

Half Yearly Report
December 31, 2018



DEWAN FAROOQUE MOTORS LIMITED



Contents

Company Information	02
Directors' Report (English)	03
Auditors' Report to the Members on Review of Condensed Interim Financial Statements	04
Condensed Interim Statement of Financial Position	06
Condensed Interim Statement of Profit and Loss	07
Condensed Interim Statement of Comprehensive Income	08
Condensed Interim Statement of Cash Flows	09
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Statements	11
Directors' Report (Urdu)	16

Company Information

Non-Executive Directors

Mr. Haroon Iqbal
Mr. Syed Muhammad Anwar
Mr. Mohammad Saleem Baig
Mr. Imran Ahmed Javed

Chairman Board of Directors

Executive Directors

Mr. Waseem-ul- Haque Ansari
Mr. Muhammad Naeem Uddin Malik

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Mr. Waseem-ul- Haque Ansari

CFO & COMPANY SECRETARY

Mr. Muhammad Naeem Uddin Malik

AUDIT COMMITTEE MEMBERS

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

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Mr. Aziz-ul-Haque	Chairman
Mr. Waseem-ul- Haque Ansari	Member
Mr. Haroon Iqbal	Member

BANKERS

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

AUDITORS

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

LEGAL ADVISORS

A.K. Brohi & Co.

TAX ADVISOR

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

SHARES REGISTRAR / TRANSFER AGENT

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGIONAL OFFICES

Lahore
Dewan Centre, PIA Tower,
Egerton Road,

Islamabad

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

FACTORY

Jilaniabad, Budhu Talpur,
District Sajawal,
Sindh.

Directors' Report

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements of the Company for the six months' period ended December 31, 2018.

During the period under review the gross sales is Rs.0.916 (Dec 2017: Rs.0.743) million, gross loss is Rs.117.668 (Dec 2017: Rs.68.267) million and the after-tax loss is Rs. 84.293 (Dec 2017: Rs.14.642) million.

The sale of local Car/SUV/LCV sector for the six months' period ended December 31, 2018 has dropped by 3% as compared to the corresponding period of last year. The main reasons for the decline in demand are prohibition of sale of vehicles to non-tax filers and exorbitant depreciation of Pak Rupee against US Dollar resulting in considerable increase in vehicle input cost and prices. As proposed in the Finance Supplementary (Second Amendment) Act, 2019 levy of 10% Federal Excise Duty on locally manufactured Cars and SUVs of 1800 cc or above category will further have negative impact on the volumes. The Company is going through tough conditions and making best endeavors to survive. A number of recovery suits have been instituted by Banks/Financial Institutions alleging default of company which are being successfully defended by our counsels. The proposal of re-profiling of the Company's debts is expected to be completed very soon. After the restructuring of debt, the Company's operation will be normalized.

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

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

Under / By Authority of the Board of Directors



Waseem-ul-Haque Ansari
Chief Executive Officer



Haroon Iqbal
Chairman/Director

Karachi: February 26, 2019

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

Introduction

We have reviewed the accompanying Condensed interim Statement of Financial Position of **Dewan Farooque Motors Limited** ("the company") as at December 31, 2018 and the related Condensed interim statement of profit or loss and other comprehensive income, Condensed interim statement of changes in equity, and Condensed interim Statement of cash flow and together with the notes to the financial statement for the six months period then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed as we are required to review only the cumulative figures for the Six month ended December 31, 2018.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of adverse opinion

- a) The interim condensed financial statements of the company for the period ended December 31, 2018 as disclosed in note 1 and 2 to the interim condensed financial Statements reflect loss after taxation of Rs. 84.293 and as of that date it has accumulated losses of Rs. 3.580 billion which resulted in net capital deficiency of Rs. 2.193 billion and its current liabilities exceeded its current assets by Rs. 4.502 billion and total assets by Rs. 2.172 billion without providing the mark up as refer in above para (b). The operations of the company were closed in intervals between the periods from November 2010 to date and as of reporting date the operations are suspended due to working capital constraints. Furthermore, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and short-term finance facilities have expired and not been renewed by banks. Following course, certain lenders have gone into litigation amounting to Rs. 6.884 billion for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties. These conditions lead us to believe that the going concern assumption used in preparation of these financial Statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The company has not made provision of mark-up for the year amounting to Rs. 244.944 million (refer note 11) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of mark-up is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of mark-up should be made in these financial statements. Had the provision of mark-up been made in the financial statements, the loss after taxation for the year would have been higher by Rs.244.944 million and mark-up payable would have been higher and shareholders' equity would have been lower by Rs. 5.305 billion.

