

DEWAN FAROOQUE MOTORS LIMITED

**HALF YEARLY REPORT
DECEMBER 31, 2023**

COMPANY INFORMATION

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Mehmood-ul-Hassan Asghar
Mr. Abdul Basit
Mr. Muhammad Hanif German
Mr. Ghazanfar Baber Siddiqi
Mrs. Nida Jamil

Chairman Board of Directors

Female Director

Executive Director

Mr. Waseem-ul- Haque Ansari

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Mr. Waseem-ul- Haque Ansari

COMPANY SECRETARY

Mr. Muhammad Hanif German

CHIEF FINANCIAL OFFICER

Mr. Muhsin Ali

AUDIT COMMITTEE

Mr. Aziz-ul-Haque
Mr. Ghazanfar Baber Siddiqi
Mr. Abdul Basit

Chairman

Member

Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Aziz-ul-Haque
Mr. Waseem-ul- Haque Ansari
Mr. Abdul Basit

Chairman

Member

Member

BANKERS

Allied Bank of Pakistan Limited
Askari Bank Limited
Faysal Bank Limited
Habib Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Silk Bank Limited
Saudi Pak Industrial and Agricultural
Investment Co. (Pvt.) Limited
Standard Chartered Bank
Summit Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

AUDITORS

Feroze Sharif Tariq & Co.
Chartered Accountants
4/N/4, Block 6, P.E.C.H.S.,
Karachi.

REGISTERED OFFICE

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

LEGAL ADVISORS

A.K. Brohi & Co.

TAX ADVISOR

Sharif & Co. (Advocates)
3rd Floor, Uni Plaza,
I.I. Chundrigar Road, Karachi.

SHARES REGISTRAR / TRANSFER AGENT

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

FACTORY

Jilaniabad, Budhu Talpur,
District Sajawal,
Sindh.

DIRECTORS' REPORT

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2023.

Industry Overview

The automobile sector in Pakistan is grappling with the impact of the current economic crisis, characterized by balance of payments, political instability and other challenges causing to an economic slowdown. Sales of automobiles have been adversely affected for unplanned shutdowns due to import problems, further exacerbating challenges for the sector.

With a new government soon to take charge, the industry awaits policy direction and stability to navigate the road ahead, anticipating an upswing in economic activity and recovery. Negotiations with the International Monetary Fund (IMF), potential easing of imports and new incentives for auto manufacturers under the new government could provide impetus for growth.

Company's performance

During the period under review the gross sales is Rs. 0.03 (Dec 2022: Rs. 0.055) million, gross loss is Rs. 94.372 (Dec 2022: Rs. 80.187) million and the after-tax loss is Rs. 140.256 (Dec 2022: Rs. 185.335) million attributed to minimal sales, unabsorbed overhead costs and other expenses for non-production of vehicles.

Management is confident that production at the plant will resume very soon as the necessary arrangement and pre-requisite steps precedent to the start of assembly operations of the Company has been completed. Company has undertaken maintenance of production facilities, recruitment of technical & other required employees and installation of body-line welding jigs & other equipment's.

For the production of vehicles, the shipment of CKD kits, A-max & other parts by the principal have been done. Management has already completed test and trial process of CBU KIA Commercial Trucks and got the positive feed-back from potential dealers and customers.

Nationwide dealership network has been established and Letters of Intent (LOIs) have also been issued for engaging further required dealerships. We're thrilled to report a fantastic response from dealers, reflecting their excitement about our offerings. We have undertaken the process of certification by Engineering Development Board of Pakistan (EDB) for assembling & manufacturing products in-house. With these preparations underway, we anticipate a swift return to production, by the grace of Almighty Allah.

In conclusion, we bow, beg and pray to Almighty Allah, Al-Rahman, Al-Rahim, in the name of his beloved Prophet, Muhammad, peace be upon him, for continued showering of His blessings, 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 upon whole of Muslim Ummah, Ameen, Summa Ameen.

