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A YOUSUF DEWAN COMPANY

DEWAN SALMAN FIBRE LIMITED



**HALF-YEARLY REPORT**  
**31<sup>st</sup> December 2025**

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## COMPANY INFORMATION

BOARD OF DIRECTORS		
NON-EXECUTIVE DIRECTORS	: MR. MUHAMMAD IRFAN ALI	CHAIRMAN BOARD OF DIRECTORS
	: SYED FARHAN ASDAQUE	
	: MR. MUHAMMAD WAJID	
EXECUTIVE DIRECTORS	: MR. ISHTIAQ AHMAD	CHIEF EXECUTIVE OFFICER
	: MR. SALEEM-UL-HAQUE	
	: MS. MOMNA GULL	
INDEPENDENT DIRECTOR	: MR. ASHGAR IQBAL	
AUDIT COMMITTEE	: MR. ASGHAR IQBAL	CHAIRMAN
	: MR. MUHAMMAD WAJID	MEMBER
	: MR. MUHAMMAD IRFAN ALI	MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	: MR. ASGHAR IQBAL	CHAIRMAN
	: MR. ISHTIAQ AHMAD	MEMBER
	: MR. MUHAMMAD WAJID	MEMBER
CHIEF FINANCIAL OFFICER	: MR. SALEEM-UL-HAQUE	
COMPANY SECRETARY	: MR. MUHAMMAD HANIF GERMAN	
AUDITORS	: FEROZE SHARIF TARIQ & CO. CHARTERED ACCOUNTANTS	
LEGAL ADVISOR	: KHALID ANWAR & COMPANY – ADVOCATES	
TAX ADVISORS	: SHARIF & COMPANY – ADVOCATES	
FACTORY OFFICE	: PLOT NO. 1, DEWAN FAROOQUE INDUSTRIAL PARK, HATTAR, DISTRICT HARIPUR, K.P.	
CORPORATE OFFICE	: DEWAN CENTRE, 3-A, LALAZAR, BEACH HOTEL ROAD, KARACHI.	
REGISTERED OFFICE	: PLOT NO. 6, STREET NO. 9, FAYYAZ MARKET, G-8/2, ISLAMABAD, PAKISTAN.	
SHARE REGISTRAR / TRANSFER AGENTS	: BMF CONSULTANTS PAKISTAN (PRIVATE) 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.	
BANKERS	: AL BARAKA ISLAMIC INVESTMENT BANK LIMITED	
	: ALLIED BANK LIMITED	
	: ASKARI BANK LIMITED	
	: BANK ALFALAH LIMITED	
	: BANK OF KHYBER LIMITED	
	: BANK OF PUNJAB LIMITED	
	: FAYSAL BANK LIMITED	
	: HABIB BANK LIMITED	
	: HABIB METROPOLITAN BANK LIMITED	
	: MCB BANK LIMITED	
	: MEEZAN BANK LIMITED	
	: BANK MAKRAMAH LIMITED	
	: NATIONAL BANK OF PAKISTAN LIMITED	
	: STANDARD CHARTERED BANK LIMITED (PAKISTAN)	
	: SILK BANK LIMITED	
	: UNITED BANK LIMITED	

**DIRECTOR'S REVIEW**

The Board of Directors of your company present un-audited Condensed Interim Financial Statements of the Company for the half year ended on December 31, 2025 in compliance with the requirements of section 237 of the Companies Act 2017, as Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

**OPERATING AND FINANCIAL RESULTS AT A GLANCE**

	(Rupees In'000')
SALES (NET)	(Nil)
COST OF SALES	127,823
<b>GROSS LOSS</b>	<b>(127,823)</b>
OPERATING EXPENSES	31,325
<b>OPERATING LOSS</b>	<b>(159,148)</b>
FINANCE COST & OTHER CHARGES	8,381
OTHER INCOME	(88,254)
	<b>(79,873)</b>
<b>LOSS BEFORE TAXATION</b>	<b>(79,275)</b>
TAXATION	19,248
<b>LOSS AFTER TAXATION</b>	<b>(60,027)</b>

Company recorded net sales of Rs. Nil (2024- Rs. Nil) during the period under review. There is a loss after taxation amounted to Rs. 60,027 million (2024 Rs. 178.072 million).

**THE PERIOD UNDER REVIEW**

Despite of our best efforts during the period under review, we were unable to start the plants of your company due to the unavailability of Working Capital. However, management of your company makes their best efforts to operate the largest unit of the country.

The company continues to successfully navigate litigation with lenders, as detailed in our previous audited financial statements. Management remains confident in securing favorable rulings from the relevant courts.

