

Contents

Company Information	2
Mission Statement	3
Notice of Annual General Meeting	4
Directors' Report	8
Key Operating and Financial Data	11
Statement of Compliance with the Code of Corporate Governance	12
Review report to the members on statement of Compliance with best practices of the Code of Corporate Governance	15
Auditors' Report	17
Balance Sheet	19
Profit & Loss Account	20
Statement Of Comprehensive Income	21
Cash Flow Statement	22
Statement of Changes in Equity	23
Notes to the Financial Statements	24
Pattern of Shareholding	45
Form of Proxy	49
Form of Proxy (Urdu)	50
Directors' Report (Urdu)	54
Notice of Annual General Meeting (Urdu)	58

Company Information

BOARD OF DIRECTORS

Executive Director

Mr. Haroon Iqbal CEO & Chairman Board of Directors
 Mr. Manzoor Ahmed Director

Non-Executive Directors

Mr. Waseem-ul-Haque Ansari
 Mr. Muhammad Naeemuddin Malik
 Syed Maqbool Ali
 Mr. Ishtiaq Ahmed

Independent Director

Mr. Azizul Haque

COMPANY SECRETARY

Mr. Muhammad Naeemuddin Malik

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Muslim Commercial Bank Ltd.
 Bank Islami Pakistan Ltd.
 Soneri Bank Ltd.

REGISTERED OFFICE

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

FACTORY

Dewan City Sajawal District Thatta, Sindh.

WEBSITE

www.yousufdewan.com

Mission Statement

To be the No. 1 automobile company in Pakistan

- ✿ To assume leadership role in the technological advancement of the industry and to achieve the highest level of quantitative indigenization.
- ✿ To offer high value, economical and qualitative solutions to address the commuting needs of a diverse range of customers.
- ✿ To seek long-term and good relations with our suppliers and dealers with fair, honest and mutually profitable dealings.
- ✿ To be a totally customer oriented company and to achieve Total Customer Satisfaction.
- ✿ To create a work environment, which motivates recognizes and rewards achievements at all levels of the organization.
- ✿ To produce environment friendly vehicles.
- ✿ To be a contributing corporate citizen for the betterment of society, and to exhibit a socially responsible behavior.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty Fifth Annual General Meeting of **Dewan Automotive Engineering Limited ("DAEL" or "the Company")** will be held on **Wednesday, January 31, 2018**, at 03:00 p.m. at Dewan Cement Limited Factory Site, at Deh Dhand, Dhabeji, District Malir, Karachi, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Annual General Meeting of the Company;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2017, together with the Directors' and Auditors' Reports thereon;
3. To confirm the appointment of the Statutory Auditors' of the Company for the year ended June 30, 2018, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

SPECIAL BUSINESS:

1. To consider and if deemed fit, approve the amendments / addition in Articles of Association of the Company as mentioned in detail in the Statement under Section 134(3).
2. In connection with consent from shareholders for the transmission of the annual audited accounts in any approved transmission medium; and provision for appointment of a non-members as proxy in case of e-voting; and pass the following resolutions, with or without modifications, as Special Resolutions;
3. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual audited accounts, notices of general meetings and other information contained therein of the Company either through CD or DVD or USB and to pass the following resolution with or without modification:

"RESOLVED THAT consent & approval of the members of Dewan Automotive Engineering Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies.

"FURTHER RESOLVED THAT appointment of non-members as proxy in case of e-voting be and is hereby approved".

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

DEWAN AUTOMOTIVE ENGINEERING LIMITED

"FURTHER RESOLVED THAT Mr. Haroon Iqbal, Chief Executive Officer or Mr. Muhammad Naeemuddin Malik, Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purpose of implementing this resolution."

"Statement under Section 134(3) of the Companies Act, 2017, concerning the Special Business, is attached along with the Notice circulated to the members of the Company, and is deemed an integral part hereof"

By order of the Board



Muhammad Naeemuddin Malik
Company Secretary

Karachi: January 08, 2018

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from January 24, 2018 to January 31, 2018 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
3. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:

a) For Attending Meeting:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (CNIC), or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.

b) For Appointing Proxies:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.



- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DAEL/index.html>

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT. 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Dewan Automotive Engineering Limited ("the Company" or "DAEL") to be held on Wednesday, January 31, 2018, at 03:00 p.m., at Dewan Cement Limited, Plant Site, Deh Dhando, Dhabeji, District Malir, Karachi, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the Meeting.

Special Business

1. Circulation of Annual Reports through CD/DVD/USB:-

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(I)/2016 dated May 31, 2016 allowed the companies to circulate the annual audited accounts, notices of general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual reports.

The Company shall supply the hard copies of the aforesaid documents to the shareholders on demand, free of cost within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with the postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the Directors of the Company have no interest in the Special Business except in their capacity as shareholders and Directors of the Company.

"RESOLVED THAT consent & approval of the members of Dewan Automotive Engineering Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the year ending on June 30, 2018 through CD or DVD or USB instead of transmitting the same in hard copies".

2. To consider, and if thought appropriate, approve and resolve the passing of the following proposed special resolutions in respect of alterations to the Articles of Association of the Company.

i). Addition of Clause 61-A of the Articles of Associations of the Company.

The provisions and requirements for e-voting including instrument for appointing proxy as prescribed by regulatory authority from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.

"RESOLVED THAT new clause 61-A inserted immediately after clause 61 of the Articles of Association of the Company "Subject to any rules or regulations that may be made from time to time by Securities and Exchange Commission Pakistan in this regard, Members may exercise voting rights at general meeting through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws. The Company shall facilitate the voting by electronic means in the manner and in accordance with the requirements prescribed by Securities and Exchange Commission of Pakistan.

The instrument appointing proxy for e-voting shall be deposited in writing at least ten days before holding general meeting at the registered office of the Company through courier/in person or through email address mentioned in the notice of general meeting or in the form specified for e-voting in schedule II to the Companies (E-voting) Regulations 2016 and amended time to time or in any other form approved by the Directors.

"FURTHER RESOLVED THAT in connection with the resolution passed above and subject to the necessary approvals to be obtained from regulators and any consequent modifications thereon, the amendments / addition in Articles of Association of the Company which is laid before the members in the Statement under Section 134(3) and forms an integral part of this resolution be and are hereby approved".

The Directors of the Company are not directly or indirectly interested with the affairs of the Special Business, which nevertheless is intended to streamline the above-said provision of the Articles of Association of the Company with the like provision of the Companies Act, 2017, and also acts and benefits to the business convenience of the Company, and its Board of Directors taken as a whole.

Directors' Report

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

The Board of Directors of Dewan Automotive Engineering Ltd. is pleased to present its annual report along with the Company's audited financial statements for the year ended June 30, 2017 and welcomes you to the thirty-fifth Annual General Meeting.

Financial Overview

The summary of financial performance for the year, along with the comparative figures of financial year 2016 is as follows:

	June 30, 2017	June 30, 2016
	(Rupees in '000)	
Gross Sales	-	-
Gross (loss)	(33,742)	(29,690)
Operating (loss)	(77,986)	(53,607)
Net (loss) after tax	(38,250)	(64,807)

Year under review:

Due to non-availability of banking lines, the production activity of the Company during the year remained suspended, resulting in unabsorbed fixed and other cost which ultimately contributed to the financial loss of the Company. The company is operating under tough conditions due to the aforesaid reason and making best endeavors to survive. To overcome the current financial situation, the Company is taking various countermeasures and has taken up the matter with the banks

Following are the comments on Auditors qualifications, as per Auditors' Report.

Para (a) and (b) regarding going concern and non provisioning of mark up: The management has explained the status of matter in respective Note No. 2 and 26.1 to the financial statements.

Para (c) regarding actuarial valuation for staff retirement benefits: Provision for gratuity has not been made on the basis of actuarial valuation method as, in view of management the impact of actuarial would not be material. The operations are almost closed and only few staff members are in service. The actuarial valuation method for gratuity will be adopted as and when the normal operations are resumed.

Corporate and financial reporting framework:

- The financial statements for the year ended June 30, 2017, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flow and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2017 and accounting estimates are based on reasonable and prudent judgment.

DEWAN AUTOMOTIVE ENGINEERING LIMITED

- International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The Management has explained their views in detail regarding the going concern ability of the company in note 2 of the annexed financial statements.
- There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulations of the stock exchange of Pakistan;
- Summarized key operating and financial data of the last six years is enclosed with the report;
- All taxes have been paid and nothing is outstanding, except as disclosed in note 17 of the annexed audited financial statements;

The Board of Directors comprise of individuals with diversified knowledge who endeavor to contribute toward the aim of the Company with the best of their abilities. During the year one meeting of the Board of Directors was held. The attendance of directors was as follows;

Name Of Director	No. of Meetings Attended
Mr. Haroon Iqbal	1
Mr. Aziz-ulHaque	1
Mr. Waseem-ul-Haque Ansari	1
Mr. Manzoor Ahmad	1
Syed Maqbool Ali	1
Mr. Muhammad Naeemuddin Malik	1
Mr. Ishtiaq Ahmed	1

Leave of absence was granted to those directors who applied for the leave. The audit committee comprise of three directors, two of them are non-executive. During the year no meeting of audit committee was held.

Name of Director	No. of meetings attended
Mr. Aziz-ulHaque	-
Mr. Ishtiaq Ahmed	-
Syed Maqbool Ali	-

During the year one meeting of the human resource & remuneration committee was held, members' attendance in this meeting is as under.

Name of Director	No. of meetings attended
Syed Maqbool Ali	1
Mr. Haroon Iqbal	1
Mr. Waseem-ul-Haque Ansari	1

Auditors:

The present Auditors Messrs Faruq Ali & Co, Chartered Accountants, have retired and offer themselves for re-appointment.

The Board of Director on recommendation of the Audit committee has recommended the re-appointment of Messrs Faruq Ali & Co. Chartered Accountants.

Loss per share

The Loss per share is Rs. 1.79

Dividend

Due to loss for the year as well as accumulated losses, no dividend has been recommended by the Board,

Pattern of Shareholding:

The pattern of Shareholding of the Company as at June 30, 2017 is included in the Annual Report.

Trading in Company Shares

None of the Directors, Executives, their spouses and minor children have traded in the shares of the Company during the year.

Vote of Thanks:

On behalf of the Board, I thank you, the valued shareholders, Federal and Provincial Government and their functionaries, banks, development financial institutions, leasing companies, dealers, vendors and customers for their continued support and patronage.

The Board would also like to appreciate the valuable services, loyalty and efforts rendered by the executives, staff members and workers of the Company, during the year under review.