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

Under / By Authority of the Board of Directors



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF DEWAN FAROOQUE MOTORS LIMITED

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Farooque Motors Limited ("the company") as at December 31, 2023 and the related Condensed interim statement of profit or loss and Condensed interim statement of comprehensive income, Condensed interim Statement of cash flow, Condensed interim statement of changes in equity and notes to the Condensed interim financial statement for the six months period then ended (hereinafter referred to as the "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 interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of 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 of qualified conclusion

The company defaulted in repayment of instalments of restructured liabilities of financial institutions. Following course, certain lenders have gone into litigation amounting to Rs. 6.884 billion for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties. The company has not made provision of markup for the period amounting to Rs. 572.705 million (refer note 11) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the year would have been higher by Rs.8.766 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs. 8.766 billion.

Qualified Conclusion

Our review indicates that, except for the matter discussed in preceding paragraph, these accompanying condensed interim financial Statements as of and for the six months period ended December 31, 2023 is prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

Other matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income and the notes forming part thereof for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed and we do not express a conclusion on them, we are required to review only the cumulative figures for the Six month ended December 31, 2023.

Matter of emphasis

Without further qualifying our review report we draw attention of the members to note 2 to the condensed interim financial statements of the company for the period ended December 31, 2023 as disclosed in note 2 to the condensed interim financial Statements reflect loss after taxation of Rs. 140.256 (December 31, 2022: Rs. 185.335) million and as of that date it has accumulated losses of Rs. 4.770 (June 30, 2023: Rs. 4.629) billion which resulted in net capital deficiency of Rs. 3.382 (June 30, 2023: Rs. 3.242) billion and its current liabilities exceeded its current assets by Rs. 5.165 (June 30, 2023: Rs. 4.801) billion and total assets by Rs. 3.366 (June 30, 2023: Rs. 3.226) Billion without providing the mark up as refer in below para (b). The operations of the company were closed in intervals between the periods from November 2010 to November 2013 and reclose since February 2014 due to working capital constraints. Furthermore, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and short-term finance facilities have expired and not been renewed by banks. Following course, certain lenders have gone into litigation to recover amounts through attachment and sale of company's hypothecated / mortgaged properties. These conditions, along with other matters as set forth in note 2 indicate the existence of material uncertainty which may cast significant doubt about Company's ability to Continue as going concern therefore the company may be unable to realize its assets and discharge its liabilities in normal Course of Business. The amounts of the current liabilities and Loss reported in said note do not include the effect of matters discussed in Basis for Qualified opinion. Our opinion is not modified in respect of this matter. The going concern assumption used in preparation of these condensed interim financial statements is dependent on resumption of operations, for which management has taken significant steps as disclosed in note 2 to the financial statements.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Ghalib.



CHARTERED ACCOUNTANTS

Place: Karachi

Date: February 29, 2024

UDIN: RR202310161lpjX35tK7

DEWAN FAROOQUE MOTORS LIMITED**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

As at December 31, 2023

	Note	December 31, 2023 Unaudited	June 30, 2023 Audited
(Rs. In '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	1,014,246	744,984
Investment	7	784,192	830,332
CURRENT ASSETS			
Stores and spares		55,879	55,093
Stock-in-trade		95,796	22,972
Trade debts - considered good		672	672
Short term loan to associated undertaking - considered good		154,879	154,879
Advances, deposits, prepayments and other receivables - Considered good		926,474	907,744
Taxation - net		24,642	23,927
Cash and bank balances		138,522	138,710
		1,396,864	1,303,997
TOTAL ASSETS		3,195,302	2,879,313
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
150,000,000 (June 30, 2023: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up			
Issued, subscribed and paid-up		1,387,353	1,387,353
Revenue Reserve			
Accumulated loss		(4,769,649)	(4,629,393)
		(3,382,296)	(3,242,040)
NON-CURRENT LIABILITIES			
Long term security deposits		11,700	11,700
Deferred Liabilities		4,231	4,231
CURRENT LIABILITIES			
Short term loan from related parties		641,666	469,022
Trade and other payables		725,357	441,756
Unclaimed Dividend		1,802	1,802
Short term finances-secured	8	4,095,913	4,095,913
Current maturity of long term loans		1,096,929	1,096,929
		6,561,667	6,105,422
CONTINGENCIES AND COMMITMENTS			
	9		
TOTAL EQUITY AND LIABILITIES		3,195,302	2,879,313

