

QUARTERLY REPORT  
MARCH 31, 2024



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**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  
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](http://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 Nine months ended 31<sup>st</sup> March 2024.

The newly-elected government in Pakistan has committed to developing a comprehensive plan aimed at revitalizing the country's struggling economy. Just a year ago, Pakistan faced significant economic challenges, including soaring inflation, dwindling foreign exchange reserves, pressure on the exchange rate, and widespread uncertainty.

However, the current situation shows promising signs of improvement. Inflation is decreasing sharply, reserves are increasing, and despite substantial debt repayments, the country is nearing a significant milestone. The narrowing current account deficit has contributed to a stable currency and reduced uncertainty.

Pakistan continues to receive support from its international partners, and its stock market is reaching new heights. Nevertheless, the government is considering seeking a long-term loan from the IMF to stabilize economic activity and financial markets, facilitating much-needed structural reforms.

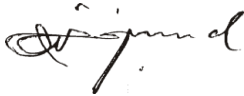
During the period under review the financial performance of the Company is as follows:

|                              | March 2024       | March 2023 |
|------------------------------|------------------|------------|
|                              | (Rupees in '000) |            |
| Sales- Net                   | -                | -          |
| Gross (Loss)                 | (10,503)         | (11,043)   |
| Profit/(Loss) after taxation | (59,404)         | (44,612)   |

The resumption of production at Dewan Farooque Motors Limited (DFML) will have a direct impact on Dewan Automotive Engineering Limited (DAEL), as the latter deals in supply of parts and components to DFML. The successful restart of operations at DFML will pave the way for DAEL's production line to swiftly resume. With DFML's prioritization of resuming production, DAEL stands poised to benefit from the efforts, ensuring a seamless transition towards resuming production activities.

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)



**Ishtiaq Ahmed**  
Chairman Board of Directors



**Waseem ul Haq Ansari**  
Chief Executive Officer

Karachi: April 26, 2024

**Condensed Interim Statement of Financial Position  
As on 31 March 2024**

|  | Notes | (Un-audited)<br>31 March<br>2024 | (Audited)<br>30 June<br>2023 |
|--|-------|----------------------------------|------------------------------|
| ----- (Rupees in '000) -----   |       |                                  |                              |
| <b><u>ASSETS</u></b>   |       |                                  |                              |
| <b>NON-CURRENT ASSETS</b>  |       |                                  |                              |
| Property, plant and equipment  | 6     | 186,177                          | 196,962                      |
| Long term deposit  |       | 503                              | 503                          |
|  |       | <b>196,614</b>                   | 207,399                      |
| <b>CURRENT ASSETS</b>  |       |                                  |                              |
| Advances   |       | 1,376                            | 1,376                        |
| Advance income tax - Net   |       | 2,637                            | 2,597                        |
| Bank balances  |       | 528                              | 515                          |
|  |       | <b>4,541</b>                     | 4,488                        |
|  |       | <b>201,155</b>                   | <b>211,887</b>               |
| <b><u>EQUITY AND LIABILITIES</u></b>   |       |                                  |                              |
| <b>SHARE CAPITAL AND RESERVES</b>  |       |                                  |                              |
| Authorised share capital<br>21,800,000 (June 2023: 21,800,000) Ordinary shares of Rs.10/- each |       | <b>218,000</b>                   | 218,000                      |
| Issued, subscribed and paid-up share capital   |       | <b>214,000</b>                   | 214,000                      |
| Capital reserve  |       |                                  |                              |
| Merger reserve   |       | <b>82,090</b>                    | 82,090                       |
| Settlement claim from Ford Motors  |       | <b>86,194</b>                    | 86,194                       |
| Surplus on revaluation of property, plant and equipment  | 8     | <b>56,507</b>                    | 59,519                       |
| Revenue reserves   |       |                                  |                              |
| General reserve  |       | <b>9,900</b>                     | 9,900                        |
| Accumulated losses   |       | <b>(1,964,793)</b>               | (1,908,401)                  |
|  |       | <b>(1,516,102)</b>               | (1,456,698)                  |
| <b>NON-CURRENT LIABILITIES</b>   |       |                                  |                              |
| Long term loan - Unsecured   | 9     | 276,617                          | 254,355                      |
| Deferred taxation  | 10    | 21,610                           | 22,840                       |
|  |       | <b>298,227</b>                   | 277,195                      |
| <b>CURRENT LIABILITIES</b>   |       |                                  |                              |
| Trade and other payables   |       | 375,578                          | 374,819                      |
| Short term finance   |       | 154,879                          | 154,879                      |
| Accrued mark-up  |       | 888,573                          | 861,692                      |
|  |       | <b>1,419,030</b>                 | 1,391,390                    |
| <b>CONTINGENCIES AND COMMITMENTS</b>   |       |                                  |                              |
|  | 11    | -                                | --                           |
|  |       | <b>201,155</b>                   | <b>211,887</b>               |

