

Half Yearly Report
DECEMBER 31, 2022



DEWAN AUTOMOTIVE ENGINEERING LIMITED

 YD | A YOUSUF DEWAN COMPANY

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Company Information

BOARD OF DIRECTORS

Executive Director

Mr. Waseem-ul-Haque Ansari Chief Executive Officer

Non-Executive Directors

Mr. Ishtiaq Ahmed Chairman Board of Directors
(Nominee Director in DMPL)
Mr. Abdul Basit (Nominee Director in DMPL)
Mr. Mehmood-ul-Hassan Asghar (Nominee Director in DMPL)
Mr. Muhammad Irfan Ali
Syed Maqbool Ali (Nominee Director in DMPL)

Independent Director

Mr. Azizul Haque

CHIEF FINANCIAL OFFICER

Mr. Muhsin Ali

COMPANY SECRETARY

Mr. Muhammad Hanif German

AUDIT COMMITTEE

Mr. Azizul Haque Chairman
Mr. Ishtiaq Ahmed Member
Syed Maqbool Ali Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Azizul Haque Chairman
Mr. Waseem-ul-Haque Ansari Member
Syed Maqbool Ali Member

AUDITORS

Faruq Ali & Company
Chartered Accountants
C-88, ground floor, KDA Scheme No. 1
Main Karsaz road,
Opposite maritime museum Karachi.

LEGAL ADVISORS

A. K Brohi

SHARE REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Ltd.
Anum Estate Building, Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society,
Main Shahrah-e-Faisal,
Adjacent to Baloch Colony Bridge,
Karachi, Pakistan

BANKERS

Bank Islami Pakistan Ltd.

REGISTERED OFFICE

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

FACTORY

Dewan City Sajawal District Thatta, Sindh.

WEBSITE

www.yousufdewan.com

DIRECTORS' REPORT

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

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements for the half year ended December 31, 2022.

Automobile sector has shown an overall decline of 38% as compared to the corresponding period of last year. Ongoing political instability in the country, hike of exchange rate, higher inflation, increased interest rates, raise in minimum wages and inflated Fuel & Electricity cost have impacted the industry negatively. Furthermore, extra burden of duties by Customs department, exchange control measures and restrictive imports regime by the State Bank of Pakistan have been halting the progress of the automobile sector particularly along with other segments of the economy. These factors have caused intermittent & temporary shutdowns of many of the production facilities of the industry.

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

	December 2022	December 2021
	(Rupees in '000)	
Sales- Net	-	-
Gross (Loss)	(7,395)	(7,943)
Profit/(Loss) after taxation	(18,625)	(25,883)

The production activity of the Company during the half year ended December 31, 2022 remained halted due to suspension of the production by the Company to whom sales were being made. The company is enduring under tough conditions due to the aforesaid fact and making best endeavors to survive. Once working capital is available then the company can exploit its full potential.

Auditors, in their review report, did not agree with the going concern assumption used in preparation of interim condensed financial statements accordingly they have given their adverse opinion on the interim condensed financial statements. In response to the auditors' observations we state that the Company has got successful in the repayment of all financial obligations of its bankers/financial institutions and has done away with their litigations. Now management is in process of arrangement of working capital and as a result hopeful for the resumption of the operations of the company in near future. The justification regarding preparation of interim condensed financial statements on going concern assumption are more fully explained in note 2 to the interim condensed financial statements.

In conclusion, we bow, beg and pray to Almighty Allah, Rehman-o-Rahim, in the name of his beloved Prophet, Muhammad, 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-Haque Ansari
Chief Executive Officer



Ishtiaq Ahmed
Chairman Board of Directors

Karachi: February 25, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Dewan Automotive Engineering Limited****Report on review of Condensed Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Dewan Automotive Engineering Limited ('the Company') as at 31 December 2022 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

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

Basis for Adverse Opinion

The condensed interim financial statements of the Company have been prepared on going concern basis despite of the fact that the Company incurred a net loss of Rs.18.625 million during the period ended 31 December 2022, and, as of that date it has accumulated losses of Rs.1,844.124 million which have resulted in net capital deficiency of Rs.1,390.237 million and its current liabilities exceeded its current assets by Rs.1,348.141 million and total assets by Rs.1,124.503 million. The operations of the Company are closed. The Company is placed on defaulters' counter of Pakistan Stock Exchange Limited and trading of its shares was suspended. These conditions lead us to believe that the going concern assumption used in preparation of these condensed interim financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

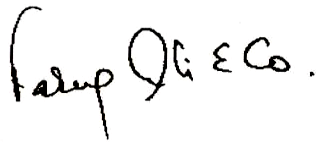
Adverse conclusion

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

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2022 and 31 December 2021 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2022

The engagement partner on the review engagement resulting in this independent auditors' review report is Fasih uz zaman.