The annexed notes from 1 to 17 form an integral part of these condensed interim Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

DEWAN FAROOQUE MOTORS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Unaudited----- (Rs. in '000)			
Gross Sales	30	55	10	2
Sales tax	(5)	(8)	(2)	-
Net Sales	25	47	8	2
Cost of sales	(94,397)	(80,234)	(50,461)	(62,411)
Gross Loss	(94,372)	(80,187)	(50,453)	(62,409)
Operating expenses				
Marketing & Distribution Expenses	(12,537)	(8,180)	(5,958)	(8,180)
Administration & General Expenses	(13,281)	(14,090)	(6,391)	(10,323)
	(25,818)	(22,270)	(12,349)	(18,503)
Operating loss	(120,190)	(102,457)	(62,802)	(80,912)
Other income/(loss)	10 (19,987)	(82,874)	(22,049)	663
Finance Cost	11 (79)	(3)	(32)	(3)
(Loss) before taxation	(140,256)	(185,334)	(84,883)	(80,252)
Taxation	-	(1)	-	-
(Loss) after tax	(140,256)	(185,335)	(84,883)	(80,252)
Basic / diluted (Loss) per share (Rupee) 13	(1.01)	(1.34)	(0.61)	(0.58)

The annexed notes from 1 to 17 form an integral part of these condensed interim Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

DEWAN FAROOQUE MOTORS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	----- Unaudited -----			
	(Rs. in '000)			
Income(Loss) for the period	(140,256)	(185,335)	(84,883)	(80,252)
Other comprehensive Income(Loss) for the period:	-	-	-	-
Total comprehensive Income(Loss) for the period	(140,256)	(185,335)	(84,883)	(80,252)

The annexed notes from 1 to 17 form an integral part of these condensed interim Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

DEWAN FAROOQUE MOTORS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	-----Unaudited-----	
	(Rs. in ' 000)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(140,256)	(185,334)
Adjustment for non-Cash charges and other items:		
Depreciation	23,966	24,267
Amortization of intangible assets	697	-
Loss due to Change in valuation of investment in associates	46,140	98,602
Financial charges	79	3
	<u>70,882</u>	<u>122,872</u>
	(69,374)	(62,462)
Movement in Working Capital:		
(Increase) in stores & spares	(786)	(7,145)
(Increase)/Decrease in stock in trade	(72,824)	34
(Increase) in advances, deposits, pre-payments & other receivables	(18,730)	(107,153)
Increase in trade & other payables	283,601	19,118
Net Changes in Working Capital	<u>191,261</u>	<u>(95,146)</u>
Cash generated from operation	121,887	(157,608)
Tax paid	(715)	(93)
Financial charges paid	(79)	(3)
Net cash flow from operating activities	<u>121,093</u>	<u>(157,704)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(293,925)	(487)
Net cash flow from investing activities	<u>(293,925)</u>	<u>(487)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term loan from related parties	172,644	162,450
Net cash flow from financing activities	<u>172,644</u>	<u>162,450</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	(188)	4,259
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(1,839,314)	(1,849,309)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	12 <u>(1,839,502)</u>	<u>(1,845,050)</u>

The annexed notes from 1 to 17 form an integral part of these condensed interim Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

DEWAN FAROOQUE MOTORS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Share Capital	Accumulated (Loss)	Total
	-----Unaudited----- (Rupees in '000')		
Balance as on July 01, 2022	1,387,353	(4,398,588)	(3,011,235)
Total comprehensive (Loss) for the period	--	(185,335)	(185,335)
Balance as on December 31, 2022	1,387,353	(4,583,923)	(3,196,570)
Balance as on July 01, 2023	1,387,353	(4,629,393)	(3,242,040)
Total comprehensive (loss) for the period	-	(140,256)	(140,256)
Balance as on December 31, 2023	1,387,353	(4,769,649)	(3,382,296)

The annexed notes from 1 to 17 form an integral part of these condensed interim Financial Statements.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

1 THE COMPANY AND ITS OPERATION

Dewan Farooque Motors Limited was incorporated in Pakistan on December 28, 1998 as a public limited Company. The shares of the Company are quoted on 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 January 01, 2000. The main facility came into commercial operation from January 01, 2001.