**INDUSTRY OVERVIEW**

During the review period, global markets faced fluctuations due to the U.S. adjusting its tariff policy to protect domestic industries, compounded by ongoing regional conflicts. In Pakistan, the polyester staple fibre (PSF) industry from October to December 2025 operated under a stabilizing macroeconomic environment but faced intense competition from low-cost imports, particularly from China, which affected local production levels.

Local manufacturers operated at only 58% capacity, with imports accounting for about 32.2% of total demand by late 2025 as textile exporters sought cheaper foreign materials. The pricing of locally produced polyester was impacted by the costs of PTA and MEG, with high energy costs posing significant risks to profit margins. However, the sector benefited from a stable exchange rate and lower interest rates, helping to ease financing costs.

Your company operations remained closed during the period under review.

### **AUDITOR'S OBSERVATION**

- a) In Para (a) of their review report they did not agree with the going concern assumption used in preparation of interim condensed financial statements accordingly they have given their adverse opinion on the interim condensed financial statements. However, the management is in process of negotiation with the bankers and is confident that its outcome will be positive. The justification regarding preparation of interim condensed financial statements on going concern assumption are more fully explained in note 2 to the interim condensed financial statements.
- b) The company has not made provision of mark up for the period amounting Rs.1.025 billion on its markup bearing liabilities. The management has approached its bankers/financial institutions for restructuring of its obligations without markup. The management is confident that the company's restructuring proposals will be accepted by the financial institutions. Therefore, the company has not made any provision for mark-up.
- c) Para (c) of the report relates to valuation and classification of investment in Dewan Petroleum (Pvt) Limited using the equity method as required under International Accounting Standards 28 Investment in Associates which the company has classified as held for sale. The management's intention to sell this investment within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the company, which will enable to resume operation of the company. For the purpose special resolution was passed in 2008 has been expired, however the management will seek further shareholders, approval before disposal of the same.
- d) Para (d) of the review report relates to the revaluation of certain classes of fixed assets in accordance with the International Accounting Standard -16. We are of the view that this should not fall under qualification, rather they would have drawn attention of the members as a matter of emphasis.
- e) Trade debts amounting to Rs.1.137 billion are stagnant, not being recovered, against which a provision of Rs.0.930 billion has been made so far. Management of your company taking utmost efforts to recover these debts, we believe that there will be positive response from debtors and will take our position accordingly.

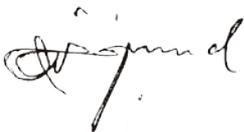
### **ACKNOWLEDGEMENT**

The Board expresses the hope that it's valued shareholders, Federal and Provincial Government functionaries, banks, financial institutions and customers of Salsabil, shall continue to extend their cooperation, support and patronage as in the past.

The Board also expresses its appreciation for the valuable services, loyalty and laudable efforts continuously rendered by the executives, staff members and workers of the company and recognize that they are most valuable assets of the Company.

**CONCLUSION**

In conclusion, we bow, beg and pray to Almighty Allah, Rahman-o-Raheem, in the name of our beloved prophet. Muhammad (Peace Be Upon Him), for continued showering of His blessings, Guidance, Strength, Health and Prosperity on our Nation, Country and also pray to Almighty Allah to bestow peace, harmony, brotherhood and unity in true Islamic spirit to the whole of Muslim Ummah, Aameen, Summa Aameen.



**Ishtiaq Ahmed**  
Chief Executive Officer



**Muhammad Irfan Ali**  
Chairman Board of Director

**FEROZE SHARIF TARIQ & CO.  
CHARTERED ACCOUNTANTS**

4 / N / 4, Block 6, P.E.C.H. Society,  
Karachi – 75400

**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Dewan Salman Fibre Limited**

**Report on review of Condensed Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Dewan Salman Fibre Limited ('the Company') as at 31 December 2025, the related condensed interim statement of profit or loss and Condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these 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 and other comprehensive income for the quarters ended 31 December 2025 and 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2025.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the 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.