Conclusion:

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)



Haroon Iqbal
Chief Executive Officer & Chairman

Summarised Key Operating and Financial Data of Last Six Years

PARTICULARS	2017	2016	2015	2014	2013	2012
 Rs. in '000'					
Gross Sales	-	-	-	47,922	-	-
Net Sales	-	-	-	40,797	-	-
Gross (Loss) / Profit	(33,742)	(29,690)	(32,114)	(19,142)	(34,416)	(39,565)
Operating (loss)/profit	(77,986)	(53,607)	(63,181)	(62,567)	(136,168)	(71,160)
(los) / profit before tax	(44,863)	(67,681)	(117,024)	(108,903)	282,127	(187,661)
(los) / profit after tax	(38,250)	(64,807)	(113,790)	(105,264)	284,975	(197,438)
Retained Earnings	178,184	178,184	656,994	387,663	370,456	242,150
Share Capital	214,000	214,000	214,000	214,000	214,000	214,000
Shareholders Equity	(1,182,545)	(1,149,977)	(1,072,573)	(1,234,680)	(1,153,688)	(1,572,498)
Fixed Assets	288,005	312,748	340,011	370,313	404,313	403,929
Total Assets	326,621	387,105	974,725	761,488	814,778	803,178
FINANCIAL ANALYSIS						
Gross (loss)/profit Margin	-	-	-	-46.92%	-	-
Operating (loss) /profit Margin	-	-	-	-153.36%	-	-
(loss)/profit before tax	-	-	-	266.93%	-	-
(loss) / profit after tax	-	-	-	-258.01%	-	-
Return on Investment						
(Loss) / Earnings per share before tax (Rs/Share)	(2.09)	(3.16)	(5.47)	(5.08)	13.18	(8.77)
(Loss) / Earnings per share after tax (Rs/Share)	(1.79)	(3.03)	(5.31)	(4.91)	13.31	(9.22)
Activity Ratios						
Sales to Total Assets-Times	-	-	-	0.05	-	-
Sales to Fixed Assets-Times	-	-	-	0.11	-	-
Liquidity Ratios						
Current ratio (excluding current maturity of LTL)	0.02	0.05	0.34	0.21	0.23	0.21
Current ratio (Including current maturity of LTL)	0.02	0.05	0.34	0.21	0.22	0.21
Book value per share (Rs.)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.01)

Statement Of Compliance with The Code Of Corporate Governance For the Year Ended June 30, 2017

The statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in the Listing Regulation No. 5.19.23 of the Rule Book of Pakistan Stock Exchange Limited ('PSX'), for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. As of June 30, 2017, the board included:

Category	Name of Directors
Independent Directors	Mr. Aziz-ul-Haque
Executive Directors	Mr. Haroon Iqbal
	Mr. Manzoor Ahmed
Non-Executive Directors	Mr. Waseem-ul-Haque Ansari
	Mr. Muhammad Naeemuddin Malik
	Syed Maqbool Ali
	Mr. Ishtiaq Ahmed

2. Six Directors have confirmed that they are non-serving as Director in more than seven listed companies including this Company, however, one Director is serving as Director in more than seven listed Yousuf Dewan Companies.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.
8. The meetings of the board held during the year were presided over by the Chairman and, in his absence, by the director elected by the board for this purpose. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified on clause 5.19.7 of CCG, three Directors are qualified Directors Training Program and rest of the Directors to be trained in coming next session.
10. There was no change in the position of CFO, Company Secretary and Head of Internal Audit During the year.
11. The Directors report for this has prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The director, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of CCG.
15. The board has formed an Audit Committee. It comprises of three members of whom one is an independent director who is also the Chairman and others are non-executive directors.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed Human Resource and Remuneration Committee. It comprises of three members, of whom one is executive and others are non-executive directors, and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation Accountants (IFAC) guidelines on code of ethics are adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The closed period, prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The Company has complied with the requirement relating to maintenance of register of person having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis of inclusion or exclusion of names of persons from the said list.
24. We confirm that all the other material principles enshrined in the CCG have been complied with.



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Karachi: January 08, 2018



C-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, Opp. Maritime : (021) 34301967
Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969
Fax : (021) 34301965

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ('the Code') prepared by the Board of Directors ('the Board') of **Dewan Automotive Engineering Limited** ('the Company') for the year ended 30 June 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange Limited where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Code were observed which are not stated in the Statement of Compliance:

- a) The board includes one independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in other associated companies;
- b) Chairman of the Company has not been elected from non-executive directors;

- c) The Chairman of the audit committee is not an independent director due to the reason referred in paragraph (a) above;
- d) Executive directors are more than one third of the elected directors, including the Chief Executive.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

Further, we highlight that one of the director of the Company is serving as a director in more than seven listed companies as reflected in the note 2 in the Statement of Compliance.

Dated: January 08, 2018
Place: Karachi



CHARTERED ACCOUNTANTS

Engagement partner: Muhammad Faisal Nini



C-88, Ground Floor, KDA Scheme No. 1, Telephone : (021) 34301966
Main Karsaz Road, Opp. Maritime : (021) 34301967
Museum, Karachi-75350 : (021) 34301968
E-mail: info@fac.com.pk : (021) 34301969
Fax : (021) 34301965

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **DEWAN AUTOMOTIVE ENGINEERING LIMITED** ('the Company') as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) The financial statements of the Company have been prepared on going concern basis despite of the fact that the Company incurred a net loss of Rs. 38.250 million during the year ended 30 June 2017, and, as of that date it has accumulated losses of Rs. 1,574.729 million which have resulted in net capital deficiency of Rs. 1,182.545 million and its current liabilities exceeded its current assets by Rs. 1,250.460 million and total assets by Rs. 952.315 million and operations of the Company are closed. The Company is placed on defaulters' counter of Pakistan Stock Exchange Limited and trading of its shares was suspended. Furthermore, the Company has been unable to ensure timely repayments of its debts as well as creditors due to liquidity problems and short-term facilities have expired and not been renewed by the banks. These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) The Company has not made provision of markup for the year amounting to Rs.1.114 million (Up to 30 June 2016: Rs.12.068 million) (refer note 26.1) 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 would have been higher by Rs.1.114 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.13.182 million.

- c) The liability for staff retirement benefits reflected in these financial statements amounting to Rs.16.720 million is not based on actuarial valuation as required by the International Accounting Standard - 19 'Employee Benefits' as actuarial valuation of the same has not been carried out during the year and accordingly the related disclosures cannot be given. In the absence of actuarial valuation, we are unable to quantify the financial effect that may have on these financial statements.
- d) In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- e) in our opinion:
- i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
- ii) the expenditure incurred during the year was for the purpose of the Company's business; and
- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- f) in our opinion and to the best of our information and according to the explanations given to us, because of significance of the matter discussed in para (a) to (c) above, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the loss, its comprehensive loss, cash flows and changes in equity for the year then ended; and
- g) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Dated: January 08, 2018
Place: Karachi


CHARTERED ACCOUNTANTS
(Muhammad Faisal Nini)

Balance Sheet

As At June 30, 2017

	Note	2017	2016
------(Rs. in '000)-----			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	288,005	312,748
Available for sale investment	5	7,120	7,120
Long term deposits		3,020	3,020
CURRENT ASSETS			
Stock in trade	6	--	39,097
Trade debts	7	--	1,397
Advances - Considered good	8	10,059	4,974
Other receivables	9	16,008	16,008
Advance income tax		2,277	2,598
Cash and bank balances	10	132	143
		28,476	64,217
		326,621	387,105
EQUITY AND LIABILITIES			
AUTHORIZED SHARE CAPITAL			
21,800,000 (2016: 21,800,000) Ordinary shares of Rs.10/- each		218,000	218,000
Issued, subscribed and paid-up share capital	11	214,000	214,000
Reserves - Net	12	178,184	178,184
Accumulated losses		(1,574,729)	(1,542,161)
		(1,182,545)	(1,149,977)
Surplus on revaluation of property, plant and equipment	13	67,561	73,243
NON-CURRENT LIABILITIES			
Long term loans - Unsecured	14	113,726	81,902
Deferred liability for staff gratuity	15	16,720	16,445
Deferred taxation	16	32,223	39,277
CURRENT LIABILITIES			
Trade and other payables	17	362,635	368,916
Mark-up accrued		750,172	741,152
Short term finance	18	154,879	204,897
Overdue portion of loans - Secured	19	11,250	11,250
		1,278,936	1,326,215
CONTINGENCIES			
	20	--	-
		326,621	387,105

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Profit and Loss Account

For The Year Ended June 30, 2017

	Note	2017	2016
		------(Rs. in '000)-----	
Sales - Net		--	-
Cost of sales	21	<u>(33,742)</u>	<u>(29,690)</u>
Gross loss		(33,742)	(29,690)
Operating expenses			
Distribution expenses	22	<u>(495)</u>	<u>(545)</u>
Administrative expenses	23	<u>(4,652)</u>	<u>(6,135)</u>
Other expenses	24	<u>(39,097)</u>	<u>(17,237)</u>
		(44,244)	(23,917)
Operating loss		(77,986)	(53,607)
Other income	25	44,158	10,116
Finance cost	26	(11,035)	(24,190)
Loss before taxation		(44,863)	(67,681)
Taxation - Net	27	6,613	2,874
Loss for the year		(38,250)	(64,807)
Loss per share - Basic and diluted (Rupees)	28	(1.79)	(3.03)

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Statement of Comprehensive Income

For The Year Ended June 30, 2017

	2017	2016
	----- (Rs. in '000) -----	
Loss for the year	(38,250)	(64,807)
Other comprehensive income for the year:		
Changes in fair values of available for sale investment	--	(18,704)
Transfer from surplus on revaluation of fixed assets in respect of incremental depreciation	8,235	8,981
Related deferred tax	(2,553)	(2,874)
	5,682	6,107
Component of comprehensive income not reflected in equity	--	-
Total comprehensive (loss) For the year	<u>(32,568)</u>	<u>(77,404)</u>

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Cash Flow Statement

For The Year Ended June 30, 2017

Note	2017	2016
	------(Rs. in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(44,863)	(67,681)
Adjustment for non cash charges and other items		
Depreciation	24,743	27,263
Provision for slow moving and obsolescence stocks	39,097	17,237
Impairment in investment	--	480
Reversal of provision for doubtful receivable	(323)	-
Unwinding of discount / present value adjustment - Net	(28,301)	(7,078)
Liability no longer payable written back	(15,524)	(3,034)
Provision for gratuity	275	287
Finance cost	11,035	24,190
Cash outflows before working capital changes	(13,861)	(8,336)
Working capital changes		
(increase)/decrease in current assets		
Stock in trade	--	(480)
Trade debts	1,720	-
Advances	(5,085)	(1)
Increase/(decrease) in current liabilities		
Trade and other payables	(6,281)	(3,097)
	(9,646)	(3,578)
Net cash used in from operations	(23,507)	(11,914)
Payments for:		
Finance cost	13,509	(1,756)
Income tax	(120)	(22)
Net cash outflows from operating activities	(10,118)	(13,692)
CASH FLOWS FROM INVESTING ACTIVITIES		
	--	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loan from director	60,125	22,241
Net movement in short term finance	(50,018)	708
Payment of long term loan	--	(9,250)
Net cash inflows from financing activities	10,107	13,699
Net (decrease) / increase in cash and cash equivalents	(11)	7
Cash and cash equivalents at the beginning of the year	143	136
Cash and cash equivalents at the end of the year	132	143

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Statement Of Changes In Equity

For The Year Ended June 30, 2017

Issued, subscribed and paid-up share capital	Capital reserves			Revenue reserves		Total
	Merger reserve	Unrealized gain due to change in fair value of investments	Settlement claim from Ford Motors (Note 12.2)	General reserve	Accumulated losses	

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

Balance as on 1 July 2015 214,000 82,090 478,810 86,194 9,900 (1,943,567) (1,072,573)

Total comprehensive income for the year

Loss for the year	-	-	-	-	-	(64,807)	(64,807)
Net change in fair value of available-for-sale investment	-	-	(18,704)	-	-	-	(18,704)
Unrealized gain transfer to equity	-	-	(460,106)	-	-	460,106	-
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	-	-	6,107	6,107
Total comprehensive income for the year	-	-	(478,810)	-	-	401,406	(77,404)

Balance as at 30 June 2016

214,000 82,090 -- 86,194 9,900 (1,542,161) (1,149,977)

Total comprehensive (loss) for the year

Loss for the year	-	-	-	-	-	(38,250)	(38,250)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	-	-	5,682	5,682
Total comprehensive loss for the year	-	-	-	-	-	(32,568)	(32,568)

Balance as at 30 June 2017

214,000 82,090 -- 86,194 9,900 (1,574,729) (1,182,545)

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

Notes To The Financial Statements

For The Year Ended June 30, 2017

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

Subsequent to the balance sheet date, the Company received notices from Pakistan Stock Exchange Limited (PSX) in respect of non-holding of annual general meetings for two or more years as required under clause 5.11.1.(c) of PSX Regulations and failed to fulfill the requirements of clause 5.11.1.(e) of the PSX Regulations i.e. non-payment of dues of the Exchange. Since the Company was unable to rectify the aforementioned default, therefore it was placed on defaulters' counter of PSX and trading of its shares was suspended. The proposed delisting is under consideration of the management.

