

DEWAN FAROOQUE MOTORS LIMITED



Half Yearly Report
December 31, 2015

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Company Information

Executive Directors

Dewan Mohammad Yousuf Farooqui
Mr. Waseem-ul- Haque Ansari

Chairman Board of Directors

Non-Executive Directors

Dewan Abdul Rehman Farooqui
Mr. Haroon Iqbal
Syed Muhammad Anwar
Mr. Ishtiaq Ahmad

Independent Director

Mr. Aziz-ul-Haque

CHIEF EXECUTIVE OFFICER

Dewan Mohammad Yousuf Farooqui

PRESIDENT

Mr. Farooq Mustafa

CFO & COMPANY SECRETARY

Mr. Muhammad Naeem Uddin Malik

AUDIT COMMITTEE MEMBERS

| | |
|-----------------------------|----------|
| Mr. Aziz-ul-Haque | Chairman |
| Dewan Abdul Rehman Farooqui | Member |
| Mr. Haroon Iqbal | Member |

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

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

BANKERS

Allied Bank of Pakistan Limited
Askari Bank Limited
Bank Al Falah 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

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, 2015.

During the period under review the gross sales is Rs. 8.509 million, gross loss is Rs. 60.124 million and the after tax loss is Rs. 61.723 million.

The sale of local Car/LCV sector for the six months period ended December 31, 2015 has shown a robust growth of 66% as compared to the corresponding period of last year. The deliveries under the Apna Rozgar scheme by the Government of Punjab, the introduction of new sedan models and the availability of Car Financing at attractive rates have supported the growth in Passenger Car/LCV segment. The announcement of new auto policy is still awaited. We believe that the finalization of new auto policy will attract fresh investment and will also stimulate the overall growth in the economy. 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



DEWAN MOHAMMAD YOUSUF FAROOQUI
Chief Executive

Karachi: February 24, 2016

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, 2015 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, 2015 and December 31, 2014 have not been reviewed as we are required to review only the cumulative figures for the Six month ended December 31, 2015.

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 adverse opinion

- a) The interim condensed financial statements of the company for the period ended December 31, 2015 as disclosed in note 2 to the interim condensed financial Statements reflect loss after taxation of Rs. 61.723 million and as of that date it has accumulated losses of Rs.3.413 billion which resulted in net capital deficiency of Rs. 2.325 billion and its current liabilities exceeded its current assets by Rs. 3.539 billion and total assets by Rs. 2.304 billion without providing the markup as refer in para (b). The operations of the company were closed from November 2010 to August 2013 and its reclose since March 2014 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 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 markup for the period amounting to Rs. 310.984 million (refer note 10) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the period would have been higher by Rs.310.984 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 4.39 billion.

Adverse Conclusion

Based on 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, this interim condensed financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



CHARTERED ACCOUNTANTS

Audit Engagement Partner: Mohammad Tariq

Karachi:

Dated: February 24, 2016

Condensed Interim Balance Sheet As at December 31, 2015

| | Note | December 31, 2015 Unaudited | June 30, 2015 Audited |
|--|------|-----------------------------------|-----------------------------|
| (Rs. in '000) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 6 | 1,198,575 | 1,241,244 |
| Long-term deposits (with leasing companies) | | 36,000 | 36,000 |
| CURRENT ASSETS | | | |
| Stores and spares | | 65,309 | 66,333 |
| Stock-in-trade | | 83,547 | 89,065 |
| Trade debts - considered good | | 22,259 | 22,259 |
| Short term loans to associated undertakings - considered good | | 690,631 | 738,984 |
| Advances, deposits, prepayments and other receivables - Considered good | | 790,399 | 750,109 |
| Investment | 7 | 362,191 | 406,110 |
| Taxation - net | | 19,916 | 18,921 |
| Cash and bank balances | | 131,983 | 122,202 |
| | | 2,166,235 | 2,213,983 |
| TOTAL ASSETS | | 3,400,810 | 3,491,227 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Share Capital | | | |
| Authorized | | | |
| 120,000,000 (June 30, 2015: 120,000,000) Ordinary shares of Rs.10 each | | 1,200,000 | 1,200,000 |
| Issued, subscribed and paid-up | | | |
| 108,735,287 (June 30, 2015: 108,735,287) Ordinary shares of Rs.10 each | | 1,087,353 | 1,087,353 |
| Reserves | | (3,412,702) | (3,307,060) |
| | | (2,325,349) | (2,219,707) |
| NON-CURRENT LIABILITIES | | | |
| Long term loans - secured | | - | - |
| Liabilities against assets subject to finance lease | | - | - |
| Long term security deposits | | 16,700 | 16,700 |
| Deferred Liabilities | | 4,514 | 4,527 |
| CURRENT LIABILITIES | | | |
| Loan from Director | | 36,198 | 36,198 |
| Trade and other payables | | 2,309,699 | 2,292,117 |
| Short term finances-secured | 8 | 2,139,225 | 2,141,569 |
| Current maturity of long term loans | | 1,179,429 | 1,179,429 |
| Current maturity of liabilities against assets subject to finance lease | | 40,394 | 40,394 |
| | | 5,704,945 | 5,689,707 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 9 | | |
| TOTAL EQUITY AND LIABILITIES | | 3,400,810 | 3,491,227 |

The annexed notes from 1 to 14 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, 2015

| | Half Year Ended | | Quarter Ended | |
|--|--------------------------------------|----------------------|----------------------|----------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| Note | -----Unaudited----- (Rs. in '000) | | | |
| GROSS SALES | 8,509 | 49,383 | 205 | 20,446 |
| Sales tax | 1,251 | 7,190 | 33 | 2,981 |
| Commission | 110 | 1,080 | - | 430 |
| | <u>1,361</u> | 8,270 | <u>33</u> | 3,411 |
| NET SALES | 7,148 | 41,113 | 172 | 17,035 |
| Cost of sales | 67,272 | 115,880 | 30,369 | 53,377 |
| GROSS (LOSS) | (60,124) | (74,767) | (30,197) | (36,342) |
| Distribution expenses | 20,260 | 26,780 | 8,816 | 13,277 |
| Administration and general expenses | 14,641 | 17,851 | 7,098 | 9,313 |
| | <u>34,901</u> | 44,631 | <u>15,914</u> | 22,590 |
| OPERATING (LOSS) | (95,025) | (119,398) | (46,111) | (58,932) |
| OTHER INCOME | 33,330 | 54,104 | 16,381 | 27,282 |
| | <u>(61,695)</u> | (65,294) | <u>(29,730)</u> | (31,650) |
| Finance cost | 28 | 95 | 8 | 47 |
| (LOSS) BEFORE TAXATION | (61,723) | (65,389) | (29,738) | (31,697) |
| TAXATION | - | - | - | - |
| NET (LOSS) FOR THE PERIOD | (61,723) | (65,389) | (29,738) | (31,697) |
| Basic and diluted (Loss) per share (Rupee) | 11 <u>(0.57)</u> | (0.60) | <u>(0.27)</u> | (0.29) |

The annexed notes from 1 to 14 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, 2015

| | Half Year Ended | | Quarter Ended | |
|--|--------------------------------------|----------------------|-------------------------|----------------------|
| | December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| | -----Unaudited----- (Rs. in '000) | | | |
| (Loss) for the period | (61,723) | (65,389) | (29,738) | (31,697) |
| Other comprehensive income / (loss) for the period: | | | | |
| Available for sale financial assets: | | | | |
| - Changes in fair value | (43,919) | 12,306 | (83,346) | 35,520 |
| Total comprehensive profit / (loss) for the period | <u>(105,642)</u> | <u>(53,083)</u> | <u>(113,084)</u> | <u>3,823</u> |