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 nine months & quarter ended 31 March 2024**

|  | Notes | Nine Months Ended            |                        | Quarter Ended                |                        |
|--|-------|------------------------------|------------------------|------------------------------|------------------------|
|  |       | March 31,<br>2024            | March 31,<br>2023      | March 31,<br>2024            | March 31,<br>2023      |
|  |       | ----- (Rupees in '000) ----- |                        | ----- (Rupees in '000) ----- |                        |
| Sales - Net                                      |       | --                           | --                     | --                           | --                     |
| Cost of sales                                    |       | <u>(10,503)</u>              | <u>(11,043)</u>        | <u>(3,421)</u>               | <u>(3,648)</u>         |
| Gross (loss)                                     |       | <u>(10,503)</u>              | <u>(11,043)</u>        | <u>(3,421)</u>               | <u>(3,648)</u>         |
| <b>Operating expenses</b>                        |       |                              |                        |                              |                        |
| Administrative expenses                          |       | <u>(1,815)</u>               | <u>(1,796)</u>         | <u>(784)</u>                 | <u>(890)</u>           |
| <b>Operating (loss)</b>                          |       | <u>(12,318)</u>              | <u>(12,839)</u>        | <u>(4,205)</u>               | <u>(4,538)</u>         |
| Other income                                     | 12    | <b>829</b>                   | 816                    | <b>277</b>                   | 270                    |
| Finance cost                                     | 13    | <b>(49,145)</b>              | (33,928)               | <b>(16,299)</b>              | (17,452)               |
| <b>(Loss) before taxation</b>                    |       | <u>(60,634)</u>              | <u>(45,951)</u>        | <u>(20,227)</u>              | <u>(21,720)</u>        |
| Taxation - Net                                   |       | <b>1,230</b>                 | 1,339                  | <b>410</b>                   | 108                    |
| <b>(Loss) for the period</b>                     |       | <u><u>(59,404)</u></u>       | <u><u>(44,612)</u></u> | <u><u>(19,817)</u></u>       | <u><u>(21,612)</u></u> |
| (Loss) per share -<br>Basic and diluted (Rupees) |       | <u><u>(2.78)</u></u>         | <u><u>(2.08)</u></u>   | <u><u>(1.84)</u></u>         | <u><u>(1.01)</u></u>   |

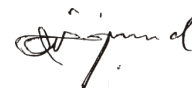
The annexed notes form an integral part of these condensed interim financial statements.



**Waseem-ul-Haque Ansari**  
Chief Executive



**Muhsin Ali**  
Chief Financial Officer



**Ishtiaq Ahmed**  
Chairman Board of Directors

Condensed Interim Statement of Comprehensive Income - (Un-audited)  
For the nine months & quarter ended 31 March 2024

|   | Nine Months Ended            |                        | Quarter Ended                |                        |
|---|------------------------------|------------------------|------------------------------|------------------------|
|   | March 31,<br>2024            | March 31,<br>2023      | March 31,<br>2024            | March 31,<br>2023      |
|   | ----- (Rupees in '000) ----- |                        | ----- (Rupees in '000) ----- |                        |
| (Loss) for the period                             | (59,404)                     | (44,612)               | (19,817)                     | (21,612)               |
| <i>Other comprehensive income for the period:</i> | --                           | --                     | --                           | --                     |
| <b>Total comprehensive (loss) for the period</b>  | <b><u>(59,404)</u></b>       | <b><u>(44,612)</u></b> | <b><u>(19,817)</u></b>       | <b><u>(21,612)</u></b> |

