

ANNUAL REPORT  
**2018**



**DEWAN AUTOMOTIVE ENGINEERING LIMITED**

 **YD** | A YOUSUF DEWAN COMPANY

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## Company Information

### BOARD OF DIRECTORS

#### Executive Director

Mr. Haroon Iqbal Chairman Board of Directors  
 Mr. Waseem-ul-Haque Ansari Chief Executive Officer

#### Non-Executive Directors

Mr. Muhammad Naeemuddin Malik  
 Syed Maqbool Ali  
 Mr. Muhammad Irfan Ali  
 Mr. Ishtiaq Ahmed

#### Independent Director

Mr. Azizul Haque

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Naeemuddin Malik

### COMPANY SECRETARY

Mr. Muhammad Naeemuddin Malik

### AUDIT COMMITTEE

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

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Azizul Haque Chairman  
 Mr. Haroon Iqbal Member  
 Syed Maqbool Ali Member

### AUDITORS

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

### LEGAL ADVISORS

A. K Brohi

### SHARE REGISTRAR / TRANSFER AGENT

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

### BANKERS

Bank Islami Pakistan Ltd.

### REGISTERED OFFICE

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

### FACTORY

Dewan City Sajawal District Thatta, Sindh.

### WEBSITE

[www.yousufdewan.com](http://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 Sixth Annual General Meeting of **Dewan Automotive Engineering Limited ("DAEL" or "the Company")** will be held on **Thursday, October 25, 2018**, at 04:00 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 held on Wednesday, January 31, 2018;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2018, 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, 2019, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By order of the Board



**Muhammad Naemuddin Malik**  
Company Secretary

Karachi: October 01, 2018

### NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 18, 2018 to October 25, 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>

# 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, 2018 and welcomes you to the thirty-sixth Annual General Meeting.

### Financial Overview

The summary of financial performance for the year, along with the comparative figures of financial year 2017 is as follows:

	<b>June 30, 2018</b>	<b>June 30, 2017</b> <b>(Restated)</b>
	<b>(Rupees in '000)</b>	
Gross Sales	<b>22,109</b>	-
Gross (loss)	<b>(19,776)</b>	(33,742)
Operating (loss)	<b>(29,422)</b>	(77,986)
Net (loss) after tax	<b>(47,985)</b>	(42,615)

### Year under review:

During the year under review, the company started its operations as it commenced production of auto parts for Daehan-Dewan Motor Company (Pvt.) Limited against orders received from them.

Pakistan is a rising market for automobile and allied industries and we can take benefits of the situation. The automobile industry in Pakistan includes companies involved in the production/assembling of passenger cars, light commercial vehicles, trucks, buses, tractors and motorcycles. The Automotive Parts industry has shown enormous growth and different type of automotive parts has been developed locally. With the increase in automobile growth the auto parts market has also grown and also due to increase in localization, new parts are being manufactured locally and has added tremendous to the growth.

Though the company has started the limited operation based on the group company requirements, the company could not tap the market in absence of the working capital line. Once working capital is available then the company can exploit its full potential.

The Auditors have qualified the report due to significance of the matter as referred in Para (a) (b) and (c) of the Auditors Report. The Management has explained the status of the matter in respective Note No. 3,29.1 and 16.2 of the financial statements.

Para (d) regarding the revaluation of operating fixed assets not carried out since 30th June '2013, The operations are almost closed and the re-valuation of fixed assets will be carried out in the next half yearly accounts.



### **Corporate and financial reporting framework:**

- The financial statements for the year ended June 30, 2018, 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, 2018 and accounting estimates are based on reasonable and prudent judgment.
- 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 3 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 18 of the annexed audited financial statements;

The Board Comprises of one independent director, two executive and four non-executive Directors. The following are the names of Directors.

- Mr. Haroon Iqbal
- Mr. Waseem-ul-Haque Ansari
- Mr. Muhammad Naeemuddin Malik
- Syed Maqbool Ali
- Mr. Ishtiaq Ahmed
- Mr. Muhammad Irfan Ali
- Mr. Aziz-ul-Haque

During the year no, casual vacancy was occurred on the Board of Directors

### **Principal Activities of the Company**

Dewan Automotive Engineering Limited is incorporated in Pakistan as a public limited Company and is listed on the Pakistan Stock Exchange. The Company's principal activity is manufactures, assembles, trades, and sells tractors, light commercial vehicles, and motorcycles primarily in Pakistan. It also trades in and manufactures related parts and implements.

### Principal Risks and Uncertainties

The Company consider the following as key risks:

- Depreciation of Pak Rupee against US Dollar;
- Non-availability of working capital.

The Company is endeavoring internally as well as externally to cater with and mitigate the impact of aforesaid risks and uncertainties.

### Corporate Social Responsibility

The Company conducts its business in a responsible manner looking after its stakeholders and the environment. The Company mainly focus providing on the job training to fresh hired work force enabling them to develop adequate skills. While employing work force, the Company encourage under-privileged people residing close to the plant, thereby increasing their standard of living. Moreover, health and safety of employees is another area of focus. The Company complies with all applicable rules and regulations in the manufacturing process to ensure environmental protection. Standard Operating Procedures have been laid down to ensure protecting the health and safety of employees. The Company is also involved in providing medical facilities to people residing in the surrounding area.

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 four meetings of the Board of Directors was held. The attendance of directors was as follows;

<b>Names of Directors</b>	<b>No of meetings attended</b>
Mr. Haroon Iqbal	4
Mr. Waseem-ul-Haque Ansari	4
Mr. Muhammad Naeemuddin Malik	4
Syed Maqbool Ali	4
Mr. Ishtiaq Ahmed	4
Mr. Muhammad Irfan Ali	-
Mr. Aziz-ul-Haque	4

The audit committee comprise of three directors, all of them are non-executive. During the year four meetings of audit committee was held.

<b>Name of Director</b>	<b>No. of meetings attended</b>
Mr. Aziz-ul-Haque	4
Mr. Ishtiaq Ahmed	4
Syed Maqbool Ali	4

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

<b>Name of Director</b>	<b>No. of meetings attended</b>
Mr. Haroon Iqbal	1
Syed Maqbool Ali	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. 2.24

**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, 2018 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**  
Chairman Board of Directors

## Chairman's Review

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavor to contribute towards the aim of the Company with the best of their abilities.

An annual self evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

During financial year ended June 30, 2018, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. The non- executive and independent directors are equally involved in important decisions. the Board's overall performance and effectiveness for the year under review was satisfactory.



**Haroon Iqbal**  
Chairman

October 01, 2018

## Summarised Key Operating and Financial Data of Last Six Years

PARTICULARS	2018	2017 Restated	2016	2015	2014	2013
	..... Rs. in '000' .....					
Gross Sales	22109	-	-	-	47,922	-
Net Sales	18896	-	-	-	40,797	-
Gross (Loss) / Profit	-19776	(33,742)	(29,690)	(32,114)	(19,142)	(34,416)
Operating (loss)/profit	-29422	(77,986)	(53,607)	(63,181)	(62,567)	(136,168)
(loss) / profit before tax	-50134	(44,863)	(67,681)	(117,024)	(108,903)	282,127
(loss) / profit after tax	-47985	(42,615)	(64,807)	(113,790)	(105,264)	284,975
Retained Earnings	178184	178,184	178,184	656,994	387,663	370,456
Share Capital	214000	214,000	214,000	214,000	214,000	214,000
Shareholders Equity	(1,116,213)	(1,149,977)	(1,072,573)	(1,234,680)	(1,153,688)	
Fixed Assets	288,005	312,748	340,011	370,313	404,313	
Total Assets	326,621	387,105	974,725	761,488	814,778	
<b>FINANCIAL ANALYSIS</b>						
Gross (loss)/profit Margin	-104.65%	-	-	-	-46.92%	-
Operating (loss) /profit Margin	-155.70%	-	-	-	-153.36%	-
(loss)/profit before tax	-265.31%	-	-	-	266.93%	-
(loss) / profit after tax	-253.94%	-	-	-	-258.01%	-
<b>Return on Investment</b>						
(Loss) / Earnings per share before tax (Rs/Share)	(2.34)	(2.09)	(3.16)	(5.47)	(5.08)	13.18
(Loss) / Earnings per share after tax (Rs/Share)	(2.24)	(1.99)	(3.03)	(5.31)	(4.91)	13.31
<b>Activity Ratios</b>						
Sales to Total Assets-Times	0.06	-	-	-	0.05	-
Sales to Fixed Assets-Times	0.07	-	-	-	0.11	-
<b>Liquidity Ratios</b>						
Current ratio (excluding current maturity of LTL)	0.03	0.02	0.05	0.34	0.21	0.23
Current ratio (Including current maturity of LTL)	0.03	0.02	0.05	0.34	0.21	0.22
Book value per share (Rs.)	(54.35)	(55.25)	(53.73)	(50.12)	(57.69)	(53.91)

## Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

For the Year Ended June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:

- a. Male: 7
- b. Female: -

2. The composition of board is as follows:

- a) Independent Director Mr. Aziz-ul-Haque
  - b) Other Non-executive Directors Mr. Ishtiaq Ahmed  
Mr. Muhammad Naeemuddin Malik  
Syed Maqbool Ali  
Mr. Muhammad Irfan Ali
  - c) Executive Directors Mr. Haroon Iqbal  
Mr. Waseem-ul-Haque Ansari
3. Four Directors have confirmed that none of them is serving as director on more than five listed companies, including this company, whereas, three directors are serving as director in more than five listed Yousuf Dewan Companies.
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decision on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Three of the Directors are qualified under the directors training program. We will arrange Director Training Program in the coming session.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:
 

a) Audit Committee	Mr. Aziz-ul-Haque - Chairman Mr. Ishtiaq Ahmed - Member Syed Maqbool Ali - Member
b) HR and Remuneration Committee	*Syed Maqbool Ali - Chairman Mr. Haroon Iqbal -Member Mr. Waseem-ul-Haq Ansari- Member

\*Subsequent to 30th June '2018, the Chairman of HR and Remuneration committee has been changed and now independent Director has been appointed as Chairman of the Committee
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 

a) Audit Committee	4 quarterly meetings during the financial year ended June 30, 2018
b) HR and Remuneration Committee	1 annual meeting held during the financial year ended June 30, 2018
15. 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.
16. 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 and registered with Audit Oversight Board of Pakistan, 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 of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.



**Haroon Iqbal**  
Chairman Board of Directors



**Waseem-ul-Haq Ansari**  
Chief Executive

Karachi: October 01, 2018



## **INDEPENDENT AUDITOR'S MODIFIED REVIEW REPORT TO THE MEMBERS OF DEWAN AUTOMOTIVE ENGINEERING LIMITED**

### **Review Report to the Members on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **Dewan Automotive Engineering Limited** (the Company) for the year ended 30 June 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 of Directors' 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 Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 composition of board includes Mr. Aziz ul Haq, as independent director, whereas in our view he does not meet the criteria of independence on account of his cross directorship in associated companies; and



*Continuation Sheet*

- b) The chairman of the audit committee shall be an independent director, whereas in our view Mr. Aziz ul Haq does not meet the criteria of independence due to the reason referred in paragraph (a) above; and
- c) Chairman of the Board shall be elected from non-executive directors, however Mr. Haroon Iqbal, an executive director, holds the position of Chairman Board of Directors.

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 Regulations as applicable to the Company for the year ended 30 June 2018.

Further, we highlight that three of the directors of the Company are serving as directors in more than five listed companies as disclosed in the note 3 of the Statement of Compliance. Furthermore, we highlight the status of compliance as mentioned in the paragraph 12 of the Statement of Compliance, which has been complied with subsequent to the year-end.

Dated: October 01, 2018  
Karachi

**CHARTERED ACCOUNTANTS**

Engagement partner: Muhammad Faisal Nini

## INDEPENDENT AUDITOR'S REPORT

### To the members of Dewan Automotive Engineering Limited

#### Report on the Audit of the Financial Statements

#### Adverse Opinion

We have audited the annexed financial statements of Dewan Automotive Engineering Limited ('the Company'), which comprise the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of matters discussed in basis for adverse opinion paragraph, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), 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 2018 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

#### Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- 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.47.985 million during the year ended 30 June 2018, and, as of that date it has accumulated losses of Rs.1,626.470 million which have resulted in net capital deficiency of Rs. 1,163.118 million and its current liabilities exceeded its current assets by Rs. 1,257.369 million and total assets by Rs. 986.334 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.

*Continuation Sheet*

- b) The Company has not made provision of markup for the year amounting to Rs.1.156 million (Up to 30 June 2018: Rs.14.337 million) (refer note 30.1) on account of restructuring proposal offered to a lender as described in note 3 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lender in the proposed manner. In our opinion, since the proposal has not been accepted by the lender so far and the lender, 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.1.156 million and markup payable would have been higher and shareholders' equity would have been lower by Rs.14.337 million.
- c) The liability for staff retirement benefits reflected in these financial statements amounting to Rs.16.922 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) The revaluation of certain classes of operating fixed assets of the Company was carried out in the year ended 30 June 2013. As per requirements of International Accounting Standard -16 'Property, Plant and Equipment', revaluation is required to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date, whereas no revaluation has been conducted since then. The carrying amounts of said classes of operating fixed assets may not reflect their fair values as at balance sheet date. In the absence of further revaluation, we are unable to quantify the effect that such a revaluation would have on the said assets

**Key Audit Matter(s)**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Adverse Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matters	How the matter was addressed in our audit
1.	<p><b>First time adoption of the third and fourth schedules to the Companies Act, 2017</b></p>	
	<p>As referred to in note 4.3.2 to the accompanying financial statements, the third and fourth schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 5.22 to the accompanying financial statements.</p> <p>The aforementioned changes and enhancement in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Companies Act, 2017.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Considering the management's process to identify the necessary amendments required in the Company's financial statements.</li> <li>• Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business.</li> <li>• Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the accompanying financial statements based on the new requirements.</li> </ul>

**Information Other Than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information in the annual report including, in particular, the Chairman's Review, Director's Report, Financial and Business Highlights, Graphical Representation and Horizontal and Vertical Analysis of Financial Statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



*Continuation Sheet*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Faisal Nini.



**CHARTERED ACCOUNTANTS**

**Place:** Karachi

**Dated:** October 01, 2018

# Statement of Financial Position


As on 30 June 2018

	Note	2018	2017 (Restated)	1 July 2016 (Restated)
----- (Rupees in '000) -----				
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	6	265,695	288,005	312,748
Available for sale investment	7	2,320	7,120	7,120
Long term deposits - Interest free		3,020	3,020	3,020
<b>CURRENT ASSETS</b>				
Stock in trade	8	3,111	—	39,097
Trade debts	9	—	—	1,397
Advances, prepayment and other receivable	10	26,281	26,067	20,982
Advance income tax - Net		3,430	2,277	2,598
Cash and bank balances	11	3,132	132	143
		35,954	28,476	64,217
		<b>306,989</b>	<b>326,621</b>	<b>387,105</b>
<b>EQUITY AND LIABILITIES</b>				
<b>SHARE CAPITAL AND RESERVES</b>				
Authorised share capital				
21,800,000 (2017: 21,800,000)				
Ordinary shares of Rs.10/- each		218,000	218,000	218,000
Issued, subscribed and paid-up share capital	12	214,000	214,000	214,000
Capital reserve				
Merger reserve		82,090	82,090	82,090
Settlement claim from Ford Motors	13	86,194	86,194	86,194
Surplus on revaluation of property, plant and equipment	14	71,168	75,656	80,474
Revenue reserves				
General reserve		9,900	9,900	9,900
Accumulated losses		(1,626,470)	(1,584,053)	(1,547,421)
		(1,163,118)	(1,116,213)	(1,074,763)
<b>NON-CURRENT LIABILITIES</b>				
Long term loans - Unsecured	15	129,875	113,726	81,902
Deferred liability for staff gratuity	16	16,922	16,720	16,445
Deferred taxation	17	29,987	33,452	37,306
<b>CURRENT LIABILITIES</b>				
Trade and other payables	18	365,481	362,635	368,916
Short term finance	19	154,879	154,879	204,897
Accrued markup	20	761,713	750,172	741,152
Overdue portion of loans - Secured	21	11,250	11,250	11,250
		1,293,323	1,278,936	1,326,215
<b>CONTINGENCIES AND COMMITMENTS</b>				
	22	—	—	—
		<b>306,989</b>	<b>326,621</b>	<b>387,105</b>