2 GOING CONCERN ASSUMPTION

The company incurred a net loss of Rs.38.250 million (2016: Rs.64.807 million) during the year ended 30 June 2017, and, as of that date it has accumulated losses of Rs.1,574.729 million (2016: Rs.1,542.161 million) which have resulted in net capital deficiency of Rs.1,182.545 million (2016: Rs.1,149.977 million) and its current liabilities exceeded its current assets by Rs.1,250.460 million (2016: Rs.1,261.998 million) and total assets by Rs.952.315 million (2016: Rs.939.110 million). The Company's short term borrowing facilities have expired and not been renewed and the Company has been unable to ensure scheduled repayments of borrowings and to the creditors due to the liquidity problems. Following course, certain lenders has gone into litigation for repayment of liabilities through attachment and sale of the Company's hypothecated / mortgaged properties. 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.

Subsequent to the balance sheet date, the Company has restructured its entire liabilities except one and also been paid as per term of restructuring agreements. The management is also confident that the outcome of the pending litigation will be positive as the Company is negotiating re-profiling of the debts with a lender. Therefore, the management is confident that the proposal will be accepted by the lender and pending litigations will be withdrawn. Accordingly, these financial statements have been prepared on a going concern basis.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

During the year, the Companies Act, 2017 ('the Act') has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 17 of 2017 dated July 20, 2017 communicated Commission's decision that the companies whose financial year closes on or before 30 June 2017 shall prepare their financial statements

Notes To The Financial Statements

For The Year Ended June 30, 2017

in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in 26.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objective of financial statements. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the repealed Companies Ordinance, 1984 provision of and directives issued under the repealed Companies Ordinance, 1984. In case requirement differ, the provisions of and directives of the repealed Companies Ordinance, 1984 shall prevail.

Standards, interpretations and amendments applicable to financial statements

3.1.1 New standards, interpretations and amendments

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting standards and amendments which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

The adoption of the above accounting standards did not have any effect on the financial statements.

3.1.2 Annual improvements

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

Notes To The Financial Statements

For The Year Ended June 30, 2017

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - Interim Financial Reporting

The adoption of the above amendments, improvements to accounting standards and interpretations does not have any material effect on the financial statements.

3.1.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 2 - Classification and Measurement of Share Based Payment Transactions (Amendments)	1 January 2018
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 7 - Financial Instruments: Disclosures - Disclosure Initiative (Amendment)	1 January 2017
IAS 12 - Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	1 January 2017
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	1 January 2018
IAS 40 - Investment Property: Transfers of Investment Property (Amendments)	1 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	1 January 2019

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

Notes To The Financial Statements

For The Year Ended June 30, 2017

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

IFRS 9 - Financial Instruments: Classification and Measurement	1 January 2018
IFRS 14 - Regulatory Deferral Accounts	1 January 2016
IFRS 15 - Revenue from Contracts with Customers	1 January 2018
IFRS 16 - Leases	1 January 2019
IFRS 17 - Insurance Contracts	1 January 2021

3.2 Basis of preparation

These accounts have been prepared under the historical cost convention modified to include the revaluation of land, factory building, plant and machinery and available for sale investments.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- i) Staff retirement benefits (notes no. 3.11 and 15).
- ii) Revaluation of property, plant and equipment (note no. 13).
- iii) Taxation (notes no. 3.14 and 27).

3.3 Property, plant and equipment

Owned

Property, plant and equipment are stated at cost / revalued amounts less accumulated depreciation except for the leasehold land which is stated at revalued amount. Depreciation is charged to income applying the reducing balance method over estimated useful life of the assets. Depreciation on additions is charged from the month the asset is put into use while on disposals upto the month the asset was in use. Depreciation is being charged at the rates given in note 4.1. Incremental depreciation on account of revaluation charged for the year on revalued assets is transferred from surplus on revaluation of property, plant and equipment to accumulated loss.

The assets residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Notes To The Financial Statements

For The Year Ended June 30, 2017

Maintenance and normal repairs are charged to income as and when incurred. Major renewal and improvements are capitalized. Gain or loss, if any, on disposal of property, plant and equipment is included in income currently.

Leased

The company accounts for assets acquired under finance lease by recording the assets and related liability. Assets are recorded at lower of present value of minimum lease payments under the lease agreements and fair value of the assets. The aggregate amounts of obligation relating to these assets are accounted for at net present value of liabilities. Assets acquired under the finance leases are depreciated over the useful life of the respective asset in the manner and at the rates applicable to the company's owned assets. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of change on outstanding liabilities.

3.4 Intangible

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and that the cost of such asset can also be measured reliably.

Software under development are carried at cost. Direct cost include the purchase cost and directly attributable cost of preparing the asset for its intended use.

Intangible asset is amortized from the date such asset is put into use on straight line basis over its useful life.

3.5 Impairment of property, plant and equipment

The company assesses at each balance sheet date whether there is any indication that a tangible fixed asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds recoverable amount, assets are written down to the recoverable amount.

3.6 Deferred costs

These are amortized on a straight line basis over a period of ten years, starting from the year in which company has commenced the commercial operations.

3.7 Stores, spares and stock in trade

These are valued at lower of cost and net realizable value. The cost is determined as follows:

Stores and spares	Average cost
Stock in trade:	
Raw material	Average cost
Goods in transit	Cost comprising invoice values plus other charges incurred thereon.
Work in process	Prime cost plus appropriate portion of manufacturing overheads.
Finished goods	Average cost

Notes To The Financial Statements

For The Year Ended June 30, 2017

Net realizable value signifies the estimated selling price in ordinary course of business less cost necessary to be incurred to make the sale.

3.8 Trade and other receivables

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, if any. An estimate for doubtful debts is made when collection of amount is no longer probable. Bad debts are written off when they are no longer recoverable.

Other receivables are recognized and carried at cost.

3.9 Investments

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are re-measured at fair values (quoted market price), unless fair value cannot be reliably measured, in such case the investments are measured at cost. Gains and losses on re-measurement to fair value are recognized directly in equity through the statement of changes in equity.

3.10 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and at banks.

3.11 Staff retirement benefits

The Company operates an un-funded gratuity scheme covering all employees according to the terms of employment, payable on cessation of employment, subject to a minimum qualifying period of service. Provisions are made on the basis of actuarial recommendations and actuarial valuations are carried out using the projected unit credit method.

3.12 Deferred income

Deferred income arising out of sale and lease back transactions is amortized over the period of lease term.

3.13 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.14 Taxation

Current

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available, if any.

Notes To The Financial Statements

For The Year Ended June 30, 2017

Deferred

Deferred tax is accounted for, using the balance sheet liability method in respect of all temporary differences arising from the differences between the carrying amount of assets and liability in the financial statements and the corresponding tax basis used in the computation of the taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future tax profits will be available against which the temporary differences can be utilized.

3.15 Financial instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account currently.

3.16 Off setting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

3.18 Foreign currency translation

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction.

Assets and liabilities in foreign currencies, if any, are translated into rupees at the exchange rates prevailing on the balance sheet date except where forward exchange contracts have been entered into in which case the rates contracted for are used.

3.19 Related party transactions

All transactions with related parties are based on the policy that all transactions between the company and the related parties are carried out at arm's length basis.

3.20 Revenue recognition

Sales are recognized as revenue when goods are invoiced to customers.

3.21 Non current assets held for sale

Non current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less cost to sell.

Notes To The Financial Statements

For The Year Ended June 30, 2017

3.22 Warranties

Warranty expenses are recognized as and when claims are received.

3.23 Borrowings costs

Borrowing costs are recognized as an expense in the period in which these are incurred, except to the extent that these are directly attributable to the construction of qualifying assets in which case these are capitalized as part of the cost of that asset.

	Note	2017	2016
		----- (Rs. in '000) -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets -			
At cost less accumulated depreciation	4.1	<u>288,005</u>	<u>312,748</u>

4.1 Operating fixed assets - At cost / revaluation less accumulated depreciation

PARTICULARS	COST / REVALUATION			DEPRECIATION				Book value as at 30 June 2017	Rate %	
	As at 1 July 2016	Additions during the year	(Deletions)	As at 30 June 2017	As at 1 July 2016	(On disposals)	Charge for the year			As at 30 June 2017
----- (Rupees in '000) -----										
Freehold land	2,400	-	-	2,400	-	-	-	-	2,400	-
Factory building on freehold land										
Cost	122,502	-	-	122,502	41,908	-	4,030	45,938	76,564	5 to 10
Revaluation	91,061	-	-	91,061	33,122	-	2,897	36,019	55,042	5
Plant and machinery										
Cost	228,366	-	-	228,366	131,649	-	9,672	141,321	87,045	10
Revaluation	95,734	-	-	95,734	41,397	-	5,433	46,830	48,904	10
Computer and allied	3,293	-	-	3,293	3,100	-	27	3,127	166	10 to 30
Furniture and office equipment	25,830	-	-	25,830	18,381	-	745	19,126	6,704	10
Motor vehicles	64,577	-	-	64,577	58,322	-	1,251	59,573	5,004	20
Tools and equipment	11,104	-	-	11,104	7,936	-	317	8,253	2,851	10
Refrigerators and air conditioners	1,506	-	-	1,506	1,242	-	27	1,269	237	10
Electrical appliances	318	-	-	318	216	-	10	226	92	10
Jigs and fixtures	735	-	-	735	594	-	14	608	127	10
Electrical fittings	6,494	-	-	6,494	4,136	-	236	4,372	2,122	10
Dies	4,205	-	-	4,205	3,378	-	83	3,461	744	10
Patterns	112	-	-	112	108	-	1	109	3	20
TOTAL	658,237	--	--	658,237	345,489	--	24,743	370,232	288,005	

