

DEWAN FAROOQUE  
MOTORS LIMITED

HALF YEARLY REPORT

DECEMBER 31, 2011



YD

A YOUSUF DEWAN COMPANY

## Company Information

### BOARD OF DIRECTORS

Dewan Mohammad Yousuf Farooqui	Chairman Board of Directors
Dewan Asim Mushfiq Farooqui	Director
Dewan Abdullah Ahmed Swaleh	Director
Dewan Abdul Baqi Farooqui	Director
Mr. Haroon Iqbal	Director
Mr. Ishtiaq Ahmad	Director
Mr. Aziz-ul-Haque	Director

The Election of the Board of Directors was held on October 26, 2011 as announced in notice of Annual General Meeting dated October 06, 2011. However, we are continuing with the previous Board of Directors as per the ex-parte order of the Honorable High Court of Sindh in civil suit No. 1287 / 2011 dated October 26, 2011, till the final order.

### CHIEF EXECUTIVE OFFICER

Dewan Mohammad Yousuf Farooqui

### PRESIDENT

Farooq Mustafa

### COMPANY SECRETARY

Muhammad Naeemuddin Malik

### AUDIT COMMITTEE MEMBERS

Mr. Haroon Iqbal	Chairman
Mr. Ishtiaq Ahmad	Member
Mr. Aziz-ul-Haque	Member

### BANKERS

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

### AUDITORS

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

### LEGAL ADVISORS

A.K. Brohi & Co.

### TAX ADVISOR

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

### SHARES REGISTRAR / TRANSFER AGENT

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

### REGISTERED OFFICE

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

### CORPORATE OFFICE

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

### REGIONAL OFFICES

Lahore  
 Dewan Centre, PIA Tower,  
 Egerton Road,

### Islamabad

House # 58, F-7/2,  
 Margalla Road,

### FACTORY

Jilaniabad, Budhu Talpur,  
 District Sajawal,  
 Sindh.

## Directors' Report

**IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL  
IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)**

The Board of Directors of your Company takes pleasure in presenting the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2011.

The Gross sales, during the six months ended December 31, 2011, was Rs.0.388 million and during the period under review, the company's gross loss was Rs.99.258 million and the after tax loss was Rs. 92.425 million. During the period under review the production activities remained suspended resulting in the loss situation.

The Pakistan Automobile market has shown significant growth despite slowdown in economic activity. During the six months July to December' 2011 the Car/Lcv sector showed a growth of 21% as compared to same period of last year. Strong rural income supported by rising commodity prices is a major factor towards high demand. The supportive fiscal measures taken by the Government in the last budget has enable the OEMs to absorb the increase in the input cost. Due to freezing of banking lines, the production and sales activities of the Company remained suspended. The Company is going through tough conditions due to the aforesaid reason and making best endeavors to survive. A number of recovery suits have been instituted by Banks/Financial Institutions alleging default of various group companies which are being successfully defended by our counsels. The proposal of re-profiling of the Company's debt which is in the final stage of negotiation is expected to be completed very soon. After the restructuring of debt the Company's operation will be normalized.

We are extremely grateful to our valued customers, who have maintained their trust, and placed their confidence in our products. We are also thankful to the Engineering Development Board, our employees, dealers and vendors for their guidance, efforts and encouragement, and look forward for their continued support.

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 Board of Directors



**DEWAN MOHAMMAD YOUSUF FAROOQUI**

Chief Executive

Karachi: February 27, 2012

## **Auditors' Review Report to the Members on Review of Condensed Interim Financial Statements**

### **Introduction**

We have reviewed the accompanying Condensed balance sheet of Dewan Farooque Motors Limited ("the company") as at December 31, 2011 and the related Condensed profit and loss account, Condensed Statement of comprehensive income, Condensed cash flow statement and Condensed statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the 'Condensed interim financial statements') for the six months period then ended. Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this Condensed interim financial statements based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and December 31, 2010 have not been reviewed as we are required to review only the cumulative figures for the Six months ended December 31, 2011.