The Company has closed its operations since June 2018 as disclosed in note 2 to the condensed interim financial statements.

The geographical Location and address of the Company's business units, including mill/plant are as under:

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

2 GOING CONCERN ASSUMPTION

The Company has incurred a loss after taxation of Rs.140.256 (December 2022: Rs. 185.335) million during the period ended December 31, 2023. As of that date it has accumulated losses of Rs.4.770 (December 2022: Rs. 4.584) billion and its current liabilities exceeded its current assets by Rs. 5.165 (December 2022: Rs. 4.734) billion. Furthermore, cumulatively the Company has not provided markup on its borrowings from banks and financial institution amounting to Rs 572.705 million (December 2022: Rs. 425.374) million. The operations of the company are closed since June 2018 due to working capital constraints, as the short-term facilities were not renewed by the lenders and the company could not ensure timely repayments of debts owing to 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 and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as a going concern.

These condensed interim financial statements have been prepared on going concern assumption because the conditions of foregoing paragraph are temporary and would reverse. Company is in advance stage of resuming its operations as it is going to restart its CKD operations by assembling of commercial vehicles of KIA Corporation under Technical License Agreement (TLA) very soon as necessary arrangements and pre-requisite steps precedent to the start of assembly operations of the Company have been completed. Accordingly, the company has made public announcement in respect thereof in Pakistan Stock Exchange on February 16, 2024. Further, the Company's ability to arrange funds from its sponsors / associates required for resumption of operations is yet another positive factor which mitigates the risks. Once the operations are resumed, the management is also confident that the outcome of restructuring proposal submitted by the management will be positive as the Company is negotiating the reprofiling of its debt (without markup) with the lenders and the same is expected to be finalized very soon.

3 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting with the exception of departure of IFRS as mentioned in note 10, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements.

These condensed interim financial statements of the Company for the half year ended December 31,2023 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.

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 2023.

These condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.

The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2023 and 31 December 2022 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 2023 and 31 December 2022.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2023.

4.1 New standards, amendments to approved accounting standards and new interpretations

4.1.1 Amendments to approved accounting standards which are effective during the year ending June 30, 2024

There are certain amendments to approved accounting standards which are mandatory for accounting periods beginning on or after July 1, 2023 but are considered not to be relevant or have any significant effect on the Company's financial reporting and therefore, have not been disclosed in these condensed interim financial statements

4.1.2 New standards and amendments to approved accounting standards that are effective for the Company's accounting periods beginning on or after July 1, 2024 be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024.

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 July 1, 2024. 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.

4.2 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

5 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for interim reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

