YD | A YOUSUF DEWAN COMPANY

Quarterly Report
September 2026



DEWAN AUTOMOTIVE ENGINEERING LIMITED

YD | A YOUSUF DEWAN COMPANY

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COMPANY INFORMATION

Board of Directors		
	Executive Directors	
	Ishtiaq Ahmed	Chief Executive Officer
	Non-Executive Directors	
	Syed Maqbool Ali	Chairman Board of Directors
	Waseem-Ul-Haq Ansari	
	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
	Waseem-Ul-Haq Ansari	Member
Human Resource & Remuneration Committee	Aziz-ul Haque	Chairman
	Syed Maqbool Ali	Member
	Ishtiaq Ahmed	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	
Legal Advisor	Abbas & Atif Law Associates	
Website	www.yousufdewan.com	

DIRECTORS' REPORT

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

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements for the period ended 30th September 2026.

Overview

Pakistan's economy maintained external stability, with SBP reserves reaching US$21.4 billion and the policy rate held at 11.5% in September 2026. Average CPI inflation rose to 10.20% in Q1 FY27, while the SBP projected GDP growth of 3.5-4.5%, subject to global commodity-price and geopolitical risks. Passenger-car sales increased 42.8% year-on-year in Q1 FY27 but fell 9.8% in September to 10,939 units amid uncertainty over taxation and auto policy. Meanwhile, two- and three-wheeler sales rose 27% year-on-year to a record 202,502 units.

Financial Overview

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

	September 2026	**September 2025**
	(Rupees in '000)	
Sales – Net	**--**	--
Gross (loss)	**(2,599)**	(3,015)
(Loss) after taxation	**(2,943)**	(12,831)

The sister concern, the Company's previous customer, has resumed operations. However, the Company's recommencement of operations and achievement of sales targets is currently constrained by insufficient working capital. Production will commence once the required funding is arranged.

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
Chief Executive Officer

Syed Maqbool Ali
Chairman Board of Directors

Karachi: 27 October 2026

DEWAN AUTOMOTIVE ENGINEERING LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS ON 30 SEPTEMBER 2026

	Notes	30 Sep 2026 (Unaudited)	30 Jun 2026 (Audited)
		------- (Rupees in '000) -------	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	**154,585**	157,350
Long term deposit		**503**	503
Available for sale investment	7	**10,454**	10,454
		165,542	168,307
CURRENT ASSETS			
Stock in trade		**--**	--
Trade debts		**--**	--
Advances and other receivables		**3,564**	3,098
Advance income tax - Net		**2,928**	2,928
Bank balances		**1**	95
		6,493	6,121
		172,035	**174,428**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
21,800,000 (2026: 21,800,000) Ordinary shares of Rs.10/- each		**218,000**	218,000
Issued, subscribed and paid-up share capital		**214,000**	214,000
Capital reserve			
Merger reserve		**82,090**	82,090
Settlement claim from Ford Motors		**86,194**	86,194
Surplus on revaluation of property, plant and equipment	8	**47,630**	48,412
Revenue reserves			
General reserve		**9,900**	9,900
Accumulated losses		**(2,069,932)**	(2,067,771)
		(1,630,118)	(1,627,175)
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	9	**--**	--
Deferred taxation	10	**17,984**	18,304
		17,984	18,304
CURRENT LIABILITIES			
Current portion of long term loan from sponsor	9	**354,200**	354,200
Trade and other payables		**382,641**	381,771
Short term finance		**154,879**	154,879
Accrued mark-up		**892,449**	892,449
		1,784,169	1,783,299
CONTINGENCIES AND COMMITMENTS	11	**--**	--
		172,035	**174,428**

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

Muhammad Farooq Khan	**Ishtiaq Ahmed**	**Syed Maqbool Ali**
Chief Financial Officer	Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UN-AUDITED)

	Notes	Quarter Ended 30 Sep 2026	30 Sep 2025
		------- (Rupees in '000) -------	
Sales - Net		**--**	--
Cost of sales		**(2,599)**	(3,015)
Gross (loss)		**(2,599)**	(3,015)
Operating expenses			
Administrative expenses		**(1,087)**	(1,332)
Other expenses		**--**	--
		(1,087)	(1,332)
Operating (loss)		**(3,686)**	(4,347)
Other income	12	**423**	423
Finance cost	13	**--**	(9,254)
(Loss) before taxation		**(3,263)**	(13,178)
Taxation - Net		**320**	347
(Loss) for the period		**(2,943)**	**(12,831)**
(Loss) per share - Basic and diluted (Rupees)	14	**(0.14)**	(0.60)

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

Muhammad Farooq Khan
Chief Financial Officer

Ishtiaq Ahmed
Chief Executive Officer

Syed Maqbool Ali
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UN-AUDITED)

	Notes	Quarter Ended 30 Sep 2026	30 Sep 2025
		------- (Rupees in '000) -------	
(Loss) for the period		**(2,943)**	(12,831)
Other comprehensive income for the period:		**--**	--
Total comprehensive (loss) for the period		**(2,943)**	**(12,831)**

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

Muhammad Farooq Khan
Chief Financial Officer

Ishtiaq Ahmed
Chief Executive Officer

Syed Maqbool Ali
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UN-AUDITED)

	Notes	Quarter Ended 30 Sep 2026	30 Sep 2025
		------- (Rupees in '000) -------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) before taxation		**(3,263)**	(13,178)
Adjustment for non cash charges and other items			
Depreciation		**2,765**	3,016
Impairment / (reversal) of impairment on investment in associate		**--**	--
Unwinding of discount		**--**	9,254
Finance cost		**--**	--
Cash flows before working capital changes		**(498)**	(908)
Working capital changes			
(increase)/decrease in current assets		**--**	--
Advances		**(466)**	(151)
Increase/(decrease) in current liabilities			
Trade and other payables		**870**	1,232
		404	1,081
Net cash generated from operations		**(94)**	173
Payments for:			
Finance cost		**--**	--
Income tax		**--**	--
Net cash (outflows) / inflows from operating activities		**(94)**	173
CASH FLOWS FROM INVESTING ACTIVITIES		**--**	--
CASH FLOWS FROM FINANCING ACTIVITIES		**--**	--
Net cash inflows from financing activities		**--**	--
Net (decrease) / increase in cash and cash equivalents		**(94)**	173
Cash and cash equivalents at the beginning of the period		**95**	130
Cash and cash equivalents at the end of the period		**1**	**303**

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

Muhammad Farooq Khan	**Ishtiaq Ahmed**	**Syed Maqbool Ali**
Chief Financial Officer	Chief Executive Officer	Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2026 (UN-AUDITED)

	Issued, subscribed and paid-up share capital	Capital reserves				Revenue reserves			Total
		Merger reserve	Settlement claim from Ford Motors	Surplus on revaluation of property, plant and equipment	Total capital reserves	General reserve	Accumulated losses	Total revenue reserves	
	---------- (Rupees in '000) ----------								
Balance as on 1 July 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	--	--	--	--	--	--	(12,831)	(12,831)	(12,831)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive (loss) for the period	--	--	--	--	--	--	(12,831)	(12,831)	(12,831)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	(850)	(850)	--	850	850	--
Balance as at 30 September 2025	**214,000**	**82,090**	**86,194**	**50,960**	**219,244**	**9,900**	**(2,032,528)**	**(2,022,628)**	**(1,589,384)**
Balance as on 1 July 2026	214,000	82,090	86,194	48,412	216,696	9,900	(2,067,771)	(2,057,871)	(1,627,175)
(Loss) for the year	--	--	--	--	--	--	(2,943)	(2,943)	(2,943)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive (loss) for the period	--	--	--	--	--	--	(2,943)	(2,943)	(2,943)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	(782)	(782)	--	782	782	--
Balance as at 30 September 2026	**214,000**	**82,090**	**86,194**	**47,630**	**215,914**	**9,900**	**(2,069,932)**	**(2,060,032)**	**(1,630,118)**

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

Muhammad Farooq Khan
Chief Financial Officer

Ishtiaq Ahmed
Chief Executive Officer

Syed Maqbool Ali
Director

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.

2 GOING CONCERN ASSUMPTION

The Company incurred a net loss of Rs.2.943 million during the period ended 30 September 2026 (September 2025: Rs. 12.831 million) and as of that date it has accumulated losses of Rs. 2,069.932 million (2026: Rs. 2,067.771 million) which have resulted in net capital deficiency of Rs. 1,630.118 million (2026: Rs. 1,627.175 million) and its current liabilities exceeded its current assets by Rs. 1,777.676 million (2026: Rs.1,777.178 million) and total assets by Rs. 1,612.134 million (2026: Rs. 1,608.871 million). The Company has been unable to ensure payments to the creditors due to the liquidity problems. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. therefore the Company may not be able to realize its assets and discharge its liabilities in normal course of business.

However, these condensed interim financial statements have been prepared 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 These condensed interim financial statements of the Company for the quarter ended 30 September 2025 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2026.

3.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 30 September 2026 and 30 September 2025 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the quarters ended 30 September 2026 and 30 September 2025.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2026.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the condensed interim financial statements for the year ended 30 June 2026.

		(Un-audited) 30 September 2026	(Audited) 30 June 2026
		------- (Rupees in '000) -------	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - At cost / revaluation less accumulated depreciation	6.1	154,585	157,350

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

Opening carrying value	157,350	169,417
Depreciation charged during the period / year	(2,765)	(12,067)
Closing carrying value	154,585	157,350

7 AVAILABLE FOR SALE INVESTMENT

Investment in associated company		
Dewan Mushtaq Trade Limited (Public, unquoted company)		
4,000,000 (2026: 4,000,000) Ordinary shares of Rs.10/- each	40,000	40,000
Accumulated provision for impairment loss	(29,546)	(29,546)
	10,454	10,454

7.1 Since this investment is in unquoted company therefore this is measured at cost less accumulated impairment because the fair value can not be measured reliably.