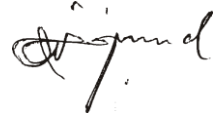
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**Waseem-ul-Haque Ansari**  
Chief Executive



**Muhsin Ali**  
Chief Financial Officer



**Ishtiaq Ahmed**  
Chairman Board of Directors

**Condensed Interim Statement of Cash Flows - (Un-audited)**  
**For the nine month ended 31 March 2024**

|   | <b>March 31,<br/>2024</b>    | <b>March 31,<br/>2023</b> |
|---|------------------------------|---------------------------|
|   | ----- (Rupees in '000) ----- |                           |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>               |                              |                           |
| (Loss) before taxation                                    | (60,634)                     | (45,951)                  |
| <i>Adjustment for non cash charges and other items</i>    |                              |                           |
| Depreciation  | 10,785                       | 11,790                    |
| Unwinding of discount                                     | 22,262                       | 11,481                    |
| Finance cost  | 26,882                       | 33,928                    |
| Cash flows before working capital changes                 | <u>(705)</u>                 | <u>11,248</u>             |
| <i>Working capital changes</i>                            |                              |                           |
| <i>(increase)/decrease in current assets</i>              |                              |                           |
| Advances  | -                            | --                        |
| <i>Increase/(decrease) in current liabilities</i>         |                              |                           |
| Trade and other payables                                  | <u>759</u>                   | <u>9,166</u>              |
|   | 759                          | 9,166                     |
| Net Cash generated from operations                        | <u>54</u>                    | <u>20,414</u>             |
| <b>Payments for:</b>                                      |                              |                           |
| Finance cost  | (1)                          | (33,928)                  |
| Income tax  | (40)                         | (225)                     |
| Net cash (outflows) from operating activities             | <u>13</u>                    | <u>(13,739)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>               | -                            | --                        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                              |                           |
| Long term loan from sponsor                               | -                            | 25,000                    |
| Overdue portion of loan paid                              | -                            | (11,250)                  |
| Net cash inflows from financing activities                | <u>-</u>                     | <u>13,750</u>             |
| Net (decrease) in cash and cash equivalents               | 13                           | 11                        |
| Cash and cash equivalents at the beginning of the period  | 515                          | 507                       |
| <b>Cash and cash equivalents at the end of the period</b> | <u><u>528</u></u>            | <u><u>518</u></u>         |

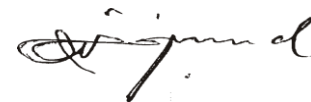
*The annexed notes form an integral part of these condensed interim financial statements.*



**Waseem-ul-Haque Ansari**  
Chief Executive



**Muhsin Ali**  
Chief Financial Officer



**Ishtiaq Ahmed**  
Chairman Board of Directors



Condensed Interim Statement Of Changes In Equity - (Un-audited)  
For the nine month ended 31 March 2024