Adverse Conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) above, these accompanying interim financial Statements as of and for the six months period ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

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



CHARTERED ACCOUNTANTS

Place: Karachi


Date: February 26, 2019

Condensed Interim Statement of Financial Position As at December 31, 2018

	Note	December 31, 2018 Unaudited	June 30, 2018 Audited
(Rs. in '000)			
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	975,931	1,010,088
Investment	7	1,354,680	1,310,330
CURRENT ASSETS			
Stores and spares		52,293	54,161
Stock-in-trade		47,885	48,553
Trade debts - considered good		45,581	95,183
Short term loan to associated undertaking - considered good		154,879	154,879
Advances, deposits, prepayments and other receivables - Considered good		790,635	783,002
Taxation - net		23,065	22,694
Cash and bank balances		125,155	128,234
		1,239,493	1,286,706
TOTAL ASSETS		3,570,104	3,607,124
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital			
Authorized			
150,000,000 (June 30, 2018: 150,000,000) Ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up			
Issued, subscribed and paid-up		1,387,353	1,387,353
Revenue Reserve		(3,579,973)	(3,495,680)
Accumulated loss		(2,192,620)	(2,108,327)
NON-CURRENT LIABILITIES			
Long term security deposits		16,700	16,700
Deferred Liabilities		4,231	4,231
CURRENT LIABILITIES			
Sponsor loan	8	252,042	240,975
Trade and other payables		2,412,983	2,376,777
Unclaimed Dividend		1,814	1,814
Short term finances-secured	9	1,978,024	1,978,024
Current maturity of long term loans		1,096,930	1,096,930
		5,741,793	5,694,520
CONTINGENCIES AND COMMITMENTS			
	10		
TOTAL EQUITY AND LIABILITIES		3,570,104	3,607,124

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Waseem-ul-Haque Ansari
Chief Executive Officer


Muhammad Naeem Uddin Malik
Chief Financial Officer


Haroon Iqbal
Chairman/Director


DEWAN FAROQUE MOTORS LIMITED

**Condensed Interim Statement Of Profit Or Loss Account
For the half year and quarter ended December 31, 2018**

Note	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	-----Unaudited----- (Rs. in '000)			
GROSS SALES	916	743	567	531
Sales tax	153	119	97	85
Commission	-	-	-	-
	153	119	97	85
NET SALES	763	624	470	446
Cost of sales	118,431	68,891	54,296	40,807
GROSS LOSS	(117,668)	(68,267)	(53,826)	(40,361)
Distribution expenses	311	10,848	(1,031)	6,328
Administration and general expenses	20,555	16,091	11,660	9,103
	20,866	26,939	10,629	15,431
OPERATING LOSS	(138,534)	(95,206)	(64,455)	(55,792)
OTHER INCOME	54,373	80,585	24,789	44,208
	(84,161)	(14,621)	(39,666)	(11,584)
Finance cost	122	13	19	8
(LOSS) BEFORE TAXATION	(84,283)	(14,634)	(39,685)	(11,592)
TAXATION	10	8	(159)	6
NET (LOSS) FOR THE PERIOD	(84,293)	(14,642)	(39,526)	(11,598)
Basic / diluted (Loss) per share (Rupee)	(0.61)	(0.11)	(0.29)	(0.09)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Waseem-ul-Haque Ansari
Chief Executive Officer


Muhammad Naeem Uddin Malik
Chief Financial Officer



Haroon Iqbal
Chairman/Director

Condensed Interim Statement Of Comprehensive Income
For the half year and quarter ended December 31, 2018

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
-----Unaudited----- (Rs. in '000)				
(Loss) for the period	(84,293)	(14,642)	(39,526)	(11,598)
Other comprehensive Income(Loss) for the period:	-	-	-	-
Total comprehensive (Loss) for the period	<u>(84,293)</u>	<u>(14,642)</u>	<u>(39,526)</u>	<u>(11,598)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Waseem-ul-Haque Ansari
 Chief Executive Officer


Muhammad Naeem Uddin Malik
 Chief Financial Officer


Haroon Iqbal
 Chairman/Director


DEWAN FAROOQUE MOTORS LIMITED

Condensed Interim Statement Of Cash Flows
For the half year ended December 31, 2018

	December 31, 2018	December 31, 2017
-----Unaudited----- (Rs. in '000)		
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(84,283)	(14,634)
Add / (Less) : Depreciation	35,048	37,527
Gain due to Change in valuation of investment in associates	(44,350)	(74,277)
Financial charges	122	13
	(9,180)	(36,737)
	(93,463)	(51,371)
Decrease in stores & spares	1,868	201
Decrease in stock in trade	668	204
(Increase) /Decrease in trade debts	49,602	(18)
Decrease / (Increase) in advances, deposits, pre-payments & other receivables	(7,633)	1,875
Increase in trade, other payables and borrowings	36,206	23,016
Tax (paid)	(381)	(243)
Financial charges (paid)	(122)	(13)
	80,208	25,022
Net cash flow from operating activities	(13,255)	(26,349)
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(891)	-
Net cash flow from investing activities	(891)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Long term loans (repaid)	-	(22,662)
Sponsor loan	11,067	47,350
Net cash flow from financing activities	11,067	24,688
NET DECREASE IN CASH & CASH EQUIVALENTS	(3,079)	(1,661)
CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(1,849,790)	(1,854,344)
CASH & CASH EQUIVALENTS AT END OF THE PERIOD	(1,852,869)	(1,856,005)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Waseem-ul-Haque Ansari
Chief Executive Officer


Muhammad Naeem/Uddin Malik
Chief Financial Officer



Haroon Iqbal
Chairman/Director

Condensed Interim Statement of Changes in Equity
For the half year ended December 31, 2018

	Share Capital	Accumulated (Loss)	Total
----- Unaudited ----- (Rs. in '000)			
Balance as on July 01, 2017	1,387,353	(3,426,248)	(2,038,895)
Total comprehensive (Loss) for the period	--	(14,642)	(14,642)
Balance as on December 31, 2017	<u>1,387,353</u>	<u>(3,440,890)</u>	<u>(2,053,537)</u>
Balance as on July 01, 2018	1,387,353	(3,495,680)	(2,108,327)
Total comprehensive (loss) for the period	-	(84,293)	(84,293)
Balance as on December 31, 2018	<u>1,387,353</u>	<u>(3,579,973)</u>	<u>(2,192,620)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


Waseem-ul-Haque Ansari
Chief Executive Officer


Muhammad Naeem Uddin Malik
Chief Financial Officer


Haroon Iqbal
Chairman/Director

Notes to the Condensed Interim Financial Statements

For the half year ended December 31, 2018

1 THE COMPANY AND ITS OPERATION

Dewan Farooque Motors Limited was incorporated in Pakistan on December 28, 1998 as a public limited company. The shares of the company are quoted on all the Pakistan stock exchanges in Pakistan. The principal activity of the Company is the assembly, progressive manufacturing and sale of vehicles in Pakistan.

The Company commenced commercial production through the interim facility from January 01, 2000. The main facility came into commercial operation from January 01, 2001.

On 01 August 2016, the company entered into an agreement with Daehan-Dewan Motor Company (Pvt.) Limited (a related party) for assembly of vehicles on contract basis. The company started Production on contract assembly basis from March 2018 and subsequently suspended temporarily.

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

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

2 GOING CONCERN ASSUMPTION

The company incurred Loss after taxation of Rs.84.293 million during the period ended December 31, 2018. As of that date it has accumulated losses of Rs. 3.580 billion and its current liabilities including bank liabilities exceeded its current asset by Rs. 4.502 billion. However, excluding bank liabilities the current ratio is positive. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.5.305 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. Further, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and the short term facilities have not been renewed by banks/financial institutions. Following course the lenders have gone into litigations for repayment of liabilities amounting to Rs. 6.884 billion through attachment and sale of Company's hypothecated /mortgaged properties. The restructuring proposal submitted by the company to lenders is in the process of negotiation and is expected to be approved in near future. These conditions indicates the existence of material uncertainty, which may cast significant doubt about company ability to continue as going concern.