**Bases for adverse conclusion**

- a) The condensed interim financial statement of the Company for the period ended 31 December 2025 earned Loss after taxation of Rs.60.027 million and as of that date it has accumulated losses of Rs. 23.616 billion. Which resulted in net capital deficiency of Rs.19.603 billion and its current liabilities exceeded its current assets by Rs.20.910 billion and total assets by Rs.16.992 billion. The operations of the Company are closed since December 2008 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, lenders have gone into litigation for repayment of liabilities amounting to Rs. 22.110 billion, through attachment and sale of company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. Accordingly, the financial institutions have not been provided bank confirmations as at reporting date. These conditions lead us to believe that the going concern assumption used in preparation of this condensed interim financial statement 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.1.025 billion (up to June 30, 2025: Rs.35.175 billion) (refer note 11) on account of restructuring proposal offered to the lenders as

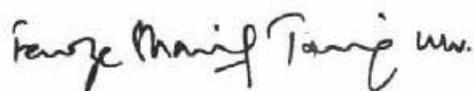
described in note 2 to the condensed interim financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these condensed interim financial statements. Had the provision of markup been made in the condensed interim financial statement, the loss after taxation for the period would have been higher by Rs.1.025 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.36.200 billion.

- c) Investment in associate Dewan Petroleum (Private) Limited is disclosed as non-current assets held for sale (refer note 10 to the condensed interim financial statements) although the resolution for the permission to sale the same has been expired during financial year ended 30 June 2009. which is non-compliance of IFRS 5 Non-current assets held for sale. This investment is required to be accounted for at equity method as prescribed in International Accounting Standard – 28 'Investment in associates'. We are unable to quantify the effect of the same as latest audited accounts of Dewan Petroleum (Private) Limited were not made available to us;
- d) The company carried out revaluation of certain classes of operating fixed assets of the company on June 27, 2024 in compliance with the requirements International Accounting Standard 16 'Property, Plant and Equipment', to ensure that the carrying amounts, the independent valuer has not valued the Lease hold Plot no. D-1 measuring 140 acres where the Units I, II, III, V and VI are situated, due to reason that the company does not possess clear marketable title as per covenants of the indenture of lease, by virtue of which the tenant is restricted to transfer its right to third party i.e. the sale of land is specifically prohibited for the Company being non-operational, in which case the land has to be reverted back to the lessor.
- e) Trade debts amounting to Rs.1.137 billion are stagnant, not being recovered, against which a provision of Rs.0.930 billion has been made so far. Since these trade debts are doubtful of recovery therefore the provision should be made there against. Had the provision been made, loss for the year would have been further higher by Rs.0.207 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) to (e) above, this condensed interim financial statement is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

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



**Chartered Accountants**

**Dated: February 27, 2026**

**Place: Karachi**

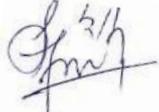
**UDIN: RR202510129cHPFJR5rY**

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 2025**

	Notes	UN-AUDITED DEC. 31, 2025	AUDITED JUN. 30, 2025
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
(Rupees in '000)			
Authorized capital			
630,000,000 (2025: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (2025: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		7,200,000	7,200,000
Issued, subscribed and paid-up capital		3,663,211	3,663,211
Revenue reserves			
General Reserve		350,000	350,000
Accumulated losses		(23,615,736)	(23,602,834)
Capital reserves			
Surplus on revaluation of property, plant and equipment	6	1,668,415	1,715,540
		(17,934,110)	(17,874,083)
<b>NON CURRENT LIABILITIES</b>			
Long term loans	7	129,653	121,455
Deferred liabilities		518,238	539,607
		647,891	661,062
<b>CURRENT LIABILITIES</b>			
Trade and other payables		839,135	841,326
Short term borrowings		13,770,926	13,770,926
Overdue portion of long term loans		6,913,936	6,972,944
Provision for taxation		208,396	208,396
		21,732,393	21,793,592
<b>Contingencies and commitments</b>		--	--
		<b>4,446,174</b>	<b>4,580,571</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	3,304,083	3,429,627
<b>CURRENT ASSETS</b>			
Stores and spares		362,861	372,169
Stock in trade		--	--
Trade debts - Unsecured		206,541	211,784
Advances - Considered good		11,883	11,408
Short term deposits and prepayments		150,613	150,613
Other receivables - Considered good		69,283	63,727
Cash and bank balances	14	20,910	21,243
		822,091	830,944
Non current assets held for sale		320,000	320,000
		<b>4,446,174</b>	<b>4,580,571</b>

The annexed notes form an integral part of this interim condensed financial statement.

  
**Ishtiaq Ahmed**  
Chief Executive Officer

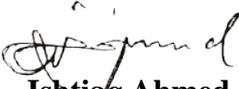
  
**Saleem-ul-Haue**  
Chief Financial Officer

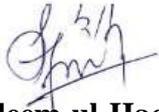
  
**Muhammad Irfan Ali**  
Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	Notes	Half Year Ended		Quarter Ended	
		Dec, 31 2025	Dec, 31 2024	Dec, 31 2025	Dec, 31 2024
		(Rupees in '000)		(Rupees in '000)	
Sales		--	--	--	--
Cost of sales		<u>127,823</u>	<u>142,175</u>	<u>63,667</u>	<u>71,123</u>
Gross loss		(127,823)	(142,175)	(63,667)	(71,123)
Operating expenses		31,325	35,103	13,294	19,889
Operating loss		<u>(159,148)</u>	<u>(177,278)</u>	<u>(76,961)</u>	<u>(91,012)</u>
Finance cost	11	<u>8,381</u>	<u>50,903</u>	<u>4,276</u>	<u>45,941</u>
Other charges	12	<u>9,304</u>	<u>9,794</u>	<u>9,304</u>	<u>9,794</u>
Other income	13	<u>(97,558)</u>	<u>(36,963)</u>	<u>(75,968)</u>	<u>(18,850)</u>
		(79,873)	23,734	(62,388)	36,885
Profit/(Loss) before income tax		<u>(79,275)</u>	<u>(201,012)</u>	<u>(14,573)</u>	<u>(127,897)</u>
Taxation - Net		<u>19,248</u>	<u>22,940</u>	<u>9,624</u>	<u>11,469</u>
Profit / (Loss) after taxation		<u><b>(60,027)</b></u>	<u><b>(178,072)</b></u>	<u><b>(4,949)</b></u>	<u><b>(116,428)</b></u>
Loss per share - Basic	( Rupees )	<u>(0.16)</u>	<u>(0.49)</u>	<u>(0.01)</u>	<u>(0.32)</u>

*The annexed notes form an integral part of this interim condensed financial statement.*

  
**Ishtiaq Ahmed**  
 Chief Executive Officer

  
**Saleem-ul-Haque**  
 Chief Financial Officer

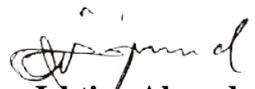
  
**Muhammad Irfan Ali**  
 Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	<b>Half Year Ended</b>	
	<b>Dec, 31 2025</b>	<b>Dec, 31 2024</b>
	<b>(Rupees in '000)</b>	
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) before taxation	(79,275)	(201,012)
Adjustments for:		
Depreciation	125,545	139,510
Exchange gain	(59,010)	(133)
Unwinding discount	8,198	7,223
Gain on Sale of fixed assets	(1,480)	--
Provision for gratuity	1,910	2,683
Provision for obsolescence / slow-moving stocks	9,304	9,794
Exchange loss	180	43,680
Financial charges	3	--
Cash outflow before working capital changes	<u>5,375</u>	<u>1,745</u>
<b>Movement in Working Capital</b>		
<i>(Increase) / decrease in current assets</i>		
Trade Debts	5,226	17,997
Advances	(475)	3,725
Other receivables	(61)	556
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	<u>(2,189)</u>	<u>(7,226)</u>
	2,501	15,052
Cash generated /(used)from operations	7,876	16,797
Payments for:		
Staff gratuity	(4,036)	(10,408)
Financial charges	3	--
Tax	<u>(5,496)</u>	<u>(5,191)</u>
	<u>(9,529)</u>	<u>(15,599)</u>
Net cash generated in operating activities	(1,653)	1,198
<b>Cash Flow from Investing Activities</b>		
Sale proceed of fixed assets	<u>1,500</u>	<u>--</u>
	1,500	--
<b>Cash Flow from Financing/ Non financing Activities</b>		
	--	--
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<u>(153)</u>	<u>1,198</u>
Net foreign exchange difference	(180)	133
<b>Cash and cash equivalents at beginning 1st July 2025</b>	<u>(2,951,652)</u>	<u>(2,952,912)</u>
<b>Cash and cash equivalents at 30 September 2025</b>	<u>(2,951,985)</u>	<u>(2,951,580)</u>

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*The annexed notes form an integral part of this interim condensed financial statement.*

  
**Ishtiaq Ahmed**  
 Chief Executive Officer

  
**Saleem-ul-Haque**  
 Chief Financial Officer

  
**Muhammad Irfan Ali**  
 Chairman Board of Director

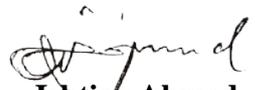
**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY- (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

Issued, subscribed and paid-up share capital	Revenue reserves			Surplus on revaluation of property, plant and equipment	Total capital reserves	Total equity
	General reserve	Accumulated losses	Total revenue reserves			

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

Balance as on 1 July 2024	3,663,211	350,000	(23,609,524)	(23,259,524)	1,827,867	1,827,867	(17,768,446)
Loss for the half year ended 31 December 2024	--	--	(178,072)	(178,072)	--	--	(178,072)
Amortization of interest free loan (sponsor)	--	--	272,636	272,636	--	--	272,636
Total comprehensive Income / for the half year ended	--	--	94,564	94,564	--	--	94,564
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	56,163	56,163	(56,163)	(56,163)	--
<b>Balance as at 31 December 2024</b>	<b>3,663,211</b>	<b>350,000</b>	<b>(23,458,797)</b>	<b>(23,108,797)</b>	<b>1,771,704</b>	<b>1,771,704</b>	<b>(17,673,882)</b>
Balance as on 1 July 2025	3,663,211	350,000	(23,602,834)	(23,252,834)	1,715,540	1,715,540	(17,874,083)
Loss for the half year ended 31 December 2025	--	--	(60,027)	(60,027)	--	--	(60,027)
Other comprehensive income	--	--	--	--	--	--	--
Total comprehensive Loss for the half year ended	--	--	(60,027)	(60,027)	--	--	(60,027)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	47,125	47,125	(47,125)	(47,125)	--
<b>Balance as at 31 December 2025</b>	<b>3,663,211</b>	<b>350,000</b>	<b>(23,615,736)</b>	<b>(23,265,736)</b>	<b>1,668,415</b>	<b>1,668,415</b>	<b>(17,934,110)</b>

*The annexed notes form an integral part of this interim condensed financial statement.*

  
**Ishtiaq Ahmed**  
 Chief Executive Officer

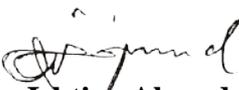
  
**Saleem-ul-Haque**  
 Chief Financial Officer

  
**Muhammad Irfan Ali**  
 Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

	<b>Half Year Ended</b>	
	<b>Dec, 31 2025</b>	<b>Dec, 31 2024</b>
	<b>(Rupees in '000)</b>	
Net Profit/( Loss) after taxation	(60,027)	(178,072)
Total comprehensive Profit/(Loss) transferred to equity	<b>(60,027)</b>	<b>(178,072)</b>

*The annexed notes form an integral part of this interim condensed financial statement.*

  
**Ishtiaq Ahmed**  
 Chief Executive Officer

  
**Saleem-ul-Haque**  
 Chief Financial Officer

  
**Muhammad Irfan Ali**  
 Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2025**

**1. THE COMPANY AND ITS OPERATIONS**

The Company was incorporated in Pakistan on 4 October 1989 and its shares are listed on Pakistan Stock Exchange. It is engaged in manufacturing and sale of polyester, acrylic fibre and tow products. However, the operations of the Company are closed since December 2008.

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

- The registered office of the Company is situated at Plot No. 6, street no. 9, Fayyaz market, G-8/2, Islamabad, Pakistan.
- The factory office of the Company is situated at Plot No. 1, Dewan Farooque Industrial Park, Hattar, District Haripur (K.P.K), Pakistan.
- The head office of the Company is situated at 2nd Floor, Block A, FTC Building Shara e Faisal, Karachi, Pakistan.

**2. GOING CONCERN ASSUMPTION**

The condensed interim financial statement for the half year ended 31 December 2025 reflects loss after taxation of Rs. 60.027 million (Dec 2024: loss Rs.178.072 million) and as of that date it has accumulated losses of Rs.23.616 billion (June 2025: Rs.23.603 billion) which have resulted in net capital deficiency of Rs.17.934 billion (June 2025: Rs.17.874 billion) and its current liabilities exceeded its current assets by Rs.20.910 billion (June 2025: Rs.20.963 billion) and total assets by Rs.17.286 billion (June 2025: Rs. 17.213 billion). The operations of the Company are closed since December 2008 due to working capital constraints. Further, 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 not been renewed by banks. Following course most of the lenders have gone into litigation for repayment of liabilities through attachment and sale of the Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

The condensed interim financial statements has 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 re-profiling of the debt with all the lenders and is expected to be finalized in due course.

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, the condensed interim financial statements has been prepared on a going concern basis.

### 3. BASIS OF PREPARATION

**3.1.** These condensed interim financial statements of the Company for the half year ended 31 December 2025 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting with the exception of departure of IFRS as mentioned in note 11.1 to the financial statements. The accounting and reporting standards as 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3.2.** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2025.

**3.3.** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2025 and 2024 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 December 2025 and 2024.

### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2025.

### 5. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2025.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2025.

	(Un-audited) 31 December 2025	(Audited) 30 June 2025
----- (Rupees in '000) -----		
<b>6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Surplus arises after revaluation	1,715,540	1,827,867
Related deferred tax liability for the period/Year	(47,125)	(112,327)
	<u>1,668,415</u>	<u>1,715,540</u>
<b>7. LONG TERM LOAN RELATED PARTY - Fair value</b>		
Opening balance	121,455	-
Received/ transferred to long term loan during the period	-	379,645
Amortized during the year /fair value adjustments	-	(272,636)
Unwinding of interest / discount for the period	8,198	14,446
Transfer to short term Loan from related party	-	-
	<u>129,653</u>	<u>121,455</u>

This represents interest free loan and is repayable in lump sum on 30 June 2034. The loan from a sponsor has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 13.50% per annum.

## 8. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments are same as reported in the annual financial statements for the year ended 30 June 2025.

## 9. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets		3,161,270	3,286,814
Capital Work in Progress- Plant and Machinery	9.1	142,813	142,813
Operating fixed assets		<u>3,304,083</u>	<u>3,429,627</u>

**9.1** The company Purchased assets in 2007-8 for enhancement of Electricity Producing equipments due to closure of the Plant the same assets not installed and available in Packed Condition therefore the same has been Placed in Capital Work in Progress since the Purchasing date.

## 10. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

This represents equity investment in Dewan Petroleum (Private) Limited representing 12.6 million ordinary shares of Rs. 10/- each at a premium of Rs.15.397/-. The investment has been classified as held for sale upon management's intention to sell the same within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the Company, which will enable to resume operations of the Company. For the purpose special resolution was passed by the shareholders in the Extra Ordinary General Meeting of the Company held on 23 June 2008, which was expired during the financial year 2009, however the management will seek further shareholders' approval before disposal of the same.

	(Un-audited) 31 December 2025	(Un-audited) 31 December 2024
<b>11. FINANCE COST</b>		
Exchange loss	180	43,680
Unwinding of discount	8,198	7,223
Bank Charges	3	--
	<u>8,381</u>	<u>50,903</u>

**11.1** The Company has not made the provision of mark-up amounting to Rs.1.025 billion (up to June 30, 2025: Rs. 35.175 billion) keeping in view of the financial restructuring proposed to the lenders as disclosed in note Management is hopeful that the restructuring proposal will be accepted by the lenders. Had the provision been made the loss for the half year would have been increased by Rs. 1.025 billion and accrued mark-up would have been increased and shareholders' equity would have been decreased by Rs. 36.200 billion. The said non-provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.

**12. OTHER CHARGES**

Provision for obsolescence and slow moving stores and spares	<u>9,304</u>	<u>9,794</u>
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**13. OTHER INCOME**

Rent income	(37,068)	(36,830)
Exchange gain - net	(59,010)	(133)
Gain on disposal of fixed assets	(1,480)	--
	<u>(97,558)</u>	<u>(36,963)</u>

**14. Cash and Cash Equivalents**

Cash and cash equivalents include:

Cash and bank balances	20,910	21,314
Short term finances:		
-Short term running finances	(2,970,019)	(2,970,019)
-Book Overdraft	(2,876)	(2,876)
	<u>(2,972,895)</u>	<u>(2,972,895)</u>
	<u>(2,951,985)</u>	<u>(2,951,581)</u>

**15. INFORMATION ABOUT BUSINESS SEGMENTS**

These financial statements have been prepared on the basis of single reportable segment. The operations of the Company are closed since December 2008.

## 16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 16.1. FINANCIAL RISK FACTORS

The Company is exposed to the credit risks, liquidity risks and market risks (including currency rate risk and other price risk) from its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### 16.2. FAIR VALUE HIERARCHY

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company does not have any investment to be carried at fair value.

**17. TRANSACTIONS WITH RELATED PARTIES**

There were no transactions with related parties during the period under consideration except for the Amortisation of Sponsor Loan As per IAS 39.

**18. CORRESPONDING FIGURES**

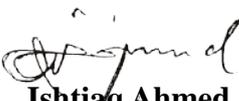
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of comprehensive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

**19. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements have been authorized for issue on 26 February 2026 by the Board of Directors of the Company.

**20. GENERAL**

The figures have been rounded off to the nearest thousand rupees.



**Ishtiaq Ahmed**  
Chief Executive Officer



**Saleem-ul-Haque**  
Chief Financial Officer



**Muhammad Irfan Ali**  
Chairman Board of Director

## ڈائریکٹرز کا جائزہ:

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2025-2026 کے ششماہی یعنی کہ 31 دسمبر 2025 کے لیے غیر آڈٹ ملخص عبوری مالیاتی رپورٹس پیش خدمت ہیں۔ جو کہ کمپنیز آرڈیننس 2017 کی دفعہ 237 اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کارپوریٹ گورننس کے ضابطے کے تحت پیش کیے جا رہے ہیں۔

## مالیاتی صورتحال کا جائزہ:

(روپے '000)	مجموعی فروخت
(صفر)	فروخت اور ترسیل کے اخراجات
127,823	مجموعی نقصان
(127,823)	انتظامی اخراجات
31,325	انتظامی نقصان
(159,148)	دیگر اخراجات
8,381	دیگر آمدنی
(88,254)	مالیاتی نفع / نقصان
(79,873)	قبل از محصولات نفع یا نقصان
(79,275)	ٹیکس
19,248	بعد از محصولات نفع یا نقصان
(60,027)	

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2024: صفر)، کمپنی کا محصولات کی کٹوتی کے بعد نقصان 60,027 ملین روپے (2024: نقصان 178.072 ملین روپے) رہا۔

## زیر جائزہ مدت کا خلاصہ:

زیر جائزہ مدت کے دوران ہماری بہترین کوششوں کے باوجود، ورکنگ کیپٹل کی عدم دستیابی کے سبب ہم آپ کی کمپنی کے آپریشنز کو شروع کرنے سے قاصر رہے۔ تاہم، آپ کی کمپنی کی انتظامیہ ملک کے سب سے بڑے یونٹ کو چلانے کے لئے اپنی پوری کوشش کر رہی ہے۔ جیسے کہ ہمارے پچھلے آڈٹ شدہ مالی گوشواروں میں وضاحت کی گئی ہے کہ آپ کی کمپنی قرض دہندگان کے ساتھ کامیابی سے قانونی چارہ جوئی میں مصروف ہے۔ مینجمنٹ کو مکمل اعتماد ہے کہ کمپنی کو متعلقہ عدالتوں سے کمپنی کے حق میں فیصلہ حاصل ہوگا۔

## صنعت کا مجموعی جائزہ:

زیر جائزہ مدت کے دوران عالمی منڈیوں میں اتار چڑھاؤ دیکھنے کو ملا کیونکہ امریکا اس دوران اپنی ٹیرف پالیسی میں ردوبدل کرتا رہا تاکہ اس کی مقامی صنعتوں کو تحفظ ملے، مزید برآں جاری علاقائی تنازعات نے عالمی منڈیوں کو متاثر کیا۔ پاکستان میں، اکتوبر سے دسمبر 2025 کے دوران پولی ایسٹر اسٹیپل فائبر (PSF) کی صنعت ایک نسبتاً مستحکم معاشی ماحول میں کام کر رہی تھی، لیکن اسے کم قیمت درآمدات، خاص طور پر چین سے درآمد شدہ خام مال کی وجہ سے سخت مقابلے کا سامنا رہا جس نے مقامی پیداوار کو متاثر کیا۔

مقامی صنعت کار صرف 58 فیصد صلاحیت پر کام کر رہے تھے، جبکہ سال کے آخر تک درآمدات کل طلب کا تقریباً 32.2 فیصد حصہ بن چکی تھیں کیونکہ ٹیکسٹائل برآمد کنندگان کم لاگت غیر ملکی خام مال کو ترجیح دیتے رہے۔ مقامی طور پر تیار کردہ پولی ایسٹر کی قیمتیں PTA اور بالخصوص MEG کے درآمدی اخراجات سے متاثر ہوئیں، اور بلند توانائی کے اخراجات نے منافع کے مارجن کے لیے نمایاں خطرات پیدا کیے۔ تاہم، اس شعبے کو مستحکم زرمبادلہ کی شرح اور کم شرح سود سے فائدہ ہوا، جس نے مالیاتی اخراجات کو کم کرنے میں مدد دی۔

زیر نظر مدت کے دوران آپ کی کمپنی کے کام بند رہے۔

## آڈیٹرز کے مشاہدات:

(ا) پیرا (ا) میں رپورٹ کرتے ہیں کہ وہ گوبینگ کنسرن کے مفروضے پر مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی منفی رائے رکھتے ہیں۔ جبکہ کمپنی کے مطابق مینجمنٹ بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پر امید ہیں کہ نتیجہ مثبت ہو گا۔ مالیاتی رپورٹس کی گوبینگ کنسرن کے مفروضے پر تیاری کی مزید تاویلات اگلے پیرا میں دیکھی جاسکتی ہے۔