CHARTERED ACCOUNTANTS

Place: Karachi

Dated: February 25, 2023

UDIN: RR202210179ZocMpnNKI

**Condensed Interim Statement of Financial Position
As on 31 December 2022**

		(Un-audited) 31 December 2022	(Audited) 30 June 2022
	Notes	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	204,820	212,681
Long term deposits		503	503
Available for sale investment	7	18,315	18,315
		223,638	231,499
CURRENT ASSETS			
Advances		1,376	1,376
Advance income tax - Net		2,806	2,581
Cash and bank balances		490	507
		4,672	4,464
		228,310	235,963
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 21,800,000 (June 2020: 21,800,000)			
Ordinary shares of Rs. 10/- each		218,000	218,000
Issued, subscribed and paid-up share capital		214,000	214,000
<u>Capital reserves</u>			
Merger reserve		82,090	82,090
Settlement claim from Ford Motors		86,194	86,194
Surplus on revaluation of property, Plant & Equipment	8	61,703	63,888
<u>Revenue reserves</u>			
General reserve		9,900	9,900
Accumulated losses		(1,844,124)	(1,827,684)
		(1,390,237)	1,371,612
NON-CURRENT LIABILITIES			
Long term loan - Unsecured	9	242,001	211,696
Deferred taxation		23,733	24,625
		265,734	236,321
CURRENT LIABILITIES			
Trade and other payables		1,197,934	1,205,125
Short term finance		154,879	154,879
Overdue portion of loan - Secured		--	11,250
		1,352,813	1,371,254
CONTINGENCIES AND COMMITMENTS			
	10	--	--
		228,310	235,963

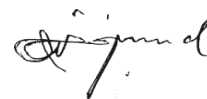
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

Condensed Interim Statement of Profit or Loss - (Un-audited)
For the Half Year Ended 31 December 2022

	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
Notes	----- (Rupees in '000) -----			
Sales - Net	--	--	--	--
Cost of sales	(7,395)	(7,943)	(3,757)	(3,696)
Gross loss	<u>(7,395)</u>	<u>(7,943)</u>	<u>(3,757)</u>	<u>(3,696)</u>
Operating expenses				
Distribution expenses	(157)	(164)	(79)	(82)
Administrative expenses	(749)	(570)	(408)	(193)
	<u>(906)</u>	<u>(734)</u>	<u>(487)</u>	<u>(275)</u>
Operating loss	<u>(8,301)</u>	<u>(8,677)</u>	<u>(4,244)</u>	<u>(3,971)</u>
Other income	546	546	274	274
Finance cost	(11,762)	(18,634)	961	(15,206)
Loss before taxation	<u>(19,517)</u>	<u>(26,765)</u>	<u>(3,009)</u>	<u>(18,903)</u>
Taxation - Net	892	882	450	353
Loss for the period	<u>(18,625)</u>	<u>(25,883)</u>	<u>(2,559)</u>	<u>(18,550)</u>
Loss per share - Basic and diluted (Rupees)	<u>(0.87)</u>	<u>(1.21)</u>	<u>(0.12)</u>	<u>(0.87)</u>

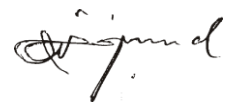
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Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

Condensed Interim Statement of Comprehensive Income - (Un-audited)
For The Half Year Ended 31 December 2022

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	----- (Rupees in '000) -----			
Loss for the period	(18,625)	(25,883)	(2,559)	(18,550)
Other comprehensive income for the period:				
Total comprehensive loss for the period	(18,625)	(25,883)	(2,559)	(18,500)

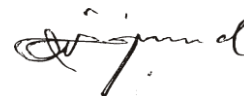
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

Condensed Interim Statement Of Changes In Equity - (Un-audited)
For the Half Year Ended 31 December 2022