Notes To The Financial Statements

For The Year Ended June 30, 2017

----- 2 0 1 6 -----

PARTICULARS	COST / REVALUATION			DEPRECIATION				Book value as at 30 June 2016	Rate %	
	As at 1 July 2015	Additions during the year	(Deletions)	As at 30 June 2016	As at 1 July 2015	(On disposals)	Charge for the year			As at 30 June 2016
----- (Rupees in '000) -----										
Freehold land	2,400	-	-	2,400	-	-	-	-	2,400	-
Factory building on freehold land										
Cost	122,502	-	-	122,502	37,667	-	4,241	41,908	80,594	5 to 10
Revaluation	91,061	-	-	91,061	30,073	-	3,049	33,122	57,939	5
Plant and machinery										
Cost	228,366	-	-	228,366	120,902	-	10,747	131,649	96,717	10
Revaluation	95,734	-	-	95,734	35,360	-	6,037	41,397	54,337	10
Computer and allied	3,293	-	-	3,293	3,068	-	32	3,100	193	10 to 30
Furniture and office equipment	25,830	-	-	25,830	17,552	-	829	18,381	7,449	10
Motor vehicles	64,577	-	-	64,577	56,758	-	1,564	58,322	6,255	20
Tools and equipment	11,104	-	-	11,104	7,584	-	352	7,936	3,168	10
Refrigerators and air conditioners	1,506	-	-	1,506	1,212	-	30	1,242	264	10
Electrical appliances	318	-	-	318	205	-	11	216	102	10
Jigs and fixtures	735	-	-	735	578	-	16	594	141	10
Electrical fittings	6,494	-	-	6,494	3,874	-	262	4,136	2,358	10
Dies	4,205	-	-	4,205	3,286	-	92	3,378	827	10
Patterns	112	-	-	112	107	-	1	108	4	20
TOTAL	658,237	--	--	658,237	318,226	--	27,263	345,489	312,748	

Note 2017 2016
----- (Rs. in '000) -----

4.2 Depreciation for the year has been allocated as follows:

Cost of sales	21	23,258	25,627
Distribution expenses	22	495	545
Administrative expenses	23	990	1,091
		24,743	27,263

5 AVAILABLE FOR SALE INVESTMENT

Investment in associated company Dewan Mushtaq Trade Limited (Public, unquoted company) 4,000,000 (2016: 4,000,000) Ordinary shares of Rs. 10/- each		40,000	40,000
Accumulated impairment loss on investment		(32,880)	(32,880)
		7,120	7,120

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

Notes To The Financial Statements

For The Year Ended June 30, 2017

	Note	2017	2016
		----- (Rs. in '000) -----	
6 STOCK IN TRADE			
Raw materials and components		127,861	127,861
Work in process		2,701	2,701
Finished goods - manufacturing stock		3,567	3,567
Trading stock		30,263	30,263
		164,392	164,392
Provision for slow moving and obsolescence stocks	6.1	(164,392)	(125,295)
		--	39,097

6.1 Provision for slow moving and obsolescence stock

Particulars	Raw materials and components	Work in process	Finished goods - manufacturing stock	Trading stock	Total
	----- Rs. in '000' -----				
Opening provision	96,810	2,375	3,113	22,997	125,295
Provision for the year	31,051	326	454	7,266	39,097
Closing provision	127,861	2,701	3,567	30,263	164,392

	2017	2016
	----- (Rs. in '000) -----	
7 TRADE DEBTS		
Considered good	--	1,397
Considered doubtful	944	1,267
	944	2,664
Provision for doubtful debts	(944)	(1,267)
	--	1,397
8 ADVANCES - Considered good		
Employees	4,982	4,974
Other advances	5,077	-
	10,059	4,974
9 OTHER RECEIVABLES		
Sales tax receivable	16,008	16,008

Notes To The Financial Statements

For The Year Ended June 30, 2017

	2017	2016
	----- (Rs. in '000) -----	
10 CASH AND BANK BALANCES		
Cash in hand	14	14
Cash at banks - Current and saving accounts	118	129
	132	143

11 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2017	2016		2017	2016
----- (Number of shares) -----			----- (Rs. in '000) -----	
20,535,871	20,535,871	Ordinary shares of Rs. 10/- each issued as fully paid in cash	205,359	205,359
864,129	864,129	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	8,641	8,641
21,400,000	21,400,000		214,000	214,000

12 RESERVES - Net

12.1 The detail of capital and revenue reserves has been given in statement of changes in equity.

12.2 Capital reserve on settlement claim from Ford Motors

This reserve arose due to receipt of settlement claim from Ford Motors, as per clause 12(a) of the Compensation agreement between the Company and Ford Motors dated 22 January 1990.

13 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	----- (Rs. in '000) -----	
Balance as at 1 July	73,243	79,350
Incremental depreciation charged on related assets during the year - Net of tax	(5,682)	(6,107)
	67,561	73,243

Freehold land, factory building and plant and machinery have further been revalued at March 2013 by an independent valuers, M/s. Anderson Consulting (Private) Limited using the market value being the basis of revaluation which resulted in net revaluation surplus amounting to Rs.34.901 million was credited to "Surplus on revaluation of property, plant and equipment account". The entire closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.

Notes To The Financial Statements

For The Year Ended June 30, 2017

Particulars	Written down value of assets before revaluation	Revalued amount	Revaluation surplus / (deficit)
----- Rs. in '000' -----			
Land	1,800	2,400	600
Factory building	174,143	163,705	(10,438)
Plant and machinery	166,791	211,530	44,739
	<u>342,734</u>	<u>377,635</u>	<u>34,901</u>

		2017	2016
----- (Rs. in '000) -----			
14 LONG TERM LOAN - Unsecured			
From director - At amortized cost			
Loan received - Opening	14.1	246,980	224,739
Received during the year		60,125	22,241
Present value adjustment		(249,368)	(211,509)
Interest charged to profit and loss account		55,989	46,431
		<u>113,726</u>	<u>81,902</u>

14.1 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.

		2017	2016
----- (Rs. in '000) -----			
15 DEFERRED LIABILITY FOR STAFF GRATUITY			
Employees retirement benefits	15.1	16,720	16,445
15.1 Movement in the net liability for staff gratuity			
Opening liability		16,445	16,158
Provision for the year		275	287
		<u>16,720</u>	<u>16,445</u>

15.2 Provision for gratuity has not been made on the basis of actuarial method as the impact of actuarial would not be material. The operations are almost closed and few staff members are in service.

Notes To The Financial Statements

For The Year Ended June 30, 2017

	2017	2016
	----- (Rs. in '000) -----	
16 DEFERRED TAXATION		
Deferred tax liability arising out of surplus on revaluation of property plant and equipment	<u>32,223</u>	<u>39,277</u>
16.1 Company has not recognized deferred tax asset amounting to Rs.640.756 million arising due to available tax losses and credits since it is not probable that future tax 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.		
17 TRADE AND OTHER PAYABLES		
Trade creditors	297,971	304,296
Accrued expenses	17,745	17,565
Advance from dealers	39,989	39,989
Advance from customers	1,573	1,573
Withholding tax payable	4,981	4,981
Corporate asset tax payable	155	155
Worker's Profit Participation Fund	145	145
Sales tax payable	29	165
Interest on Workers' Profit Participation Fund	47	47
	<u>362,635</u>	<u>368,916</u>
18 SHORT TERM FINANCE		
From financial institutions - Secured		
Short term running finance	18.1	--
		49,310
From related party (associated company) - Unsecured		
Interest bearing	18.2	154,879
		154,879
Temporary book overdraft		--
		708
	<u>154,879</u>	<u>204,897</u>
18.1 This represents short term bank borrowing from a commercial bank at mark-up rate ranging from 2% over 6 months KIBOR (2016: 2% over 6 months KIBOR) payable quarterly in arrears. The facility was secured by way of first charge over stock in trade and receivables of the Company. The facility has not been renewed by the bank, however the Company has approached its lender for restructuring of liabilities.		

Notes To The Financial Statements

For The Year Ended June 30, 2017

During the year under consideration, a settlement has been reached with the lender for restructuring of liabilities. As per terms of settlement agreement a sum of Rs.35.800 million is payable in 3 monthly installments of different amounts, with first monthly installment falling due on 30 April 2017. The entire liability has been paid during the year.

18.2 This is an unsecured finance from associated company, which carries mark-up @ 7.14% per annum (2016: @ 7.05% per annum).

19 OVER DUE PORTION OF LOANS - Secured

Syndicated loan facilities obtained from Pak Kuwait Investment Company (Pvt) Limited and Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited for the purpose of setting up of Automotive Air Conditioner Plant. The loans carry mark-up @ 6 months KIBOR plus 3.77% (2016: @ 6 months KIBOR plus 3.77%). The loans were repayable in twenty equal quarterly installments of Rs.5.250 million each commencing from 30 August 2005. The loan is secured by first pari passu charge by way of equitable mortgage, hypothecation and floating charge on present as well as future assets of the Company. Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited has gone into litigation as more fully explained in note 20.1 to the financial statements.

The entire liability of Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited has been paid during the year ended 2016 as per the settlement agreement.

20 CONTINGENCIES

20.1 In respect of liabilities towards financial institution disclosed in note 19 to the financial statements, a financial institution has filed suit in Honorable High Court of Sindh at Karachi for recovery of its liabilities through attachment and sale of Company's hypothecated / mortgaged properties. Since the Company is in dispute with financial institution therefore the estimated financial effect of litigation is not being disclosed, as it may have adverse affect on company's position in the suits.

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favour of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage.

Notes To The Financial Statements

For The Year Ended June 30, 2017

		2017	2016
		----- (Rs. in '000) -----	
21 COST OF SALES			
Depreciation	4.2	23,258	25,627
Salaries, wages and benefits		6,327	3,357
Traveling and vehicles running		312	507
Generator fuel		3,723	94
Communication		56	57
Cartage and freight		55	-
Repairs and maintenance		1	34
Security expense		4	7
Printing, Stationary and office supplies		5	3
Miscellaneous		1	4
Manufacturing cost		33,742	29,690
Work-in-process - Opening		2,701	2,701
Work-in-process - Closing		(2,701)	(2,701)
		--	-
		33,742	29,690
Finished goods - Opening		33,830	33,830
Finished goods - Closing		(33,830)	(33,830)
		--	-
Cost of goods manufactured		33,742	29,690
22 DISTRIBUTION EXPENSES			
Depreciation	4.2	495	545
23 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		2,704	3,458
Depreciation	4.2	990	1,091
Auditor's remuneration	23.1	450	450
Traveling and vehicles running		208	415
Legal and professional		13	307
Fees and subscription		122	235
Rent, rates and taxes		69	95
Communication		29	60
Repairs and maintenance		--	11
Utilities		16	10
Printing, stationary and office supplies		4	2
Miscellaneous		47	1
		4,652	6,135

Notes To The Financial Statements

For The Year Ended June 30, 2017

		2017	2016
		----- (Rs. in '000) -----	
23.1 Auditor's remuneration			
	Audit fee	300	300
	Review reports	150	150
		<u>450</u>	<u>450</u>
24 OTHER EXPENSES			
	Impairment in investment	5	--
	Provision for slow moving and obsolescence stocks	6.1	480
		<u>39,097</u>	<u>16,757</u>
		<u>39,097</u>	<u>17,237</u>
25 OTHER INCOME			
	Unwinding of discount / present value adjustment - Net	28,301	7,078
	Liability no longer payable written back	15,524	3,034
	Interest income	10	4
	Reversal of provision of doubtful receivable	323	-
		<u>44,158</u>	<u>10,116</u>
26 FINANCE COST			
	Mark-up on borrowings from related parties	11,034	24,189
	Bank charges	1	1
		<u>11,035</u>	<u>24,190</u>
26.1 Company has not made the provision of mark-up for the year amounting to Rs.1.114 million (Up to 30 June 2016: Rs.12.068 million) keeping in view of the financial restructuring proposed to the lender. Management is hopeful that the restructuring proposal will be accepted by the lender. Had the provision been made the loss for the year would have been higher by Rs.1.114 millions and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.13.182 million. The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.			
27 TAXATION - Net			
	Current tax		
	Current year	27.1	441
	Deferred		-
		<u>(7,054)</u>	<u>(2,874)</u>
		<u>(6,613)</u>	<u>(2,874)</u>

Notes To The Financial Statements

For The Year Ended June 30, 2017

27.1 Current tax and tax reconciliation

Since the Company's operations are closed therefore no provision for taxation has been made in these financial statements. Accordingly, no reconciliation between loss and tax expense can be given.