	December 31, 2023	June 30, 2023
Note	Unaudited	Audited
	(Rs. in '000)	
6 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS		
Operating Property Plant and Equipments & Intangible Assets	6.1 721,390	744,984
Capital Work in Progress	292,856	-
	1,014,246	744,984
6.1 WDV of Operating Fixed Assets & Intangible Assets		
Opening Cost	3,414,389	3,385,595
Add: Addition during the period/year	1,069	28,794
	3,415,458	3,414,389
Opening Accumulated Depreciation/Amortization	(2,669,405)	(2,619,636)
Less : Depreciation/Amortization charged during the period/year	(24,663)	(49,769)
	721,390	744,984
7 INVESTMENT		
Investment in Ordinary shares of Dewan Cement Limited (DCL) - An associated Company on equity method	804,131	804,131
65,375,455 (2023: 65,375,455) ordinary shares of Rs. 10 each	(19,939)	26,201
Share of Profit / (Loss) during the period/year	784,192	830,332
Fair value as per Market price Quoted in Pakisatn Stock Exchange	400,098	271,308
Market value (Rupees per share)	6.12	4.15
Percentage of equity held	13.50%	13.50%
	December 31, 2023	June 30, 2023
	Unaudited	Audited
	(Rs. in '000)	
8 SHORT TERM BORROWINGS		
Short term finances-secured	4,095,913	4,095,913
The Short term borrowings have not been renewed by the Banks as of Condensed Interim Statement of Financial Position.		
9 CONTINGENCIES AND COMMITMENTS		
Contingencies		
There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2023.		
	December 31, 2023	December 31, 2022
	Unaudited	Unaudited
	(Rs. in '000)	
10 OTHER INCOME/(LOSS)		
Exchange gain - net	7,931	1,715
Profit on Short Term Loan to Associated undertaking	18,004	13,573
Others	218	440
Share of (loss) of equity investment in associate	(46,140)	(98,602)
	(19,987)	(82,874)
11 FINANCE COST		
During the period ended December 31, 2023, 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.572.705 (December 2022: Rs.425.374) 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 financial statements during the year, the loss of the Company would have been increased by Rs. 572.705 (December 2022: Rs.425.374) million and consequently the shareholders equity would have lowered and accrued mark-up would have been higher by Rs.8.766 (December 2022: Rs.7.610) billion.The said non-provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".		
12 CASH & CASH EQUIVALENTS	December 31, 2023	December 31, 2022
	Unaudited	Unaudited
	(Rs. in '000)	
Cash & bank balances	138,522	132,974
Short term running finances	(1,978,024)	(1,978,024)
	(1,839,502)	(1,845,050)

13 (LOSS) PER SHARE - Basic/Diluted	December <u>2023</u>	December <u>2022</u>	December <u>2023</u>	December <u>2022</u>
			----- Unaudited ----- (Rs. in '000)	
(Loss) for the period (Rs. in '000)	(140,256)	(185,335)	(84,883)	(80,252)
Weighted average number of ordinary shares issued during the period Nos.	138,735	138,735	138,735	138,735
(Loss) Per Share -Basic/Diluted (Rs.)	<u>(1.01)</u>	<u>(1.34)</u>	<u>(0.61)</u>	<u>(0.58)</u>

14 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

Related parties transactions are carried out in the normal course of business. Material transaction during the period are given below:

	December 31, 2023	December 31, 2022
	Unaudited (Rs. in '000)	
Short term loan from Sponsor (Interest free)	-	162,450
Short term loan from related party (Interest free)	172,645	-
Mark-up charged for the period on short term loan to associated undertaking	18,004	13,573
Purchases from Related Party Dewan Mushtaq Trade Ltd	43,989	2,391
Advance against Supplies to Related Party Dewan Mushtaq Trade Ltd	-	87,915
Provident Fund	291	328
Share of (loss) on equity investment	(46,140)	(98,602)

Transactions with associated undertakings and related parties are undertaken on an arm's length basis.

15 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial Position of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, Statement of cash flow 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 February 26, 2024 by the Board of Directors of the Company.

17 GENERAL

Figures have been rounded off to the nearest thousand rupees.



Muhsin Ali
Chief Financial Officer



Waseem-ul-Haque Ansari
Chief Executive Officer



Mehmood-ul-Hassan Asghar
Chairman & Board of Directors

ڈائریکٹرز رپورٹ

دیوان فاروق موٹرز لمیٹڈ کا بورڈ آف ڈائریکٹرز کو 31 دسمبر 2023ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ رپورٹ مع مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے مسرت کے ساتھ خیر مقدم کرتا ہے۔