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

  
**Haroon Iqbal**  
 Chairman

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

  
**Muhammad Naeem Uddin Malik**  
 Chief Financial Officer



# Statement of Profit or Loss

For The Year Ended June 30, 2018

	Note	2018	2017 Restated
		------(Rs. in '000)-----	
<b>Sales - Net</b>	23	18,896	-
Cost of sales	24	(38,672)	(33,742)
Gross loss		<u>(19,776)</u>	<u>(33,742)</u>
<b>Operating expenses</b>			
Distribution expenses	25	(450)	(495)
Administrative expenses	26	(4,396)	(4,652)
Other expenses	27	(4,800)	(39,097)
		<u>(9,646)</u>	<u>(44,244)</u>
Operating loss		(29,422)	(77,986)
Other income	28	48	44,158
Finance cost	29	(20,760)	(11,035)
Loss before taxation		<u>(50,134)</u>	<u>(44,863)</u>
Taxation - Net	30	2,149	2,248
<b>Loss for the year</b>		<u>(47,985)</u>	<u>(42,615)</u>
Loss per share - Basic and diluted	31	(2.24)	(1.99)


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



**Haroon Iqbal**  
Chairman



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



**Muhammad Naeem Uddin Malik**  
Chief Financial Officer

## Statement of Comprehensive Income


For The Year Ended June 30, 2018

	<b>2018</b>	<b>2017</b>
	----- <b>(Rs. in '000)</b> -----	
Loss for the year	(47,985)	(42,615)
<b>Other comprehensive income for the year:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Effect of change in tax rates on balance of revaluation on property, plant and equipment	1,080	1,165
<b>Total comprehensive loss for the year</b>	<u>(46,905)</u>	<u>(41,450)</u>

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

  
**Haroon Iqbal**  
Chairman

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

  
**Muhammad Naeem Uddin Malik**  
Chief Financial Officer

# Statement of Cash Flows

For The Year Ended June 30, 2018

Note	2018	2017
	------(Rs. in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(50,134)	(44,863)
<b>Adjustment for non cash charges and other items</b>		
Depreciation	22,494	24,743
Provision for slow moving and obsolescence stocks	-	39,097
Impairment on investment in associate	4,800	-
Reversal of provision for doubtful receivable	-	(323)
Unwinding of discount / present value adjustment - Net	9,190	(28,301)
Liability no longer payable written back	-	(15,524)
Provision for gratuity	202	275
Finance cost	20,760	11,035
Cash inflows / (outflows) before working capital changes	<u>7,312</u>	<u>(13,861)</u>
<b>Working capital changes</b>		
(increase)/decrease in current assets		
Stock in trade	(3,111)	-
Trade debts	-	1,720
Advances, prepayments and other receivables	(214)	(5,085)
Increase/(decrease) in current liabilities		
Trade and other payables	2,847	(6,281)
	<u>(478)</u>	<u>(9,646)</u>
Net cash generated from / (used in) operations	<u>6,834</u>	<u>(23,507)</u>
<b>Payments for:</b>		
Finance cost	(9,219)	13,509
Income tax	(1,390)	(120)
Net cash outflows from operating activities	<u>(3,775)</u>	<u>(10,118)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(276)	-
Sale proceed of disposal of fixed assets	92	-
Net cash outflows from investing activities	<u>(184)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loan from director	6,959	60,125
Net movement in short term finance	-	(50,018)
Net cash inflows from financing activities	<u>6,959</u>	<u>10,107</u>
Net increase / (decrease) in cash and cash equivalents	<u>3,000</u>	<u>(11)</u>
Cash and cash equivalents at the beginning of the year	<u>132</u>	<u>143</u>
Cash and cash equivalents at the end of the year	<u><u>3,132</u></u>	<u><u>132</u></u>


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



**Haroon Iqbal**  
Chairman



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



**Muhammad Naeem Uddin Malik**  
Chief Financial Officer

# Statement Of Changes In Equity

For The Year Ended June 30, 2018

Issued, subscribed and paid-up share capital	Capital reserves				Revenue reserves			Total
	Merger reserve	Settlement claim from Ford Motors (Note 13)	Surplus on revaluation of property, plant and equipment	Capital reserve	General reserve	Accumulated losses	Revenue reserves	


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

Balance as at 1 July 2016 - As reported	214,000	82,090	86,194	-	168,284	9,900	(1,542,161)	(1,532,261)	(1,149,977)
Impact of change in accounting policy - (Note 5.22)	-	-	-	80,474	80,474	-	(5,260)	(5,260)	75,214
Balance as on 1 July 2016 - As restated	214,000	82,090	86,194	80,474	248,758	9,900	(1,547,421)	(1,537,521)	(1,074,763)
Loss for the year	-	-	-	-	-	-	(42,615)	(42,615)	(42,615)
Other comprehensive income	-	-	-	1,165	1,165	-	-	-	1,165
Total comprehensive loss for the year	-	-	-	1,165	1,165	-	(42,615)	(42,615)	(41,450)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	(5,983)	(5,983)	-	5,983	5,983	-
<b>Balance as at 30 June 2017 - As restated</b>	<b>214,000</b>	<b>82,090</b>	<b>86,194</b>	<b>75,656</b>	<b>243,940</b>	<b>9,900</b>	<b>(1,584,053)</b>	<b>(1,574,153)</b>	<b>(1,116,213)</b>
Loss for the year	-	-	-	-	-	-	(47,985)	(47,985)	(47,985)
Other comprehensive income	-	-	-	1,080	1,080	-	-	-	1,080
Total comprehensive loss for the year	-	-	-	1,080	1,080	-	(47,985)	(47,985)	(46,905)
Incremental depreciation transfer from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	(5,568)	(5,568)	-	5,568	5,568	-
<b>Balance as at 30 June 2018</b>	<b>214,000</b>	<b>82,090</b>	<b>86,194</b>	<b>71,168</b>	<b>239,452</b>	<b>9,900</b>	<b>(1,626,470)</b>	<b>(1,616,570)</b>	<b>(1,163,118)</b>

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

  
**Haroon Iqbal**  
 Chairman

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

  
**Muhammad Naeem Uddin Malik**  
 Chief Financial Officer

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 1 STATUS AND NATURE OF BUSINESS

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 Yousuf Dewan Company in April 2004.

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

The geographical location and address of Company's business units including plant is as under:

- Company's registered office is located at 7th Floor, Block-A, Finance & Trade Centre, Shahrah-e-Faisal, Karachi.
- Company's production plant is situated at Sajawal and Shershah Karachi, Sindh, Pakistan.

## 2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

## 3 GOING CONCERN ASSUMPTION

The company incurred a net loss of Rs.47.985 million (2017: Rs.42.615 million) during the year ended 30 June 2018, and, as of that date it has accumulated losses of Rs.1,626.470 million (2017: Rs.1,584.053 million) which have resulted in net capital deficiency of Rs.1,163.118 million (2017: Rs.1,116.213 million) and its current liabilities exceeded its current assets by Rs.1,257.369 million (2017: Rs.1,250.460 million) and total assets by Rs.986.334 million (2017: Rs.952.315 million). 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.

The Company has restructured its entire debts 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 debt with the 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.

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 4 BASIS OF PREPARATION

### 4.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 29.1 to the financial statements, for which the management concludes that provisioning of mark-up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

### 4.2 Basis of measurement

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.

### 4.3 Standards, interpretations and amendments applicable to financial statements

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

#### 4.3.1 New standards, interpretations and amendments

The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year:

- IAS 7 - Statement of Cash Flows- Disclosure Initiative - (Amendment)
- IAS 12 Income Taxes- Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

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

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 4.3.2 Amendments to approved accounting standards and interpretations which are effective during the year ended 30 June 2018

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. Additional disclosures include but are not limited to, particulars of immovable assets of the Company (note 6.4), treatment of surplus on revaluation of fixed assets (note 14), management's assessment of sufficiency of tax provision in the financial statements (note 30.3), change in threshold for identification of executives (note 32), additional disclosure requirements for related parties (note 33).