|  | Issued,<br>subscribed and<br>paid-up share<br>capital | Capital reserves  |   |  |                              | Revenue reserves   |                       |                           | Total              |
|--|---|-------------------|---|--|------------------------------|--------------------|-----------------------|---------------------------|--------------------|
|  |   | Merger<br>reserve | Settlement<br>claim from<br>Ford Motors | Surplus on<br>revaluation of<br>property, plant<br>and equipment | Total<br>capital<br>reserves | General<br>reserve | Accumulated<br>losses | Total revenue<br>reserves |                    |
| (Rupees in '000)   |   |                   |   |  |                              |                    |                       |                           |                    |
| <b>Balance as on 1 July 2022</b>   | 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  | --  | --                | --                                      | --   | --                           | --                 | (44,612)              | (44,612)                  | (44,612)           |
| Other comprehensive income   | --  | --                | --                                      | --   | --                           | --                 | -                     | -                         | -                  |
| Total comprehensive (loss) for the period  | --  | --                | --                                      | --   | --                           | --                 | (44,612)              | (44,612)                  | (44,612)           |
| Incremental depreciation transfer from surplus on<br>revaluation of property, plant and equipment - Net of tax | --  | --                | --                                      | (3,277)  | (3,277)                      | --                 | 3,277                 | 3,277                     | -                  |
| <b>Balance as at 31 March 2023</b>   | <b>214,000</b>  | <b>82,090</b>     | <b>86,194</b>                           | <b>60,611</b>  | <b>228,895</b>               | <b>9,900</b>       | <b>(1,869,019)</b>    | <b>(1,859,119)</b>        | <b>(1,416,224)</b> |
| <b>Balance as on 1 July 2023</b>   | 214,000   | 82,090            | 86,194                                  | 59,519   | 227,803                      | 9,900              | (1,908,401)           | (1,898,501)               | (1,456,698)        |
| (Loss) for the period  | --  | --                | --                                      | --   | --                           | --                 | (59,404)              | (59,404)                  | (59,404)           |
| Other comprehensive income   | --  | --                | --                                      | --   | --                           | --                 | -                     | -                         | -                  |
| Total comprehensive (loss) for the period  | --  | --                | --                                      | --   | --                           | --                 | (59,404)              | (59,404)                  | (59,404)           |
| Incremental depreciation transfer from surplus on<br>revaluation of property, plant and equipment - Net of tax | --  | --                | --                                      | 56,507   | 56,507                       | --                 | (56,507)              | (56,507)                  | -                  |
| <b>Balance as at 31 March 2024</b>   | <b>214,000</b>  | <b>82,090</b>     | <b>86,194</b>                           | <b>116,026</b>   | <b>284,310</b>               | <b>9,900</b>       | <b>(2,024,312)</b>    | <b>(2,014,412)</b>        | <b>(1,516,102)</b> |

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

**DEWAN AUTOMOTIVE ENGINEERING LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS & QUARTER ENDED 31 MARCH 2024 - (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 period ended 31 March 2024 reflect that the Company has sustained a net loss after taxation of Rs. 59.404 million (June 2023: Rs.85.086 million) and, as of that date it has accumulated losses of Rs.1,964.793 million (June 2023: Rs.1,908.401 million) which have resulted in net capital deficiency of Rs.1,516.102 million (June 2023: Rs.1,456.698 million) and its current liabilities exceeded its current assets by Rs.1,414.489 million (June 2023: Rs.1,386.902 million) and total assets by Rs.1,217.875 million (June 2023: Rs.1,179.503 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 to be started in near future.

These financial statements have prepared on going concern assumption because the conditions being faced by the company are temporary and would reverse due to nearby resumption of operations of the Company's sister concern to whom the supplies of its products are to be made. The Company have already settled its liabilities in respect of all of its Banks / Financial Institutions and expects to avail working capital lines for its operations.

**3 BASIS OF PREPARATION**

- 3.1** These condensed interim financial statements of the Company for the six months ended 31 March 2024 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 2023.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 Marach 2024 and 31 March 2023 and the notes forming part thereof have not been reviewed by the auditors of the Company.

**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 2023.
- 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 2023.

|          |   | (Un-audited)                 | (Audited)       |
|----------|---|------------------------------|-----------------|
|          |   | 31 March                     | 30 June         |
|          |   | 2024                         | 2023            |
|          |   | ----- (Rupees in '000) ----- |                 |
| <b>6</b> | <b>PROPERTY, PLANT AND EQUIPMENT</b>  |                              |                 |
|          | Operating fixed assets -  |                              |                 |
|          | At cost less accumulated depreciation   | 6.1                          | 186,177         |
|          |   | <u>186,177</u>               | <u>196,962</u>  |
|          | <b>6.1 Operating fixed assets - At cost / revaluation less accumulated depreciation</b> |                              |                 |
|          | Opening carrying value  | 196,962                      | 212,681         |
|          | Additions during the period / year  | --                           | --              |
|          | Depreciation charged during the period / year   | <u>(10,785)</u>              | <u>(15,719)</u> |
|          | Closing carrying value  | <u>186,177</u>               | <u>196,962</u>  |
| <b>7</b> | <b>AVAILABLE FOR SALE INVESTMENT</b>  |                              |                 |
|          | <i>Investment in associated company</i>   |                              |                 |
|          | Dewan Mushtaq Trade Limited (Public, unquoted company)                                  |                              |                 |
|          | 4,000,000 (June 2023: 4,000,000) Ordinary shares of Rs.10/- each                        | 40,000                       | 40,000          |
|          | Provision for impairment loss   | <u>(30,066)</u>              | <u>(30,066)</u> |
|          |   | <u>9,934</u>                 | <u>9,934</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.