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

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at 1 July	48,412	51,810
Incremental deprecation charged on related assets during the period - Net of tax	(782)	(3,398)
	47,630	48,412

9 LONG TERM LOAN - Unsecured

From sponsor - At amortized cost			
Opening balance	9.1	354,200	354,200
Accumulated present value adjustment		(266,691)	(266,691)
Accumulated interest charged to profit or loss		266,691	266,691
		354,200	354,200
Less: Current portion of long term loan - Shown under current liabilities		(354,200)	(354,200)
		--	--

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

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

	(Un-audited) 30 September 2026	(Audited) 30 June 2026
	------- (Rupees in '000) -------	
10 DEFERRED TAXATION		
Deferred tax liability arising out of surplus on revaluation of property plant and equipment	17,984	18,304

10.1 The Company has not recognized deferred tax asset amounting to Rs.228.200 million (2026: Rs.227.249 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 condensed interim financial statements relates to the surplus on revaluation of property, plant and equipment only.

11 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at reporting date.

	Quarter Ended 30 Sep 2026	30 Sep 2025
	------- (Rupees in '000) -------	
12 OTHER INCOME		
Rental income	422	422
Interest income on saving account	1	1
	423	423
13 FINANCE COST		
Unwinding of discount	--	8,287
Bank charges	--	--
	--	8,287
14 LOSS PER SHARE - Basic and diluted		
Loss after taxation attributable to ordinary shareholders	(2,943)	(12,831)
	------ (Number of shares) ------	
Weighted average number of ordinary shares outstanding during the period	21,400,000	21,400,000
	---------- (Rupees) ----------	
Loss per share - Basic	(0.14)	(0.60)

15 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The transaction with associated companies are in the normal course of business and have been entered on an arm's length basis. The remuneration paid to chief executive, directors, executive and key management personnel were in terms of their employment. 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	30 Sep 2026	30 Sep 2025
				(Rupees '000)	
Dewan Mushtaq Motors Company (Pvt) Ltd	Group Company	--	Rental Income	272	272
Dewan Motorcycle and Engineering (Pvt)	Group Company	--	Rental Income	150	150

16 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

16.1 Financial risk factors

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

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

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

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

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

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

17 CORRESPONDING FIGURES

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

18 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **27 October 2026** in accordance with the resolution by the Board of Directors of the Company.

19 GENERAL

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

Muhammad Farooq Khan	**Ishtiaq Ahmed**	**Syed Maqbool Ali**
Chief Financial Officer	Chief Executive Officer	Director

ڈائریکٹرز رپورٹ

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

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

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2026 کو ختم ہونے والی مدت کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

جائزہ

پاکستان کی معیشت نے بیرونی استحکام برقرار رکھا، جہاں اسٹیٹ بینک کے ذخائر 21.4 ارب امریکی ڈالر تک پہنچ گئے اور ستمبر 2026 میں پالیسی ریٹ 11.5 فیصد پر برقرار رکھا گیا۔ مالی سال 2027 کی پہلی سہ ماہی میں اوسط CPI مہنگائی بڑھ کر 10.20 فیصد ہو گئی، جبکہ اسٹیٹ بینک نے جی ڈی پی کی شرحِ نمو 3.5 تا 4.5 فیصد رہنے کا تخمینہ لگایا، جو عالمی اجناس کی قیمتوں اور جغرافیائی و سیاسی خطرات سے مشروط ہے۔ مالی سال 2027 کی پہلی سہ ماہی میں مسافر کاروں کی فروخت سال بہ سال 42.8 فیصد بڑھی، تاہم ٹیکس اور آٹو پالیسی سے متعلق غیر یقینی صورتحال کے باعث ستمبر میں 9.8 فیصد کمی کے ساتھ 10,939 یونٹس رہ گئی۔ دریں اثنا، دو اور تین پہیوں والی گاڑیوں کی فروخت سال بہ سال 27 فیصد بڑھ کر ریکارڈ 202,502 یونٹس تک پہنچ گئی۔

مالیاتی جائزہ

زیرِ جائزہ مدت کے دوران مالیاتی کارکردگی حسبِ ذیل ہے:

تفصیل	ستمبر 2026	ستمبر 2025
فروخت—خالص	--	--
مجموعی (خسارہ)	(2,599)	(3,015)
(خسارہ) بعد از ٹیکس	(2,943)	(12,831)

اگرچہ ہماری متعلقہ کمپنی، جسے ہم پہلے پرزے فراہم کرتے تھے، دوبارہ فعال ہو چکی ہے، ہم اس وقت سرمایۂ کار کی شدید کمی کے باعث عملی طور پر محدود ہیں۔ یہ مجبوری ہمارے آپریشنز کے آغاز اور فروخت کے اہداف کے حصول میں ایک نمایاں رکاوٹ ہے۔ سرمایۂ کار کی فراہمی کے فوراً بعد ہم پیداوار شروع کرنے کے لیے مکمل طور پر تیار ہیں۔

اختتامیہ

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

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

سید مقبول علی

چیئرمین بورڈ آف ڈائریکٹرز

اشتیاق احمد

چیف ایگزیکٹو آفیسر

کراچی: 27 اکتوبر 2026