صنعت کا جائزہ

پاکستان میں آٹوموبائل سیکٹر موجودہ معاشی بحران کے اثرات سے دوچار ہے، جس کی وجوہات ادا بیگیوں کے توازن، سیاسی عدم استحکام اور دیگر چیلنجز جو کہ معاشی سست روی کا باعث بن رہے ہیں۔ درآمدی پابندیوں کی وجہ سے پلانٹ کے غیر منصوبہ بندش کے ساتھ نئی گاڑیوں کی فروخت بری طرح متاثر ہوئی ہے، جس کے باعث شعبے کے لئے مزید چیلنجز بڑھ رہے ہیں۔ نئی حکومت کے جلد ہی برسر اقتدار آتے ہی صنعت، معاشی سرگرمیوں کی بحالی میں اضافے کی توقع کرتے ہوئے آگے کی طرف بڑھنے کے لئے پالیسی کی سمت اور استحکام کی منتظر ہیں۔ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے ساتھ حکومتی مذاکرات، درآمدات میں مکملہ نرمی اور نئی حکومت کے تحت آٹوموٹو مینوفیکچررز کے لئے نئی مراعات اس شعبے کو ترقی کی طرف گامزن کر سکتی ہیں۔

کمپنی کی کارکردگی

زیر نظر جائزہ مدت کے دوران مجموعی فروخت 0.03 ملین (دسمبر 2022ء میں 0.055 ملین رہی، مجموعی خسارہ 94.372 (دسمبر 2022ء میں 80.187) ملین رہا اور بعد از ٹیکس خسارہ 140.256 (دسمبر 2022ء میں 185.335) ملین رہا، غیر جذب شدہ اضافی اخراجات اور دیگر اخراجات پر مشتمل ہے۔

انتظامیہ کو یقین ہے کہ پلانٹ میں پیداوار بہت جلد شروع کر دی جائے گی کیوں کہ اسمبلی آپریشن کے آغاز سے پہلے ضروری انتظامات اور ٹیکنیکی ضروری اقدامات مکمل ہو چکے ہیں۔ کمپنی نے پیداواری سہولیات کی دیکھ بھال، تکنیکی اور دیگر مطلوبہ ملازمین کی بھرتی، ہاڈی لائن، ویلڈنگ جگس اور دیگر آلات کی تنصیب کا کام انجام دے دیا ہے۔

کمرشل ٹرکوں کے ٹیسٹ KIA-CBU اور دیگر آلات کی کھیپ روانہ کر دی گئی ہے انتظامیہ نے پہلے ہی A-MAX کلس، CKD گاڑیوں کی تیاری کے لئے پرنسپل کی طرف سے اور ٹرانساکل کا عمل مکمل کر لیا ہے جس پر مکملہ ڈیلرز اور صارفین نے اپنی پسندیدگی کا اظہار کیا ہے۔

ملک بھر میں ڈیلرشپ قائم کی گئی ہیں اور مزید ڈیلرشپس کو لیٹر آف انٹنٹ (ایل او آئی) جوش و خروش سے جاری کئے گئے ہیں۔ ہم ڈیلرز کی طرف سے شاندار ردعمل کی اطلاع دینے پر بہت خوش ہیں، جو ہماری پیش کشوں کے بارے میں ان کے جوش و خروش کی عکاسی کرتا ہے۔ ہم بغیر کسی تاخیر کے مینوفیکچرنگ سرٹیفکیٹ جاری ہونے کا بے صبری سے انتظار کر رہے ہیں۔ ان تیار ہونے کے ساتھ ہم اللہ تعالیٰ کے فضل سے جلد پیداوار شروع ہونے کی توقع رکھتے ہیں۔

آخر میں ہم اللہ سبحان و تعالیٰ سے دعا گو ہیں کہ وہ پیغمبر آخر زماں حضرت محمد ﷺ پر بے حساب 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 و قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارگی کے ساتھ سچی ملت اسلامیہ بننے کی روح پروان چڑھائے۔

(آمین یا رب العالمین)

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

بورڈ آف ڈائریکٹرز کے اختیار کے تحت۔



وسیم الحق انصاری
چیف ایگزیکٹو



محمود الحسن اصغر

چیئرمین بورڈ آف ڈائریکٹرز

کراچی، مورخہ 26 فروری 2024ء