

Half Yearly Report

December 2024



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COMPANY INFORMATION

Board Of Directors

Executive Director

Mr. Waseem-ul- Haque Ansari

Chief Executive Officer

Non-Executive Directors

Mr. Ghazanfar Baber Siddiqi

Chairman Board of Directors

Mr. Mehmood-ul-Hassan Asghar

Mr. Abdul Basit

Mr. Muhammad Hanif German

Mrs. Nida Jamil

Female Director

Independent Director

Mr. Aziz-ul-Haque

Audit Committee

Mr. Aziz-ul-Haque

Chairman

Mr. Ghazanfar Baber Siddiqi

Member

Mr. Abdul Basit

Member

Human Resource & Remuneration Committee

Mr. Aziz-ul-Haque

Chairman

Mr. Waseem-ul- Haque Ansari

Member

Mr. Abdul Basit

Member

Chief Financial Officer

Mr. Muhammad Farooq Khan

Company Secretary

Mr. Muhammad Hanif German

Registered Office

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

Factory

Jilaniabad, Budhu Talpur, District Sajawal, Sindh.

Auditors

Faruq Ali & Co., Chartered Accountants

Legal Advisors

A.K. Brohi & Co.

Shares Registrar / Transfer Agent

BMF Consultants Pakistan (Pvt.) Limited

Bankers

Allied Bank Limited

JS Bank Limited

Askari Bank Limited

MCB Bank Limited

Bank Alfalah Limited

Meezan Bank Limited

Bank Islami Pakistan Limited

National Bank of Pakistan

Bank Makramah Limited

United Bank Limited

Bank of Khyber

Standard Chartered Bank

BankIslami Pakistan Limited

The Bank of Punjab

Dubai Islamic Bank Limited

U Microfinance Bank Limited.

Faysal Bank

UBL Ameen Islamic Banking

Habib Bank Limited

Saudi Pak Industrial and Agricultural

Investment Company Limited

DIRECTORS' REPORT

The Board of Directors is pleased to present the unaudited condensed interim financial statements for the half-year ended 31st December 2024.

Economic Overview

In late 2024 and early 2025, Pakistan's economy showed strong signs of recovery as inflation dropped sharply to 4.1% by December. With prices stabilizing and economic growth on track to hit the higher end of the SBP's 2.5% to 3.5% target, the central bank aggressively slashed interest rates by a total of 10 percentage points, lowering the benchmark rate from 22% down to 12% by January 2025, to make loans cheaper and encourage business activity. The current account recorded a cumulative surplus of about USD 1.2 billion in first half of the fiscal year, supported by stronger exports and remittances. Together with the ongoing IMF programme, this strengthened fiscal stability and investor confidence.

Automotive Industry Performance

Lower financing costs and macroeconomic stability lifted local sales of cars, jeeps and pickups (PAMA members) by 54% to 60,676 units in the first half of the year. Sales of 1300cc and above vehicles rose 66% to 20,491 units. Jeeps and pickups rose 61% to 14,174 units, and truck sales rose 89% to 1,494 units. Used car imports were reported to have risen 4% to 17,170 units. Local production capacity is still underutilised, at roughly 40% by industry estimates.

Company's Performance

During the period under review, the financial performance of the Company along with the comparative figures is as follows.

	31 December 2024	31 December 2023
	(Rupees in million)	
Gross Sales	488.116	0.030
Gross loss	(123.255)	(94.372)
Net loss after tax	(232.408)	(140.256)

During the half year under review, the Company achieved a major operational turnaround, driven by the rollout of our specialized KIA Commercial Vehicle lineup, featuring the King Cabin and Crew Cabin variants, alongside EV toll manufacturing of the "Honri-VE" for Eco-Green Motors Limited.

While top-line performance saw significant growth, sales remained constrained by broader market demand challenges. Unabsorbed fixed plant overheads during the initial capacity ramp-up, combined with commercial launch and administrative expenses, impacted bottom-line margins.