27.2 The income tax assessments of the Company deemed to have been finalized upto and including Tax year 2012.

	2017	2016
	----- (Rs. in '000) -----	
28 LOSS PER SHARE - Basic and diluted		
Loss after taxation attributable to ordinary shareholders	<u>(38,250)</u>	<u>(64,807)</u>
	----- (Number of shares) -----	
Weighted average number of ordinary shares outstanding during the year	<u>21,400,000</u>	<u>21,400,000</u>
	----- (Rupees) -----	
Loss per share - Basic	<u>(1.79)</u>	<u>(3.03)</u>

28.1 A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June 2017 and 30 June 2016 which would have any effect on the earnings per share if the option to convert is exercised.

29 REMUNERATION OF DIRECTORS AND EXECUTIVES

	<u>2017</u>				<u>2016</u>			
	<u>Director</u>	<u>Chief Executive</u>	<u>Executives</u>	<u>Total</u>	<u>Director</u>	<u>Chief Executive</u>	<u>Executives</u>	<u>Total</u>
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Managerial remuneration	-	-	2,168	2,168	-	-	2,168	2,168
House rent	-	-	975	975	-	-	975	975
Utilities	-	-	217	217	-	-	217	217
	-	-	<u>3,360</u>	<u>3,360</u>	-	-	<u>3,360</u>	<u>3,360</u>
Number of persons	-	-	4	4	-	-	4	4

In addition to above certain executives have been provided with free use of the company's maintained cars.

Notes To The Financial Statements

For The Year Ended June 30, 2017

30 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise group companies, associated undertakings, directors and key management personnel. Remuneration and benefits to key management personnel under terms of their employment are disclosed in note 29 to the financial statements. Transaction with related parties, other than those which have been specifically disclosed elsewhere in these financial statements, are as follows: -

	2017	2016
	----- (Rs. in '000) -----	
Associated companies:		
Mark-up expense	11,034	24,189
Loan settled from associated undertaking	--	524,446
Shares against loan settlement	--	524,446

The transaction with associated companies are in the normal course of business and have been entered on an arm's length basis.

	2017	2016
	----- (Numbers) -----	

31 PLANT CAPACITY AND PRODUCTION

Tractors:

Sanctioned plant capacity	6,000	6,000
Actual production	NIL	NIL

Motorcycles:

Annual capacity	60,000	60,000
Actual production	NIL	NIL

Auto parts and other related products:

The Company manufactures various types and sizes of automotive parts to be used in various types of vehicles including motorcycles. Keeping in view the demand by its customers, the production capacity for the auto parts and other related products cannot be determined.

The operations of the company are closed due to working capital constraints.

32 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Notes To The Financial Statements

For The Year Ended June 30, 2017

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

32.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The company's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2017	2016
	----- (Rs. in '000) -----	
Trade debts	--	1,397
Long term deposit	3,020	3,020
Advances	10,059	4,974
Bank balances	118	129
	<u>13,197</u>	<u>9,520</u>

32.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements. The following are the contractual maturities of the financial liabilities, including estimated mark-ups:

	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	----- (Rupees in '000) -----					
2017						
Non-derivative financial liabilities						
Long term loans	113,726	307,105	-	-	-	307,105
Trade and other payables	355,897	355,897	355,897	-	-	-
Accrued mark-up	750,172	750,172	750,172	-	-	-
Short term finance	154,879	160,454	160,454	-	-	-
Overdue portion of loans	11,250	11,712	11,712	-	-	-
	<u>1,385,924</u>	<u>1,585,340</u>	<u>1,278,235</u>	<u>-</u>	<u>-</u>	<u>307,105</u>
2016						
Non-derivative financial liabilities						
Long term loans	81,902	246,980	-	-	-	246,980
Trade and other payables	362,042	362,042	362,042	-	-	-
Accrued mark-up	741,152	786,239	786,239	-	-	-
Short term finance	204,897	211,697	211,697	-	-	-
Overdue portion of loans	11,250	11,707	11,707	-	-	-
	<u>1,401,243</u>	<u>1,618,665</u>	<u>1,371,685</u>	<u>-</u>	<u>-</u>	<u>246,980</u>

Notes To The Financial Statements

For The Year Ended June 30, 2017

All the financial liabilities of the company are non derivative financial liabilities. The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effect as at June 30.

32.3 Market Risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The company's financial instruments are in its functional currency therefore it is not exposed to currency risk, however the company's exposure to interest rate risk is as follows:

Interest rate risk

Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The company's exposure to the risk of changes in interest rates relates primarily to the following:

	2017	2016
	----- (Rs. in '000) -----	
Variable rate instruments at carrying amounts:		
Financial liabilities		
Overdue portion of loans	11,250	11,250
Short term finance	154,879	204,897
	<u>166,129</u>	<u>216,147</u>

Fair value sensitivity analysis for fixed rate instruments:

The company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments:

A change of 100 basis points in interest rates at the reporting date would have increased / decreased loss/profit for the year by the amounts shown below:

Effect on loss / profit due to change of 100 BPs

Increase	<u>1,661</u>	<u>2,161</u>
Decrease	<u>(1,661)</u>	<u>(2,161)</u>

Notes To The Financial Statements

For The Year Ended June 30, 2017

32.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

32.5 Capital risk management

The company's prime objective when managing capital is to safe guard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

33 NUMBER OF EMPLOYEES

Number of persons employed as at year end were 21 (2016 : 18) and the average number of persons employed during the year were 21 (2016 : 19)

34 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on January 08, 2018 in accordance with the resolution by the Board of Directors of the Company.

35 GENERAL

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



Haroon Iqbal
Chief Executive Officer



Muhammad Naeemuddin Malik
Director

DEWAN AUTOMOTIVE ENGINEERING LIMITED

Pattern of Shareholding under Regulation 37(xx)(i) of the Code of Corporate Governance

as at June 30, 2017

Sr #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	3	4,746,259	22.18%
2.	NIT and ICP	2	56,400	0.26%
3.	Directors, CEO, their Spouses & Minor Children	7	6,000	0.03%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	14	701,706	3.28%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	4	134,133	0.63%
7.	Individuals	1,128	15,755,502	73.62%
TOTAL		1,158	21,400,000	100.00%

DETAILS OF CATEGORIES OF SHAREHOLDERS

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1. Associated Companies				
1.1	Dewan Motors (Pvt.) Limited	3	4,746,259	22.18%
2. NIT and ICP				
2.1	National Bank of Pakistan, Trustee Deptt.	1	7,900	0.04%
2.2	Investment Corporation of Pakistan	1	48,500	0.23%
		2	56,400	0.26%
3. Directors, CEO, their Spouses & Minor Children				
Directors and CEO				
3.1	Mr. Haroon Iqbal	1	500	0.00%
3.2	Mr. Aziz ul Haque	1	500	0.00%
3.3	Syed Maqbool Ali	1	1,000	0.00%
3.4	Mr. Manzoor Ahmed	1	1,000	0.00%
3.5	Mr. Waseem-Ul-Haq Ansari	1	1,000	0.00%
3.6	Mr. Ishtiaq Ahmed	1	1,000	0.00%
3.7	Mr. Muhammad Naeemuddin Malik	1	1,000	0.00%
		7	6,000	0.03%
Spouses of Directors and CEO				
3.8	-	-	-	0.00%
		-	-	0.00%
Minor Children of Directors and CEO				
3.9	-	-	-	0.00%
		-	-	0.00%

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	Dewan Motors (Pvt.) Limited	3	4,746,259	22.18%
2	Dewan Muhammad Yousuf Frooqui	1	3,702,637	17.30%
3	Dewan Zia-ur-Rehman Farooqui	2	2,368,637	11.07%
4	Dewan Abdullah Ahmed Swaleh Farooqui	1	1,278,637	5.97%
5	Dewan Asim Mushfiq Farooqui	1	1,278,637	5.97%
6	Dewan Abdul Baqi Farooqui	1	1,278,637	5.97%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.