### **Scope of Review**

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of Condensed interim financial statements performed by the independent Auditor of the Entity". A review of Condensed 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 Qualified opinion**

During the Period ended December 31, 2011 the company has incurred a net loss of Rs. 92.425 million without providing the mark-up as disclosed in Para 'below' and as fully disclosed in note 2 to these Condensed interim financial statements, and as of that date it has accumulated losses of Rs. 2.963 billion during the period ended December 31, 2011; and its Current liabilities exceeded its current assets by Rs. 3.378 billion, Lenders (Banks and Financial institutions) of the company have filed suit to recover amount of Rs. 7.228 billion through sale of hypothecated assets of the company. Further, the company has suspended Production due to working capital constraints. These conditions, along with other matters as set forth in note 2 to these Condensed interim financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as going concern.

Further, The Company has not made provision for mark-up in its financial statements amounting to Rs. 445.397 million for the current period as fully disclosed in note 9 to these condensed interim financial statements. Had the provision of mark-up been made in the financial statements, the loss for the current period would be higher by Rs. 445.397 million and accumulated loss and mark-up payable would have be higher by Rs. 1.367 billion and shareholders' equity would be lower by the same amount.

### **Conclusion**

Based on our review, except for the matter discussed in Preceding Paragraphs "basis of qualified opinion" consequently if any adjustment may be required to the carrying amounts and classification of assets and liabilities, the financial statements give a true and fair view of the financial position of the company as at December 31, 2011 nothing has come to our attention that causes us to believe that the accompanying Condensed interim financial statements as of and for the six months period ended December 31, 2011 are not prepared, in all material respects, in accordance with approved accounting standard as applicable in Pakistan.

*Feroze Sharif Tariq*

CHARTERED ACCOUNTANTS  
Audit Engagement Partner: Mohammad Tariq  
Place: Karachi  
Dated: February 27, 2012

## Condensed Interim Balance Sheet As at December 31, 2011

	Note	December 31, 2011 Unaudited	June 30, 2011 Audited
------(Rupees in '000)-----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	5	1,618,588	1,683,939
Long-term deposits (with leasing companies)		39,813	39,813
<b>CURRENT ASSETS</b>			
Stores and spares		76,606	76,606
Stock-in-trade		710,272	710,485
Trade debts - considered good		24,237	23,021
Short term loans to associated undertakings - considered good		892,740	892,740
Advances, deposits, prepayments and other receivables		691,117	629,714
Investment	6	57,599	71,887
Advance Income Tax		4,777	4,407
Cash and bank balances		117,529	146,143
		2,574,877	2,555,003
<b>TOTAL ASSETS</b>		<b>4,233,278</b>	<b>4,278,755</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
<b>Authorized</b>			
120,000,000 (June 30, 2011: 120,000,000)		1,200,000	1,200,000
Ordinary shares of Rs.10 each			
<b>Issued, subscribed and paid-up</b>			
108,735,287 (June 30, 2011: 108,735,287)		1,087,353	1,087,353
Ordinary shares of Rs.10 each			
<b>Reserves</b>			
		(2,963,205)	(2,856,492)
		(1,875,852)	(1,769,139)
<b>NON-CURRENT LIABILITIES</b>			
Long term loans - secured		134,001	238,728
Long term security deposits		17,700	17,700
Deferred Liabilities		4,341	4,552
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,632,667	2,569,733
Short term finances-secured	7	2,231,596	2,231,596
Current maturity of long term loans - overdue		1,045,427	940,701
Current maturity of liabilities against assets subject to finance lease		43,398	44,884
		5,953,088	5,786,914
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,233,278</b>	<b>4,278,755</b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



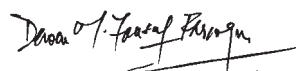
**Haroon Iqbal**  
Director

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Profit and Loss Account**  
For the half year and quarter ended December 31, 2011

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	-----Unaudited----- (Rs. in '000)			
<b>GROSS SALES</b>	388	196,971	67	133,849
Sales tax	54	28,385	9	19,286
Special Excise Duty	-	1,618	-	1,118
Commission and discounts	-	3,060	-	1,650
	54	33,063	9	22,054
<b>NET SALES</b>	334	163,908	58	111,795
Cost of sales	99,592	303,878	50,257	221,905
<b>GROSS (LOSS)</b>	(99,258)	(139,970)	(50,199)	(110,110)
Distribution expenses	31,164	35,582	18,944	17,903
Administration and general expenses	37,950	54,561	15,721	31,723
	69,114	90,143	34,665	49,626
<b>OPERATING (LOSS)</b>	(168,372)	(230,113)	(84,865)	(159,736)
<b>OTHER INCOME</b>	76,220	74,498	38,203	38,056
	(92,152)	(155,615)	(46,662)	(121,680)
Finance cost	9	273	771	104
	273	771	104	308
<b>(LOSS) BEFORE TAXATION</b>	(92,425)	(156,386)	(46,766)	(121,988)
<b>TAXATION</b>	-	835	(3)	567
<b>NET (LOSS) FOR THE PERIOD</b>	(92,425)	(157,221)	(46,763)	(122,555)
Basic (Loss) per share (Rupee)	10	(0.85)	(1.77)	(0.43)
		(1.38)		(1.38)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

**Condensed Interim Statement of Comprehensive Income  
for the half year and quarter ended December 31, 2011**

	Half Year Ended		Quarter Ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
-----Unaudited----- (Rs. in '000)				
(Loss) for the period	(92,425)	(157,221)	(46,763)	(122,555)
Other comprehensive income / (loss):				
Available for sale financial assets:				
- Changes in fair value	(14,288)	23,665	(11,609)	30,809
<b>Total comprehensive (loss) for the period</b>	<u>(106,713)</u>	<u>(133,556)</u>	<u>(58,372)</u>	<u>(91,746)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

DEWAN FAROOQUE MOTORS LIMITED

**Condensed Interim Cash Flow Statement**  
For the half year ended December 31, 2011

	December 31, 2011	December 31, 2010
	-----Unaudited----- (Rs. in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(92,425)	(156,386)
Add / (Less) : Depreciation	65,350	72,303
Gain on disposal of fixed assets	-	(429)
Financial charges	273	771
	65,623	72,645
	(26,802)	(83,741)
Decrease in stores & spares	-	427
Decrease / (Increase) in stock in trade	213	(116,430)
(Increase) / Decrease in trade debts	(1,215)	3,289
(Increase) in advances, deposits, pre-payments & other receivables	(77,281)	(81,858)
Increase in trade and other payables	62,933	26,333
Increase in long term lease deposits	-	2
(Decrease) in long term security deposits	-	(1,000)
Tax (paid)	(370)	19,909
Financial charges (paid)	(273)	(340)
Gratuity (paid)	(211)	(144)
	(16,204)	(149,812)
<b>Net cash flow from operating activities</b>	(43,006)	(233,553)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Markup received on short term loans to associated undertakings	15,877	9,485
Sale Proceeds of fixed assets	-	760
<b>Net cash flow from investing activities</b>	15,877	10,245
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long term loan provided by director	-	197,620
Finance Lease repayments	(1,486)	(1,780)
<b>Net cash flow from financing activities</b>	(1,486)	195,840
<b>NET ( DECREASE ) IN CASH &amp; CASH EQUIVALENTS</b>	(28,615)	(27,468)
<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	(2,085,452)	(2,107,146)
<b>CASH &amp; CASH EQUIVALENTS AT END OF THE PERIOD</b>	(2,114,067)	(2,134,614)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director



**Condensed Interim Statement of Changes in Equity**  
For the half year ended December 31, 2011

Share Capital	Unappropriated Profit / (Loss)	Total
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-----Unaudited-----  
(Rs. in '000)

<b>Balance as on July 01, 2010</b>	<b>889,733</b>	<b>(1,636,739)</b>	<b>(747,006)</b>
Total comprehensive (loss) for the period	-	(133,556)	(133,556)
<b>Balance as on December 31,2010</b>	<b><u>889,733</u></b>	<b><u>(1,770,295)</u></b>	<b><u>(880,562)</u></b>
<b>Balance as on July 01, 2011</b>	<b>1,087,353</b>	<b>(2,856,492)</b>	<b>(1,769,139)</b>
Total comprehensive (loss) for the period	-	(106,713)	(106,713)
<b>Balance as on December 31,2011</b>	<b><u>1,087,353</u></b>	<b><u>(2,963,205)</u></b>	<b><u>(1,875,852)</u></b>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

## **Notes to the Condensed Interim Financial Statements For the half year ended December 31, 2011**

### **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 stock exchanges in Pakistan. 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, Distric Sajawal, Sindh.

The Company has entered into separate technical license / collaboration agreements with Hyundai Motor Company, Korea and KIA Motors Corporation, Korea. The principal activity of the Company is the assembly, progressive manufacturing and sales of Hyundai and KIA 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.

### **2 GOING CONCERN ASSUMPTION**

The company incurred Loss after taxation of Rs. 92.425 million during the period ended December 31, 2011. As of that date it has accumulated losses of Rs.2.963 billion and its current liabilities exceeded its current asset by Rs. 3.378 billion. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.1.367 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. Further the company is facing litigations with the lenders (Banks and the financial institutions) as disclosed in note 8 amounting to Rs. 7.228 billion to the financial statements, furthermore, the banks/financial institutions have not renewed the facilities/credit limits. These financials have been prepared under going concern assumption as the mangement feels the aforesaid situation are temporary not permanent and would reserve in future. The restructuring proposal submitted by the company to lenders is in the final stage of negotiation and is expected to be approved and closed in near future.

### **3 STATEMENT OF COMPLIANCE**

These condensed interim financial statements of the company for the six months period ended December 31, 2011 are un-audited and have been prepared in accordance with the requirements of International Accounting Standard (IAS) -34 "interim financial Reporting" and Provisions of and directives issued under the companies Ordinance, 1984, in case where the requirements differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2011.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2010 and 2011 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended December 31, 2010 and 2011. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2011.

#### 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Accounting Policies adopted for the preparation of these Condensed Interim Financial Statements are the same as those applied in the preparation of the annual financial statements of the Company for the preceding period ended June 30, 2011, except as follows;

##### New and amended Standards and interpretations.

The company has adopted the following amended IFRS and IFRIC interpretation which became effective during the period.

IFRS-7 Financial Instruments: Disclosures  
IAS -24 Related Party Disclosures (Revised)  
IFRIC-14 Prepayments of a Minimum Funding Requirements (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IAS-1 Presentation of Financial statements (Clarification of statement of changes in equity)  
IFRS-7 Financial Instruments: Disclosures (Clarification of disclosures)  
IAS-34 Interim Financial Reporting (Significant events and transactions)  
IFRIC-13 Customer Loyalty Programmes (Fair value of award credits)

The adoption of the above standards, amendments/improvements and interpretations did not have any material effect on the condensed interim financial statements of the company.

		Half year ended December 31, 2011 Unaudited	Year ended June 30, 2011 Audited
	Note	------(Rs. in '000)-----	
<b>5 PROPERTY PLANT AND EQUIPMENTS</b>			
Operating Property Plant and Equipments	5.1	1,618,588	1,683,939
		<u>1,618,588</u>	<u>1,683,939</u>
<b>5.1 WDV of Operating Fixed Assets</b>			
Opening Balance		3,365,630	3,351,929
Add: Addition during the period	5.1.1	-	15,364
		<u>3,365,630</u>	<u>3,367,293</u>
Less: Deletion during the period	5.1.2	-	(1,663)
		<u>3,365,630</u>	<u>3,365,630</u>
Less : Accumulated Depreciation for the period		<u>(1,747,042)</u>	<u>(1,681,691)</u>
		<u>1,618,588</u>	<u>1,683,939</u>
<b>5.1.1 Detail of Additions during the period are as follows:</b>			
Building		-	15,364
		<u>-</u>	<u>15,364</u>
<b>5.1.2 Detail of disposals during the period are as follows:</b>			
Vehicles - cost		-	1,663
		<u>-</u>	<u>1,663</u>

**DEWAN FAROOQUE MOTORS LIMITED**

	Half year ended December 31, 2011 Unaudited	Year ended June 30, 2011 Audited
------(Rs. in '000)-----		
<b>6 INVESTMENT - AVAILABLE FOR SALE</b>		
<b>- At fair value</b>		
Investment in Ordinary shares of Dewan Cement Limited (DCL) - associated undertaking 44,650,273 ordinary shares of Rs. 10 each	446,503	446,503
Accumulated Impairment	(388,904)	(374,616)
	<u>57,599</u>	<u>71,887</u>
Market value (Rupees per share)	<u>1.29</u>	<u>1.61</u>
Percentage of equity held	<u>12.49%</u>	<u>12.49%</u>

- 6.1** The market price of associated company's share wherein company has investment shows increasing trend from the date of balance sheet to the date the financial statements were authorized for issue. The market price of DCL's share as of February 27, 2012 (i.e. the date on which the financial statements were authorised for issue) is Rs.1.86 per share, thereby increasing the market value of the investment by Rs.25.45 million.

**7 SHORT TERM BORROWING**

The Short term borrowings has not been renewed by the Banks as of Balance sheet date.

**8 CONTINGENCIES AND COMMITMENTS**

**Contingencies**

There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2011, except some more financial institutions/Banks have gone into litigation during the period amounting to Rs. 2.345 billion and the aggregate amount of litigation increases to Rs. 7.228 billion till to the date of the Balance sheet.

The company is in the process of restructuring the respective amounts due to banks. The lenders have filed suit in the High Court of Sindh U/s 9 of Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery through sale of company's assets. The company is defending these cases. The outcome is awaited and it is expected that it will be in favour of company.

**9 FINANCE COST**

The company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs. 1.367 billion. The management is hope full 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 and consequently the Share holders equity would have been lower and accrued markup would have been higher by the same amount.

Half Year Ended		Quarter Ended	
December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010

-----Unaudited-----  
(Rs. in '000)

**10 EARNING PER SHARE - Basic/Diluted**

Net Loss for the period	(92,425)	(157,221)	(46,763)	(122,555)
Weighted average number of ordinary shares issued during the year	108,735	88,973	108,735	88,973
Loss Per Share -Basic/Diluted (Rupees)	(0.85)	(1.77)	(0.43)	(1.38)

**11 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:

Half year ended December 31, 2011 Unaudited	Year ended June 30, 2011 Audited
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----- (Rs. in '000) -----

Sales	66	1,007
Purchases	51	399,585
Royalty	-	1,046
Markup charged for the period on short term loans to associated undertakings	75,240	147,413
Amount received against markup on short term loans to associated undertakings	15,877	33,822

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

**12 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on February 27, 2012 by the Board of Directors of the Company.

**13 GENERAL**

Figures have been rounded off to the nearest thousand rupees.



**Dewan Mohammad Yousuf Farooqui**  
Chief Executive



**Haroon Iqbal**  
Director

**BOOK POST**

**PRINTED MATTER**

UNDER POSTAL CERTIFICATE

**If undelivered please return to:**

**DEWAN FAROOQUE MOTORS LIMITED**

Registrar: BMF Consultants Pakistan (Pvt) Ltd.

Head Office: 7th Floor, Block - A, Finance and Trade Centre (FTC), Shahrah-e-Faisal, Karachi - 75250

Tel: 021-111-DMG (111-364-111) Fax: 35630830

Lahore Office: 7th Floor, PIA Building, Edgerton Road, Lahore.

Tel: 042-36310996-7, 36311012-3 Fax: 042-36370220

Islamabad Office: House No. 58, F-7/2, Margalla Road, Islamabad.

Tel: 051-2653685-89 Fax: 051-2653693