

# Quarterly Report September 30, 2017



DEWAN FAROOQUE MOTORS LIMITED



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## DEWAN FAROOQUE MOTORS LIMITED

### Company Information

#### Executive Directors

Dewan Muhammad Yousuf Farooqui Chairman Board of Directors  
Mr. Waseem-ul- Haque Ansari  
Mr. Muhammad Naeemuddin Malik  
Mr. Mohammad Saleem Baig

#### Non-Executive Directors

Mr. Haroon Iqbal  
Syed Muhammad Anwar

#### Independent Director

Mr. Aziz-ul-Haque

#### CHIEF EXECUTIVE OFFICER

Dewan Muhammad Yousuf Farooqui

#### CFO & COMPANY SECRETARY

Mr. Muhammad Naeem Uddin Malik

#### AUDIT COMMITTEE MEMBERS

Mr. Aziz-ul-Haque Chairman  
Syed Muhammad Anwar Member  
Mr. Haroon Iqbal Member

#### HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Mr. Haroon Iqbal Chairman  
Dewan Mohammad Yousuf Farooqui Member  
Mr. Aziz-ul-Haque Member

#### BANKERS

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

#### 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 Shahrah-e-Faisal,  
Adjacent to Baloch Colony Bridge,  
Karachi, Pakistan.

#### REGISTERED OFFICE

7th Floor, Block 'A',  
Finance & Trade Centre,  
Off Shahrah-e-Faisal,  
Karachi.

#### CORPORATE OFFICE

7th & 8th Floor, Block 'A',  
Finance & Trade Centre,  
Off Shahrah-e-Faisal,  
Karachi.

#### REGIONAL OFFICES

**Lahore**  
Dewan Centre, PIA Tower,  
Egerton Road,

#### Islamabad

Plot # 6, Street # 9, Sector  
G-8/2

#### 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 quarter ended September 30, 2017.

During the period under review the gross sales is Rs.0.212 million, gross loss is Rs.27.906 million and the after tax loss is Rs.3.044 million.

The sale of local Car/LCV sector for the quarter ended September 30, 2017 has shown a growth of 21% as compared to the corresponding period of last year. The main reason for the growth is the availability of car financing at low interest rate, introduction of new models and better security condition. With availability of bank financing at lower rates, positive economic growth and rising income levels, the outlook of the industry continued to be positive. The Company is going through tough conditions and making best endeavors to survive. A number of recovery suits have been instituted by Banks/Financial Institutions alleging default of company which are being successfully defended by our counsels. The proposal of re-profiling of the Company's debts is expected to be completed very soon. After the restructuring of debt, the Company's operation will be normalized. The Company had entered into an agreement with Daehan-Dewan Motor Company (Pvt.) Ltd for manufacture of vehicles under toll manufacturing arrangement. The requisite approval is pending with the Government. The production is expected to start soon after the approval is granted.

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

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

Under / By Authority of the Board of Directors



**DEWAN MUHAMMAD YOUSUF FAROOQUI**  
Chief Executive

Karachi: October 27, 2017

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Balance Sheet**  
**As at September 30, 2017**

|   | Note | September 30,<br>2017<br>Unaudited | June 30,<br>2017<br>Audited |
|---|------|------------------------------------|-----------------------------|
| (Rs. in '000)   |      |                                    |                             |
| <b>ASSETS</b>   |      |                                    |                             |
| <b>NON-CURRENT ASSETS</b>   |      |                                    |                             |
| Property, Plant and Equipment   | 6    | 1,057,165                          | 1,075,925                   |
| Investment  | 7    | 1,221,703                          | 1,188,527                   |
| <b>CURRENT ASSETS</b>   |      |                                    |                             |
| Stores and spares   |      | 62,597                             | 62,798                      |
| Stock-in-trade  |      | 63,468                             | 63,574                      |
| Trade debts - considered good   |      | 46,840                             | 46,840                      |
| Short term loans to associated undertakings - considered good           |      | 154,879                            | 154,879                     |
| Advances, deposits, prepayments and other receivables - Considered good |      | 787,840                            | 783,790                     |
| Taxation - net  |      | 24,813                             | 24,702                      |
| Cash and bank balances  |      | 121,905                            | 123,680                     |
|   |      | 1,262,342                          | 1,260,263                   |
| <b>TOTAL ASSETS</b>   |      | <b>3,541,210</b>                   | <b>3,524,715</b>            |
| <b>EQUITY AND LIABILITIES</b>   |      |                                    |                             |
| <b>SHARE CAPITAL AND RESERVES</b>                                       |      |                                    |                             |
| <b>Share Capital</b>  |      |                                    |                             |
| <b>Authorized</b>   |      |                                    |                             |
| 150,000,000 (June 30, 2017: 150,000,000)                                |      |                                    |                             |
| Ordinary shares of Rs.10 each   |      | 1,500,000                          | 1,500,000                   |
| <b>Issued, subscribed and paid-up</b>                                   |      |                                    |                             |
| Issued, subscribed and paid-up  |      | 1,387,353                          | 1,387,353                   |
| Reserves  |      | (3,429,292)                        | (3,426,248)                 |
|   |      | (2,041,939)                        | (2,038,895)                 |
| <b>NON-CURRENT LIABILITIES</b>  |      |                                    |                             |
| Long term security deposits   |      | 16,700                             | 16,700                      |
| Deferred Liabilities  |      | 4,514                              | 4,514                       |
| <b>CURRENT LIABILITIES</b>  |      |                                    |                             |
| Loan from Director  | 8    | 134,898                            | 116,067                     |
| Trade and other payables  |      | 2,318,091                          | 2,306,052                   |
| Short term finances-secured   | 9    | 1,978,024                          | 1,978,024                   |
| Current maturity of long term loans                                     |      | 1,130,922                          | 1,142,253                   |
|   |      | 5,561,935                          | 5,542,396                   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                    |      |                                    |                             |
|   | 10   |                                    |                             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                     |      | <b>3,541,210</b>                   | <b>3,524,715</b>            |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

**Condensed Interim Profit and Loss Account**  
For the quarter ended September 30, 2017

|   | Quarter Ended                      |                                    |
|---|------------------------------------|------------------------------------|
|   | September 30,<br>2017<br>Unaudited | September 30,<br>2016<br>Unaudited |
|   | ------(Rupees in '000)-----        |                                    |
| <b>GROSS SALES</b>                              | <b>212</b>                         | 34,716                             |
| Sales tax                                       | <b>34</b>                          | 3,180                              |
| Commission                                      | <b>-</b>                           | -                                  |
|   | <b>34</b>                          | 3,180                              |
| <b>NET SALES</b>                                | <b>178</b>                         | 31,536                             |
| Cost of sales                                   | <b>28,084</b>                      | 64,396                             |
| <b>GROSS LOSS</b>                               | <b>(27,906)</b>                    | (32,860)                           |
| Distribution expenses                           | <b>4,520</b>                       | 5,919                              |
| Administration and general expenses             | <b>6,988</b>                       | 6,922                              |
|   | <b>11,508</b>                      | 12,841                             |
| <b>OPERATING LOSS</b>                           | <b>(39,414)</b>                    | (45,701)                           |
| <b>OTHER INCOME</b>                             | <b>36,377</b>                      | 39,481                             |
| Finance cost                                    | <b>5</b>                           | 37                                 |
|   | <b>(3,042)</b>                     | (6,220)                            |
| <b>(LOSS) BEFORE TAXATION</b>                   | <b>(3,042)</b>                     | (6,257)                            |
| <b>TAXATION</b>                                 | <b>2</b>                           | 315                                |
| <b>NET (LOSS) FOR THE PERIOD</b>                | <b>(3,044)</b>                     | (6,572)                            |
| <b>Basic / diluted (Loss) per share (Rupee)</b> | <b>(0.02)</b>                      | (0.05)                             |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Statement of Comprehensive Income**  
**For the quarter ended September 30, 2017**

|  | Quarter Ended                      |                                    |
|--|------------------------------------|------------------------------------|
|  | September 30,<br>2017<br>Unaudited | September 30,<br>2016<br>Unaudited |
|  | ------(Rupees in '000)-----        |                                    |
| (Loss) for the period                            | <b>(3,044)</b>                     | (6,572)                            |
| <b>Other comprehensive loss for the period:</b>  | -                                  | -                                  |
| <b>Total comprehensive (Loss) for the period</b> | <b><u>(3,044)</u></b>              | <u>(6,572)</u>                     |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Dewan Muhammad Yousuf Farooqui**  
 Chief Executive