The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended 30 June 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

## 4.3.3 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:

<b>Standard or interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IFRS 2 - Share Based Payments- Classification and Measurement of Share Based Payment Transactions (Amendments)	1 January 2018
IFRS 9- Financial Instruments	1 July 2018
IFRS 9- Prepayment Features with Negative Compensation- (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 15- Revenue from Contracts with Customers	1 July 2018
IFRS 16- Leases	1 January 2019
IFRS 4 - Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts- (Amendments)	1 January 2018

## Notes To The Financial Statements

For The Year Ended June 30, 2018

<b>Standard or interpretation</b>	<b>Effective date (annual periods beginning on or after)</b>
IAS 40- Investment Property: Transfers of Investment Property (Amendments)	1 January 2018
IAS 19- Plan Amendment, Curtailment or Settlement (Amendments)	1 January 2019
IAS 28- Long-term Interests in Associates and Joint Ventures - (Amendments)	1 January 2019
IFRIC 22- Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 23- Uncertainty over Income Tax Treatments	1 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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.

<b>Standard</b>	<b>IASB Effective date (annual periods beginning on or after)</b>
IFRS 14- Regulatory Deferral Accounts	1 January 2016
IFRS 17- Insurance Contracts	1 January 2021



# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 4.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

## 4.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

### 4.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

### 4.5.2 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

### 4.5.3 Stock in trade

The Company reviews the net realizable value (NRV) of stock in trade to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade and corresponding effect in profit and loss account of those future years. Net realisable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

## 5 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these unconsolidated financial statements are set out below. These accounting policies have been applied consistently except as stated in note 5.22 to the financial statements.

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 5.1 Property, plant and equipment

### Owned

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property, plant and equipment. Previously, the Company's accounting policy was in accordance with the provisions of repealed Companies Ordinance, 1984. Those provisions and resultant previous policy of the company was not in alignment with the accounting treatment and presentation of revaluation surplus as prescribed in the IFRS. However, the Companies Act, 2017 has not specified any accounting treatment for revaluation surplus, accordingly the Company has changed the accounting policy and is now following the IFRS prescribed accounting treatment and presentation of revaluation surplus. The detailed information and impact of this change in policy is provided in note 5.22 to the financial statements..

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

# Notes To The Financial Statements

For The Year Ended June 30, 2018

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 6.1. 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.

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.

## **5.2 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.

## **5.3 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.

## **5.4 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.

## Notes To The Financial Statements

For The Year Ended June 30, 2018

### 5.5 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

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

### 5.6 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.

### 5.7 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.

### 5.8 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.

### 5.9 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.

### 5.10 Deferred income

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

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 5.11 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.

## 5.12 Taxation

### Current

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

### 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.

## 5.13 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.

## 5.14 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 to settle on a net basis or to realize the asset and settle the liability simultaneously.

## 5.15 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.

## 5.16 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.

# Notes To The Financial Statements

For The Year Ended June 30, 2018

## 5.17 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.

## 5.18 Revenue recognition

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

## 5.19 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.

## 5.20 Warranties

Warranty expenses are recognized as and when claims are received.

## 5.21 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.

## 5.22 Change in accounting policy

### Surplus on revaluation of property, plant and equipment

Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance 1984. Further, the revaluation of property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance 1984.

However, in the Companies Act 2017 the above mentioned specific accounting and presentation requirements of surplus on revaluation of property, plant and equipment have not been carried forward. This change has impacted the accounting policy of the Company related to surplus on revaluation of property, plant and equipment, and now the Company is following the accounting treatment and presentation of surplus on revaluation of property, plant and equipment, prescribed in IAS-16 'Property, plant and equipment' as follows:

Any revaluation increase arising on the revaluation of property, plant and equipment is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of property, plant and equipment is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation surplus to the extent of incremental depreciation charged (net of deferred tax) is transferred to accumulated loss.

# Notes To The Financial Statements

For The Year Ended June 30, 2018

The change in accounting policy has been applied retrospectively, and comparative figures have been restated. Had the policy not been changed, the shareholders' equity would have been lower by Rs.71.168 million (2017: Rs.75.656 million and as of 01 July 2016 by Rs.80.474 million), the other comprehensive income for comparative period would have been lower by Rs.4.517 million.

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets -			
At cost less accumulated depreciation	6.1	<u>265,695</u>	<u>288,005</u>

## 6.1 Operating fixed assets - At cost / revaluation less accumulated depreciation

PARTICULARS	COST / REVALUATION			DEPRECIATION				Book value as at 30 June 2018	Rate %	
	As at 1 July 2017	Additions during the year	(Deletions)	As at 30 June 2018	As at 1 July 2017	(On disposals)	Charge for the year			As at 30 June 2018
----- 2 0 1 8 -----										
-----( <b>Rupees in '000</b> )-----										
Freehold land										
Cost	1,202	-	-	1,202	-	-	-	1,202	-	
Revaluation	1,198	-	-	1,198	-	-	-	1,198	-	
Factory building on freehold land										
Cost	120,427	-	-	120,427	45,570	-	3,743	49,313	71,114	5 to 10
Revaluation	93,136	-	-	93,136	36,387	-	2,837	39,224	53,912	5
Plant and machinery										
Cost	232,224	-	-	232,224	147,437	-	8,478	155,915	76,309	10
Revaluation	91,876	-	-	91,876	40,714	-	5,116	45,830	46,046	10
Computer and allied	3,293	-	-	3,293	3,127	-	22	3,149	144	10 to 30
Furniture and office equipment	25,830	276	-	26,106	19,126	-	697	19,823	6,283	10
Motor vehicles	64,577	-	(1,439)	63,138	59,573	(1,347)	982	59,208	3,930	20
Tools and equipment	11,104	-	-	11,104	8,253	-	285	8,538	2,566	10
Refrigerators and air conditioners	1,506	-	-	1,506	1,269	-	24	1,293	213	10
Electrical appliances	318	-	-	318	226	-	9	235	83	10
Jigs and fixtures	735	-	-	735	608	-	13	621	114	10
Electrical fittings	6,494	-	-	6,494	4,372	-	213	4,585	1,909	10
Dies	4,205	-	-	4,205	3,461	-	74	3,535	670	10
Patterns	112	-	-	112	109	-	1	110	2	20
<b>TOTAL</b>	<b>658,237</b>	<b>276</b>	<b>(1,439)</b>	<b>657,074</b>	<b>370,232</b>	<b>(1,347)</b>	<b>22,494</b>	<b>391,379</b>	<b>265,695</b>	

# Notes To The Financial Statements

For The Year Ended June 30, 2018

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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										
Cost	1,202	-	-	1,202	-	-	-	-	1,202	-
Revaluation	1,198	-	-	1,198	-	-	-	-	1,198	-
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
<b>TOTAL</b>	<b>658,237</b>	<b>--</b>	<b>--</b>	<b>658,237</b>	<b>345,489</b>	<b>--</b>	<b>24,743</b>	<b>370,232</b>	<b>288,005</b>	

**Note      2018      2017**  
----- (Rs. in '000) -----

## 6.2 Depreciation for the year has been allocated as follows:

Cost of sales	24	21,144	23,258
Distribution expenses	25	450	495
Administrative expenses	26	900	990
		<u>22,494</u>	<u>24,743</u>

**6.3** Motor vehicle disposed-off during the year had net book value less than Rs.500,000/- and disposal were made in accordance with the Company's policy.

**6.4** Immovable property (i.e. Freehold land and factory building on freehold land) is situated at Sujawal and Shershah. This comprises of land with an accumulated area of 12.025 acres and building accumulated 82,025 square feet.

**6.5** The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.264.345 million.



## Notes To The Financial Statements

For The Year Ended June 30, 2018

	<b>2018</b>	<b>2017</b>
	-----( <b>Rs. in '000</b> )-----	
<b>7 AVAILABLE FOR SALE INVESTMENT</b>		
Investment in associated company Dewan Mushtaq Trade Limited (Public, unquoted company) 4,000,000 (2017: 4,000,000) Ordinary shares of Rs.10/- each	40,000	40,000
Provision for impairment loss	(37,680)	(32,880)
	2,320	7,120

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

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

**7.3** Dewan Mushtaq Trade Limited is engaged in import, export, sale and trade in petrochemicals, paints and other products. The Company has 14.31% interest in ownership of the investee company. The value of Company's investment on the basis of net assets of Dewan Mushtaq Trade Limited as disclosed in the audited financial statements for the year ended 30 June 2017 amounted to Rs.2.301 million.

