) اور (b) میں مذکور معاملات کی اہمیت کی وجہ سے رپورٹ کو مشروط (qualified) قرار دیا ہے۔

جاری کاروباری مفروضہ

یہ مالیاتی گوشوارے "گوئیٹنگ کنسرن" (going concern) کی بنیاد پر تیار کیے گئے ہیں، کیونکہ انتظامیہ کے نزدیک کمپنی کو درپیش موجودہ حالات وقتی ہیں اور وہ توقع رکھتی ہے کہ ورکنگ کیپیٹل کی دستیابی اور کمپنی کے آپریشنز کی بحالی کے بعد ان میں بہتری آجائے گی۔ کمپنی نے تمام بینکوں اور مالیاتی اداروں کے ساتھ اپنی واجب الادا ذمہ داریاں ادا کر دی ہیں اور توقع کرتی ہے کہ اپنے آپریشنز کی بحالی کے لیے درکار ورکنگ کیپیٹل سہولیات حاصل کر لے گی۔ انتظامیہ کو پورا یقین ہے کہ کمپنی قریب مستقبل میں اپنے آپریشنز دوبارہ شروع کر دے گی، اور اسی بنا پر مالیاتی گوشوارے گوئیٹنگ کنسرن کی بنیاد پر تیار کیے گئے ہیں۔ ان امور کی صورت حال کو آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 2 میں مکمل طور پر ظاہر کر دیا گیا ہے۔

پراپرٹی، پلانٹ اور آلات کی دوبارہ تشخیص قدر (Revaluation) نہ ہونا

IAS-16 کے مطابق پراپرٹی، پلانٹ اور آلات کی دورانیہ وار دوبارہ تشخیص قدر کمپنی کی محدود ورکنگ کیپیٹل پوزیشن کے باعث نہیں کی جاسکتی۔ چونکہ کمپنی کے آپریشنز کئی برسوں سے معطل ہیں، اس لیے فنڈز کی محدود دستیابی کے پیش نظر باقاعدہ تشخیص کی بھاری لاگت برداشت کرنا غیر دانشمندانہ سمجھا گیا۔ کمپنی کا ارادہ ہے کہ مطلوبہ سرمایہ حاصل ہونے کے بعد اپنے اثاثوں کی جامع دوبارہ تشخیص قدر کرے گی اور ان کی مارکیٹ کی منصفانہ قدریں تسلیم کرے گی۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ کا فریم ورک

ڈائریکٹرز یہ بیان کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے مطلوبہ کوڈ آف کارپوریٹ گورننس کی دفعات کی تعمیل کر رہی ہے۔

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

- کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے، جو 30 جون 2026 کو ختم ہونے والے سال کے لیے ہیں، کمپنی کے معاملات کی صورتحال، آپریشنز کے نتائج،

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 انجینئرنگ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2026 کو ختم ہونے والے سال کے لیے کمپنی کی سالانہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں، اور آپ کو 44 ویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں۔

زیر جائزہ معیشت

مالی سال 2025-26 کے دوران پاکستان کی معیشت میں استحکام کا سلسلہ جاری رہا۔ حقیقی جی ڈی پی میں 3.7 فیصد اضافہ ہوا اور فی کس آمدنی بڑھ کر 1,901 امریکی ڈالر ہو گئی۔ بیرونی پوزیشن مضبوط ہوئی؛ سال کے اختتام تک اسٹیٹ بینک کے زرمبادلہ کے ذخائر تقریباً 16.5 ارب امریکی ڈالر اور مجموعی لیکوئڈ ذخائر تقریباً 22.0 ارب امریکی ڈالر تک پہنچ گئے۔ پاکستان آئی ایم ایف پروگرام کے تحت بھی درست سمت میں رہا، جبکہ بہتر مالی اور بیرونی حالات نے بین الاقوامی اعتماد میں اضافہ کیا۔ تاہم اوسط سی پی آئی مہنگائی بڑھ کر 7.05 فیصد ہو گئی اور سال کے اختتام کی جانب اس میں تیزی آئی، جس کے باعث اسٹیٹ بینک نے پالیسی ریٹ کو 10.5 فیصد تک کمی کے بعد دوبارہ بڑھا کر 11.5 فیصد کر دیا۔ مجموعی طور پر مالی سال 2025-26 معتدل معاشی بحالی اور مضبوط بیرونی ذخائر کا سال رہا، جبکہ مہنگائی کا دباؤ، قرضوں کی ادائیگی کے تقاضے اور ساختی کمزوریاں بدستور اہم چیلنج رہیں۔