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

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

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

3 BASIS OF PREPARATION

- 3.1 This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting with the exception of departure of IFRS as mentioned in note 11, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements.

These condensed interim financial statements of the Company for the six months ended 31 December 2018 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 3.2 This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2018.
- 3.3 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 3.4 The comparative financial position presented in this condensed interim financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2018, whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial information for the period ended December 31, 2018.

4 ACCOUNTING POLICIES

- 4.1 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual separate financial statements of the Company for the year ended 30 June 2018.
- 4.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

5 ESTIMATES AND JUDGMENTS

- 5.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

DEWAN FAROOQUE MOTORS LIMITED

5.2 Estimates and judgments made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2018.

Note	Half year ended December 31, 2018 Unaudited	Year Ended June 30, 2018 Audited
	(Rs. in '000)	
6 PROPERTY PLANT AND EQUIPMENTS		
Operating Property Plant and Equipments 6.1	975,931	1,010,088
	975,931	1,010,088
6.1 WDV of Operating Fixed Assets		
Opening Balance	3,387,706	3,378,036
Add: Addition during the period	891	9,670
	3,388,597	3,387,706
Less: Deletion during the period	-	-
	3,388,597	3,387,706
Less : Accumulated Depreciation as on December 31, 2018 (June 30, 2018)	(2,412,666)	(2,377,617)
	975,931	1,010,089
7 INVESTMENT		
Investment in Ordinary shares of Dewan Cement Limited (DCL) - An associated company on equity method		
65,375,455 ordinary shares of Rs. 10 each	804,131	804,131
Share of Profit	550,549	506,199
	1,354,680	1,310,330
Fair value as per Market price Quoted in Pakisatn stock Exchange	760,317	1,176,758
Market value (Rupees per share)	11.63	18.00
Percentage of equity held	13.50%	13.50%
8 Sponsor loan		
This represents unsecured interest free loan for the purpose of working capital requirments and is payable on demand.		
9 SHORT TERM BORROWING		
The Short term borrowings have not been renewed by the Banks as of financial position date.		

10 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2018 as disclosed the banks/Financial institutions have filed suits aggregate amounting to Rs. 6.884 billion .

11 FINANCE COST

During the period ended December 31, 2018 the Company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 244.944 million. The management is hopeful that the decision of the court will be in favor of the Company and the restructuring proposal will be accepted by the lenders. However had the Company provided this amount in the financial statements during the year the loss of the Company would have been increased by Rs. 244.944 million and consequently the Share holders equity would have been lower and accrued markup would have been higher by Rs.5.305 billion. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

Half Year Ended		Quarter Ended	
December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
-----Unaudited----- (Rs. in '000)			

12 (LOSS) PER SHARE - Basic/Diluted

Net (Loss) for the period	<u>(84,293)</u>	<u>(14,642)</u>	<u>(39,526)</u>	<u>(11,598)</u>
Weighted average number of ordinary shares issued during the year	<u>138,735</u>	<u>138,735</u>	<u>138,735</u>	<u>138,735</u>
(Loss) Per Share -Basic/Diluted (Rupee)	<u>(0.61)</u>	<u>(0.11)</u>	<u>(0.29)</u>	<u>(0.09)</u>

13 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES

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

DEWAN FAROOQUE MOTORS LIMITED

	Half year ended December 31, 2018 Unaudited	Year Ended June 30, 2018 Audited
(Rs. in '000)		
Sales	10	60,242
Markup charged for the period on short term loan to associated undertaking	8,147	11,541
Sponsor loan	11,067	124,908
Provident Fund	1,010	1,283
Share of profit on equity investment in Dewan Cement Limited	44,350	121,803

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

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", Statement of Financial Position has been compared with the Statement of financial Position of annual financial statements, whereas statement of profit or loss, statement of comprehensive income, Statement of cash flow and statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.


15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 26, 2019 by the Board of Directors of the Company.

16 GENERAL

Figures have been rounded off to the nearest thousand rupees.


Waseem-ul-Haque Ansari
Chief Executive Officer


Muhammad Naeem Uddin Malik
Chief Financial Officer


Haroon Iqbal
Chairman/Director

ڈائریکٹرز رپورٹ


دیوان فاروق موٹرز لمیٹید کا بورڈ آف ڈائریکٹرز مورخہ 31 دسمبر 2018ء کو ختم ہونے والی ششماہی کے لئے کمپنی کے غیر آڈٹ شدہ رپورٹ معہ مالی گوشوارے آپ کے سامنے پیش کرتے ہوئے مسرت کے ساتھ خیر مقدم کرتا ہے۔ اقتصادی جائزہ زیر نظر ششماہی جائزہ رپورٹ کے مطابق مجموعی فروخت 0.916 (دسمبر 2017ء میں 0.743) ملین رہی، مجموعی خسارہ 117.668 (دسمبر 2017ء میں 68.267) ملین رہا اور بعد از ٹیکس خسارہ 84.293 (دسمبر 2017ء میں 14.642) ملین رہا۔

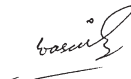
مورخہ 31 دسمبر 2018ء کو ختم ہونے والی ششماہی کی کارکردگی گزشتہ سال کے اسی عرصے کے مقابلے میں کارائیس یووی/ایل سی وی گاڑیوں کی فروخت 3% فیصد کمی رہی جس کی بنیادی وجہ نان ٹیکس فائلرز کو گاڑیوں کی فروخت پر پابندی ہے۔ نیز امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں مسلسل کمی کے باعث گاڑیوں کی لاگت میں بھی اضافہ ہوا ہے۔ مقامی کارساز اداروں اور 1800 سی سی سے زیادہ کی ایس یووی گاڑیوں پر حالیہ ضمنی فنانس بل (دوسری ترمیم) ایکٹ 2019ء میں لگائی گئی 10% فیصد فیڈرل ایکسائز ڈیوٹی کے نتیجے میں گاڑیوں کی فروخت پر منفی اثرات پڑے ہیں۔ کمپنی ان مشکل حالات میں زندہ رہنے کے لیے بھرپور محنت کر رہی ہے۔ کمپنی کی جانب سے بینکوں اور دیگر مالیاتی اداروں سے مالی معاملات کی بہتری کے لیے بھرپور اور کامیاب کوششیں کی جا رہی ہیں، موجودہ مالیاتی صورتحال کو بہتر بنانے کے لیے کمپنی نئے دفاعی اقدامات کر رہی ہے اور یہ معاملہ بھی بینکوں کے سامنے رکھ دیا گیا ہے۔ کمپنی کے قرضوں کی ری پروفاٹنگ کی تکمیل مستقبل قریب میں مکمل ہونے کی توقع ہے جس کے بعد انشا اللہ کمپنی کے آپریشنز جلد معمول پر آ جائیں گے۔

آخر میں ہم اللہ سبحان و تعالیٰ سے دعا گو ہیں کہ وہ پیغمبر آخر زماں حضرت محمد ﷺ پر کروڑہاں رحمتیں اور برکتوں کا نزول فرمائے اور حضرت محمد ﷺ کے صدقہ طفیل میں ہمیں درست رہنمائی کے ساتھ طاقت و صحت عطا فرمائے۔ ہماری کمپنی کو ملک و قوم کی خوشحالی کا باعث بنائے۔ ہمیں امن و سکون، اخوت و بھائی چارگی کے ساتھ سچی ملت اسلامیہ بننے کی روح پروان چڑھائے۔

(آمین یا رب العالمین)

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


ہارون اقبال
چیئر مین / ڈائریکٹر


وسیم الحق انصاری
چیف ایگزیکٹو آفیسر

کراچی، مورخہ 26 فروری 2019ء

DEWAN FAROOQUE MOTORS LIMITED

WWW.YOUSUFDEWAN.COM

CORPORATE