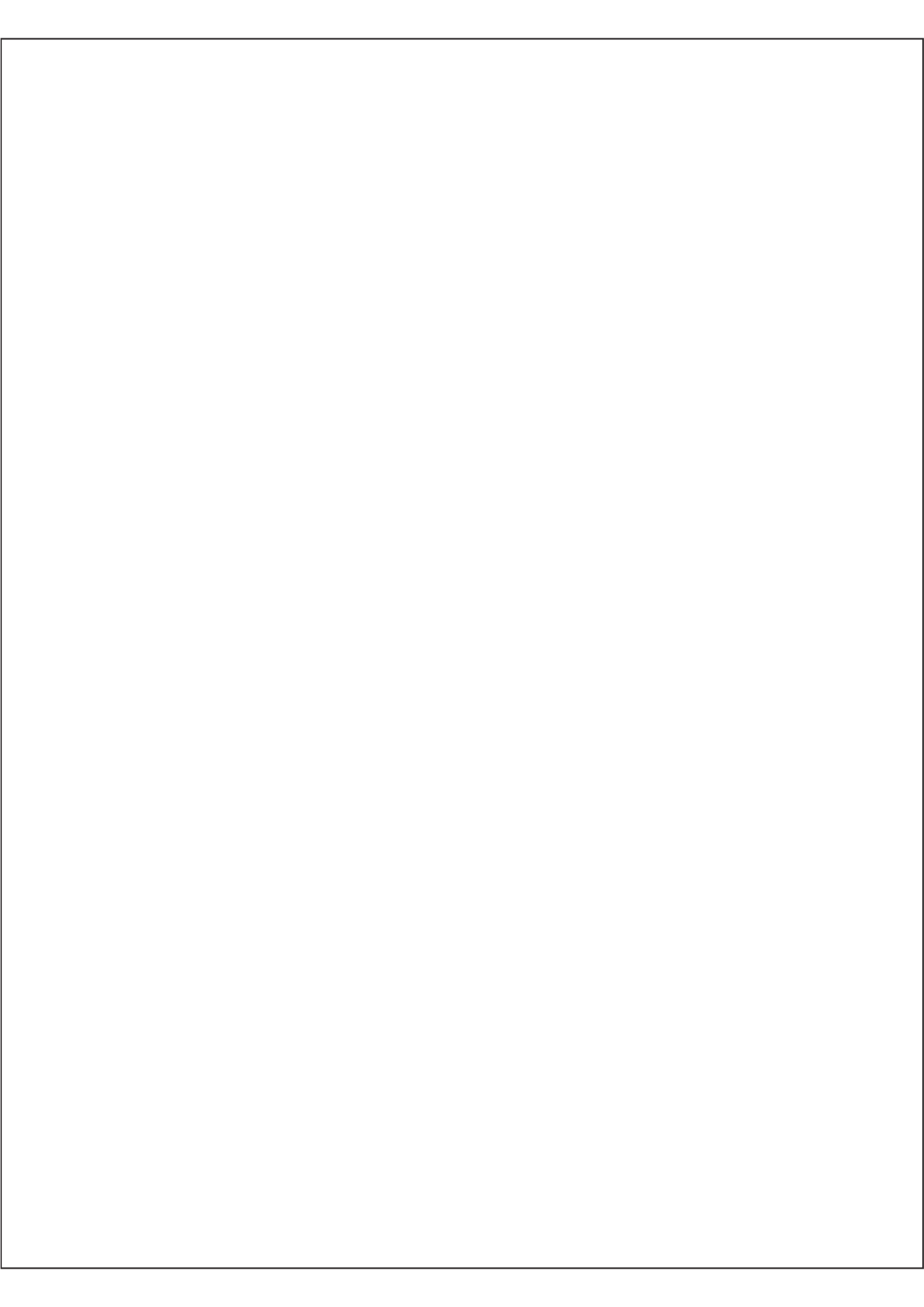
**THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING**

1. Incorporation Number **0009414**
2. Name of the Company **DEWAN AUTOMOTIVE ENGINEERING LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **30.06.2017**

4.	Number of Shareholders	Shareholdings			Total Shares held	
	397	1	-	100	Shares	30,558
	430	101	-	500	Shares	119,342
	107	501	-	1,000	Shares	97,878
	144	1,001	-	5,000	Shares	376,683
	27	5,001	-	10,000	Shares	218,532
	11	10,001	-	15,000	Shares	144,000
	6	15,001	-	20,000	Shares	115,499
	2	20,001	-	25,000	Shares	41,700
	1	25,001	-	30,000	Shares	26,000
	2	30,001	-	40,000	Shares	77,000
	2	40,001	-	50,000	Shares	95,003
	2	50,001	-	60,000	Shares	104,333
	1	60,001	-	70,000	Shares	60,500
	1	70,001	-	100,000	Shares	100,000
	1	100,001	-	130,000	Shares	124,500
	3	130,001	-	150,000	Shares	440,500
	1	150,001	-	200,000	Shares	167,449
	1	200,001	-	220,000	Shares	216,370
	2	220,001	-	250,000	Shares	460,450
	1	250,001	-	280,000	Shares	262,815
	4	280,001	-	300,000	Shares	1,146,000
	1	300,001	-	400,000	Shares	348,800
	1	400,001	-	500,000	Shares	409,500
	2	500,001	-	600,000	Shares	1,091,000
	2	600,001	-	700,000	Shares	1,344,944
	3	900,001	-	1,300,000	Shares	3,835,911
	1	1,300,001	-	2,500,000	Shares	2,367,637
	1	2,500,001	-	3,800,000	Shares	3,702,637
	1	3,800,001	-	3,900,000	Shares	3,874,459
	1158	TOTAL				21,400,000

THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	6,000	0.03%
5.2	Associated Companies, undertakings and related parties	4,746,259	22.18%
5.3	NIT and ICP	56,400	0.26%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	60,500	0.28%
5.5	Insurance Companies	73,633	0.34%
5.6	Modarabas and Mutual Funds	14,653,444	68.47%
5.7	Shareholders holding 5%		0.00%
5.8	General Public		
	a. Local	15,753,637	73.62%
	b. Foreign	1,865	0.01%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	701,706	3.28%



Form of Proxy

I/We _____
of _____ being _____
a member(s) of **Dewan Automotive Engineering Limited** and holder of _____
Ordinary Shares as per Registered Folio No. / CDC Participant's ID and Account No. _____
_____ hereby appoint _____
of _____
or falling him _____
of _____
who is also member of **Dewan Automotive Engineering Limited** vide Registered Folio No. / CDC
Participant's ID and Account No. _____ as my/our proxy to vote for me/us
and _____
on my/our behalf at the 35th Annual General Meeting of the Company to be held on Wednesday,
January 31, 2018 at 03:00 p.m. and my adjournment thereof.

Signed this _____ day of _____ 2018.



Signature _____

Witness: _____
Signature

Witness: _____
Signature

Name: _____

Name: _____

Address: _____

Address: _____

IMPORTANT:

1. A proxy should also be a member of the company.
2. A member of the Company entitled to attend and vote all meeting, may appoint another member as his/her proxy to attend and vote instead of him/her.
3. Proxies, In order to be effective, must be received by the Company, duly completed, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room # 301 & 311, 3rd Floor, 49, Darul Anum Society, Main Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge, Karachi, Pakistan, not later than 48 hours before the meeting.

4. Further Instructions for CDC Account holders:

- i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall the proxy form as per the above requirements.
- ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.
- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.
- iv) The proxy shall produce his/her original CNIC or original at the time of meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) alongwith the proxy form to the Company.



پراکسی فارم

یہ فارم مکمل کر کے ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311، تیسری منزل، 49، دارالامان سوسائٹی، شاہراہ فیصل نزد بلوچ کالونی پل، کراچی 75350، پاکستان کو لازماً جمع کروادیتجئے۔ سالانہ عمومی اجلاس سے 48 گھنٹے پہلے یہ پراکسی فارم موصول ہو جانا چاہئے۔

میں/ہم _____ کی جانب سے _____ بحیثیت دیوان آلٹوموٹیو
انجینئرنگ لمیٹڈ کے ممبران اور _____ عام حصص یافتہ فی حصص اندراج فولیو نمبر _____ اور/یا
CDS شرکاء آئی ڈی نمبر _____ اور سب اکاؤنٹ نمبر _____ اپنی طرف سے
_____ کو بطور پراکسی نامزد کرتے ہیں۔ یہ میری/ہماری جانب سے جمعرات مورخہ 31 جنوری 2018ء
03:00 بجے دوپہر منعقدہ کمپنی کی 35 ویں سالانہ عمومی میٹنگ میں ووٹ دینے کے مجاز ہیں۔

دستخط برائے _____ بتاریخ _____ 2018ء

پانچ روپے کے ریونیو اسٹیپ پر دستخط
دستخط کمپنی میں کئے جانے والے دستخط
سے مختلف ناہوں۔

1- دستخط _____

گواہ _____

نام _____

پتہ _____

2- دستخط _____

گواہ _____

نام _____

پتہ _____

بدولت کمپنی چل رہی ہے۔ بورڈ ادارے کی اپنی ٹیم، ایگزیکٹو اراکین، اسٹاف کے ساتھی اور ورکرز کا بھی بھرپور شکریہ ادا کرتا ہے جو کمپنی کی ترقی میں اپنا بھرپور کردار ادا کر رہے ہیں۔ ہم آپ کی محنت اور کاوشوں کو قدر کی نگاہ سے دیکھتے ہیں۔

اختتامی بیان:

اختتام پر اللہ پاک رحمن و رحیم کے حضور سجدہ ریز ہو کر دعا مانگتے ہیں ہمارے نبی سرکارِ دو عالم ﷺ کے وسیلے سے کہ اے اللہ ہماری رہنمائی کرتا رہے اور کمپنی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتا ہوں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

بے شک میرا رب دعا سننے والا ہے (القرآن)

بورڈ کے ڈائریکٹران کی جانب سے



ہارون اقبال

چیف ایگزیکٹو آفیسر و چیئر مین

کراچی

تاریخ: 8 جنوری 2018ء



آڈٹ کمیٹی میں تین ڈائریکٹرز شامل ہیں، ان میں سے دو غیر ایگزیکٹو ہیں۔ سال کے دوران آڈٹ کمیٹی کی کوئی میٹنگ منعقد نہیں ہوئی۔

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	-
جناب اشتیاق احمد	-
سید مقبول علی	-

دوران سال انسانی وسائل اور خدمات کی کمیٹی کی ایک میٹنگ منعقد ہوئی، اس میٹنگ میں حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
سید مقبول علی	1
جناب ہارون اقبال	1
جناب وسیم الحق انصاری	1

آڈیٹرز:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور دوبارہ تقرری کیلئے اپنی خدمات کی پیشکش کی ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو آنے والے سال کیلئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے۔

خسارہ فی شیئر:

فی شیئر خسارہ مبلغ 1.79 روپے ہے۔

ڈویڈنڈ:

مجموعی نقصانات کے ساتھ ساتھ دوران سال خسارہ کے باعث بورڈ کی جانب سے کسی ڈویڈنڈ کی سفارش نہیں کی گئی ہے۔

شیئر ہولڈنگ کا پیٹرن:

کمپنی کی شیئر ہولڈنگ کا پیٹرن 30 جون 2017ء سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی شیئرز میں تجارت:

دوران سال کسی بھی ڈائریکٹرز، ایگزیکٹو، ان کی بیگمات و بچوں نے کمپنی کے شیئرز میں کوئی تجارت نہیں کی ہے۔

اظہار تشکر:

بورڈ ممبران کمپنی کے حصص یافتگان، وفاقی اور صوبائی حکومتوں، بینکوں، مالیاتی اداروں اور کسانوں کے اعتماد پر تہہ دل سے شکر گزار ہیں۔ آپ کے اس غیر متزلزل اعتماد کی

آڈیٹرز کی جانب سے کوڈ آف کارپوریٹ گورننس پر عملدرآمد کی جائزہ رپورٹ بھی اسی رپورٹ کے ساتھ منسلک ہے۔