|  | (Un-audited)<br>31 March<br>2024 | (Audited)<br>30 June<br>2023 |
|--|----------------------------------|------------------------------|
|  | ----- (Rupees in '000) -----     |                              |
| <b>8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b> |                                  |                              |
| Balance as at 1 July   | 59,519                           | 63,888                       |
| Incremental depreciation charged on related assets - Net of tax  | (3,012)                          | (4,369)                      |
|  | <u>56,507</u>                    | <u>59,519</u>                |
| <b>9 LONG TERM LOAN - Unsecured</b>                              |                                  |                              |
| <i>From director - At amortized cost</i>                         |                                  |                              |
| Loan received - Opening  | 354,200                          | 329,200                      |
| Received during the period / year                                | --                               | 25,000                       |
|  | <u>354,200</u>                   | <u>354,200</u>               |
| Accumulated present value adjustment                             | (266,691)                        | (266,691)                    |
| Accumulated interest charged to profit and loss account          | 189,108                          | 166,846                      |
|  | <u>276,617</u>                   | <u>254,355</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 of surplus on revaluation of property plant and equipment | <u>21,610</u> | <u>22,840</u> |
|--|---------------|---------------|

10.1 The Company has not recognized deferred tax asset amounting to Rs.206.016 million (2023: Rs.602.353 million) arising due to available tax losses and credits since it is not probable that future taxable profits will be available against which the temporary differences can be utilized. The deferred tax liability reflected in these financial statements relates to the surplus on revaluation of property, plant and equipment only.

## 11 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 2023.

|                        | Nine Months Ended            |      | Quarter Ended                |      |
|------------------------|------------------------------|------|------------------------------|------|
|                        | 2024                         | 2023 | 2024                         | 2023 |
|                        | ----- (Rupees in '000) ----- |      | ----- (Rupees in '000) ----- |      |
| <b>12 OTHER INCOME</b> |                              |      |                              |      |

|                                   |            |            |            |            |
|-----------------------------------|------------|------------|------------|------------|
| Rental income                     | 815        | 814        | 263        | 270        |
| Interest income on saving account | 14         | 2          | 14         | 2          |
|                                   | <u>829</u> | <u>816</u> | <u>277</u> | <u>272</u> |

### 13 FINANCE COST

|   |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| Unwinding of discount /<br>present value adjustment - Net | 22,262        | 11,481        | 7,421         | 6,176         |
| Mark-up on borrowings<br>from related parties             | 26,882        | 22,447        | 8,877         | 15,990        |
|   | <u>49,145</u> | <u>33,928</u> | <u>16,299</u> | <u>22,166</u> |

### 14 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 year | (Un-audit)                | (Un-audit) |
|--|-----------------------|----------------------------|--|---------------------------|------------|
|  |                       |                            |  | 31 March                  | 31 March   |
|  |                       |                            |  | 2024                      | 2023       |
|  |                       |                            |  | ----- (Rupees '000) ----- |            |
| Dewan Farooq Motors Limited            | Group Company         | 0.12%                      | Mark up expense                        | 26,882                    | 22,447     |
| Dewan Mushtaq Motors Company (pvt) Ltd | Group Company         | -                          | Rental Income                          | 815                       | 814        |

### 15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### 15.1 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 obligations.

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

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

financial statements.

## 15.2 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 values.

## 16 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 immediately preceding financial year.

## 17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 26th April 2024 in accordance with the resolution of the Board of Directors of the Company.

## 18 GENERAL

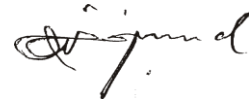
This condensed interim financial statements are presented in Rupees and figures have been rounded off to the nearest thousand rupees.