The annexed notes from 1 to 14 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, 2015

| | December 31, 2015 | December 31, 2014 |
|---|--------------------------------------|----------------------|
| | -----Unaudited----- (Rs. in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| (Loss) before taxation | (61,723) | (65,389) |
| Add / (Less) : Depreciation | 44,808 | 48,257 |
| Gain on disposals of fixed assets | - | (1,522) |
| Financial charges | 28 | 95 |
| | 44,836 | 46,830 |
| | (16,887) | (18,559) |
| Decrease in stores & spares | 1,024 | 2,816 |
| Decrease in stock in trade | 5,518 | 37,264 |
| (Increase) / Decrease in trade debts | - | 3,965 |
| pre-payments & other receivables | (40,290) | (44,416) |
| Increase/ (Decrease) in trade, other payables and borrowings | 17,582 | 8,548 |
| Tax (paid) | (993) | (923) |
| Financial charges (paid) | (28) | (95) |
| Gratuity (paid) | (13) | - |
| | (17,200) | 7,159 |
| Net cash flow from operating activities | (34,087) | (11,400) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (2,141) | - |
| Short term loans (recovered from) associated undertakings | 48,353 | - |
| Sale Proceeds of fixed assets | - | 1,928 |
| Net cash flow from investing activities | 46,212 | 1,928 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Net cash flow from financing activities | - | - |
| NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS | 12,125 | (9,472) |
| CASH & CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | (2,019,367) | (2,011,579) |
| CASH & CASH EQUIVALENTS AT END OF THE PERIOD | (2,007,242) | (2,021,051) |

The annexed notes from 1 to 14 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, 2015

| | Share Capital | Unappropriated Profit / (Loss) | Total |
|---|-------------------------|--------------------------------|---------------------------|
| -----Unaudited----- (Rs. in '000) | | | |
| Balance as on July 01, 2014 | 1,087,353 | (3,339,213) | (2,251,860) |
| Total comprehensive (loss) for the period | - | (53,083) | (53,083) |
| Balance as on December 31, 2014 | <u>1,087,353</u> | <u>(3,392,296)</u> | <u>(2,304,943)</u> |
| Balance as on July 01, 2015 | 1,087,353 | (3,307,060) | (2,219,707) |
| Total comprehensive (loss) for the period | - | (105,642) | (105,642) |
| Balance as on December 31, 2015 | <u>1,087,353</u> | <u>(3,412,702)</u> | <u>(2,325,349)</u> |

The annexed notes from 1 to 14 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, 2015

1 THE COMPANY AND ITS OPERATION

Dewan Farooque Motors Limited was incorporated in Pakistan on December 28, 1998 as a public limited company. The shares of the company are quoted on Pakistan Stock Exchange. 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. 61.723 million during the half year ended December 31, 2015. As of that date it has accumulated losses of Rs. 3.413 billion and its current liabilities exceeded its current asset by Rs. 3.539 billion. Furthermore, cumulatively the company has not provided markup on its borrowings from banks and financial institutions amounting to Rs.4.39 billion. The working capital constraints resulted in closure of production activities leading to gross loss situation. The Company has suspended its production from November 2010 till August 2013 and again closed the production since March 2014. Further, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity Problems and the short term facilities have not been renewed by banks/financial institutions. Following course the lenders have gone into litigations for repayment of liabilities amounting to Rs. 7.228 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 existance 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 of the Company for the half year ended December 31, 2015 has been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 3.2 This condensed interim financial information of the Company does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual separate financial statements of the Company as at and for the year ended 30 June 2015.
- 3.3 This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand.
- 3.4 The comparative balance sheet presented in this condensed interim financial information has been extracted from the audited annual separate financial statements of the Company for the year ended 30 June 2015, 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, 2014.

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 2015.
- 4.2 Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company except where changes affected presentation and disclosures in this condensed interim financial information.

5 ESTIMATES AND JUDGMENTS

- 5.1 The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
- 5.2 Estimates and judgments made by management in the preparation of this condensed interim financial information are the same as those that were applied to the audited annual separate financial statements of the Company as at and for the year ended 30 June 2015.