- کمپنی کے ڈائریکٹران اس بات کو حتمی قرار دیتے ہوئے بہت مسرت محسوس کر رہے ہیں کہ بیان کردہ ریگولیشنز کے مطابق عمدہ پریکٹسز میں کوئی خاص کمی نہیں ہے۔
- ۱۔ 30 جون 2017ء کو اختتام پذیر مالی سال میں انتظامیہ کی جانب سے تیار کئے گئے کمپنی کے مالیاتی گوشوارے کمپنی کے حالات، کاروباری نتائج، کیش فلوز اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
 - ۲۔ کمپنی کے کھاتوں کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
 - ۳۔ 30 جون 2017ء کو اختتام پذیر مالی سال کے مالیاتی گوشوارے تیار کرتے وقت مناسب اکاؤنٹنگ پالیسیاں مسلسل اختیار کی جاتی رہی ہیں اور تمام مالیاتی گوشوارے میں اندازے سمجھداری سے بہتر فیصلوں پر مرتب کئے گئے ہیں۔
 - ۴۔ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) جیسے پاکستان میں نافذ العمل ہیں انہیں ویسے ہی مالیاتی گوشواروں کی تیاری میں نافذ کیا گیا۔
 - ۵۔ کمپنی میں اندرونی کنٹرول سسٹم کا ڈیزائن موزوں ہے اور بہت موثر انداز میں لاگو ہے اور اس کی عمدگی سے دیکھ بھال کی جاتی رہی ہے۔
 - ۶۔ ایسے کوئی خدشات نہیں جن کی بنیاد پر یہ کہا جاسکے کہ کمپنی کے مستقبل یا آگے کاروبار کرنے پر کوئی شک کیا جاسکتا ہے ماسوائے ایک معاملے کے جو کمپنی کے مالیاتی نتائج میں نوٹ نمبر 2 میں درج ہے۔
 - ۷۔ کارپوریٹ گورننس کی تمام اعلیٰ اقدار جیسا کہ پاکستان اسٹاک ایکس چینج کی لسٹنگ ریگولیشن میں سے کوئی بھی قابل ذکر قانونی شق ترک نہیں کی گئی ہے۔
 - ۸۔ گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور فنانشل معلومات مختصر اس رپورٹ میں شامل ہیں۔
 - ۹۔ تمام واجب الادا ڈیٹس ادا کر دیئے گئے ہیں اور مزید کچھ واجب الادا نہیں، ماسوائے ان کے جو کہ آڈٹ شدہ مالیاتی نتائج کے نوٹ نمبر 17 میں ظاہر کیا گیا ہے۔

بورڈ کے ڈائریکٹران قابل اور کئی علوم کے ماہرین پر مشتمل ہیں جو کمپنی کو منافع بخش بنانے میں اپنا بھرپور کردار ادا کر رہے ہیں۔ زیر جائزہ سال کے دوران بورڈ کی ایک میٹنگ منعقد ہوئی جس میں ڈائریکٹران کی حاضری درج ذیل رہی۔

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب ہارون اقبال	1
جناب عزیز الحق	1
جناب وسیم الحق انصاری	1
جناب منظور احمد	1
سید مقبول علی	1
جناب محمد نعیم الدین ملک	1
جناب اشتیاق احمد	1

وہ ڈائریکٹرز جو میٹنگ میں شرکت نہیں کر سکے ان ڈائریکٹرز کو غیر حاضری پر چھٹی عنایت کر دی گئی تھی۔



ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم والا ہے
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

دیوان آٹوموٹیووائجینئرنگ لمیٹڈ کے بورڈ کے ڈائریکٹران کی جانب سے 30 جون 2017ء کو اختتام پذیر مالی سال کی سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کئے جاتے ہیں اور آپ کو کمپنی کی 35 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہا جاتا ہے۔

مالیاتی نتائج

سال کے لئے مالیاتی کارکردگی کا خلاصہ بشمول مالیاتی سال 2016ء کے اعداد و شمار کے ساتھ موازنہ درج ذیل ہے:

30 جون 2016ء	30 جون 2017ء	
روپے ہزاروں میں	روپے ہزاروں میں	
-	-	کل فروخت
(29,690)	(33,742)	کل خسارہ
(53,607)	(77,986)	آپریٹنگ خسارہ
(64,807)	(38,250)	خالص کل خسارہ بعد از ٹیکس

زیر جائزہ مدت:

بینکنگ لائنوں کی عدم دستیابی کی وجہ سے دوران سال کمپنی کی پیداواری سرگرمیاں معطل رہیں، جس کے نتیجے میں غیر متوقع مقررہ اور دیگر اخراجات سے کمپنی کو مالی نقصان پہنچا، مندرجہ بالا اسباب کی بناء پر کمپنی مشکل حالات میں کام کر رہی ہے اور اپنی بقاء کیلئے بہترین کوششیں کر رہی ہے۔ موجودہ مالیاتی صورتحال پر قابو پانے کیلئے کمپنی مختلف ضروری اقدامات کر رہی ہے اور اس سلسلے میں بینکوں سے بات چیت جاری ہے۔

آڈیٹرز کے تحفظات کے دفاع میں مندرجہ ذیل رائے بیان کی جاتی ہیں:

مارک اپ کی عدم فراہمی اور توشیہ کے بارے میں پیرا (a) اور پیرا (b): انتظامیہ نے مالیاتی نتائج کیلئے نوٹ نمبر 2 اور 26.1 میں معاملہ کی حیثیت کی وضاحت کی ہے۔

اسٹاف کی ریٹائرمنٹ کے فوائد کیلئے ایکچوریل ویلویوشن کے بارے میں پیرا (c):

ایکچوریل ویلویوشن میٹھڈ کی بنیاد پر اسٹاف کے فوائد کی فراہمی نہیں کی گئی ہے، لیکن انتظامیہ کی گہری نظر میں ایکچوریل کا کوئی قابل ذکر فرق نہیں ہوگا کیونکہ پیداواری عمل مکمل بند ہے، صرف چند اسٹاف ممبران کی خدمات حاصل ہیں۔ جب آپریشن دوبارہ شروع ہو جائے گا تو فوائد کیلئے ایکچوریل ویلویوشن کا طریقہ کار اپنایا جائے گا۔

کارپوریٹ معاشی ڈھانچہ:

سیکورٹی اینڈ ایکس چینج کمیشن پاکستان نے کارپوریٹ گورننس کا ضابطہ ترتیب دیا ہے جس کی تعمیل اسٹاک مارکیٹ میں لسٹڈ تمام کمپنیوں پر لازمی ہے۔ آپ کی کمپنی کے ڈائریکٹران نے اس ضابطے کی تمام شقوں کو 30 جون 2017ء سے لاگو کرنے کی ضمانت دی ہے۔

کا پیز میں حاصل کرنا۔“

ا۔ اگر مناسب ہو تو کمپنی کے آرٹیکل آف ایسوسی ایشن میں ترامیم سے متعلق درج ذیل مجوزہ خصوصی قرارداد کو پاس کرنے کیلئے منظوری دینا:

(i) کمپنی کے آرٹیکل آف ایسوسی ایشن کی اضافی کلاز A-61:

ای ووٹنگ بشمول وقتاً فوقتاً جاری کردہ پراسی کے تعین کیلئے ضروری کارروائی سرانجام دینا جو کہ ان آرٹیکلز کے مطابق ہو اس کے علاوہ ان آرٹیکلز آف ایسوسی ایشن کے دیگر قواعد پر غور کرنا، اگر اس میں کوئی خلاف ورزی کی گئی ہو۔

”یہ طے پایا ہے کہ نئی کلاز A-61 کو فوری طور پر کمپنی کے آرٹیکلز آف ایسوسی ایشن کی کلاز 61 کے بعد فوری طور پر داخل کیا جائے۔ بشرطیکہ کوئی بھی روز یا قواعد جو کہ سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان اس سلسلے میں وقتاً فوقتاً جاری کرے اس حوالے سے ممبران الیکٹرانک طریقہ سے جنرل مینٹنگ میں اپنے ووٹ دینے کا اختیار استعمال کریں۔ کمپنی الیکٹرانک طریقہ کار کے تحت ووٹنگ کی سہولت فراہم کرے گی اس کے علاوہ سیکورٹیز ایکسچینج کمیشن آف پاکستان کی تمام ضروریات پر عمل کریں۔“

ای ووٹنگ کے لئے پراسی کی تقرری جو کہ تحریری طور پر کمپنی کے رجسٹرڈ آفس میں جنرل مینٹنگ کے انعقاد سے 10 روز قبل تحریری طور پر کوریئر/ذاتی طور پر یا ای میل ایڈریس کے ذریعے کی جائے گی۔ اور یہ ایڈریس جنرل مینٹنگ کے نوٹس میں یا کمپنی کے شیڈول II کے ای ووٹنگ کے لئے درج کیا جائے گا جس میں ریگولیشن 2016ء اور ڈائریکٹرز کی منظوری کے تحت وقتاً فوقتاً ترامیم کی جائے گی۔

”مزید طے پایا ہے کہ مذکورہ بالا قرارداد پاس کرنے سے متعلق اور قوانین کے مطابق ضروری منظوری حاصل کرنا یا کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترامیم یا اضافہ کرنے کے لئے ضروری ہے کہ سیکشن (3) 134 کے تحت ممبران سے لئے گئے بیان کے مطابق یہ قرارداد منظور کی جائے۔“

کمپنی کے ڈائریکٹرز خصوصی کاروبار کے معاملات میں بالواسطہ یا بلاواسطہ طور پر دلچسپی نہیں رکھتے ہیں جو کہ کمپنی کے آرٹیکل آف ایسوسی ایشن کے مذکورہ قواعد کے تحت ضروری ہے اور یہ عمل کمپنیز ایکٹ 2017ء کے تحت کیا جائے گا اس کے علاوہ کمپنی کا کاروبار اس کے بورڈ آف ڈائریکٹرز کی منظوری سے سرانجام دیا جائے گا۔

سیکیورٹیز اینڈ ایکسچینج کمیشن کی جانب سے جاری کردہ ایس آر او نمبر 2012/1(831) مورخہ 5 جولائی 2012ء کے مطابق تمام شیئرز ہولڈرز کو مستقبل میں ملنے والے ڈویڈنڈ و دھ ہیلڈ قوم یا شیئرز کی منتقلی کے لئے شناختی کارڈ فراہم کرنا ضروری ہے اس لئے تمام شیئرز ہولڈرز کو مطلع کیا جاتا ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ نقول جلد از جلد کمپنی کو فراہم کریں۔

۶۔ شیئرز ہولڈرز کے لئے ای۔ ڈویڈنڈ کا منڈیٹ:

شیئرز ہولڈرز میں کیش ڈویڈنڈ کو تقسیم کرنے کا زیادہ موثر نظام اختیار کر لیا گیا ہے جس کے تحت تمام حصص یافتگان کو کیش ڈویڈنڈ ان کے اکاؤنٹس میں براہ راست ڈال دیا جائے گا۔ اس طرح تمام لوگ اپنے کیش ڈویڈنڈ کو فوراً نکال سکیں گے اور ماضی میں ہونے والے مسائل جیسے غلط پتے پر ارسال ہو جانا رونما نہیں ہونگے۔ سیکیورٹیز اینڈ ایکسچینج کمیشن پاکستان (ایس ای سی پی) نے اپنے ایک نوٹس نمبر SM/CDC 2008 (4) مورخہ 15 اپریل 2013ء میں تمام کمپنیوں کو ای۔ ڈویڈنڈ میکانزم اختیار کرنے کی ہدایت کی ہے۔ اس لئے تمام شیئرز ہولڈرز سے درخواست ہے کہ وہ اس موثر سروس کا استعمال کریں اور اس ضمن میں اپنے منڈیٹ دیں۔

