



Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS

Partners : **FEROZE QAISER FCA**
Ali Husain FCA
Mohammad Tariq FCA, ACMA

4 / N / 4, BLOCK-6, P.E.C.H. SOCIETY
 KARACHI - 75400

FARUQ ALI & CO.

CHARTERED ACCOUNTANTS

803, 8th Floor, Land Mark Plaza,
 Muhammed Bin Qasim Road,
 Off. I.I. Chundrigar Road,
 Post Box No. 778 Karachi 742000
 E-mail: faac@cyber.net.pk

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **DEWAN SALMAN FIBRE LIMITED** as at June 30, 2006 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conduct our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2006 and of the Loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of the Ordinance.

Faruq Ali & Company
 Chartered Accountants

Feroze Sharif Tariq & Company
 Chartered Accountants

Date: October 7, 2006
 Place: Islamabad



BALANCE SHEET AS AT JUNE 30, 2006

	Notes	2006	2005 (Restated)
(Rupees in '000)			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
630,000,000 (2005: 630,000,000)		6,300,000	6,300,000
Ordinary shares of Rs. 10 each			
90,000,000 (2005: 90,000,000) Preference shares of		900,000	900,000
Rs. 10 each		7,200,000	7,200,000
Issued, subscribed and paid-up capital	3	3,663,211	3,663,211
Reserves	4	1,557,223	1,616,400
		5,220,434	5,279,611
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
	5	3,384,511	346,822
NON CURRENT LIABILITIES			
Long term loans	6	2,537,460	2,608,035
Liability against assets subject to finance Lease	7	153,100	—
Deferred liabilities	8	1,963,087	583,316
CURRENT LIABILITIES			
Trade and other payables	9	4,885,536	5,826,586
Markup accrued		204,462	148,035
Short term borrowings	10	5,048,154	4,578,854
Current portions of :			
Long Term Loan	6	777,205	741,521
Liability against assets subject to finance lease	7	34,182	—
Provision for taxation		535,845	452,231
		11,485,384	11,747,227
CONTINGENCIES AND COMMITMENTS			
	11	—	—
		24,743,976	20,565,011



	Notes	2006	2005 (Restated) (Rupees in '000)
NON CURRENT ASSETS			
Property, plant and equipment	12	13,007,054	9,113,602
Long-term investments and advances	13	252,161	87,270
Long-term deposits-leased		11,148	—
Long - term prepayments	14	38,330	42,589
(Negative) goodwill	15	(23,116)	(28,895)
CURRENT ASSETS			
Stores and Spares	16	1,119,456	943,616
Stock-in-Trade	17	6,843,976	6,893,473
Trade Debts — Considered good	18	1,938,021	1,585,252
Advances — Considered good	19	26,810	412
Short term deposits and prepayments	20	103,952	144,190
Accrued income on financial assets		—	3,806
Other Receivables — Considered good	21	814,928	1,137,432
Advance Income tax		317,086	292,732
Cash and Bank Balances	22	294,170	349,532
		11,458,399	11,350,445
		24,743,976	20,565,011

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

DEWAN ZIA-UR-REHMAN FAROO QUI
President / Chief Executive

DEWAN ASIM MUSHF IQ FAROO QUI
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30 , 2006

	2006	2005
	(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(101,207)	14,569
Adjustments for:		
Depreciation	935,500	1,004,821
Amortization of negative goodwill & prepayments	(1,521)	(1,521)
Provision for gratuity	35,693	32,923
Other income	(1,411)	(4,678)
Financial charges	650,062	592,498
	1,517,116	1,638,612
Movement in working capital	(Note – A)	(1,125,568)
Cash generated from operations	442,106	513,044
Payments for:		
Staff gratuity	(46,841)	(19,201)
Financial charges	(574,079)	(489,991)
Long term loans to employees -net	—	3,662
Tax	(24,354)	(45,684)
	(645,274)	(551,214)
Net cash generated in operating activities	(203,168)	(38,170)
Cash Flow from Investing Activities		
Payment for capital expenditure	(143,298)	(134,732)
Long term Deposit	(11,148)	—
Long term investments	(161,762)	(88,941)
Sale proceeds of fixed assets sold	61,224	1,446
Net cash used in investing activities	(254,964)	(222,227)
Cash Flow from Financing Activities		
Long term loans -net	(50,640)	26,565
Repayment of Redeemable capital	(8,808)	(879,611)
Finance against leased Assets - net of Prepayments	(7,082)	—
Short term finances	430,725	170,000
Dividends paid	—	—
Net cash outflow from financing activities	364,195	(683,046)
Net Increase/(decrease) in cash and cash equivalents	(93,937)	(943,443)
Cash and cash equivalents at 01 July	(2,949,322)	(2,005,879)
Cash and cash equivalents at 30 June	(Note – B)	(2,949,322)