DEWAN FAROOQUE MOTORS LIMITED

| Note | Half year ended December 31, 2015 Unaudited | Year Ended June 30, 2015 Audited |
|---|--|---|
| (Rs. in '000) | | |
| 6 | PROPERTY PLANT AND EQUIPMENTS | |
| Operating Property Plant and Equipments 6.1 | 1,198,575 | 1,241,244 |
| | <u>1,198,575</u> | <u>1,241,244</u> |
| 6.1 | WDV of Operating Fixed Assets | |
| Opening Balance | 3,370,546 | 3,363,212 |
| Add: Addition during the period | 2,141 | 9,726 |
| | <u>3,372,687</u> | <u>3,372,938</u> |
| Less: Deletion during the period | - | (2,392) |
| | <u>3,372,687</u> | <u>3,370,546</u> |
| Less : Accumulated Depreciation as on December 31, (June 30) 2015 | <u>(2,174,112)</u> | <u>(2,129,301)</u> |
| | <u>1,198,575</u> | <u>1,241,244</u> |
| 7 | INVESTMENT - AVAILABLE FOR SALE - At fair value | |
| Investment in Ordinary shares of Dewan Cement Limited (DCL) - Related Party (27,968,445 ordinary shares of Rs. 10 each) | 279,685 | 279,685 |
| Change in the fair value of investments | 82,506 | 126,425 |
| | <u>362,191</u> | <u>406,110</u> |
| Market value (Rupees per share) | <u>12.95</u> | <u>14.52</u> |
| Percentage of equity held | <u>7.19%</u> | <u>7.19%</u> |

7.1 The market price of related party's share wherein company has investment shows decreasing 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 24, 2016 (i.e. the date on which the financial statements were authorized for issue) is Rs. 11.19 per share, thereby decreasing the market value of the investment by Rs. 49.224 million.

8 SHORT TERM BORROWING

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

9 CONTINGENCIES AND COMMITMENTS

Contingencies

There is no material change in the contingencies and commitments since the last audited financial statements as at June 30, 2015 as disclosed the banks/Financial institutions has filed suits aggregate amounting to Rs. 7.228 billion .

10 FINANCE COST

During the period ended December 31, 2015 the Company has not provided the markup on Long term and short term borrowing from banks and financial institutions to the extent of Rs.310.984 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 period the loss of the Company would have been increased by Rs.310.984 million and consequently the Share holders equity would have been lower and accrued markup would have been higher by Rs.4.39 billion. The said non provisioning is the contravention with the requirements of IAS 23 "Borrowing Costs".

| Half Year Ended | | Quarter Ended | |
|---------------------|-------------------|-------------------|-------------------|
| December 31, 2015 | December 31, 2014 | December 31, 2015 | December 31, 2014 |
| -----Unaudited----- | | | |
| (Rs. in '000) | | | |

11 (LOSS) PER SHARE - Basic/Diluted

| | | | | |
|---|-----------------|----------|-----------------|----------|
| Net Loss for the period | <u>(61,723)</u> | (65,389) | <u>(29,738)</u> | (31,697) |
| Weighted average number of ordinary shares issued during the year | <u>108,735</u> | 108,735 | <u>108,735</u> | 108,735 |
| (Loss) Per Share - Basic/Diluted (Rupees) | <u>(0.57)</u> | (0.60) | <u>(0.27)</u> | (0.29) |

12 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, 2015 Unaudited | Year Ended June 30, 2015 Audited |
|---|--|---|
| | (Rs. in '000) | |
| Sales | 5 | 972 |
| Markup charged for the period on short term loans to associated undertakings | 32,600 | 68,430 |
| Loan recovered from associated undertaking | 48,353 | - |
| Loan received from director | - | 11,699 |
| Provident Fund | 889 | 1,815 |

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

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 24, 2016 by the Board of Directors of the Company.

14 GENERAL

Figures have been rounded off to the nearest thousand rupees.



Dewan Mohammad Yousuf Farooqui
Chief Executive



Haroon Iqbal
Director