۷۔ مالیاتی معلومات کی الیکٹرانک ترسیل

ایس ای سی پی نے اپنے نوٹیفیکیشن SRO 787(1)/2014 مورخہ 8 ستمبر 2014ء کے ذریعے تمام کمپنیوں کو اختیار دیا ہے کہ وہ اپنی مالیاتی معلومات بشمول سالانہ عمومی اجلاس کے منٹس بذریعہ الیکٹرانک ترسیل اپنے شیئرز ہولڈرز میں تقسیم کریں۔ جو ممبران اس سروس کو استعمال کرنا چاہتے ہیں وہ ہمیں اپنی تحریری اجازت دیں اور ہماری ویب سائٹ www.yousufdewan.com/DAEL/index.html پر وزٹ کریں۔

اسٹیٹمنٹ برائے کمپنیز ایکٹ 2017ء سیکشن (3) 134

یہ اسٹیٹمنٹ دیوان آٹوموٹیو انجینئرنگ لمیٹڈ (کمپنی یا DAEL) کی سالانہ عام میٹنگ کے نوٹس کے ساتھ شامل کیا گیا ہے۔ سالانہ عمومی میٹنگ کا انعقاد بروز بدھ مورخہ 31 جنوری 2018ء بوقت 03:00 بجے دوپہر دیوان سینٹ ڈھانجی ضلع ملیر کراچی پاکستان میں ہوگا جس میں اسٹیٹمنٹ کاروبار سے منسلک امور زیر بحث لائے جائیں گے۔

اسٹیٹمنٹ کاروبار


- ۱۔ سرکولیشن برائے سالانہ رپورٹ بتوسط سی ڈی/ ڈی وی ڈی/ یو ایس بی:
- ۱۔ مورخہ 31 مئی 2016ء کو جاری ہونے والے ایس آر او نمبر 2016/1(470) پر شیئرز ہولڈرز کی منظوری لی جائے۔ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے، عام اجلاس کے نوٹس اور دیگر معلومات کو شیئرز ہولڈرز کو دینے کے لئے سی ڈی، یو ایس بی یا ڈی وی ڈی کے استعمال کی منظوری لی جائے۔

کمپنی اپنے شیئرز ہولڈرز کو طلب کی بنیاد پر بلا معاوضہ کاغذی کاپیاں بھی فراہم کرے گی جو ڈیمانڈ کے بعد ایک ہفتے میں دی جائیں گی۔ شیئرز ہولڈرز کی منظوری کے بعد کمپنی اپنی ویب سائٹ پر درخواست فارم شیئر کر دے گی جس کو پھر کر شیئرز ہولڈرز اپنے لئے دستاویزات کی کاغذی کاپی کمپنی کے سیکریٹری کے پوسٹل اور ای میل ایڈریس کے ساتھ حاصل کر سکیں گے۔

کمپنی کے ڈائریکٹرز کی خصوصی کاروبار میں کوئی دلچسپی نہیں ماسوائے بطور شیئرز ہولڈرز اور کمپنی کے ڈائریکٹرز کی حیثیت سے۔

”یہ طے پایا ہے کہ دیوان آٹوموٹیو انجینئرنگ لمیٹڈ (کمپنی) کے ممبران کے مشورے اور منظوری کے تحت سالانہ آڈٹ شدہ اکاؤنٹس کی منتقلی کا مرحلہ سرانجام دیا گیا ہے۔ جنرل میٹنگ کے نوٹس اور اس میں شامل دیگر معلومات اختتامی سال 30 جون 2018ء کے تحت سی ڈی/ ڈی وی ڈی/ یو ایس بی کے توسط سے یا ہارڈ

”کمپنیز ایکٹ 2017ء کا سیکشن (3) 134 جس کا تعلق اسپیشل کاروبار سے ہے اس نوٹس کے ساتھ شامل کیا گیا ہے تاکہ تمام ممبران مستفید ہوں“

بحکم بورڈ

 محمد نعیم الدین ملک
 کمپنی سیکریٹری

تاریخ: 8 جنوری 2018ء

نوٹس:

- ۱- کمپنی کی شیئر ٹرانسفر کے کھاتے 24 جنوری 2018ء سے 31 جنوری 2018ء تک بند رہیں گے۔ (بشمول دونوں دن)
- ۲- ممبران سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی کو فوراً کمپنی کے علم میں لائیں اور اس کی اطلاع ہمارے شیئر رجسٹرار ٹرانسفر ایجنٹ (بی ایم ایف کنسلٹنٹس پاکستان پرائیویٹ لمیٹڈ، انعم اسٹیٹ روم نمبر 310، 311، تیسری منزل، 49 دارالامان سوسائٹی، شاہراہ فیصل نزد بلوچ کالونی پل پردیس۔
- ۳- کمپنی کا میٹنگ میں حاضر ہونے اور ووٹ دینے کا اختیار کسی دوسرے کو بطور پراکسی دے سکتا ہے۔ مکمل پُر کئے ہوئے پراکسی فارم مورخہ میٹنگ کے شروع ہونے سے 48 گھنٹے پہلے تک کمپنی کو موصول ہو جانے چاہیں۔
- ۴- CDC اکاؤنٹ ہولڈرز کے لئے سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی روشنی میں درج ذیل ہدایات پر عمل کرنا ضروری ہے۔ سرکلر نمبر 01، مورخہ 20 جنوری 2000ء کے مطابق۔

۱- میٹنگ میں حاضری کے لئے:

- i- کسی ایک فرد کے معاملے میں اکاؤنٹ ہولڈر اپنی شناخت ثابت کرنے کے لئے اپنے ہمراہ قومی شناختی کارڈ یا قومی پاسپورٹ لائیں گے۔
- ii- میٹنگ میں کارپوریٹ اکائی کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے۔

ب- پراکسی کی نامزدگی کے لئے:

- i- کسی ایک فرد کے معاملے میں میٹنگ میں شرکت کے لئے اکاؤنٹ ہولڈر اور سب اکاؤنٹ ہولڈر اور وہ شخص جس کے حصص گروپ اکاؤنٹ میں موجود ہیں اپنے ہمراہ پراکسی فارم لیکر آئیں گے۔
- ii- کسی دو اشخاص کے معاملے میں فارم پر دونوں کے قومی شناختی کارڈ نمبر اور ایڈریس پراکسی فارم پر موجود ہونے چاہیں۔
- iii- نامزد کردہ پراکسی اور اصل شیئر ہولڈر کے شناختی کارڈ کی دو تصدیق شدہ نقول لازمی ساتھ ہونی چاہیں
- iv- نامزد کردہ پراکسی میٹنگ میں شمولیت کے وقت اپنے ہمراہ اصل شناختی کارڈ لیکر آئیں گے۔
- v- میٹنگ میں کارپوریٹ اکائی کی نمائندگی کے معاملے میں اپنے ہمراہ بورڈ آف ڈائریکٹرز کی جانب سے دی گئی پاور آف اٹارنی لائیں گے جس میں نامزد کردہ پراکسی شخص کے حق میں تمام بورڈ کے ممبران کے دستخط ہونگے اور پراکسی فارم بھی لازمی ہے۔
- ۵- اُن شیئر ہولڈرز کے لئے نوٹس جنہوں نے اپنے شناختی کارڈ نمبر فراہم نہیں کئے ہیں۔



نوٹس برائے سالانہ عمومی میٹنگ

بذریعہ نوٹس تمام کو مطلع کیا جاتا ہے کہ دیوان آٹوموٹیووائجینئرنگ لمیٹڈ (کمپنی) کی 35 ویں سالانہ عمومی میٹنگ کا انعقاد بروز بدھ مورخہ 31 جنوری 2018ء 03:00 بجے دوپہر دیوان سینٹ لمیٹڈ کی فیکٹری سائٹ دیہ ڈھندو دھابھی ضلع ملیر میں ہوگا جس میں بعد از تلاوت قرآن پاک اور دیگر مذہبی ادائیگیوں کے بعد مندرجہ ذیل معاملات زیر بحث لائے جائیں گے۔

عمومی کاروبار:

- ۱- کمپنی کی غیر معمولی عام میٹنگ کے منٹس کو ختم کیا جائے۔
- ۲- جانچ پڑتال کے بعد کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے برائے اختتام سال 30 جون 2017ء، بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی منظوری دی جائے۔
- ۳- اختتامی سال 30 جون 2018ء کے لئے آڈیٹرز کی تعیناتی کی جائے اور ان کا معاوضہ طے کیا جائے۔
- ۴- چیئرمین سے اجازت کے بعد دیگر کاروبار پر نظر ثانی۔

خصوصی کاروبار:

- ۱- کمپنی کے آرٹیکل آف ایسوسی ایشن جو شق نمبر (3) 134 میں تفصیلاً بیان ہیں ان میں تبدیلی / اضافے کی منظوری دینے پر نظر ثانی کی جائے۔
 - ۲- حصص یافتگان سے ان کی رائے کے سلسلے میں کسی بھی منظور شدہ معاملات میں سالانہ آڈٹ شدہ اکاؤنٹس کی منتقلی غیر ممبران کی تقرری کیلئے لائحہ عمل مرتب کرنا اور درج ذیل قراردادیں جو کہ ترامیم کے ساتھ یا اس کے بغیر بطور خصوصی قرارداد پاس کرنا:
 - ۳- ایس آر نمبر 2016(I)/470 مورخہ 31 مئی 2016ء کے تحت حصص یافتگان کا مشورہ حاصل کرنا جو کہ سالانہ آڈٹ شدہ اکاؤنٹس کی منتقلی کے سلسلے میں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے جاری کیا ہے جو کہ سالانہ میٹنگ کے نوٹسز اور شامل دیگر معلومات کے حوالے سے ہوا اس کی ترسیل سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے کرنا اور ترامیم کے ساتھ یا اس کے بغیر درج ذیل قراردادوں کو پاس کرنا۔
- یہ طے پایا ہے کہ دیوان آٹوموٹیووائجینئرنگ لمیٹڈ (کمپنی) کے ممبران کے مشورے اور منظوری کے تحت سالانہ آڈٹ شدہ اکاؤنٹس کی منتقلی کا مرحلہ سرانجام دیا گیا ہے۔ جنرل میٹنگ کے نوٹسز اور اس میں شامل دیگر معلومات اختتامی سال 30 جون 2018ء کے تحت سی ڈی / ڈی وی ڈی / یو ایس بی کے توسط سے یا ہارڈ کاپیز میں حاصل کرنا۔

مزید یہ بھی طے پایا ہے کہ غیر ممبران کا تقرر کرنا جس کی منظوری ای ویوٹنگ کی صورت میں دی جاتی ہے۔

مزید قرار پایا کہ اس کی بھی منظوری لی جائے کہ ریگولیٹرز سے ضروری اجازت ملنے اور اس کی وجہ سے کوئی ضروری تبدیلی کے بعد کمپنی کے آرٹیکل آف ایسوسی ایشن جو شق نمبر (3) 134 میں تفصیلاً بیان ہیں ان میں تبدیلی / اضافے کی منظوری دینے پر نظر ثانی کی جائے۔








مزید قرار پایا کہ ہارون اقبال، چیف ایگزیکٹو آفیسر یا محمد نعیم الدین ملک، کمپنی سیکریٹری کو بااختیار بنایا جائے تاکہ وہ تمام قانونی معاملات میں خود مختار ہوں اور اس حوالے سے جو ضروری سمجھیں اقدام لیں اور امور ذمہ داری سے نبھائیں۔





Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 jamapunji.pk

 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices