

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ



Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

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Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

COMPANY INFORMATION

BOARD OF DIRECTORS	: Dewan Zia-ur-Rehman Farooqui Chairman Dewan Mohammad Yousuf Farooqui Managing Director / Chief Executive Mrs. Khalida Farooque Dewan Asim Mushfiq Farooqui Dewan Abdullah Ahmed Dewan Abdul Baqi Farooqui Mr. Farooq Mustafa
AUDIT COMMITTEE	: Dewan Abdullah Ahmed (Chairman) Dewan Asim Mushfiq Farooqui (Member) Dewan Abdul Baqi Farooqui (Member)
CHIEF FINANCIAL OFFICER	: Farrukh V. Junaidy
COMPANY SECRETARY	: Syed Moonis Abdullah Alvi
AUDITORS	: Faruq Ali & Co. Chartered Accountants 8th Floor, Land Mark Plaza Muhammad Bin Qasim Road, Off I. I. Chundrigarh Road, Karachi
LEGAL ADVISORS	: A.K. Brohi Mandviwala and Zafar
BANKERS	: United Bank Limited Muslim Commercial Bank Limited Habib Bank Limited ABN Amro Bank Zarai Taraqiat Bank Limited PICIC Commercial Bank Limited
REGISTERED OFFICE	: Dewan Centre 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan
FACTORY	: Plot Nos. A 1 - A 50 Hub Industrial Trading Estate, Hub, District Lasbela (Balochistan)
REGISTRAR	: Gangjees Registrar Services (Pvt.) Limited 513, Clifton Centre, Khayaban-e-Roomi, Block-5, Clifton, Karachi-75600

Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)



DIRECTORS' REPORT

Your Directors are pleased to present their report together with the un-audited accounts of the Company for the 1st quarter ended on September 30, 2004 for the year ending June 30, 2005.

The overall administrative and general, selling and distributions and financial expenses for the period under review were Rs. 4.941 million as compared to Rs. 5.041 million in the corresponding period last year. The loss after taxation was Rs. 5.310 million as compared to Rs. 5.207 million in the corresponding period last year.

As explained in our report for the year 2004, the new management is in the process of revamping the whole plant, developing new target market strategy and providing active after sales service and ensuring parts availability.

FUTURE OUTLOOK

All our efforts are being made in the direction to make the project to come up to the expectations of our share holders. We are conscious of our responsibilities towards stake holders and would make best efforts to achieve better results to cater to the demand for its different products, as fully explained in the directors' report for the annual accounts 2004. The effects of strategic decisions and initiatives by the Dewan Mushtaq Group will bear fruit inshaallah in near future.

CONCLUSION

We humbly and gratefully bow our heads before Almighty Allah, the Most Gracious and Merciful, who has rewarded and blessed us with His innumerable bounties in the difficult times and we pray to Almighty Allah for success in revival of Dewan Automotive Engineering Limited (formerly Allied Motors Ltd).

إِنَّ رَبِّي لَسَمِيعُ الدَّعَاءِ — (القرآن)
حقیقت میں میرا رب دعا کا بڑا سننے والا ہے۔

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

For and on behalf of the board of Directors

Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive

Karachi: October 30, 2004

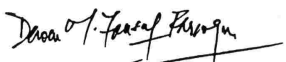
Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2004

	Note	September 30, 2004 (Un-audited)	June 30, 2004 (Audited)
(Rs. in '000')			
ASSETS			
Tangible fixed assets			
Operating assets - net		107,086	91,786
Long-term deposits		290	290
Current Assets			
Stores and spares		1,427	1,226
Stock - in - trade		70,916	62,779
Trade debts - (Unsecured - considered good)		1,746	2,535
Advances, deposits, prepayments and other receivables		21,560	18,530
Cash and bank balances		2,898	3,821
		98,547	88,891
TOTAL ASSETS		205,923	180,967
EQUITY AND LIABILITIES			
Authorised capital			
21,800,000 ordinary shares of Rs.10 each		218,000	218,000
Issued, subscribed and paid-up capital		90,000	90,000
Reserves		96,094	96,094
Accumulated loss		(249,793)	(245,749)
		(63,699)	(59,655)
Surplus on revaluation of fixed assets		50,889	52,155
Term finance		123,000	123,000
Deferred liability		807	807
Current Liabilities			
Creditors, accrued and other liabilities		16,212	19,499
Short term finance		78,714	45,161
		94,926	64,660
Contingencies	5		
TOTAL EQUITIES AND LIABILITIES		205,923	180,967

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

Karachi
Dated: October 30, 2004


Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive


Dewan Abdullah Ahmed
Director

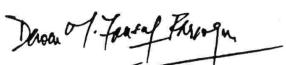
Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2004

	Note	September 30, 2004	September 30, 2003
(Rs. in '000')			
Sales - net		2,390	6,927
Cost of sales		2,759	7,070
		(369)	(143)
Operating Expenses			
Administrative and general expenses		1,740	1,070
Selling and distributions expenses		1,549	2,326
Financial charges		1,652	1,645
		4,941	5,041
Operating loss		(5,310)	(5,184)
Other income		-	13
Loss for the year before taxation		(5,310)	(5,171)
Taxation - current		-	36
Loss after taxation		(5,310)	(5,207)
Accumulated loss brought forward		(245,749)	(213,113)
Transfer from surplus on revaluation of fixed assets		1,266	-
Accumulated loss carried forward		(249,793)	(218,320)
Basic loss per share (Rupees)		(0.59)	(0.58)

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

Karachi
Dated: October 30, 2004


Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive


Dewan Abdullah Ahmed
Director

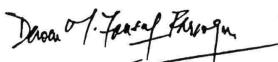
Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2004

	Note	September 30, 2004	September 30, 2003
(Rs. in '000')			
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(5,310)	(5,171)
Adjustment for non cash charges and other items :			
Depreciation		2,121	766
Financial charges		1,652	1,645
		3,773	2,411
Net loss from operating activities before working capital changes		(1,537)	(2,760)
Working capital changes	(a)	(14,271)	1,827
Long-term deposits		-	(33)
Financial charges paid		(1,244)	(1,185)
Staff gratuity paid		-	(25)
Net cash flow from operating activities		(17,053)	(2,176)
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in operating assets		(17,423)	(35)
Net cash flow from investing activities		(17,423)	(35)
CASH FLOW FROM FINANCING ACTIVITIES			
Short-term finance		33,553	963
Net cash flow from financing activities		33,553	963
Net decrease in cash and cash equivalents		(923)	(1,248)
Cash and cash equivalents at the beginning of the period		3,821	1,737
Cash and cash equivalents at the end of the period		2,898	489
(a) Working capital changes (increase)/decrease in current assets			
Stores and spares		(201)	-
Stock-in-trade		(8,138)	(63)
Trade debts		789	1,191
Advances, deposits, prepayments and other receivables		(3,030)	(1,322)
		(10,580)	(194)
Increase/(decrease) in current liabilities			
Creditors, accrued and other liabilities		(3,692)	2,021
		(14,271)	1,827

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

Karachi
Dated: October 30, 2004


Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive


Dewan Abdullah Ahmed
Director


Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2004

	Issued, subscribed and paid -up capital	Capital Reserve	General Reserve	Accumulated Loss	Total
----- (Rs. in '000') -----					
Balance as at July 01, 2003	90,000	86,194	9,900	(213,113)	(27,019)
Loss after taxation	-	-	-	(5,207)	(5,207)
Balance as at September 30, 2003	90,000	86,194	9,900	(218,320)	(32,226)
Loss for the period October 01, 2003 to June 30, 2004	-	-	-	(33,056)	(33,056)
Transfer from surplus on revaluation of fixed assets	-	-	-	5,627	5,627
Balance as at June 30, 2004	90,000	86,194	9,900	(245,749)	(59,655)
Loss after taxation	-	-	-	(5,310)	(5,310)
Transfer from surplus on revaluation of fixed assets	-	-	-	1,266	1,266
Balance as at September 30, 2004	90,000	86,194	9,900	(249,793)	(63,699)

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

Karachi
Dated: October 30, 2004


Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive


Dewan Abdullah Ahmed
Director

Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2004**

1 Status and nature of business

Dewan Automotive Engineering Limited (formerly Allied Motors Limited) is a public limited company quoted on stock exchanges in Karachi (trading in defaulter counter) and Lahore. The company's business is the assembly-cum-progressive manufacture and sale of tractors and trading of parts and implements related thereto. The company was incorporated on May 6, 1982 and commenced commercial operations in August, 1983. The Company has taken over by Dewan Mushtaq Group in April 2004. The name of the company has been changed from August 16, 2004.

2 Basis of presentation

These financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and are being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance 1984.

3 Accounting policies

The accounting policies and methods of computation adopted in the preparation of financial statements for the year ended June 30, 2004 have been consistently applied in preparation of these financial statements.

	September 30, 2004	June 30, 2004
(Rs. in '000')		
4 Operating assets - net		
Addition during the period		
Leasehold land	15,000	-
Factory building on leasehold land	1,626	1,285
Plant and machinery	260	9
Computer and allied	333	137
Furniture and office equipment	183	2,832
Motor vehicle	19	1,118
Refrigeration and air conditioners	-	130
	17,421	5,511
Disposal during the period		
Computer and allied	-	42
Furniture and office equipment	-	17
Motor vehicle	-	1,267
	-	1,326

5 Contingencies

There is no material change in contingencies since the last audited published financial statements.

Dewan Automotive Engineering Limited
(formerly Allied Motors Limited)

	September 30, 2004	June 30, 2004
	(Rs. in '000')	
6 Transaction with associated companies		
Previous management		
Financial charges incurred / earned	-	545
Various other expenses incurred	-	87
Hire charges tools and equipments (income)	-	(37)
Repayment of short term loan	-	12,888
Short term finance obtained	-	3,893
Purchase of fixed assets	-	46
Generator repair expenses	-	379
Existing management		
Various other expenses incurred	30	-
Repayment of short term finance	2,000	-
Short term finance obtained	20,523	-
Purchase of vehicles	-	1,151

All material transactions with associated companies have been entered on an arm's length basis.


7 Authorization

These financial statements were approved by the board of directors and authorized for issue on October 30, 2004.

8 General

- (a) Figures have been rounded off to the nearest thousand of rupees.
- (b) Previous year's figures have been rearranged wherever necessary, for the purpose of comparison.

Karachi
Dated: October 30, 2004


Dewan Mohammad Yousuf Farooqui
Managing Director / Chief Executive


Dewan Abdullah Ahmed
Director