	Capital reserves				Revenue reserves			Total	
	Issued, subscribed and paid-up share capital	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 2021	214,000	82,090	86,194	68,646	236,930	9,900	(1,781,637)	(1,771,737)	(1,320,807)
Loss for the period	--	--	--	--	--	--	(25,883)	(25,883)	(25,883)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	--	--	--	--	(25,883)	(25,883)	(25,883)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	(4,758)	(4,758)	--	4,758	4,758	--
Balance as at 31 December 2021	214,000	82,090	86,194	63,888	232,172	9,900	(1,802,762)	(1,792,862)	(1,346,690)
Balance as on 1 July 2022	214,000	82,090	86,194	63,888	232,172	9,900	(1,827,684)	(1,817,784)	(1,371,612)
Loss for the period	--	--	--	--	--	--	(18,625)	(18,625)	(18,625)
Other comprehensive income	--	--	--	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	--	--	--	--	(18,625)	(18,625)	(18,625)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	(2,185)	(2,185)	--	2,185	2,185	--
Balance as at 31 December 2022	214,000	82,090	86,194	61,703	229,987	9,900	(1,844,124)	(1,834,224)	(1,390,237)

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



Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

**Condensed Interim Statement of Cash Flows - (Un-audited)
For the Half Year Ended 31 December 2022**

	31 December 2022	31 December 2021
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(19,517)	(26,765)
Adjustment for non cash charges and other items		
Depreciation	7,861	8,213
Unwinding of discount	5,305	10,700
Finance cost	11,762	18,634
Cash inflows before working capital changes	<u>5,411</u>	<u>10,782</u>
Working capital changes		
<i>(increase)/decrease in current assets</i>		
Stock in trade	--	--
Advances	--	--
<i>Increase/(decrease) in current liabilities</i>		
Trade and other payables	(7,191)	88
	<u>(7,191)</u>	<u>88</u>
Net cash generated from operations	(1,780)	10,870
Payments for:		
Finance cost	(11,762)	(10,701)
Income tax refund received	(255)	(171)
Net cash inflows from operating activities	<u>(13,767)</u>	<u>(2)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES		
long term loan received	25,000	--
Overdue portion of loan repaid	(11,250)	--
Net cash (outflows) / inflows from financing activities	<u>13,750</u>	<u>--</u>
Net increase / (decrease) in cash and cash equivalents	(17)	(2)
Cash and cash equivalents at the beginning of the period	507	517
Cash and cash equivalents at the end of the period	<u>490</u>	<u>515</u>

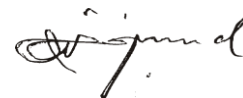
The annexed notes form an integral part of these condensed interim financial statements.



Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2022 - (Un-audited)****1 THE COMPANY AND ITS OPERATIONS**

Dewan Automotive Engineering Limited is a public Limited Company quoted on Pakistan Stock Exchange Limited (trading in defaulter counter). The Company's business is the assembly-cum progressive manufacture and sale of tractors, light commercial vehicles and motorcycles and trading / manufacturing of parts and implements related thereto. The Company was incorporated on May 6, 1982 and commenced commercial operations in August, 1983. The Company was taken over by Dewan Mushtaq Group in April 2004. The Company's registered office is located at Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi.

During the year 2017, the Company received notices from Pakistan Stock Exchange Limited (PSX) in respect of non-compliance of clause 5.11.1. (c) and 5.11.1.(e) of the PSX Regulations therefore it was placed on defaulter's counter of PSX and trading of its shares was suspended. The Company has rectified the default and has requested for removal of Company from defaulter's counter. Hence no action by the Exchange under clause 5.11.1. (c) and 5.11.1.(e) is warranted under the said circumstances.

2 GOING CONCERN ASSUMPTION

The condensed interim financial statements for the half year ended 31 December 2022 reflect that the Company has sustained a net loss after taxation of Rs.18.625 million (June 2022: Rs.50.805 million) and, as of that date it has accumulated losses of Rs.1,844.124 million (June 2022: Rs.1,827.684 million) which have resulted in net capital deficiency of Rs.1,390.237 million (June 2022: Rs.1,371.612 million) and its current liabilities exceeded its current assets by Rs.1,348.141 million (June 2022: Rs.1,366.790 million) and total assets by Rs.1,124.503 million (June 2022: Rs.1,135.291 million) and operations of the Company are closed. 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. The Company has paid its entire debts and the management has approached banks for the provision of required working capital facilities. 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 six months ended 31 December 2022 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 2022.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2022 and 31 December 2021 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 2022 and 31 December 2021.

4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2022.