**Haroon Iqbal**  
 Director



**Condensed Interim Cash Flow Statement**  
For the quarter ended September 30, 2017

|   | September 30,<br>2017 | September 30,<br>2016 |
|---|-----------------------|-----------------------|
| -----Unaudited-----<br>(Rs. in '000)                                  |                       |                       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                            |                       |                       |
| (Loss) before taxation  | <b>(3,042)</b>        | (6,257)               |
| Add / (Less) : Depreciation   | <b>18,762</b>         | 20,667                |
| Gain due to Change in valuation<br>of investment in associates        | <b>(33,176)</b>       | (36,230)              |
| Financial charges   | <b>5</b>              | 37                    |
|   | <b>(14,409)</b>       | (15,526)              |
|   | <b>(17,451)</b>       | (21,783)              |
| Decrease in stores & spares   | <b>201</b>            | -                     |
| Decrease in stock in trade  | <b>106</b>            | 31,447                |
| (Increase) in trade debts   | <b>-</b>              | (34,360)              |
| (Increase) in advances, deposits,<br>pre-payments & other receivables | <b>(4,050)</b>        | (18,745)              |
| Increase in trade, other payables and borrowings                      | <b>12,039</b>         | 51,510                |
| Tax (paid)  | <b>(113)</b>          | (2,162)               |
| Financial charges (paid)  | <b>(5)</b>            | (37)                  |
|   | <b>8,178</b>          | 27,653                |
| <b>Net cash flow from operating activities</b>                        | <b>(9,274)</b>        | 5,870                 |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                            |                       |                       |
| Net cash flow from investing activities                               | <b>-</b>              | -                     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                            |                       |                       |
| Long term loans (repaid)  | <b>(11,331)</b>       | -                     |
| Loan from Directors   | <b>18,831</b>         | -                     |
| Finance Lease repayments  | <b>-</b>              | (910)                 |
| <b>Net cash flow from financing activities</b>                        | <b>7,500</b>          | (910)                 |
| <b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>         | <b>(1,774)</b>        | 4,960                 |
| <b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>         | <b>(1,854,344)</b>    | (1,847,562)           |
| <b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>               | <b>(1,856,118)</b>    | (1,842,602)           |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Statement of Changes in Equity**  
For the quarter ended September 30, 2017

|   | Share Capital    | Advance against issue of share | Unappropriated Profit / (Loss) | Total              |
|---|------------------|--------------------------------|--------------------------------|--------------------|
| -----Unaudited-----<br>(Rs. in '000)    |                  |                                |                                |                    |
| <b>Balance as on July 01, 2016</b>      | 1,087,353        | 300,000                        | (3,413,036)                    | (2,025,683)        |
| Issued during the period                | 300,000          | (300,000)                      | -                              | -                  |
| Total comprehensive loss for the period | -                | -                              | (6,572)                        | (6,572)            |
| <b>Balance as on Sep 30, 2016</b>       | <u>1,387,353</u> | <u>-</u>                       | <u>(3,419,608)</u>             | <u>(2,032,255)</u> |
| Balance as on July 01, 2017             | 1,387,353        | -                              | (3,426,248)                    | (2,038,895)        |
| Issued during the period                | -                | -                              | -                              | -                  |
| Total comprehensive loss for the period | -                | -                              | (3,044)                        | (3,044)            |
| <b>Balance as on Sep 30, 2017</b>       | <u>1,387,353</u> | <u>-</u>                       | <u>(3,429,292)</u>             | <u>(2,041,939)</u> |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

## **Notes to the Condensed Interim Financial Statements For the quarter ended September 30, 2017 (Unaudited)**

### **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 exchanges. The registered office of the Company is situated at 7th floor, Block 'A', Finance and Trade Centre, Off - Shahrah-e-Faisal, Karachi, while its manufacturing facilities is situated at Jilianabad, Budhu Talpur, District Sajawal, Sindh.

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.

On August 01, 2016 the company had entered into Toll manufacturing agreement with Dehan-Dewan Motor Company (Pvt.) Ltd (a Related Party ) to manufacture the vehicles on Toll manufacturing basis.

### **2 GOING CONCERN ASSUMPTION**

The company incurred Loss after taxation of Rs.3.044 million during the period ended September 30, 2017. As of that date it has accumulated losses of Rs. 3.429 billion and its current liabilities exceeded its current asset by Rs. 4.299 billion. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.4.805 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. The Company has suspended its production from November 2010 till August 2013 and again closed the production since March 2014. Further, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course the lenders have gone into litigations for repayment of liabilities amounting to Rs. 6.884 billion through attachment and sale of Company's hypothecated /mortgaged properties. The restructuring proposal submitted by the company to lenders is in the process of negotiation and is expected to be approved in near future. These conditions indicate the existence of material uncertainty, which may cast significant doubt about company ability to continue as going concern.

These condensed interim financial statements have been prepared on going concern assumption because the above conditions are temporary and would reverse. The management is confident that the outcome will be positive as the company is negotiating reprofiling of the debt with all the lenders and is expected to be finalized in due course. Accordingly, the company has approached its lenders for the restructuring of its entire debt in the following manner:

- a) All the debt obligations of the company be converted into interest bearing long term loan in proportion to their respective current exposures;
- b) Principle to be repaid in 10 years inclusive of 1 year grace period.
- c) Mark-up payable as on December 31, 2008 to be frozen and paid quarterly over a period of three years commencing after 3 months from the restructuring date.

The management believes that the restructuring proposal presented is workable and would enable the company to service its debts. Therefore, the management is confident that the proposal will be accepted by its lenders. Accordingly, these financial statements have been prepared on a going concern basis.

**3 BASIS OF PREPARATION**

- 3.1 During the preceding financial year, the Companies Act 2017 (the Act) was promulgated, however, as per Securities and Exchange Commission of Pakistan's (SECP) circular 23 of 2017 dated October 04, 2017 as clarified by Institute of Chartered Accountants of Pakistan vide its circular no 17/2017 dated October 06, 2017, the companies shall prepare their annual and interim condensed interim financial informations for the periods ending on or before December 31, 2017 in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this condensed interim financial information of the Company for the quarter ended September 30, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.
- 3.2 This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2017.
- 3.3 This condensed interim financial information is 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.
- 3.4 The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2017, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended September 30, 2017.

**4 ACCOUNTING POLICIES**

- 4.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the year ended 30 June 2017.
- 4.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

**5 ESTIMATES AND JUDGMENTS**

- 5.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 5.2 Estimates and judgments made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2017.

| Note   | Quarter Ended<br>September 30,<br>2017<br>Unaudited | Year Ended<br>June 30,<br>2017<br>Audited |
|--|---|---|
| (Rs. in '000)  |   |   |
| <b>6 PROPERTY PLANT AND EQUIPMENTS</b>   |   |   |
| Operating Property Plant and Equipments 6.1  | <b>1,057,163</b>                                    | 1,075,925                                 |
|  | <b><u>1,057,163</u></b>                             | <u>1,075,925</u>                          |
| <b>6.1 WDV of Operating Fixed Assets</b>   |   |   |
| Opening Balance  | <b>3,378,036</b>                                    | 3,378,035                                 |
| Add: Addition during the period  | -   | -   |
|  | <b>3,378,036</b>                                    | 3,378,036                                 |
| Less: Deletion during the period   | -   | -   |
|  | <b>3,378,036</b>                                    | 3,378,036                                 |
| Less : Accumulated Depreciation as on<br>Sep 30, 2017 (June 30, 2017)                                      | <b>(2,320,873)</b>                                  | (2,302,112)                               |
|  | <b><u>1,057,163</u></b>                             | <u>1,075,924</u>                          |
| <b>7 INVESTMENT</b>  |   |   |
| Investment in Ordinary shares of Dewan<br>Cement Limited (DCL) - An associated<br>company on equity method |   |   |
| 65,375,455 ordinary shares of Rs. 10 each  | <b>804,131</b>                                      | 804,131                                   |
| Share of Profit  | <b>417,572</b>                                      | 384,396                                   |
|  | <b><u>1,221,703</u></b>                             | <u>1,188,527</u>                          |
| Fair value as per Market price Quoted in<br>Pakisatn stock Exchange  | <b>1,138,840</b>                                    | 1,319,276                                 |
| <b>Market value (Rupees per share)</b>   | <b>17.42</b>  | 20.18                                     |
| Percentage of equity held  | <b>13.50%</b>                                       | 13.50%                                    |
| <b>8 LOAN FROM DIRECTOR</b>  |   |   |
| The loan obtained from director is interest free and payable on demand.                                    |   |   |
| <b>9 SHORT TERM BORROWING</b>  |   |   |
| The Short term borrowings has not been renewed by the Banks as of Balance sheet date.                      |   |   |

## 10 CONTINGENCIES AND COMMITMENTS

### Contingencies

There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2017 as disclosed the banks/Financial institutions has filed suits aggregate amounting to Rs. 6.884 billion .

## 11 FINANCE COST

During the period ended September 30, 2017 the Company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 80.353 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. 80.353 million and consequently the Share holders equity would have been lower and accrued markup would have been higher by Rs.4.805 billion. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

| For the quarter ended              |                                    |
|------------------------------------|------------------------------------|
| September 30,<br>2017<br>Unaudited | September 30,<br>2016<br>Unaudited |
| ------(Rs. in '000)-----           |                                    |

## 12 LOSS PER SHARE - Basic/Diluted

|   |                |         |
|---|----------------|---------|
| Net (Loss) for the period   | <b>(3.044)</b> | (6,572) |
| Weighted average number of ordinary shares issued during the year | <b>138,735</b> | 138,735 |
| (Loss) Per Share -Basic/Diluted (Rupee)                           | <b>(0.02)</b>  | (0.05)  |

## 13 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:

| Quarter Ended<br>Sep 30,<br>2017<br>Unaudited | Year Ended<br>June 30,<br>2017<br>Audited |
|---|---|
|---|---|

(Rs. in '000)

|  |               |         |
|--|---------------|---------|
| Sales  | <b>206</b>    | 96,768  |
| Markup charged for the period on short term<br>loans to associated undertakings  | <b>2,791</b>  | 11,034  |
| Amount received against markup on short term<br>loans to associated undertakings | -             | 11,837  |
| Loan from Director   | <b>18,831</b> | 116,067 |
| Provident Fund   | <b>356</b>    | 1,154   |

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

#### 14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 27, 2017 by the Board of Directors of the Company.

#### 15 GENERAL

Figures have been rounded off to the nearest thousand rupees.



**Dewan Muhammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

## ڈائریکٹرز رپورٹ

دیوان فاروق موٹرز لمیٹڈ کا بورڈ آف ڈائریکٹرز مورخہ 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ رپورٹ معہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے مسرت کے ساتھ خیر مقدم کرتا ہے۔ اقتصادی جائزہ زیر نظر سہ ماہی رپورٹ میں کمپنی کی کارکردگی کچھ اس طرح رہی مجموعی فروخت 0.212 ملین روپے، مجموعی خسارہ 27.906 ملین روپے اور انکم ٹیکس کے بعد ہونے والا خسارہ 3.044 ملین روپے ہے۔

مورخہ 30 ستمبر 2017ء کو ختم ہونے والی سہ ماہی کے حسابات میں مقامی طور پر کار/LCV کی تیاری میں گزشتہ سال کے مقابلے میں 21% بڑھوتری نظر آ رہی ہے۔ شرح پیداوار میں اضافہ کی بنیادی وجہ بینکوں کا کم شرح سود، نئے ماڈل کی گاڑیوں کی آمد اور ملک کے بہتر ہوتے حالات ہیں۔ کم شرح سود پر قرضہ جات کی فراہمی، مثبت پیداواری سرگرمی اور آمدنی میں اضافہ صنعتوں میں استحکام لاسکتا ہے۔ کمپنی اپنے مشکل حالات میں زندہ رہنے کے لئے سخت محنت کر رہی ہے۔ کمپنی کی جانب سے بینکوں اور دیگر مالیاتی اداروں سے مالی معاملات کی بہتری کے لئے بھرپور اور کامیاب کوششیں جاری ہیں، موجودہ مالیاتی صورتحال کو بہتر بنانے کے لئے کمپنی نئے دفاعی اقدامات کر رہی ہے اور یہ معاملہ بھی بینکوں کے سامنے رکھ دیا ہے۔ کمپنی کے قرضوں کی ری پروفاٹنگ مستقبل قریب میں مکمل ہونے کی توقع ہے اور کمپنی کے آپریشنز معمول پر آجائیں گے۔ مالیاتی سال کے دوران کمپنی نے دیہان دیوان موٹرز کمپنی پرائیوٹ لمیٹڈ سے ٹول مینوفیکچرنگ آرینجمنٹ کے تحت گاڑیوں کی تیاری کے لئے ایک معاہدہ کیا ہے۔ حکومت سے مطلوبہ منظوری زیر التواء ہے۔ منظوری ملنے کے فوری بعد پیداوار متوقع ہے۔

آخر میں ہم اللہ سبحانہ و تعالیٰ سے دعا گو ہیں کہ وہ پیغمبر آخر زماں حضرت محمد ﷺ پر کروڑوں رحمتیں اور برکتوں کا نزول فرمائے اور حضرت محمد ﷺ کے صدقہ طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت 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 صلہت اسلامیہ بننے کی روح پروان چڑھائے۔

(آمین یا رب العالمین)

*Dewan Farouque*

دیوان محمد یوسف فاروقی

چیف ایگزیکٹو

کراچی، مورخہ 27 اکتوبر 2017ء





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