صنعت کا جائزہ

مالی سال 2026 میں پاکستان کی آٹو انڈسٹری نے مضبوط بحالی دکھائی، جس کی وجہ مسافر کاروں کی پیداوار میں 56.1 فیصد اضافہ اور کمرشل گاڑیوں کی پیداوار میں 89.4 فیصد اضافہ تھا۔ اس نمو کو مہنگائی میں کمی، کم شرح سود اور آٹو فنانسنگ کی بحالی نے سہارا دیا۔ علاوہ ازیں، حکومت نے نئی آٹو انڈسٹری پالیسی (2026-31) متعارف کرائی، جس میں سادہ چار درجاتی ٹیرف ڈھانچہ، گاڑیوں کی ڈیلیوری میں تاخیر پر سخت جرمانے، اور مقامی سطح پر الیکٹرک گاڑیوں (EV) کی تیاری کو فروغ دینے کے لیے بھرپور ٹیکس مراعات شامل ہیں۔

کمپنی کی کارکردگی

مالیاتی جائزہ

سال کی مالی کارکردگی کا خلاصہ، تقابلی اعداد و شمار کے ساتھ، درج ذیل ہے:

2025 (روپے ہزاروں میں)	2026 (روپے ہزاروں میں)	
--	--	مجموعی فروخت
(13,249)	(11,583)	مجموعی (نقصان)
(21,053)	(16,687)	آپریٹنگ (نقصان)
(51,943)	(50,622)	ٹیکس کے بعد خالص (نقصان)



ڈی) مالی گوشواروں کی الیکٹرانک ترسیل

ایس ای سی پی نے اپنے نوٹیفکیشن نمبر SRO 389(1)/2023 بتاریخ 21 مارچ، 2023 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 جی 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۔

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) آدم 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 24 اکتوبر، 2026 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 نچ ہٹل روڈ کراچی میں کمپنی سیکرٹری کے نام پر اپنی درخواست ارسال کر کے خود رجسٹرڈ کر سکتے ہیں۔

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

جی) فزیکل شیئرز کی بک انٹری (CDC اکاؤنٹ) فارم میں منتقلی

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام لسٹڈ کمپنیوں کے لیے ضروری ہے کہ وہ کمپنیز ایکٹ 2017 کے نفاذ کی تاریخ سے چار سال کے اندر فزیکل شیئرز کو بک انٹری فارم میں منتقل کریں۔ ایس ای سی پی کی طرف سے جاری کردہ مراسلہ نمبر CSD/ED/Misc/2016-639-640 بتاریخ 26 مارچ 2021 کی تعمیل میں تمام شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو بک انٹری فارم میں منتقل کریں تاکہ کمپنیز ایکٹ 2017 کی شتوں کی تعمیل ہو۔ شیئرز ہولڈرز فزیکل شیئرز کی بک انٹری فارم میں منتقلی کے عمل کو سمجھنے اور اس کے فوائد کے بارے میں جاننے کے لیے کمپنی کے شیئرز رجسٹرار سے رابطہ کر سکتے ہیں۔

ایچ) کوائف کی تبدیلی

حصص یافتگان سے درخواست ہے کہ اپنے رجسٹرڈ ڈاک کے پتے میں کسی تبدیلی کے متعلق کمپنی کے شیئرز رجسٹرار کاروباری ادارے کی صورت میں شیئرز ہولڈرز سے درخواست ہے کہ اپنے مجاز نمائندے کے کو بروقت مطلع کر دیں۔ کوائف میں کسی تبدیلی سے متعلق مطلع کریں، اگر قابل اطلاق ہو۔

آئی) تحائف کی تقسیم پر پابندی

ایس ای سی پی کی طرف سے جاری کردہ ہدایت نامہ SRO 452(I)/2025 مورخہ 17 مارچ 2025 کے مطابق کمپنی تمام شیئرز ہولڈرز کو مطلع کرنا چاہتی ہے کہ اجلاس عام میں کوئی تحائف تقسیم نہیں کیے جائیں گے۔

