

Half Yearly Report  
31 December 2024



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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. ASGHAR 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, 2024 in compliance with the requirements of section 237 of the Company's Act 2017, as Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

### OPERATING AND FINANCIAL RESULTS AT A GLANCE

	<b>(Rupees In'000')</b>
SALES (NET)	(Nil)
COST OF SALES	<b>142,175</b>
<b>GROSS LOSS</b>	<b>(142,175)</b>
OPERATING EXPENSES	<b>35,103</b>
<b>OPERATING LOSS</b>	<b>(177,278)</b>
FINANCE COST & OTHER CHARGES	<b>60,697</b>
OTHER INCOME	<b>(36,963)</b>
	<b>23,734</b>
<b>LOSS BEFORE TAXATION</b>	<b>(201,012)</b>
TAXATION	<b>22,940</b>
<b>LOSS AFTER TAXATION</b>	<b>(178,072)</b>

Company recorded net sales of Rs. Nil (2023- Rs. Nil) during the period under review. There is a loss after taxation amounted to Rs. 178.072 million (2023 Rs. 7.365 million).

### THE PERIOD UNDER REVIEW

Despite our best efforts during the review period, we were unable to commence operations at your company's plants due to a lack of working capital. However, the company's management remains committed to operating the country's largest unit.

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 commodity markets faced challenges due to a slower-than-expected demand recovery in China and the US. In China, reduced household spending impacted demand, while oil prices declined. However, the MEG market showed resilience with a price increase. Cotton prices fell globally but rose domestically due to quality shortages.

The business experienced growth in net turnover and operating results, driven by higher sales volumes. Although energy costs increased, profitability improved through the production of specialized fibers and effective cost management.

Rising PSF imports, particularly under the Export Facilitation Schemes, posed challenges for local manufacturers. Looking ahead, crude oil prices may remain under pressure, and supply constraints are expected. Additionally, China's planned economic stimulus in 2025 could influence global trade dynamics.

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.1.236 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) Trade debts amounting to Rs.1.155 billion are stagnant, not being recovered, against which a provision of Rs.0.944 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.
- e) Para (e) of the review report relates to the revaluation of certain classes of fixed assets in accordance with the International Accounting Standard -16. During the course of review, the revaluation was under process and as of the reporting date could not be completed. However, the effects of the revaluation will be incorporated in the following year.

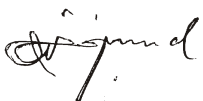
**ACKNOWLEDGEMENT**

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 2024, 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 2024 and 31 December 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2024.

#### 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 2024 earned Loss after taxation of Rs.178.072 million and as of that date it has accumulated losses of Rs. 23.459 billion. Which resulted in net capital deficiency of Rs.17.674 billion and its current liabilities exceeded its current assets by Rs.20.881 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 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.1.236 billion (up to June 30, 2024: Rs.32.918 billion) (refer note 10) 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.1.236 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.34.154 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.1.155 billion are stagnant, not being recovered, against which a provision of Rs.0.944 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.210.403 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, 2025**

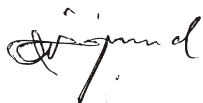
**Place: Karachi**

**UDIN: RR202410129iIPcyjWZ7**

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Notes	(Un-audited) 31 December 2024	(Audited) 30 June 2024
----- (Rupees in '000) -----			
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
630,000,000 (June 2024: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (June 2024: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		7,200,000	7,200,000
Issued, subscribed and paid-up share capital		3,663,211	3,663,211
Revenue reserves			
General reserves		350,000	350,000
Accumulated losses		(23,458,797)	(23,609,524)
Capital reserves			
Surplus on revaluation of property, plant and equipment	6	1,771,704	1,827,867
		(17,673,882)	(17,768,446)
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	7	114,232	--
Deferred liabilities		567,815	598,141
		682,047	598,141
<b>CURRENT LIABILITIES</b>			
Trade and other payables		850,252	857,478
Short term borrowings		13,770,926	13,770,926
Overdue portion of long term liabilities		6,887,264	7,223,229
Provision for taxation		208,396	208,396
		21,716,838	22,060,029
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	--	--
		<b>4,725,003</b>	<b>4,889,724</b>
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	3,569,143	3,708,308
<b>CURRENT ASSETS</b>			
Stores and spares		381,959	391,756
Stock in trade		--	--
Trade debts - Unsecured		210,404	228,401
Advances		11,626	15,352
Short term deposits		151,437	151,437
Other receivables - Considered good		59,120	54,487
Cash and bank balances		21,314	19,983
		835,860	861,416
Non-current asset held for sale	10	320,000	320,000
		<b>4,725,003</b>	<b>4,889,724</b>