DEWAN ZIA-UR-REHMAN FAROOQUI
President / Chief Executive

DEWAN ASIM MUSHF IQ FAROOQUI
Managing Director



CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2006

Notes	2006	2005
	(Rupees in '000)	
NOTE - A		
MOVEMENT IN WORKING CAPITAL		
<i>(Increase) / decrease in current assets</i>		
Stores and spares	(175,840)	(16,329)
Stock-in-trade	49,497	(653,921)
Trade Debts	(352,769)	(145,570)
Advances	(26,398)	2,525
Short term deposits and prepayments	40,238	(309,429)
Other receivables	322,504	(425,356)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(932,242)	422,512
	<u>(1,075,010)</u>	<u>(1,125,568)</u>
NOTE - B		
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents include:		
Cash and bank balances	294,170	349,532
Short term finances:		
– Short term running finances	(3,318,686)	(3,124,381)
– Book Overdraft	(18,743)	(174,473)
	<u>(3,337,429)</u>	<u>(3,298,854)</u>
	<u>(3,043,259)</u>	<u>(2,949,322)</u>

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

DEWAN ZIA-UR-REHMAN FAROO QUI
President / Chief Executive

DEWAN ASIM MUSHF IQ FAROOQUI
Managing Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2006

	Issued, subscribed and paid-up capital	Reserve for proposed issue of bonus shares	General Reserves	Unrealised (loss)/ surplus due to change in fair value of investment	Unappro- priated Profit	Total
Rupees in '000						
Balance as on July 01, 2004	3,407,638	—	350,000	—	1,612,779	5,370,417
Proposed issue of bonus shares @ 7.5%	—	255,573	—	—	(255,573)	—
Bonus shares issued during the year	255,573	(255,573)	—	—	—	—
Loss for the year	—	—	—	—	(127,671)	(127,671)
Transfer from Surplus on revaluation of property, plant and equipment – net of tax	—	—	—	—	38,536	38,536
Deficit due to change in fair value of investment	—	—	—	(1,671)	—	(1,671)
Balance as at 30 June 2005	3,663,211	—	350,000	(1,671)	1,268,071	5,279,611
(Loss) for the year	—	—	—	—	(119,525)	(119,525)
Transfer from Surplus on revaluation of fixed assets – net of tax	—	—	—	—	57,219	57,219
Surplus due to change in fair value of investment	—	—	—	3,129	—	3,129
Balance as at 30 June 2006	3,663,211	—	350,000	1,458	1,205,765	5,220,434