نوٹس برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا کو مطلع کیا جاتا ہے کہ دیوان آٹوموٹیو انجینئرنگ لمیٹڈ کا 44 واں سالانہ اجلاس عام بروز پیر 26 اکتوبر، 2026 سے پہر 04:00 بجے دیوان سینٹ فیکٹری سائٹ، دیہہ گھر، دھانیچی، ضلع ملیر، کراچی میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1. جمعہ 02 جنوری، 2026 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام کی کارروائی کی توثیق۔
2. 30 جون، 2026ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
3. 30 جون، 2027ء 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۔

بحکم بورڈ



محمد حنیف جرمن
کمپنی سیکرٹری

کراچی

28 ستمبر، 2026

نوٹس:

الف) کمپنی کی حصص منتقلی کی کتب 19 اکتوبر، 2026 سے 26 اکتوبر، 2026 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 دارالمان سوسائٹی، مرکزی شاہراہ فیصل، نزد بلوچ کالونی پل، کراچی پاکستان میں موصول ہونیوالی منتقلیاں اجلاس میں شرکت اور رائے دہی کیلئے بروقت سمجھی جائیں گی۔

بی) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر 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

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*Mobile apps are also available for download from website and App Store.

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 44th Annual General Meeting of the Company to be held on Monday,
 October 26, 2026 at 04:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2026.

AFFIX
REVENUE
STAMP
RS. 5/-

Signature _____

Witness: _____
 Signature

Name: _____
 Address: _____

Witness: _____
 Signature

Name: _____
 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.

**YD**

A YOUSUF DEWAN COMPANY

پراکسی فارم

چوالیسویں (44) سالانہ جنرل میٹنگ

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئرز ٹرانسفر ایجنٹ کے آفس میں ضرور جمع کروائیں، بی ایم ایف کنسلٹنٹ (پرائیویٹ) لمیٹڈ، انکم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی-75350، پاکستان۔ میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم _____ کا (مکمل پتہ)

بحیثیت ممبر دیوان آٹوموٹیو انجینئرنگ لمیٹڈ _____

حصص کے مالک، رجسٹرڈ فلیو نمبر / سی ڈی سی آئی ڈی اور کھاتہ نمبر _____

کا میں تقرر کرتا / کرتی ہوں _____

جو بذات خود بھی دیوان آٹوموٹیو انجینئرنگ لمیٹڈ کا ممبر ہے، بحیثیت رجسٹرڈ فلیو نمبر۔ سی ڈی سی _____

آئی ڈی، اور کھاتہ نمبر۔ _____ میری / ہماری موجودگی کی صورت میں کمپنی کے سالانہ اجلاس عام میں

میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ 2026 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

دستخط۔ _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____

نوٹ:

1. کوئی بھی شخص / خاتون اس وقت پراکسی کے طور پر کام کرے گا / گی جبکہ وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے جو کمپنی کا رکن نہ ہو۔
2. کوئی بھی شخص جو کہ کمپنی کا ممبر ہو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کا اہل ہو گا / ہو گی یا اپنی جگہ کسی اور فرد کو اجلاس میں شرکت اور ووٹ کاسٹ کرنے کے لئے مقرر کر سکے گا۔
3. یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے رجسٹرڈ آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہو جانا چاہیئے۔
4. ہدایات برائے CDC اکاؤنٹ ہولڈرز:

- i) اگر کوئی تنہا رکن اکاؤنٹ ہولڈر / سب اکاؤنٹ ہولڈر اور / یا ایسا شخص جسکی کسی بھی سیکیورٹی گروپ کا اکاؤنٹ ہولڈر ہو اور جس نے اپنی معلومات مکمل طور پر رجسٹرار کے پاس جمع کروائی ہوں وہ شخص اوپر دی گئی ہدایات کی روشنی میں پراکسی ہو سکتا / ہو سکتی ہے۔
- ii) پراکسی فارم پر دو افراد جن کے نام اور CNIC نمبر بمعہ پتے کے موجود ہوں بطور گواہ ضروری ہیں۔
- iii) حصص یافتگان اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
- iv) اجلاس کے وقت پراکسی اپنا اصل CNIC یا پاسپورٹ پیش کرے گا۔
- v) کارپوریٹ ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کا ریذولوشن / پاور آف اٹارنی بمعہ دستخطوں کے نمونے جمع کرانا ہوں گے۔ (اگر پہلے فراہم نہ کئے گئے ہوں)

DEWAN AUTOMOTIVE ENGINEERING LIMITED