4.2 Change in accounting standards, interpretations, and amendments to published accounting and reporting standards

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

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

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 1 July 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of condensed interim financial statements requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and key sources of estimation of uncertainty are the same as those that were applied to the financial statements for the year ended 30 June 2022.

6 PROPERTY, PLANT AND EQUIPMENT

		(Un-audited)	(Audited)
		31 December	30 June
		2022	2022
		----- (Rupees in '000) -----	
Operating fixed assets - At cost less accumulated depreciation	6.1	<u>204,820</u>	<u>212,681</u>
6.1 Operating fixed assets - At cost / revaluation less accumulated depreciation			
Opening carrying value		212,681	222,079
Additions during the period / year			7,203
Depreciation charged during the period / year		<u>(7,861)</u>	<u>(16,601)</u>
Closing carrying value		<u>204,820</u>	<u>212,681</u>

7 AVAILABLE FOR SALE INVESTMENT

Investment in associated company

Dewan Mushtaq Trade Limited (Public, unquoted company)

4,000,000 (June 2019: 4,000,000) Ordinary shares of Rs.10/- each	40,000	40,000
Provision for impairment loss	(21,685)	(21,685)
	<u>18,315</u>	<u>18,315</u>

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

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

8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Balance as at 1 July	63,888	68,646
Incremental depreciation charged on related assets - Net of tax	(2,185)	(4,758)
	<u>61,703</u>	<u>63,888</u>

(Un-audited)
31 December
2022

(Audited)
30 June
2022

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

9 LONG TERM LOAN - Unsecured

From director - At amortized cost

Loan received - Opening	9.1	329,200	318,434
Received during the year		<u>25,000</u>	<u>10,766</u>
		354,200	329,200
Accumulated present value adjustment		(266,691)	(259,644)
Accumulated interest charged to profit and loss account		154,492	142,140
		<u>242,001</u>	<u>211,696</u>

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

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

10 DEFERRED TAXATION

Deferred tax liability arising out surplus on revaluation of property plant and equipment		<u>23,733</u>	<u>24,625</u>
----------------------------------------------------------------------------------------------	--	---------------	---------------

10.1 The Company has not recognized deferred tax asset amounting to Rs.581.784 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

11 OVERDUE PORTION OF LOAN - Secured

Overdue portion of loan - Secured -- 11,250

During the period, a settlement has been made with Pak Kuwait Investment Company (Pvt) Limited (PKICL), accordingly, the entire liability was paid by the Company.

12 CONTINGENCIES AND COMMITMENTS

There has been no significant change in the status of contingencies as reported in the annual financial statements for the year ended 30 June 2022 except for a settlement made with PKICL against outstanding liability. Consequently, the related suit has been dismissed as withdrawn.

	Half Year Ended		Quarter Ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
13 OTHER INCOME				
Rental income	544	544	272	272
Interest income on saving	2	2	2	2
	<u>546</u>	<u>546</u>	<u>274</u>	<u>274</u>

14 FINANCE COST

Unwinding of discount / present value adjustment - Net	5,305	10,700	(871)	10,700
Mark-up on borrowings from related parties	6,457	7,933	(90)	4,505
Bank charges	--	1	--	1
	<u>11,762</u>	<u>18,634</u>	<u>(961)</u>	<u>15,206</u>

15 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The transaction with associated companies are in the normal course of business and have been entered on an arm's length basis. The remuneration paid to chief executive, directors, executive and key management personnel in terms of their employment. Material transactions with related parties are given below:

Name of the related party	Basis of relationship	Percentage of shareholding	Nature of transactions during the period	(Un-audit)	(Un-audit)
				31 December 2022	31 December 2021
				----- (Rupees '000) -----	
Dewan Farooq Motors Limited	Group Company	0.12%	Mark up expense	6,457	7,933
Dewan Mushtaq Motors Company (pvt) Ltd	Group Company	-	Rental Income	544	544

16 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 Financial risk factors

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

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

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

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

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.

16.2 Fair value hierarchy

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair

17 CORRESPONDING FIGURES

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

18 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 25, 2023 in accordance with the resolution of the Board of Directors of the Company.

19 GENERAL

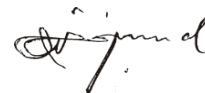
This condensed interim financial statements are presented in Rupees and figures have been rounded off to the nearest thousand rupees.



Waseem-ul-Haque Ansari
Chief Executive



Muhsin Ali
Chief Financial Officer



Ishtiaq Ahmed
Chairman Board of Directors

ڈائریکٹرز رپورٹ

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ کا بورڈ آف ڈائریکٹرز مورخہ 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ رپورٹ مع مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

آٹوموٹیو بائیل کیٹر میں گزشتہ سال کی اسی مدت کے مقابلے میں 38% کی کمی واقع ہوئی ہے۔ ملک میں جاری سیاسی عدم استحکام، شرح مبادلہ میں اضافہ، میٹالگی میں اضافہ، شرح سود میں اضافہ، کم از کم اجرتوں میں اضافہ، ایندھن اور بجلی کی مہنگی قیمت نے صنعت پر منفی اثرات مرتب کیئے ہیں۔ مزید برآں، بجلگہ کشمڑ کی جانب سے ڈیوٹیڈ کا اضافی بوجھ، ایچ پی سی کنٹرول کے اقدامات اور اسٹینٹ بینک آف پاکستان کی جانب سے درآمدات پر پابندیاں خاص طور پر معیشت کے دیگر حصوں کے ساتھ ساتھ آٹوموٹیو بائیل کیٹر کی ترقی کو روک رہی ہیں۔ ان عوامل کی وجہ سے صنعت کی بہت سی پیداواری سہولیات وقفے وقفے سے اور عارضی طور پر بندش کا باعث بنی ہیں۔

زیر جائزہ مدت کے دوران کمپنی کی مالی کارکردگی حسب ذیل ہے۔

دسمبر 2022ء	دسمبر 2021ء
(روپیہ '000 میں)	(روپیہ '000 میں)
خالص فروخت	--
مجموعی نقصان	(7,943)
بعد از ٹیکس نقصان	(18,625)
	(25,883)

مورخہ 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے دوران کمپنی کی پیداواری سرگرمیاں کمپنی کی طرف سے پیداوار معطل کرنے کی وجہ سے رکی ہوئی تھیں جن کو فروخت کی جارہی تھی۔ کمپنی مذکورہ حقیقت کی وجہ سے سخت حالات میں برداشت کر رہی ہے اور زندہ رہنے کی بھرپور کوششیں کر رہی ہے۔ ایک بار ورکنگ لیول دستیاب ہونے کے بعد کمپنی اپنی پوری صلاحیت سے فائدہ اٹھا سکتی ہے۔

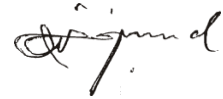
آڈیٹرز، اپنی جائزہ رپورٹ میں، عبوری کثیف مالیاتی گوشوارے کی تیاری میں استعمال ہونے والے تشویشناک مفروضے سے متفق نہیں تھے، اس کے مطابق انہوں نے عبوری کثیف مالیاتی بیانات پر اپنی منفی رائے دی ہے۔ آڈیٹرز کے مشاہدات کے جواب میں ہم کہتے ہیں کہ کمپنی اپنے بینکرز اور مالیاتی اداروں کی تمام مالی ذمہ داریوں کی ادائیگی میں کامیاب ہو گئی ہے اور ان کی قانونی چارہ جوئی کو ختم کر دیا ہے۔ اب انتظامیہ ورکنگ لیول کے انتظام کی کوششوں میں ہے اور اس کے نتیجے میں مستقبل قریب میں کمپنی کے آپریشنز کے دوبارہ شروع ہونے کی امید ہے۔ گونگ کسٹرن کے مفروضے کی عبوری کثیف مالیاتی گوشوارے کی تیاری کو مزید واضح اس کے نوٹ نمبر 2 میں کیا گیا ہے۔

آخر میں ہم اللہ سبحانہ و تعالیٰ سے دعا گو ہیں کہ وہ بیغیر آخر زماں حضرت محمد ﷺ پر لاتعداد رحمتوں اور برکتوں کا نزول فرمائے اور حضرت محمد ﷺ کے صدقہ طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت، خوشحالی و صحت عطا فرمائے۔ ہماری کمپنی کو ملک قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارگی کے ساتھ سچی ملت اسلامیہ بننے کی توفیق عطا فرمائے۔ (آمین یا رب العالمین)



وسیم الحق انصاری
چیف ایگزیکٹو

بے شک ہمارا رب دعاؤں کا سننے والا ہے۔ (القرآن)
بورڈ آف ڈائریکٹرز کے اختیار کے تحت۔



اشتیاق احمد
چیرمین بورڈ آف ڈائریکٹرز

کراچی، مورخہ 25 فروری 2023ء