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

DEWAN ZIA-UR-REHMAN FAROOQUI
President / Chief Executive

DEWAN ASIM MUSHF IQ FAROOQUI
Managing Director



COMPANY INFORMATION

- BOARD OF DIRECTORS :** DEWAN ZIA-UR-REHMAN FAROOQUI
President/Chief Executive
- DEWAN ASIM MUSHFIQ FAROOQUI
Managing Director
- DEWAN GHULAM MUSTAFA KHALID
DEWAN MOHAMMAD YOUSUF FAROOQUI
DEWAN ABDUL REHMAN FAROOQUI
DEWAN MOHAMMAD AYUB KHALID
DEWAN ABDULLAH AHMED
- AUDIT COMMITTEE :** DEWAN GHULAM MUSTAFA KHALID - Chairman
DEWAN MOHAMMAD YOUSUF FAROOQUI - Member
DEWAN ABDUL REHMAN FAROOQUI - Member
- AUDITORS :** FARUQ ALI & CO.
CHARTERED ACCOUNTANTS
- FEROZE SHARIF TARIQ & CO.
CHARTERED ACCOUNTANTS
- CHIEF FINANCIAL OFFICER :** MAZHAR JAWAID KHAN
- COMPANY SECRETARY :** MANSOOR AHMAD SIDDIQUI
- LEGAL ADVISORS :** KHALID ANWER & COMPANY - ADVOCATES
- TAX ADVISORS :** SHARIF & COMPANY - ADVOCATES
- FACTORY OFFICE :** PLOT NO. 1, DEWAN FAROOQUE INDUSTRIAL PARK,
HATTAR, DISTRICT HARIPUR (N.W.F.P.)
- HEAD OFFICE :** DEWAN CENTRE, 3-A LALAZAR,
BEACH HOTEL ROAD, KARACHI-74000.
- REGISTERED OFFICE :** DEWAN CENTRE, 46-NAZIMUDDIN ROAD, F-7/4, ISLAMABAD.
- BANKERS :** ABN AMRO BANK
AL BARAKA ISLAMIC INVESTMENT BANK LIMITED
ALLIED BANK LIMITED
ASKARI COMMERCIAL BANK LIMITED
ATLAS BANK LIMITED
BANK ALFALAH LIMITED
BANK OF KHYBER LIMITED
BANK OF PUNJAB LIMITED
CITIBANK N.A.
FAYSAL BANK LIMITED
HABIB BANK LIMITED
HABIB BANK AG ZURICH
HONG KONG & SHANGHAI BANKING CORPORATION
KASB BANK LIMITED
MEEZAN BANK LIMITED
MYBANK LIMITED
MCB BANK LIMITED
NATIONAL BANK OF PAKISTAN LIMITED
NIB BANK LIMITED
ORIX INVESTMENT BANK LIMITED
PICIC COMMERCIAL BANK LIMITED
STANDARD CHARTERED BANK LIMITED
SAUDI PAK COMMERCIAL BANK LIMITED
SONERI BANK LIMITED
UNION BANK LIMITED
UNITED BANK LIMITED



DIRECTORS' REPORT

Your Directors take pleasure in presenting you the Seventeenth Annual Report of the Company together with the Audited Accounts for the year ending on June 30, 2006.

OPERATING AND FINANCIAL RESULTS

Alhamdulillah, under the extreme adverse business conditions and several unfavorable factors, your company recorded the net turnover of Rs. 16,722.724 million during the year under review as compared to Rs. 17,343.480 million during the previous year showing a decrease of 3.58%. This includes net turnover of Rs. 2,644.993 million from the Acrylic business. Decrease in sales revenue is due to negative growth in demand of Polyester Staple Fibre in the country.

Gross profit has been decreased to Rs. 1,030.624 million from Rs. 1,092.094 million. Decrease in gross profit is due to under utilization of the capacity and higher raw material and fuel oil prices. The operating profit is Rs. 609.422 million as compared to Rs. 603.156 million last year. Higher financial cost and accidental fire loss caused a net loss of Rs. 101.207 million before tax.

We humbly and gratefully bow our heads before **Almighty Allah**, the most Gracious and Merciful, for enabling us in combating the most challenging time and pray for his blessing for early revival of Synthetic Fibre Sector.

لَٰكِن شَكَرْتُمْ لَّآ زِيدَنَّكُمْ — (القرآن)
اگر شکر کرو تم ابھیہ زیادہ دوں گا میں تم کو۔

**IF YE GIVE THANKS, I WILL GIVE YOU
MORE (AL-QURAN)**

The key financial information for the year under review is as follows:

	2006	2005
	(Rupees in millions)	
Net Sales	16,723	17,343
Depreciation	936	1,005
Cost of Sales	15,692	16,251
Gross profit	1,031	1,092
Operating Profit	609	603
(Loss) after taxation	(120)	(128)

2006 2005
(Rupees in millions
(Rupees)

(Loss) per share

Basic	(0.33)	(0.35)
Diluted	(0.29)	(0.31)

DIVIDEND

In view of loss after taxation due to adverse business conditions for the year under review, no dividend has been recommended by the Board of Directors.

INDUSTRY OVERVIEW:

The year under review was a challenging year for the polyester industry as it had to deal with rising crude oils prices and continuous hike in the raw material prices of both Polyester & Acrylic Fibre. The price of PTA has jumped from US\$810.00/MT (July 2005) to US\$ 890.00/MT (June 2006), the price of MEG increased from US\$ 800.00/MT (July 2005) to US\$ 826.00/MT (June 2006). Similarly, the price of ACN also increased from US\$ 1,240.00/MT (July 2005) to US\$ 1,590.00/MT (June 2006). The PSF capacity expansion in China along with the abundant availability of cotton at cheaper prices due to record breaking production of cotton crop during the last two years restricted the ability of polyester manufacturers to pass on the full impact of increase of raw material prices to the downstream industry.

On the regulatory front, in the Federal Budget of 2005-06, the Government of Pakistan reduced the PSF duty from 20% to 6.5% as well as provided refund of 15% tariff on PTA to the PSF manufacturers and allowed duty free import of MEG. Consequently, the net effective protection available to PSF manufacturers reduced from 8.5% to 6.5% which negatively impacted the industry profitability. Additionally, the duty draw back available to exporters of polyester blended textiles was withdrawn and import of PSF under the Duty and Tax Remission for Export (DTRE) scheme was allowed and as a result textile exporters started import of PSF under the scheme.

This situation was further compounded when South East Asian manufacturers from Korea, Thailand and Indonesia started dumping polyester on a marginal cost basis to maintain their operations. This situation has given rise to an uneven playing field with imports being favoured against



local supply resulting into import of 52,360 MTs during the year as compared to 11,000 MTs during previous year. The volume of 52,360 MTs represents 8% of the total installed capacity of the PSF industry and 11% of the capacity achieved during the year. The local PSF manufacturers have made representations to the Government for urgent redressal of this anomaly. The government finally excluded import of Polyester Staple Fibre under DTRE scheme during June, 2006 which provided some sigh of relief to the industry.

Furthermore, in order to combat the menace of dumping, PSF manufacturers filed an application with National Tariff Commission (NTC) for levy of anti-dumping duties on import of PSF from Korea, Thailand and Indonesia. The NTC has accepted the application after extensive examination and have now started formal investigation.

The price of furnace oil has jumped from Rs. 19,705/MT to about Rs. 26,975/MT, diesel oil prices increased from Rs. 29.96/Liter to Rs. 37.35/Liter and natural gas prices increased from Rs. 209.00 per Mm BTU to Rs. 241.00 per Mm BTU during this period which has also pushed the cost and added misery to the industry. This increase in fuel prices has not only impacted on energy cost but has also pushed the freight and transportation expenses on both inward and outward haulage.

FUTURE OUTLOOKS:

The prices of feedstock of Polyester Fibre as well as Acrylic Fibre are still maintaining its upward surge. PTA, MEG and ACN prices have touched the levels of US\$ 1,210.00/MT, US\$ 940.50/MT and US\$ 1,700/MT respectively for the month of September, 2006. However, some corrections are expected in PTA prices. Unlike expectations the gap between cotton and PSF pricing is again moving in favour of cotton, which will affect both blends preferences and end product economies. Conversely, National Tariff Commission (NTC) has initiated investigation into the antidumping applications filed by the PSF manufacturers, which if found credible could bring some relief to the industry.

Asset Modernization and improvement Project (AIMP).

As stated in the last report, in order to reduce extremely high burden of soaring diesel cost as fuel for power the board decided to modernize it Power House. The company procured 9 Gas Generators with the total capacity of 10 MW with total projected cost of about Rs. 350.00 million.

Four out of these nine generators are portable one and are commissioned initially at unit-4 of the company and are put on trial operation during May 2006 whereas other five units are fixed one and are being commissioned at unit-4.

Subsequent to the Balance Sheet date all fixed units are put on operation at unit 4 whereas the portable units are under transfer from unit- 4 to unit 1. Successful completion of this project has reduced monthly fuel bill by a substantial amount.

OIL & GAS BUSINESS

Dewan Salman Fiber Limited (DSFL) holds 49% share holding of Rally Energy Pakistan (REPL) who is the Licensee and Concession holder in Safed Koh Exploration Licence. REPL has 40% working interest in the exploration block. By holding a direct equity in REPL, DSFL indirectly holds approximately 19.6% working interest in the Safed Koh Licence.