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



**Ishtiaq Ahmed**  
Chief Executive Officer



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

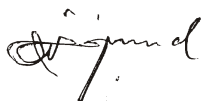


**Muhammad Irfan Ali**  
Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Half Year Ended		Quarter Ended	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales	--	--	--	--
Cost of sales	142,175	196,759	71,123	98,308
Gross loss	(142,175)	(196,759)	(71,123)	(98,308)
Administration expenses	35,103	32,444	19,889	18,871
Operating loss	(177,278)	(229,203)	(91,012)	(117,179)
Finance cost	50,903	50,514	45,941	10,108
Other charges	9,794	--	9,794	--
Other income	(36,963)	(257,152)	(18,850)	(247,093)
	23,734	(206,638)	36,885	(236,985)
(Loss)/ Profit before taxation	(201,012)	(22,565)	(127,897)	119,806
Taxation - Net	22,940	29,930	11,469	12,004
<b>(Loss)/ Profit for the period</b>	<b>(178,072)</b>	<b>7,365</b>	<b>(116,428)</b>	<b>131,810</b>
(Loss)/ Profit per share - Basic and diluted	(0.49)	(0.02)	(0.32)	0.33

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



**Ishtiaq Ahmed**  
Chief Executive Officer



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

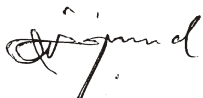


**Muhammad Irfan Ali**  
Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Notes	31 December 2024	31 December 2023
		----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(201,012)	(22,565)
<i>Adjustments for non-cash and other items:</i>			
Adjustments for:			
Depreciation		139,510	190,728
Provision for gratuity		2,683	2,360
Unwinding discount	11	7,223	19,073
Exchange gain		(133)	(218,190)
Exchange loss	11	43,680	31,440
Bank charges	11	--	1
Other charges	12	9,794	--
		1,745	2,847
<i>Movement in working capital</i>			
<i>(Increase) / decrease in current assets</i>			
Trade debts - Unsecured		17,997	33,362
Advances		3,725	(699)
Other receivables - Considered good		556	(18,219)
<i>Increase in current liabilities</i>			
Trade and other payables		(7,226)	(10,280)
		15,052	4,164
Cash generated from operations		16,797	7,011
<i>Payments for:</i>			
Staff gratuity		(10,408)	(4,874)
Finance cost		--	(1)
Taxation		(5,191)	(3,940)
		(15,599)	(8,815)
Net cash inflows from operating activities		1,198	(1,804)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loan - Secured		--	--
Net cash outflows from financing activities		--	--
Net decrease in cash and cash equivalents		1,198	(1,804)
Net foreign exchange difference		133	570
Cash and cash equivalents at beginning of the year		(2,952,912)	(2,950,207)
<b>Cash and cash equivalents at end of the half year</b>	<b>14</b>	<b>(2,951,581)</b>	<b>(2,951,441)</b>

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



**Ishtiaq Ahmed**  
Chief Executive Officer



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

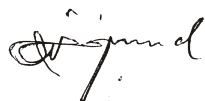


**Muhammad Irfan Ali**  
Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	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 2023	3,663,211	350,000	(23,578,881)	(23,228,881)	2,624,756	2,624,756	(16,940,914)
Profit for the half year ended 31 December 2023	--	--	7,365	7,365	--	--	7,365
Other comprehensive income	--	--	--	--	--	--	--
Total comprehensive income/ Loss for the half year ended	--	--	7,365	7,365	--	--	7,365
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	87,774	87,774	(87,774)	(87,774)	--
<b>Balance as at 31 December 2023</b>	<b>3,663,211</b>	<b>350,000</b>	<b>(22,109,673)</b>	<b>(21,759,673)</b>	<b>2,722,283</b>	<b>2,722,283</b>	<b>(15,374,179)</b>
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/ Fair value adjustment of interest free loan from Related Party	--	--	272,636	272,636	--	--	272,636
Total comprehensive income/ Loss 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>

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



**Ishtiaq Ahmed**  
Chief Executive Officer



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

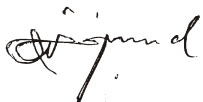


**Muhammad Irfan Ali**  
Chairman Board of Director

**DEWAN SALMAN FIBRE LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	<u>Half Year Ended</u>		<u>Quarter Ended</u>	
	<u>31 December</u> <u>2024</u>	<u>31 December</u> <u>2023</u>	<u>31 December</u> <u>2023</u>	<u>31 December</u> <u>2023</u>
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Loss/ gain for the period	(178,072)	7,365	(116,428)	131,810
<i>Items that will not be subsequently reclassified to profit or loss</i>				
<i>Other comprehensive income</i>	--	--	--	--
Amortization/ Fair value addjustment of interest free loan from Related Party	272,636	--	--	--
<b>Total comprehensive income/ loss for the period</b>	<b><u>94,564</u></b>	<b><u>7,365</u></b>	<b><u>(116,428)</u></b>	<b><u>131,810</u></b>

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



**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 2024**

**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 2024 reflects loss after taxation of Rs.178.072 million (Dec 2023: gain Rs.7.365 million) and as of that date it has accumulated losses of Rs.23.459 billion (June 2024: Rs.23.610 billion) which have resulted in net capital deficiency of Rs.17.674 billion (June 2024: Rs.17.768 billion) and its current liabilities exceeded its current assets by Rs.20.881 billion (June 2024: Rs.21.199 billion) and total assets by Rs.16.992 billion (June 2024: Rs. 17.170 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 2024 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 2024.

**3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2024 and 2023 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 2024 and 2023.

#### **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 2024.

#### **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 2024.

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 2024.

	<b>(Un-audited)</b> <b>31 December</b> <b>2024</b>	<b>(Audited)</b> <b>30 June</b> <b>2024</b>
	----- (Rupees in '000) -----	
<b>6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Surplus arises after revaluation	1,827,867	2,624,756
Related deferred tax liability for the period/Year	(56,163)	(87,774)
	<u>1,771,704</u>	<u>2,536,982</u>
<b>7 LONG TERM LOAN RELATED PARTY - Fair value</b>		
Opening balance	-	341,501
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	7,223	38,144
Transfer to Short term Loan from Related Party	-	(379,645)
	<u>114,232</u>	<u>-</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 2024.

**9 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets		3,426,330	3,565,495
Capital Work in Progress- Plant and Machinery	9.1	142,813	142,813
Operating fixed assets		<u>3,569,143</u>	<u>3,708,308</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 NON-CURRENT ASSET HELD-FOR-SALE**

This represent 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.

	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>11 FINANCE COST</b>		
Exchange loss	43,680	31,440
Unwinding of discount	7,223	19,073
Bank Charges	--	1
	<u>50,903</u>	<u>50,514</u>

**11.1.** The Company has not made the provision of mark-up amounting to Rs.1.236 billion (Upto June 30, 2024: Rs. 32.918 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. 34.154 billion and accrued mark-up would have been increased and shareholders' equity would have been decreased by Rs. 34.154 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>9,794</u>	<u>--</u>
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**13 OTHER INCOME**

Rent income	(36,830)	(25,524)
Exchange gain - net	(133)	(218,190)
Markup on associate	--	13,438
	<u>(36,963)</u>	<u>(230,276)</u>

**14 Cash and Cash Equivalents**

Cash and cash equivalents include:

Cash and bank balances	21,314	19,983
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>(2,951,581)</u>	<u>(2,952,912)</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.

#### Fair value hierarchy

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**

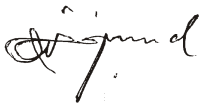
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of comprehensive 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 2025** 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

## ڈائریکٹر کا جائزہ :

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2023-2024 کے ششماہی یعنی کہ 31 دسمبر 2023 کے لیے غیر آڈٹڈ محض 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)	
(صفر)	مجموعی فروخت
142,175	فروخت اور ترسیل کے اخراجات
(142,175)	مجموعی نقصان
35,103	انتظامی اخراجات
(177,278)	انتظامی نقصان
60,697	دیگر اخراجات
(36,963)	دیگر آمدنی
23,734	مالیاتی نفع / نقصان
(201,012)	قبل از محصولات نفع یا نقصان
22,940	ٹیکس
(178,072)	بعد از محصولات نفع یا نقصان

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2023: صفر)، کمپنی کا محصولات کی کٹوتی کے بعد نقصان 178.072 ملین روپے (2023) : نفع 7.365 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

جائزے کی مدت کے دوران، چین اور امریکہ میں مصنوعات کی عالمی منڈیوں کو توقع سے زیادہ سست رفتاری کی وجہ سے دباؤ کا سامنا کرنا پڑا۔ چین میں گھریلو اخراجات میں کمی نے طلب کو متاثر کیا، جبکہ تیل کی قیمتوں میں کمی ہوئی۔ تاہم، ایم ای جی مارکیٹ نے قیمتوں میں اضافے کے ساتھ پک دکھائی۔ عالمی سطح پر کپاس کی قیمتیں گر گئیں لیکن معیار کی کمی کی وجہ سے مقامی سطح پر بڑھیں۔

کاروبار نے خالص ٹرن اور اور آپریٹنگ نتائج میں ترقی کا تجربہ کیا، جو کہ زیادہ فروخت کے حجم کی وجہ سے ہے۔ اگرچہ توانائی کی لاگت میں اضافہ ہوا، خاص ریشوں کی پیداوار اور لاگت کے موثر انتظام کے ذریعے منافع میں بہتری آئی۔

پی ایس ایف کی بڑھتی ہوئی درآمدات، خاص طور پر ایکسپورٹ ~~فیکٹری~~ اسکیموں کے تحت، مقامی مینوفیکچررز کے لیے چیلنجز کا سامنا ہے۔ آگے دیکھتے ہوئے، خام تیل کی قیمتیں دباؤ میں رہ سکتی ہیں، اور سپلائی میں رکاوٹیں متوقع ہیں۔ مزید برآں، 2025 میں چین کا منصوبہ بند اقتصادی محرک عالمی تجارتی حرکیات کو متاثر کر سکتا ہے۔

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

### آڈیٹرز کے مشاہدے :

(ا) پیرا (ا) میں رپورٹ کرتے ہیں کہ وہ گولڈنگ 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 ہوگا۔ مالیاتی رپورٹس کی گولڈنگ 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 1.236 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) آڈٹ رپورٹ یہ بھی واضح کرتی ہے۔ کہ تجارتی قرض 1.155 بلین روپے جس پر 0.944 بلین 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 متمنی ہے۔

(ہ) جائزہ رپورٹ کا پیرا (ای) بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ-16 کے مطابق مقررہ اثاثوں کی بعض حصوں کی دوبارہ قدر طے کرنے سے متعلق ہے۔ آڈٹ کے دوران دوبارہ قدر طے کرنے کا عمل جاری تھا اور رپورٹنگ کی تاریخ تک مکمل نہیں ہو سکا۔ تاہم، دوبارہ طے کی گئی قدر و قیمت کے نتائج اگلے سال میں شامل کیے جائیں گے۔

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۔

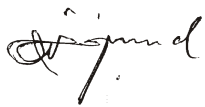
اظہار تشکر:

بورڈ کمپنی کو اپنے قابل قدر حصص یافتگان، وفاقی اور صوبائی حکومت کے کارکنوں، بینکوں اور مالیاتی اداروں اور سلسبیل 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 اللہ جل جلالہ 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، ثم آمین۔



اشتقاق احمد

چیف ایگزیکٹو آفیسر



محمد عرفان علی

چیرمین بورڈ آف ڈائریکٹر