(ب) زیر جائزہ مدت میں کمپنی نے بینکوں کو واجب الادا رقم پر سود جو کہ 1.025 بلین روپے بنتا ہے پر سود کا تخمینہ نہیں لگایا۔ کمپنی کی انتظامیہ بینکوں / مالیاتی اداروں سے رابطے میں ہے تاکہ قرضوں کی واپسی کی نئی شرائط پر غور کیا جاسکے۔ انتظامیہ کو یقین ہے کہ کمپنی کی قرضوں سے متعلق گذارشات کو مالیاتی اداروں کی طرف سے قبول کیا جائے گا، لہذا کمپنی نے سود کے حوالے سے کوئی تخمینہ نہیں لگایا ہے۔

(ج) پیرا (ج) رپورٹ کے مطابق کمپنی نے دیوان پٹرولیم میں سرمایہ کاری کی درجہ بندی انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ کی شق 28 کے مطابق تعلق داروں کے ساتھ سرمایہ کاری میں کی ہے جبکہ یہ سرمایہ کاری فروخت کے لیے رکھ چھوڑے اثاثہ جات کے زمرے میں موجود ہے۔ کمپنی اس سرمایہ کاری کو اگلے مالیاتی سال میں فروخت کرنے کا ارادہ رکھتی ہے۔ اس مقصد کے لیے 2008 میں ایک خصوصی قرارداد منظور کی گئی تھی جو کہ مذکورہ سال میں ہی اپنی معیاد پوری کر چکی۔ چنانچہ اس سرمایہ کاری کو فروخت کرنے کے لیے حصص یافتگان سے دوبارہ منظوری لی جائے گی۔

د) جائزہ رپورٹ کا پیرا (د) بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ-16 کے مطابق مقررہ اثاثوں کی بعض حصوں کی دوبارہ قدر طے کرنے سے متعلق ہے۔ ہمارا خیال ہے کہ یہ قابلیت کے تحت نہیں آنا چاہئے بلکہ اس معاملے کا حوالہ دیتے ہوئے آڈیٹرز کے مد نظر یہ تھا کہ ممبران کی توجہ اس نکتہ کی جانب مبذول کروائی جاسکے۔

ه) آڈٹ رپورٹ یہ بھی واضح کرتی ہے، کہ تجارتی قرض 1.137 بلین روپے جس پر 0.930 ملین روپے کے سود کا تخمینہ لگایا گیا ہے ابھی تک واپس نہیں لیے گئے اور جمود کا شکار ہیں۔ کمپنی کی انتظامیہ کی بھرپور کوشش ہے کہ یہ تمام تجارتی اقراضات جلد از جلد واپس لیے جائیں۔ کمپنی اس معاملے میں اپنے قرض خواہوں سے مثبت رویے کی متنی ہے۔

آپ کی کمپنی کی انتظامیہ ان قرضوں کی وصولی کے لیے اپنی انتہائی کوشش کر رہی ہے۔ ہمیں قرضداروں سے مثبت رویے اور جلد از جلد قرضوں کی وصولی کی امید ہے۔

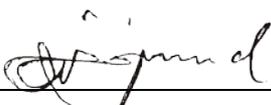
### اظہارِ تشکر:

بورڈ کمپنی کو اپنے قابل قدر حصص یافتگان، وفاقی اور صوبائی حکومت کے کارکنوں، بینکوں اور مالیاتی اداروں اور سلسیل کے گاہکوں سے امید ہے کہ، ماضی کی طرح ان کا تعاون، حمایت اور سرپرستی جاری رہے گی۔

بورڈ اپنی کمپنی کے اعلیٰ عہدیداران، عملے کے ارکان کی طرف سے پیش کی گئی گراں قدر خدمات، وفاداری اور قابل ستائش کوششوں کو نہ صرف سراہتا ہے بلکہ وہ انہیں کمپنی کا سب سے قیمتی اثاثہ سمجھتا ہے۔

### اختتام:

آخر میں ہم لہذا ﷺ کے حضور یہ دعا مانگتے ہیں کہ رسول اللہ حضرت محمد صلی اللہ علیہ وسلم کے صدقے میں اپنے رحم و کرم اور برکتیں ہم پر نازل فرما۔ ہمیں صراطِ مستقیم عطا فرما۔ ہماری قوم اور ملک میں خوشحالی، امن، ہم آہنگی، تمام امت مسلمہ میں حقیقی اسلامی روح، بھائی چارگی اور اتحاد عطا فرما۔ آمین، تم آمین۔

  
اشتیاق احمد  
چیف ایگزیکٹو آفیسر

  
محمد عرفان علی  
چیرمین بورڈ آف ڈائریکٹر