Management is actively focused on optimizing plant efficiency, streamlining operational procedures, and executing targeted marketing strategies to capitalize on early macroeconomic recovery and easing interest rates.

Observations in the Auditors' Review Report

The auditors have qualified their report on the following basis, which are duly explained.

a) Non-Provisioning of Markup:

The management approached its lenders for restructuring of its debts and is confident that the Company's restructuring proposals without markup will be accepted by the financial institutions / Banks. Therefore, the Company has not made any provision of mark-up as the same will not be payable as per the proposed restructuring terms and this reflects present commercial reality of financial position of the Company.

b) Emphasis of matter on Going concern assumption:

The Board remains fully committed to the Company's continued operations and growth. The production of the KIA Shehzore in three variants, along with the assembly of the Honri-VE 2.0 and 3.0 electric vehicles, has allowed the Company to generate revenue and open up new business opportunities.

While the auditors have drawn attention to past losses and cash flow pressures, these arose mainly during the periods when operations were suspended. The Company is actively addressing these matters through a range of measures, and the Board firmly believes these conditions are temporary and will reverse over time. Once the restructuring of existing debt is finalized and new vehicle models are introduced, the Board is confident that the Company will be able to secure working capital lines and move toward stable, profitable, and sustainable growth.

Conclusion

In conclusion, we bow, beg and pray to Almighty, Rehman-o-Rahim, in the name of his beloved Prophet, peace be upon him, for continued showering of His blessing, guidance, strength, health and prosperity to us, our Company, country and nation and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to whole of Muslim Ummah, Ameen, Summa Ameen.

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)



Waseem ul Haq Ansari
Chief Executive



Ghazanfar Babar Siddiqui
Chairman Board of Director

Karachi: **23 October 2026**

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dewan Farooque Motors Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dewan Farooque Motors Limited ('the Company') as at 31 December 2024, the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (hereinafter referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

Scope of review

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

Basis for qualified conclusion

The Company has not made provisions of mark-up for the six-month period amounting to Rs. 366.962 million (up to 31 December 2024: Rs. 9.681 billion) (refer Note 11) on account of the restructuring proposal offered to the lenders as described in Note 2 to the condensed interim financial statements. We do not concur with management's view regarding the non-provisioning of mark-up. Accordingly, provision for mark-up should have been recognized in these condensed interim financial statements. Had the provision of markup been made in the condensed interim financial statement, the profit for the period would have been lower by Rs.366.962 million and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.9.681 billion.

Qualified conclusion

Based on our review, except for the matter described in the Basis for Qualified Conclusion section, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the condensed interim financial statements, which describes the material uncertainty related to going concern. Our conclusion is not modified in respect of this matter.

Note 2 to the condensed interim financial statements indicates a loss after taxation of Rs. 232.408 million and accumulated losses of Rs. 5.320 billion as at 31 December 2024. As of that date, current liabilities exceeded current assets by Rs. 5.672 billion. Further, the Company has been unable to ensure timely repayments of debts owing to financial institutions, following course most of the lenders have gone into litigation for recovery of their liabilities through attachment and sale of the Company's hypothecated / mortgaged properties. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The amounts reported in Note 2 do not include the effect of the matter described in the Basis for Qualified Conclusion section.