**Waseem-ul-Haque Ansari**  
Chief Executive



**Muhsin Ali**  
Chief Financial Officer



**Ishtiaq Ahmed**  
Chairman Board of Directors

## ڈائریکٹرز رپورٹ

اگر تم شکر کرو گے تو میں تمہیں اور دوں گا (القرآن) آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کو 31 مارچ 2024ء کو تمہونے والی نو ماہی کے غیر آڈٹ شدہ کنڈینسڈ عبوری مالیاتی گوشواروں کو پیش کرنے میں خوشی محسوس ہوتی ہے۔

پاکستان میں نو منتخب حکومت نے ایک جامع منصوبہ تیار کرنے کا عزم کیا ہے، جس کا مقصد ملک کی مشکلات کا شکار معیشت کو بحال کرنا ہے۔ صرف ایک سال قبل، پاکستان کا ہم اقتصادی چیلنجوں کا سامنا تھا، جن میں بڑھتی ہوئی افراط زر، گرتے ہوئے زرمبادلہ کے ذخائر، شرح مبادلہ پر دباؤ اور وسیع پیمانے پر غیر یقینی صورتحال شامل تھی۔

تاہم، موجودہ صورتحال بہتری کے امید افزا اشارے دکھاتی ہے۔ افراط زر تیزی سے کم ہو رہا ہے، ذخائر میں اضافہ ہو رہا ہے، اور خاطر خواہ قرضوں کی ادائیگی کے باوجود، ملک ایک اہم سنگ میل کے قریب ہے۔ کم ہوتے گرنٹ اکاؤنٹ خسارے نے کرنسی کو مستحکم کرنے اور غیر یقینی صورتحال کو کم کرنے میں اہم کردار ادا کیا ہے۔

پاکستان کو اپنے بین الاقوامی شراکت داروں کی جانب سے حمایت حاصل ہوتی رہتی ہے، اور اس کی اسٹاک مارکیٹ نئی بلندیوں کو چھو رہی ہے۔ بہر حال، حکومت اقتصادی سرگرمیوں اور مالیاتی منڈیوں کو مستحکم کرنے کے لیے آئی ایم ایف سے طویل مدتی قرض حاصل کرنے پر غور کر رہی ہے، جس سے انتہائی ضروری ساختی اصلاحات کی سہولت فراہم کی جا رہی ہے۔

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

مارچ 2024ء (000 روپے میں) مارچ 2023ء (000 روپے میں) (فروخت-میٹ) مجموعی (نقصان) مارچ 2024ء (10,503) مارچ 2023ء (11,043) ٹیکس کے بعد منافع / (نقصان)  
مارچ 2024ء (59,404) مارچ 2023ء (44,612)

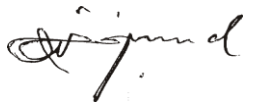
دیوان فاروق موٹرز لمیٹڈ (DFML) میں پیداوار کی بحالی کا براہ راست اثر دیوان آٹوموٹیو انجینئرنگ (DAEL) پر پڑے گا، کیونکہ بعد میں ڈی ایف ایل کو پروازوں اور اجزاء کی فراہمی کا معاملہ ہے۔ DFML میں آپریشنز کا کامیاب دوبارہ آغاز DAEL کی پروڈکشن لائن کو تیزی سے دوبارہ شروع کرنے کی راہ ہموار کرے گا۔ پیداوار کو دوبارہ شروع کرنے کی DFML کی ترجیح کے ساتھ، DAEL پیداواری سرگرمیوں کو دوبارہ شروع کرنے کی طرف بغیر کسی رکاوٹ کے منتقلی کو یقینی بناتے ہوئے، کوششوں سے فائدہ اٹھانے کے لیے تیار ہے۔

آخر میں ہم اللہ سبحان و تعالیٰ سے دعا گو ہیں کہ وہ پیغمبر آخر زمان 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 ملیب اسلامیہ بننے کی روح پروان چڑھائے۔



وسیم الحق انصاری  
چیف ایگزیکٹو آفیسر

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



اشفاق احمد  
چیرمین بورڈ آف ڈائریکٹرز