	<b>Note</b>	<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>8 STOCK IN TRADE</b>			
Raw materials and components		130,972	127,861
Work in process		2,701	2,701
Finished goods - manufacturing stock		3,567	3,567
Trading stock		30,263	30,263
		167,503	164,392
Provision for slow moving and obsolescence stocks	8.1	(164,392)	(164,392)
		3,111	-

**8.1** Provision for slow moving and obsolescence stock

<b>Particulars</b>	<b>Raw materials and components</b>	<b>Work in process</b>	<b>Finished goods - manufacturing stock</b>	<b>Trading stock</b>	<b>Total</b>
	----- ( <b>Rupees in '000</b> ) -----				
Opening provision	127,861	2,701	3,567	30,263	164,392
Provision for the year	-	-	-	-	-
Closing provision	127,861	2,701	3,567	30,263	164,392

## Notes To The Financial Statements

For The Year Ended June 30, 2018

		<b>2018</b>	<b>2017</b>
		----- <b>(Rs. in '000)</b> -----	
<b>9</b>	<b>TRADE DEBTS</b>		
	Considered good	-	-
	Considered doubtful	944	944
		<u>944</u>	<u>944</u>
	Provision for doubtful debts	(944)	(944)
		<u>-</u>	<u>-</u>
		<u><u>-</u></u>	<u><u>-</u></u>
<b>10</b>	<b>ADVANCES, PREPAYMENT AND OTHER RECEIVABLE</b>		
	Advances - Unsecured, considered good		
	Employees	10.1 4,874	4,982
	Other advances	5,077	5,077
	Prepaid insurance	322	-
	Sales tax receivable	16,008	16,008
		<u>26,281</u>	<u>26,067</u>
		<u><u>26,281</u></u>	<u><u>26,067</u></u>

**10.1** Advances to employees represent advance for business related expenses and is interest free.

### 11 CASH AND BANK BALANCES

	Cash in hand	14	14
	Cash at banks:		
	- Current accounts	397	118
	- Saving account	11.1 <u>2,721</u>	<u>-</u>
		<u>3,132</u>	<u>132</u>
		<u><u>3,132</u></u>	<u><u>132</u></u>

**11.1** Saving account carry mark-up 3.25% per annum (2017: 4% per annum).

**11.2** Bank balance in saving account is placed under interest arrangements. The Company has conventional banking relationships with all the banks.

### 12 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

<b>2018</b>	<b>2017</b>		<b>2018</b>	<b>2017</b>
----- <b>(Number of shares)</b> -----			----- <b>(Rs. in '000)</b> -----	
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
<u>21,400,000</u>	<u>21,400,000</u>		<u>214,000</u>	<u>214,000</u>
			<u><u>214,000</u></u>	<u><u>214,000</u></u>

## Notes To The Financial Statements

For The Year Ended June 30, 2018

### 13 CAPITAL RESERVES

Capital reserve on settlement claim from Ford Motors 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.

### 14 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The surplus revaluation is restated and now presented as a separate capital reserve in these financial statements (Note 5.22).

	<b>2018</b>	<b>2017</b>
	-----( <b>Rs. in '000</b> )-----	
Balance as at 1 July	75,656	80,474
Effect of change in tax rates	1,080	1,165
Incremental depreciation charged on related assets during the year - Net of tax	(5,568)	(5,983)
14.1	<u>71,168</u>	<u>75,656</u>

**14.1** This represents surplus on revaluation of freehold land, factory building and plant and machinery. The revaluation are carried on the basis of market value or depreciated replacement values as applicable. The latest revaluation was carried out at March 2013 by an independent valuer M/s. Anderson Consulting (Private) Limited which resulted in surplus amounting to Rs.34.901 million.

**14.2** The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

### 15 LONG TERM LOAN - Unsecured

		<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
From director - At amortized cost			
Loan received - Opening	15.1	307,105	246,980
Received during the year		6,959	60,125
Accumulated present value adjustment		(253,449)	(249,368)
Accumulated interest charged to profit and loss account		69,260	55,989
		<u>129,875</u>	<u>113,726</u>

**15.1** 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.

## Notes To The Financial Statements

For The Year Ended June 30, 2018

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.

		<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>16 DEFERRED LIABILITY FOR STAFF GRATUITY</b>			
Employees retirement benefits	16.1	<u>16,922</u>	<u>16,720</u>
<b>16.1</b>	Movement in the net liability for staff gratuity		
	Opening liability	16,720	16,445
	Provision for the year	202	275
	Paid during the year	-	-
		<u>16,922</u>	<u>16,720</u>

**16.2** 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.

		<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>17 DEFERRED TAXATION</b>			
Deferred tax liability arising out of surplus on revaluation of property plant and equipment		<u>29,987</u>	<u>33,452</u>

**17.1** The Company has not recognized deferred tax asset amounting to Rs.843.537 million arising due to available tax losses and credits since it is not probable that future taxable profits will be available against which the temporary differences can be utilized. The deferred tax liability reflected in these financial statements relates to the surplus on revaluation of property, plant and equipment only.

### 18 TRADE AND OTHER PAYABLES

Trade creditors		294,506	297,971
Accrued expenses		19,857	17,745
Advance from dealers		39,989	39,989
Advance from customers	18.1	4,962	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		839	29
Interest on Workers' Profit Participation Fund		47	47
		<u>365,481</u>	<u>362,635</u>

## Notes To The Financial Statements

For The Year Ended June 30, 2018

**18.1** This includes amount of Rs.3.508 million is received from Deehan Dewan Motors Co Ltd (associated company).

		<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>19 SHORT TERM FINANCE</b>			
From related party (associated company) - Unsecured Interest bearing	19.1	<u>154,879</u>	<u>154,879</u>

**19.1** This is an unsecured finance from an associated company, which carries mark-up @ 7.45% per annum (2017: @ 7.14% per annum).

### 20 ACCRUED MARK-UP

Associated company		760,390	748,849
Financial institutions		1,323	1,323
		<u>761,713</u>	<u>750,172</u>

### 21 OVER DUE PORTION OF LOANS - Secured

Overdue portion of loans - Secured		<u>11,250</u>	<u>11,250</u>
------------------------------------	--	---------------	---------------

**21.1** 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% (2017: @ 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. Pak Kuwait Investment Company (Pvt) Limited has gone into litigation as more fully explained in note 22.1 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.

### 22 CONTINGENCIES AND COMMITMENTS

**22.1** In respect of liability towards a financial institution disclosed in note 21 to the financial statements, the 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.

## Notes To The Financial Statements

For The Year Ended June 30, 2018

The management has disputed the claim and is strongly contesting the case. The management has filed counter claims alleging that the bank claim is highly exaggerated as it has 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 the case is pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage.

		<b>2018</b>	<b>2017</b>
		----- (Rs. in '000) -----	
<b>23 SALES - Net</b>			
Gross sales		22,109	-
Sales tax		(3,212)	-
Sales net		18,897	-
<b>24 COST OF SALES</b>			
Raw materials and parts consumed	24.1	6,458	-
Depreciation	6.2	21,144	23,258
Salaries, wages and benefits		9,820	6,327
Traveling and vehicles running		635	312
Printing, stationary and office supplies		240	5
Generator fuel		138	3,723
Repairs and maintenance		130	1
Communication		65	56
Cartage and freight		29	55
Security expense		13	4
Miscellaneous		-	1
Manufacturing cost		38,672	33,742
Work-in-process - Opening		2,701	2,701
Work-in-process - Closing		(2,701)	(2,701)
		-	-
		38,672	33,742
Finished goods - Opening		33,830	33,830
Finished goods - Closing		(33,830)	(33,830)
		-	-
Cost of goods manufactured		38,672	33,742

## Notes To The Financial Statements

For The Year Ended June 30, 2018

		<b>2018</b>	<b>2017</b>
		-----( <b>Rs. in '000</b> )-----	
<b>24.1</b>	Raw materials and parts consumed		
	Opening stock	127,861	127,861
	Purchases	<u>9,569</u>	<u>-</u>
		137,430	127,861
	Closing stock	<u>(130,972)</u>	<u>(127,861)</u>
		<u>6,458</u>	<u>-</u>
<b>25</b>	<b>DISTRIBUTION EXPENSES</b>		
	Depreciation	6.2      450	495
<b>26</b>	<b>ADMINISTRATIVE EXPENSES</b>		
	Salaries, wages and benefits	1,706	2,704
	Depreciation	6.2      900	990
	Auditor's remuneration	26.1      450	450
	Traveling and vehicles running	424	208
	Legal and professional	264	13
	Fees and subscription	272	122
	Printing, stationary and office supplies	160	4
	Communication	112	29
	Rent, rates and taxes	61	69
	Repairs and maintenance	16	16
	Miscellaneous	<u>31</u>	<u>47</u>
		<u>4,396</u>	<u>4,652</u>
<b>26.1</b>	Auditor's remuneration		
	Audit fee	300	300
	Half yearly review	<u>150</u>	<u>150</u>
		<u>450</u>	<u>450</u>
<b>27</b>	<b>OTHER EXPENSES</b>		
	Impairment on investment in associate	4,800	-
	Provision for slow moving and obsolescence stocks	<u>-</u>	<u>39,097</u>
		<u>4,800</u>	<u>39,097</u>
<b>28</b>	<b>OTHER INCOME</b>		
	Unwinding of discount / present value adjustment - Net	-	28,301
	Liability no longer payable written back	-	15,524
	Interest income on saving account	28.1      48	10
	Reversal of provision of doubtful receivable	<u>-</u>	<u>323</u>
		<u>48</u>	<u>44,158</u>
<b>28.1</b>	This profit is earned from bank accounts under mark-up arrangements.		