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

**CHARTERED ACCOUNTANTS****Place: Karachi****Dated: 26 October 2026****UDIN: RR202410178IbITHKBZr**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Notes	31 December 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,036,381	1,030,042
Intangible assets		3,716	4,413
Investment	7	721,363	761,521
		1,761,460	1,795,976
CURRENT ASSETS			
Stores and spares		65,801	68,176
Stock-in-trade		1,078,267	889,278
Trade debts - Considered good		672	672
Advances, deposits, prepayments and other receivables - Considered good		1,054,579	1,037,786
Taxation - Net		23,245	26,934
Cash and bank balances		151,051	144,862
		2,373,615	2,167,708
		4,135,075	3,963,684
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
150,000,000 (2024: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up share capital		1,387,353	1,387,353
Accumulated losses		(5,319,648)	(5,087,240)
		(3,932,295)	(3,699,887)
NON-CURRENT LIABILITIES			
Long term loans - secured		--	--
Long term security deposits		17,700	16,800
Deferred liabilities		4,231	4,231
		21,931	21,031
CURRENT LIABILITIES			
Short term loan from related parties		2,116,185	1,696,185
Trade and other payables		734,610	674,066
Unclaimed dividend		1,802	1,802
Short term finances and book over draft - secured	8	4,095,913	4,173,558
Current maturity of long term loans		1,096,929	1,096,929
		8,045,439	7,642,540
CONTINGENCIES AND COMMITMENTS			
	9	--	--
		4,135,075	3,963,684

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Notes	Half Year Ended		Quarter Ended	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales - Net		399,559	25	202,727	8
Cost of sales		(522,814)	(94,397)	(241,850)	(50,461)
Gross loss		(123,255)	(94,372)	(39,123)	(50,453)
Operating expenses					
Marketing and distribution expenses		(29,400)	(12,537)	(14,769)	(5,958)
Administration and general expenses		(34,776)	(13,281)	(13,655)	(6,391)
Operating loss		(187,431)	(120,190)	(67,547)	(62,802)
Other (loss)	10	(39,665)	(19,987)	(5,701)	(22,049)
Finance cost	11	(149)	(79)	(127)	(32)
(Loss) before income tax and levies		(227,245)	(140,256)	(73,375)	(84,883)
Levies		(4,994)	--	(2,534)	--
(Loss) before income tax		(232,239)	(140,256)	(75,909)	(84,883)
Taxation - Net		(169)	--	--	--
(Loss) for the period		(232,408)	(140,256)	(75,909)	(84,883)
(Loss) per share - Basic and diluted	12	(1.68)	(1.01)	(0.55)	(0.61)

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Half Year Ended		Quarter Ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
(Loss) for the period	(232,408)	(140,256)	(75,909)	(84,883)
Other comprehensive income	--	--	--	--
Total comprehensive loss for the period	(232,408)	(140,256)	(75,909)	(84,883)

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-Ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

Notes	Half Year Ended	
	31 December 2024	31 December 2023
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(227,245)	(140,256)
<i>Adjustment for non-cash and other items:</i>		
Depreciation	41,436	23,966
Amortization of intangible asset	697	697
Loss due to change in valuation of investment in associates	40,158	46,140
Financial charges	149	79
	82,440	70,882
	(144,805)	(69,374)
<i>Movement in working capital:</i>		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	2,375	(786)
Stock-in-trade	(188,989)	(72,824)
Advances, deposits, pre-payments & other receivables	(16,793)	(18,730)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	60,544	283,601
Long term security deposits	900	--
Net changes in working capital	(141,963)	191,261
Cash used in operation	(286,768)	121,887
<i>Payments for:</i>		
Taxes	(1,473)	(715)
Financial cost	(149)	(79)
Net cash outflows from operating activities	(288,390)	121,093
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures incurred	(47,775)	(293,925)
Net cash outflows from investing activities	(47,775)	(293,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term loan from Related Parties	420,000	172,644
Net cash inflows from financing activities	420,000	172,644
Net increase / (decrease) in cash and cash equivalents	83,835	(188)
Cash and cash equivalents at the beginning of the period	(1,910,808)	(1,839,314)
Cash and cash equivalents at the end of the period	(1,826,973)	(1,839,502)

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-Ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

Issued, subscribed and paid-up share capital	Revenue Reserves		Total
	Accumulated loss	Total reserves	

----- (Rupees in '000) -----

Balance as at 1 July 2023 1,387,353 (4,629,393) (4,629,393) (3,242,040)

Total comprehensive loss for the period -- (140,256) (140,256) (140,256)

Balance as at 31 December 2023 **1,387,353** **(4,769,649)** **(4,769,649)** **(3,382,296)**

Balance as at 1 July 2024 1,387,353 (5,087,240) (5,087,240) (3,699,887)

Total comprehensive loss for the period -- (232,408) (232,408) (232,408)

Balance as at 31 December 2024 **1,387,353** **(5,319,648)** **(5,319,648)** **(3,932,295)**

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



Muhammad Farooq Khan
Chief Financial Officer



Waseem-Ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

1 THE COMPANY AND ITS OPERATIONS

Dewan Farooque Motors Limited (the Company) was incorporated in Pakistan on 28 December 1998 as a public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange. The principal activity of the Company is the assembly, progressive manufacturing and sale of vehicles in Pakistan.

The Company commenced commercial production through the interim facility from 01 January 2000 and main facility came into commercial operation from 01 January 2001.

The Company signed a Technical Licence Agreement (TLA) with KIA Corporation on 7 November 2022 for the assembly and progressive manufacturing of commercial vehicles. Accordingly, production commenced in June 2024 under the brand name KIA Shehzore.

The registered office of the Company is situated at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi, while its manufacturing facilities are situated at Jilianabad, Budhu Talpur, District Sajawal, Sindh.

2 GOING CONCERN ASSUMPTION

The Company has incurred a loss after taxation of Rs.232.408 (December 2023: Rs.140.256) million during the half year ended 31 December 2024. As of the reporting date, it has accumulated losses of Rs.5.320 (June 2024: Rs.5.087) billion and its current liabilities exceeded its current assets by Rs.5.672 (June 2024: Rs.5.475) billion. Furthermore, cumulatively the Company has not provided markup on its borrowings from banks and financial institution amounting to Rs.9.681 (December 2023: Rs.8.766) billion. Further the Company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course most of the lenders have gone into litigation for recovery of loans through attachment and sale of Company's hypothecated / mortgaged properties. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These condensed interim financial statements have been prepared on going concern assumptions because the conditions being faced by the Company are temporary and would reverse in foreseeable future. As the company has successfully resumed its operations of manufacturing and sale of vehicles consequent to the execution of TLA. Moreover, Company is also manufacturing electric vehicles on toll basis for its associated concern. The management is confident that resumption of manufacturing operations will bring about improved results in future. Furthermore, the Company is defending its legal cases successfully and restructuring of company's debt is in advanced stage and expected to be concluded in ensuing financial year. Management is also hopeful that all the outstanding markup will be waived therefore no provision of markup has been made in these financial statements. The company's ability to arrange funds from its associates / sponsors is yet another positive factor which mitigates the risks involved. All these mitigating factors reduce the risks relating to company's ability to continue as going concern, accordingly preparation of these financial statements using the going concern assumption is justified.

3 BASIS OF PREPARATION

- 3.1** These condensed interim financial statements of the Company for the half year ended 31 December 2024 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting, comprising of:

- a) International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- b) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2024.

3.3 The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2024 and 31 December 2023 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2024 and 31 December 2023.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2024.

5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2024.

6 PROPERTY, PLANT AND EQUIPMENT

Tangible operating assets
Capital work in progress

6.1 Operating fixed assets - Tangible

Opening Cost
Add: Additions during the quarter/year

Opening Accumulated Depreciation/Amortization
Less : Depreciation charged during the period

31 December 2024 (Unaudited)	30 June 2024 (Audited)
----- (Rupees in '000) -----	
1,035,903	1,030,042
478	--
<u>1,036,381</u>	<u>1,030,042</u>
3,761,399	3,407,653
47,297	353,746
<u>3,808,696</u>	<u>3,761,399</u>
(2,731,357)	(2,668,476)
(41,436)	(62,881)
<u>1,035,903</u>	<u>1,030,042</u>



	31 December 2024 (Unaudited)	30 June 2024 (Audited)
	----- (Rupees in '000) -----	
6.2 Detail of Additions during the period are as follows:		
Plant & machinery	16,126	337,558
Vehicles	28,681	10,664
Office equipment	2,490	5,524
	<u>47,297</u>	<u>353,746</u>

7 INVESTMENT

Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related party

65,375,455 (2024: 65,375,455) Ordinary shares of Rs. 10 each at cost	804,131	804,131
Share of (loss)	(82,768)	(42,610)
	<u>721,363</u>	<u>761,521</u>
Fair value as per market price quoted in Pakistan Stock Exchange	598,185	558,306
Market value (rupees per share)	9.15	8.54
Percentage of equity held	13.50%	13.50%

8 SHORT TERM FINANCES AND BOOK OVERDRAFT - SECURED

From banks & financial institutions

- Short term loan (Under mark-up / profit arrangements)	1,978,024	1,978,024
- Overdue letter of credits	2,117,889	2,117,889
- Book Over draft	--	77,645
	<u>4,095,913</u>	<u>4,173,558</u>

8.1 The Short term borrowings have not been renewed by the Banks.

9 CONTINGENCIES AND COMMITMENTS

There is no material change in the contingencies and commitments since the last audited financial statements for the year ended 30 June 2024.

	31 December 2024 (Unaudited)	31 December 2023 (Unaudited)
	----- (Rupees in '000) -----	
10 OTHER LOSS		
Exchange gain - Net	4	7,931
Others	489	218
Profit on short term loan to associated undertaking	--	18,004
Share of loss of equity investment in associate	(40,158)	(46,140)
	<u>(39,665)</u>	<u>(19,987)</u>

31 December 2024	31 December 2023
(Unaudited)	(Unaudited)
----- (Rupees in '000) -----	

11 FINANCE COST

During the period ended, 31 December 2024, the Company has not provided the mark-up on long term and short term borrowings from banks and financial institutions to the extent of Rs.366.962 (December 2023: Rs.572.705) million. The management is hopeful that the decision of the court will be in favor of the Company and the restructuring proposal will be accepted by the lenders. However, had the Company provided this amount in the condensed interim financial statements during the period, the loss of the Company would have been increased by Rs. 366.962 (December 2023: Rs.572.705) million and consequently the shareholders equity would have lowered and accrued mark-up would have been higher by Rs.9.681 (December 2023: Rs.8.766) billion. The said non-provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

12 LOSS PER SHARE - Basic and diluted

(Loss) after taxation for the year	(232,408)	(140,256)
	----- (Numbers in '000) -----	
Weighted average number of ordinary shares	138,735	138,735
	----- (Rupees) -----	
(Loss) per share - Basic and diluted	(1.68)	(1.01)

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	151,051	138,522
Short term finances and Book overdraft	(1,978,024)	(1,978,024)
	(1,826,973)	(1,839,502)

14 TRANSACTIONS WITH ASSOCIATED UNDERTAKING / RELATED PARTIES

The related parties and associate undertaking comprise associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertaking, other than remuneration and benefits to key management personnel disclosed in the respective notes, are as follows:

	31 December 2024	31 December 2023
	----- (Rupees in '000) -----	
Purchases	32,049	43,989
Short term loan from sponsor / associate - Interest free	420,000	172,645
Profit on short term loan to associated undertaking	--	18,004
Provident fund	2,201	291
Share of (loss) on equity investment	(40,158)	(46,140)
Toll manufacturing income	6,600	--

15 CORRESPONDING FIGURES

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

16 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **23 October 2026** by the Board of Directors of the Company.

17 GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.



Muhammad Farooq Khan
Chief Financial Officer



Waseem-Ul-Haq Ansari
Chief Executive



Mehmood-ul-Hasan Asghar
Director

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2024 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتا ہے۔

معاشی جائزہ

2024 کے اواخر اور 2025 کے آغاز میں پاکستان کی معیشت میں بحالی کے مضبوط آثار نمایاں ہوئے، چنانچہ دسمبر تک مہنگائی میں نمایاں کمی آکر 4.1 فیصد رہ گئی۔ قیمتوں میں استحکام اور معاشی نمو کے اسٹیٹ بینک کے 2.5 فیصد سے 3.5 فیصد کے ہدف کی بالائی حد تک پہنچنے کی توقع کے پیش نظر، مرکزی بینک نے قرضوں کو سستا کرنے اور کاروباری سرگرمیوں کی حوصلہ افزائی کے لیے جارحانہ انداز میں مجموعی طور پر 10 فیصد پوائنٹس کی کمی کی، اور جنوری 2025 تک پالیسی ریٹ 22 فیصد سے کم کر کے 12 فیصد کر دیا۔ مالی سال کی پہلی ششماہی میں کرنٹ اکاؤنٹ میں مجموعی طور پر تقریباً 1.2 ارب امریکی ڈالر کا فاضل (سرپلس) ریکارڈ کیا گیا، جسے برآمدات اور ترسیلات زر میں اضافے کی معاونت حاصل رہی۔ جاری آئی ایم ایف پروگرام کے ساتھ مل کر اس نے مالیاتی استحکام اور سرمایہ کاروں کے اعتماد کو تقویت بخشی۔

آٹوموٹیو انڈسٹری کی کارکردگی

فنانشنگ کی کم لاگت اور معاشی استحکام کے باعث سال کی پہلی ششماہی میں کاروں، جیپوں اور پک اپس (پلاکے اراکین) کی مقامی فروخت 54 فیصد اضافے سے 60,676 یونٹس تک پہنچ گئی۔ 1300 سی سی اور اس سے زائد گاڑیوں کی فروخت 66 فیصد بڑھ کر 20,491 یونٹس ہو گئی۔ جیپوں اور پک اپس کی فروخت 61 فیصد اضافے سے 14,174 یونٹس، جبکہ ٹرکوں کی فروخت 89 فیصد اضافے سے 1,494 یونٹس رہی۔ استعمال شدہ گاڑیوں کی درآمدات میں 4 فیصد اضافہ رپورٹ ہوا اور یہ 17,170 یونٹس تک پہنچ گئیں۔ صنعتی اندازوں کے مطابق مقامی پیداواری صلاحیت کا استعمال تاحال کم، یعنی تقریباً 40 فیصد کی سطح پر ہے۔

کمپنی کی کارکردگی

زیر جائزہ مدت کے دوران کمپنی کی مالی کارکردگی، بمعہ موازنہ جاتی اعداد و شمار، حسب ذیل ہے:

تفصیلات	دسمبر 2023	دسمبر 2024
	روپے (ملین میں)	روپے (ملین میں)
مجموعی فروخت	0.030	399.559
مجموعی خسارہ	(94.372)	(123.255)
بعد از ٹیکس خسارہ	(140.256)	(232.408)

زیر جائزہ ششماہی کے دوران کمپنی نے KIA کمرشل و ہیکلز کی خصوصی رینج، جس میں کنگ کبیر اور کریو کبیر ویرینٹس شامل ہیں، کے اجراء کے ساتھ ساتھ ایکو گرین موٹرز لمیٹڈ (Eco-Green Motors Limited) کے لیے "ہونزی-وی ای" (Honri-VE) کی ای وی ٹول مینو فیکچرنگ کی بدولت ایک بڑی عملی (آپریشنل) بحالی حاصل کی۔ اگرچہ آمدنی (ٹاپ لائن) میں نمایاں اضافہ ہوا، تاہم مارکیٹ میں مجموعی طلب سے متعلق چیلنجز کے باعث فروخت محدود رہی۔ ابتدائی مرحلے میں پیداواری صلاحیت بڑھانے کے دوران غیر جذب شدہ مقررہ پلانٹ اور ہیلڈز، نیز کمرشل لائیج اور انتظامی اخراجات نے منافع کے مارجن پر منفی اثر ڈالا۔

انتظامیہ پلانٹ کی کارکردگی کو بہتر بنانے، عملی طریقہ کار کو موثر بنانے، اور ابتدائی معاشی بحالی اور شرح سود میں کمی سے فائدہ اٹھانے کے لیے ہدفی مارکیٹنگ حکمت عملیوں پر عمل درآمد پر بھرپور توجہ دے رہی ہے۔

آڈیٹرز کی جائزہ رپورٹ میں مشاہدات

آڈیٹرز نے اپنی رپورٹ کو درج ذیل بنیادوں پر مشروط (Qualified) کیا ہے، جن کی وضاحت حسب ذیل ہے:

(الف) مارک اپ کی عدم پراویزنگ:

انتظامیہ نے اپنے قرض دہندگان سے قرضوں کی تنظیم نو کے لیے رجوع کیا ہے اور اسے یقین ہے کہ کمپنی کی بلا مارک اپ تنظیم نو کی تجاویز مالیاتی اداروں / بینکوں کی جانب سے قبول کر لی جائیں گی۔ لہذا کمپنی نے مارک اپ کی کوئی پراویزنگ نہیں بنائی، کیونکہ مجوزہ تنظیم نو کی شرائط کے مطابق یہ قابل ادائیگی نہیں ہوگا، اور یہ کمپنی کی مالی پوزیشن کی موجودہ تجارتی حقیقت کی عکاسی کرتا ہے۔

(ب) گونگ کنسرن مفروضے پر کثرت تاکید (Emphasis of Matter):

بورڈ کمپنی کے کاروبار کے تسلسل اور ترقی کے لیے پوری طرح پُر عزم ہے۔ KIA شہزور کی تین ویرینٹس میں پیداوار، نیز ہونری۔ وی ای 2.0 اور 3.0 الیکٹرک گاڑیوں کی اسمبلی نے کمپنی کو آمدنی پیدا کرنے اور کاروبار کے نئے مواقع کھولنے کے قابل بنایا ہے۔

اگرچہ آڈیٹرز نے ماضی کے نقصانات اور نقد بہاؤ (کیش فلو) کے دباؤ کی جانب توجہ مبذول کرائی ہے، تاہم یہ بنیادی طور پر ان ادوار میں پیدا ہوئے جب آپریشنز معطل تھے۔ کمپنی ان امور کے حل کے لیے مختلف اقدامات کر رہی ہے، اور بورڈ کو پختہ یقین ہے کہ یہ حالات عارضی ہیں اور وقت کے ساتھ تبدیل ہو جائیں گے۔ موجودہ قرضوں کی تنظیم نو کی تکمیل اور نئے ماڈلز کے اجراء کے بعد بورڈ کو اعتماد ہے کہ کمپنی ورکنگ کیپٹل لائسنز حاصل کر کے مستحکم، منافع بخش اور پائیدار ترقی کی جانب بڑھ سکے گی۔

اختتامیہ

آخر میں ہم اللہ سبحانہ و تعالیٰ سے دعا گو ہیں کہ وہ حضرت محمد ﷺ پر بے حساب رحمتوں اور برکتوں کا نزول فرمائے، اور حضرت محمد ﷺ کے صدقے و طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت، خوشحالی اور صحت عطا فرمائے۔ ہماری کمپنی کو ملک و قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارے کے ساتھ ملت اسلامیہ بننے کی روح پروان چڑھانے کی توفیق عطا فرمائے۔

(آمین یا رب العالمین)

بے شک ہمارے رب دعاؤں کا سننے والا ہے۔ (القرآن)

غفر بار صدیقی

چیئر مین، بورڈ آف ڈائریکٹرز

وسیم الحق انصاری

چیف ایگزیکٹو

کراچی: 23 اکتوبر 2026ء