## Notes To The Financial Statements

For The Year Ended June 30, 2018

	2018	2017
	----- (Rs. in '000) -----	
<b>29 FINANCE COST</b>		
Mark-up on borrowings from related parties	11,541	11,034
Unwinding of discount / present value adjustment - net	9,190	-
Bank charges	29	1
	<u>20,760</u>	<u>11,035</u>

**29.1** Company has not made the provision of mark-up for the year amounting to Rs.1.156 million (Up to 30 June 2018: Rs.14.337 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.1.156 millions and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.14.337 million. The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.

### 30 TAXATION - Net

Current tax			
Current year	30.1	237	441
Deferred		<u>(2,386)</u>	<u>(2,689)</u>
		<u>(2,149)</u>	<u>(2,248)</u>

#### 30.1 Relationship between accounting profit and tax expense for the year

Provision for taxation is based on minimum tax @ 1.25% of the turnover under section 113 of the Income Tax Ordinance, 2001 therefore there is no relationship between accounting profit and tax expense for the year.

Change in applicable income tax rate from 31% to 30% is due to change in relevant Income Tax Laws.

**30.2** The income tax assessments of the Company deemed to have been finalized upto and including Tax year 2017.

**30.3** Management has provided sufficient tax provision in financial statements in accordance with Income Tax Ordinance, 2001. Following is comparison of tax provision as per accounts vis a vis tax assessment for last three years

	Deemed assessment	Provision
Year 2017	-	441
Year 2016	-	-
Year 2015	-	-



# Notes To The Financial Statements

For The Year Ended June 30, 2018

	<b>2018</b>	<b>2017</b>
	----- <b>(Rs. in '000)</b> -----	
<b>31 LOSS PER SHARE - Basic and diluted</b>		
Loss after taxation attributable to ordinary shareholders	<u>(47,985)</u>	<u>(42,615)</u>
	----- <b>(Number of shares)</b> -----	
Weighted average number of ordinary shares outstanding during the year	<u>21,400,000</u>	<u>21,400,000</u>
	----- <b>(Rupees)</b> -----	
Loss per share - Basic	<u>(2.24)</u>	<u>(1.99)</u>

**31.1** A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at 30 June 2018 and 30 June 2017 which would have any effect on the loss per share if the option to convert is exercised.

## 32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

**32.1** Chief executive and directors of the Company did not charge any fee or other remuneration.

**32.2** No employee of the Company falls under the definition of "executive" as per the Companies Act, 2017. Hence no disclosure is given in the financial statements. Accordingly, comparative figures of remuneration to executives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

## 33 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated group companies, directors, executives, key management personnel and staff retirement funds. The transaction with associated companies are in the normal course of business and have been entered on an arm's length basis. The remuneration paid to chief executive, directors, executive and key management personnel in terms of their employment is disclosed in note 32 to the financial statements. Material transactions and balances with related parties are given below:

Name of the related party	Basis of relationship	Percentage of shareholding	Nature of transactions during the year	2018	2017
				----- <b>(Rupees '000)</b> -----	
Dewan Farooq Motors Limited	Common director	0.120%	Mark up expense	11,541	11,034
Daehan Dewan Motors Co Ltd	Common director	0.01%	Advance from customer Sales	22,911 22,109	- -

## Notes To The Financial Statements

For The Year Ended June 30, 2018

Balances with related parties are shown in long term loan (note 15), advance from customer (note 18.1), short term finance (note 19) and accrued mark up (note 20) to the financial statements.

	<b>2018</b>	<b>2017</b>
	-----( <b>Rs. in '000</b> )-----	
<b>34 NUMBER OF EMPLOYEES</b>		
Number of employees as at 30 June	<u>8</u>	<u>8</u>
Number of factory employees as at 30 June	<u>35</u>	<u>13</u>
Average number of employees during the year	<u>10</u>	<u>10</u>
Average number of factory employees during the year	<u>33</u>	<u>15</u>

<b>35 PLANT CAPACITY AND PRODUCTION</b>	<b>2018</b>	<b>2017</b>
<b>Tractors:</b>		
Sanctioned plant capacity	6,000	6,000
Actual production	NIL	NIL
<b>Motorcycles:</b>		
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.

## **36 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

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.

### **36.1 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.

## Notes To The Financial Statements

For The Year Ended June 30, 2018

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

	<b>2018</b>	<b>2017</b>
	----- <b>(Rs. in '000)</b> -----	
Long term deposit	3,020	3,020
Advances	26,281	26,067
Bank balances	397	118
	<u>29,698</u>	<u>29,205</u>

### 36.2 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:

	<b>Carrying amounts</b>	<b>Contractual cash flows</b>	<b>Six months or less</b>	<b>Six to twelve months</b>	<b>One to two years</b>	<b>Two to five years</b>
	----- <b>(Rupees in '000)</b> -----					
<b>2018</b>						
<b>Non-derivative financial liabilities</b>						
Long term loans	129,875	314,064	-	-	-	314,064
Trade and other payables	354,544	354,544	354,544	-	-	-
Accrued mark-up	761,713	761,713	761,713	-	-	-
Short term finance	154,879	160,696	160,696	-	-	-
Overdue portion of loans	11,250	11,763	11,763	-	-	-
	<u>1,412,261</u>	<u>1,602,779</u>	<u>1,288,715</u>	<u>-</u>	<u>-</u>	<u>314,064</u>
<b>2017</b>						
<b>Non-derivative financial liabilities</b>						
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>

## Notes To The Financial Statements

For The Year Ended June 30, 2018

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 30 June.

### 36.3 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:

	2018	2017
	----- (Rs. in '000) -----	
<b>Variable rate instruments at carrying amounts:</b>		
<b>Financial liabilities</b>		
Overdue portion of loans	11,250	11,250
Short term finance	<u>154,879</u>	<u>154,879</u>
	<u>166,129</u>	<u>166,129</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>1,661</u>
Decrease	<u>(1,661)</u>	<u>(1,661)</u>

## Notes To The Financial Statements

For The Year Ended June 30, 2018

### 36.4 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.

### 36.5 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.

## 37 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, significant restatements are disclosed in note 5.22 in the financial statements. The significant reclassifications consists of reclassification of prepayments and other receivable amounting to Rs.16.008 million from the face of the financial position to notes to the accounts under 'advances, prepayment and other receivable' for better presentation.

## 38 DATE OF AUTHORIZATION FOR ISSUE


These financial statements have been authorized for issue on October 01, 2018 in accordance with the resolution by the Board of Directors of the Company.

## 39 GENERAL

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

  
**Haroon Iqbal**  
Chairman

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

  
**Muhammad Naeem Uddin Malik**  
Chief Financial Officer

**DEWAN AUTOMOTIVE ENGINEERING LIMITED**

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

as at June 30, 2018

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	6	5,000	0.02%
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	1,129	15,756,502	73.63%
<b>TOTAL</b>		<b>1,158</b>	<b>21,400,000</b>	<b>100.00%</b>

**DETAILS OF CATEGORIES OF SHAREHOLDERS**

Sr #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
<b>1. Associated Companies</b>				
1.1	Dewan Motors (Pvt.) Limited	3	4,746,259	22.18%
<b>2. NIT and ICP</b>				
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%
<b>3. Directors, CEO, their Spouses &amp; Minor Children</b>				
<b>Directors and CEO</b>				
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. Waseem-Ul-Haq Ansari	1	1,000	0.00%
3.5	Mr. Ishtiaq Ahmed	1	1,000	0.00%
3.6	Mr. Muhammad Naeemuddin Malik	1	1,000	0.00%
3.7	Mr. Muhammad Irfan Ali (Nominee Director By DMPL)	0	-	0.00%
		6	5,000	0.02%
<b>Spouses of Directors and CEO</b>				
3.8	-	-	-	0.00%
		-	-	0.00%
<b>Minor Children of Directors and CEO</b>				
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**

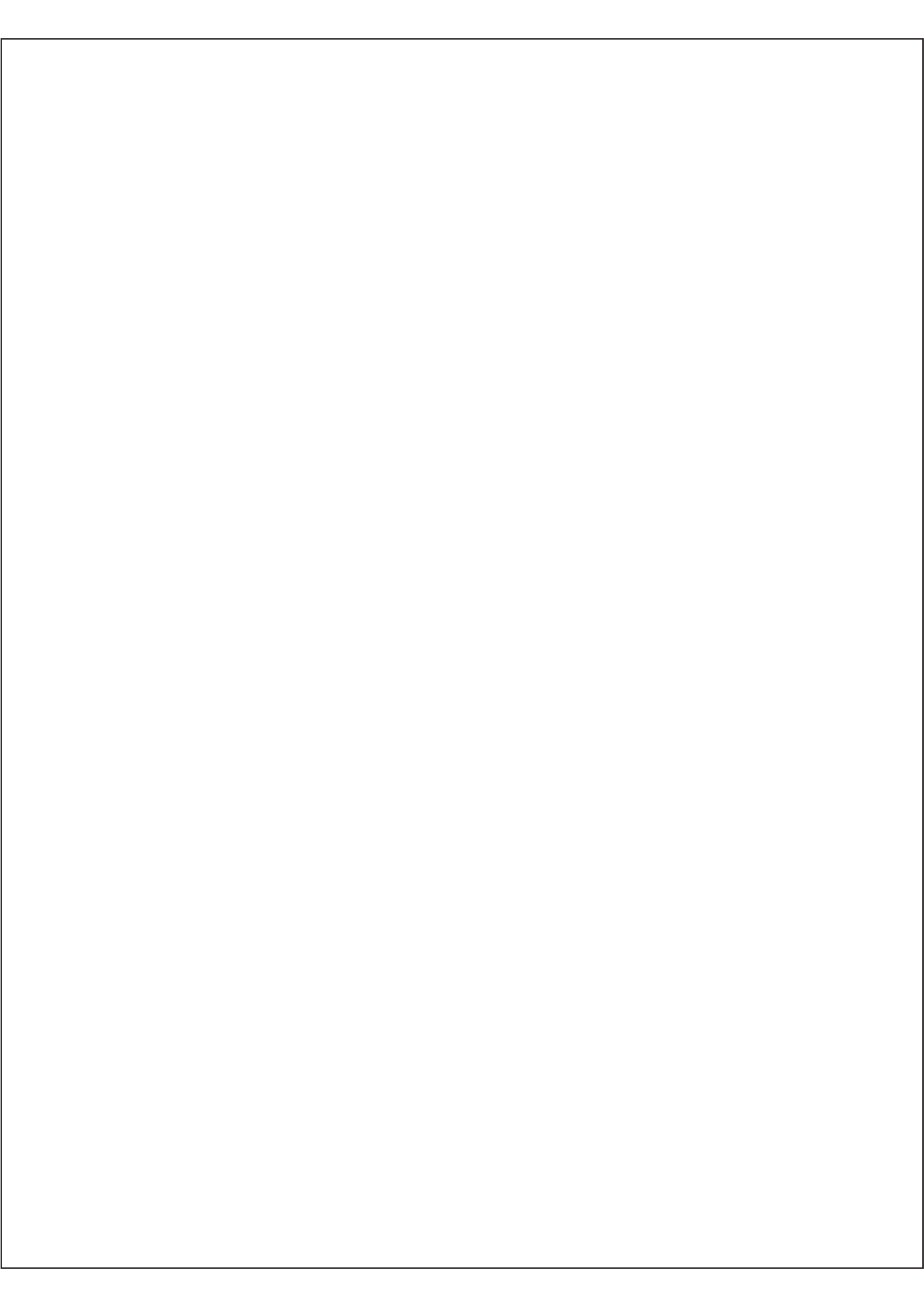
1. Incorporation Number **0009414**
2. Name of the Company **DEWAN AUTOMOTIVE ENGINEERING LIMITED**
3. Pattern of holding of the shares held by the Shareholders as at **30.06.2018**

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
	2	200,001	-	220,000	Shares	434,320
	1	220,001	-	250,000	Shares	242,500
	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	700,001	-	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
	<b>1158</b>	<b>TOTAL</b>				<b>21,400,000</b>

**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	5,000	0.02%
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	0.00%	
5.7	Shareholders holding 5%	14,653,444	68.47%
5.8	General Public		
	a. Local	15,754,637	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 36th Annual General Meeting of the Company to be held on Thursday,  
October 25, 2018 at 04:00 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 آٹوموٹیو  
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 25 اکتوبر 2018ء  
04:00 بجے شام منعقدہ کمپنی کی 36 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 \_\_\_\_\_

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 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 سرکار 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 دعائے سننے والا ہے (القرآن)

بورڈ کے ڈائریکٹران کی جانب سے



بارون اقبال

چیئرمین بورڈ آف ڈائریکٹرز

آڈٹ کمیٹی میں تین ڈائریکٹرز شامل ہیں، ان میں سے دو غیر ایگزیکٹو ہیں۔ سال کے دوران آڈٹ کمیٹی کی چار میٹنگ ہوئیں۔

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب عزیز الحق	4
جناب اشتیاق احمد	4
سید مقبول علی	4

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
جناب عزیز الحق	1
جناب ہارون اقبال	1
سید مقبول علی	1

آڈیٹرز:

موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو گئے ہیں اور دوبارہ تفری 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 تفری کی سفارش کی ہے۔

خسارہ فی شیئر:

فی شیئر خسارہ مبلغ 2.24 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 2018ء سالانہ رپورٹ کے ساتھ منسلک ہے۔

کمپنی کی بنیادی سرگرمیاں:

دیوان آٹوموٹیو انجینئرنگ لمیٹڈ پبلک لمیٹڈ کمپنی کے طور پر اسٹاک ایکسچینج میں رجسٹرڈ ہے اور موٹر سائیکل، ملکی مال بردار گاڑیوں اور ان کے پرزہ جات کی پیداوار اور فروخت اس کی بنیادی سرگرمیوں میں شامل ہے۔

خطرات اور غیر یقینی صورتحال:

- کمپنی درج ذیل امور کو اپنے لئے نقصان دہ سمجھتی ہے:
- ☆ ڈالر کے مقابلے میں روپے کی شرح میں مسلسل کمی۔
  - ☆ بینکنگ لائسنز کی عدم دستیابی

کمپنی خطرات اور غیر یقینی صورتحال کے اثرات کو کم کرنے کے لئے اندرونی اور بیرونی طور پر بھی اقدامات کر رہی ہے۔

کاروباری اور سماجی ذمہ داریاں:

کمپنی کاروباری ضروریات اور متعلقین کے معاملات کو بہترین صلاحیتوں کے ساتھ چلانے میں مصروف ہے۔ کمپنی نئے آنے والے افراد کی فنی تربیت کے ذریعے ان کی صلاحیتیں نکھارنے کو اہمیت دیتی ہے۔ کمپنی اپنے ورکروں کو ملازمت دیتے وقت غریب اور قریب ترین کے علاقوں کے رہائشی افراد کو اہمیت دیتی ہے تاکہ ان کا معیار زندگی بلند ہو سکے۔ اسکے علاوہ ملازمین کی صحت اور ان کی زندگیوں کی حفاظت کو بھی مد نظر رکھا جاتا ہے اور اس امر کو یقینی بنانے کیلئے تمام منضبط اصول اور طریقہ کار اختیار کئے جاتے ہیں۔ نیز پیداواری مراحل میں تمام مروجہ قوانین پر عمل درآمد کو یقینی بنایا جاتا ہے۔ کمپنی اپنے علاقے کے لوگوں کی طبی سہولتوں کے لئے بھی کام کر رہی 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 نے چار ملاقاتیں کیں، جن میں اراکین کی حاضری درج ذیل ہے:

ڈائریکٹرز کے نام	میٹنگ میں حاضری کی تعداد
جناب ہارون اقبال	4
جناب وسیم الحق انصاری	4
جناب نعیم الدین ملک	4
سید مقبول علی	4
جناب اشتیاق احمد	4
جناب محمد عرفان علی	-
جناب عزیز الحق	4



آڈیٹرز نے اپنی رپورٹ کے پیرا (a) (b) (c) اور (d) میں کمپنی کے حالات کو کو ایفائی کیا ہے جن پر تیسرہ مالی حسابات کے نوٹ نمبر 1.3 اور 16.2 میں کر دیا ہے۔

فلسڈ اثاثوں کی نئی مالیت کے بارے میں آڈیٹر رپورٹ کا پیرا (d)۔ کاروباری سرگرمیاں محدود ہونے کی وجہ سے فلسڈ اثاثہ جات کی مالیت کی نظر ثانی نہیں کرائی گئی جو کہ آئندہ ششماہی میں کرائی جائے گی۔

### کوڈ آف کارپوریٹ گورننس:

- ۱۔ 30 جون 2018ء 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 2018ء 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 3 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۔ گذشتہ چھ سالوں کے کلیدی آپریٹنگ اور فنانشل معلومات مختصر آس رپورٹ میں شامل ہیں۔
- ۹۔ تمام واجب الادا ٹیکسز ادا کر دیئے گئے ہیں اور مزید کچھ واجب الادا نہیں، ماسوائے ان کے جو کہ آڈٹ شدہ مالیاتی نتائج کے نوٹ نمبر 18 میں ظاہر کیا گیا ہے۔

کمپنی کا بورڈ آف ڈائریکٹرز ایک خود مختار، چارجز کیٹیو اور دو غیر ایگزیکٹیو ڈائریکٹرز پر مشتمل ہے۔ ڈائریکٹرز کے نام درج ذیل ہیں:

جناب ہارون اقبال

جناب وسیم الحق انصاری

جناب نعیم الدین ملک

سید مقبول علی

جناب اشتیاق احمد

جناب محمد عرفان علی

جناب عزیز الحق

سال رواں میں ڈائریکٹرز کوئی آسامی خالی نہیں رہی۔



## 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 آٹوموٹیو انجینئرنگ لمیٹڈ کے بورڈ کے ڈائریکٹران کی جانب سے 30 جون 2018ء کو اختتام پذیر مالی سال کی سالانہ رپورٹ بعد آڈٹ شدہ مالیاتی نتائج آپ کے سامنے پیش کئے جاتے ہیں اور آپ کو کمپنی کی 36 ویں سالانہ جنرل میٹنگ میں خوش آمدید کہا جاتا ہے۔

### مالیاتی نتائج

سال کے لئے مالیاتی کارکردگی کا خلاصہ بشمول مالیاتی سال 2017ء کے اعداد و شمار کے ساتھ موازنہ درج ذیل ہے:

30 جون 2017ء روپے ہزاروں میں	30 جون 2018ء روپے ہزاروں میں	
-	22,109	کل فروخت
(33,742)	(19,776)	کل خسارہ
(77,986)	(29,422)	آپریٹنگ خسارہ
(42,615)	(47,985)	خالص کل خسارہ بعد از ٹیکس

### زیر جائزہ مدت:

زیر جائزہ سال کے دوران کمپنی نے پیداواری سرگرمیاں شروع کیں اور میسر زد دیہان دیوان موٹر کمپنی (پرائیویٹ) لمیٹڈ سے موصول خریداری احکامات کے بدلے آٹوموٹیو پرزہ جات کی فروخت شروع ہوئی۔

پاکستان آٹوموبائل اور اس سے وابستہ صنعتوں کے لئے بڑھتی ہوئی مارکیٹ ہے۔ اور ہم اس صورتحال کا فائدہ اٹھا سکتے ہیں۔ یہ صنعتیں ملک کی اقتصادی ترقی کو بڑھانے میں بڑے پیمانے پر اہم کردار ادا کرتی ہیں۔ پاکستان میں آٹوموبائل صنعت میں مسافر کاریں، ہلکی تجارتی گاڑیاں، ٹرک، بسیں، ٹریکٹر اور موٹر سائیکلیں تیار کرنے والی کمپنیاں شامل ہیں۔

آٹوموٹیو پرزہ جات کی صنعت نے بہت ترقی کی ہے اور مختلف اقسام کے پرزہ جات مقامی طور پر تیار کئے جا رہے ہیں۔ آٹوموبائل کی ترقی میں اضافے کے ساتھ فاضل پرزہ جات کی مارکیٹ میں اضافہ ہوا ہے۔

اگرچہ کمپنی نے گروپ سے متعلقہ کمپنی کی ضروریات کے تحت محدود پیداواری سرگرمیاں شروع کی ہیں۔ لیکن سرمائے کی قلت کی وجہ سے مارکیٹ کی ضروریات پوری کرنا کمپنی کے لئے مشکل ہے۔ کام چلانے کیلئے سرمائے کی دستیابی کی صورت میں کمپنی اپنی مکمل صلاحیت کا استعمال کر سکتی ہے۔



## ب) پروکسی کی تقرری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- (ii) پروکسی فارم پر وہ افراد کی گواہی ہونی چاہیے جن کے نام پتے اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ اسٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمراہ کمپنی کو پیش کرنے ہوں گے۔

## 5. تاحال سی این آئی سی فراہم نہ کرنے والے شیئر ہولڈرز کو نوٹس

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 1831 (1) / 2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجراء کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلا تاخیر براہ راست ہمارے شیئر رجسٹرار کو فراہم کر دیں۔

## 6. شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکنزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونکلی وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8 (4) ایس ایم/سی ڈی سی 2008ء مورخہ 15 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکنزم کو اختیار کرنے کی ہدایات جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

## 7. مالی گوشواروں وغیرہ کی الیکٹرونکلی ترسیل

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787 (1) / 2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دے دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متمنی ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ

<http://www.yousufdewan.com/DAEL/index.html> اسٹینڈرڈ ریگولیشن فارم پر اپنی خواہش تحریری طور پر فراہم کریں۔

## نوٹس برائے سالانہ عمومی میٹنگ

ہذا کو مطلع کیا جاتا ہے کہ دیوان آٹوموٹیو انجینئرنگ لمیٹڈ (ڈی اے ای ایل یا کمپنی) کا چھتیسواں (36) سالانہ اجلاس عام جمعرات 25 اکتوبر 2018ء کو شام چار بجے دیوان سینٹ لمیٹڈ فیکٹری سائٹ واقع دیھ ڈھنڈو، دھابھی ضلع ملیر کراچی پاکستان میں مندرجہ ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا اجلاس کی کارروائی تلاوت کلام پاک سے ہوگی۔

### عمومی امور

1. گزشتہ سالانہ اجلاس عام منعقد بدھ 31 جنوری 2018ء کی کارروائی کی توثیق۔
2. 30 جون 2018ء کو مکمل ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظوری۔
3. 30 جون 2019ء کو مکمل ہونے والے سال کے لیے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ



محمد نعیم الدین ملک  
کمپنی سیکرٹری

کراچی 1 اکتوبر 2018ء

### نوٹ:

1. کمپنی کی منتقلی حصص کی کتب 18 اکتوبر 2018ء تا 25 اکتوبر 2018ء (دونوں دن شامل) بندر ہیں گی۔
2. ممبران سے درخواست ہے کہ وہ اپنے پتے میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے سیکرٹری رجسٹرار ٹرانسفر اینڈ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انعم اسٹیٹ بلڈنگ کمرہ نمبر 311-310 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کریں۔
3. اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کے لیے دوسرے ممبر کو اپنا پروفوکسی مقرر کر سکتا ہے پروفوکسی کی تقرری کی دستاویز مندرجہ بالا پتے پر کمپنی کو اجلاس کے انعقاد سے کم از کم اڑھتالیس گھنٹے قبل مل جانی چاہیے۔
4. سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایات پر عمل کرنا ہوگا۔

### الف) برائے اجلاس میں شرکت















- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کا پورٹ اہل منتظمی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔



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