Dewan Petroleum (Pvt.) limited (DPL), an associated company of DSFL, also holds 20% working interest in Safed Koh Block and is the Operator of the block. Safed Koh joint venture has made a gas discovery in Salsabil (formerly Rodho) geological structure by drilling two wells Dewan Well #1 & Dewan well #2.

Safed Koh joint venture declared Commerciality and was able to secure Government's approval for its Development Plan and was granted Development & Production Lease (D&PL) for 20 years.

REPL has transferred its entire 40% working interest into DPL. By virtue of the company's ownership of 49% of 40% indirect working interest in Safed Koh Block through REPL, the company is in process to acquire 12 million ordinary share of Rs. 10/- each of the DPL equivalent to 33.33% shareholding. In this connection the share holders have passed a special resolution under section 208 of the Companies Ordinance, 1984 in Extra General Body meeting held on August 30, 2006.

In order to benefits from commercial discovery of natural gas within the shortest possible time, development activities are in full swing. An integrated petroleum processing plant inclusive of dehydration, separation, amine sweetening, compression and LPG extraction is envisaged. A contract for field development has been awarded to US based contractor and fabrication work is in advance stage. It has been planned to produce around 20-25 million cubic feet per day (mmcf/d) gas by the end of the



calendar year 2006. This production is planned to be increased to 50-60 mmcf by November 2007. The Joint Venture has negotiated a Gas Sale and Purchase Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL). The terms and conditions have been agreed upon and initialed between the parties. The Gas Pricing Agreement is pending with Director General (Gas), Ministry of Petroleum & Natural Resources after which GSA shall be executed.

The current proven gas reserves of Salsabil stands at 222 BCF certified by an independent third party of international repute. The joint venture plans further exploration work in the block which hold substantial hydrocarbon potential by virtue of two other larger geological structures similar to Rodho. Apart from above there are significant chances of tapping hydrocarbons in deeper and shallower geological horizons other than the discovered horizon i.e. Lower Guru. Further geological & geophysical studies are under way to substantiate this.

In order to finance the project, DPL has entered in a financing arrangement with International Finance Corporation (IFC) - a member of World Bank- whereby DPL will get US\$ 40 million loan to finance its commitment in the development of Salsabil (Rodho) Gas Field and further exploration activities within the Safed Koh Block. IFC has also committed itself to invest US\$ 12 million as equity in DPL. IFC package is for consolidated 60% working interest of DPL.

DPL aspires to become a leading E&P company in Pakistan. Towards this objective, DPL has made extensive studies for acquiring new blocks for future exploration. Consequently DPL has applied for new acreage and is participating regularly in the bidding for new concessions being offered by GOP and recently DPL has won the bid for 5 exploration blocks. Yazman (1), Khangarh (2), Rukanpur (3) & Noor South (4) are located in the Bahawalpur & Bahwalnager district of Punjab province. Kalchas South (5) is located in Balochistan & Punjab province north of Sui, east of Pirkoh and Loti Gas fields.

INCIDENT OF FIRE

As reported in the last year annual report a fire incident took place on October 23, 2005. This fire incident was caused by electrical short circuit in a transformer and pole of WAPDA. The hectic efforts of company's employees, fire brigade teams of Haripur, Havelian, Taxila, Wah Cantt. and Islamabad and above all Almighty Allah's blessings, the fire was brought under control within 4/5 hours and the main

factory buildings and other huge assets of the company were safe. Moreover, *Alhamdulillah* there was no major human injury. The experts of your company and surveyors of the insurance companies assessed the loss as under: -

Plant & Machinery	Rs. 50.000 Millions
Building	Rs. 8.600 Millions
Raw and Packing materials	Rs. 5.657 Millions
Finished Stocks	<u>Rs.311.830</u> Millions
Total loss assessed.	Rs.376.087 Millions
Compensated by Insurance companies.	<u>Rs.308.600</u> Millions
Net loss	<u>Rs. 67.487</u> Millions

EARTHQUAKE IN PAKISTAN

On the morning of October 08, 2005, there was a massive earthquake in the Northern Areas of Pakistan. The magnitude of earthquake was 7.8 at Richter scale. The epicenter as informed by the Media was near Balakot. This was the most tragic and devastating earthquake that ever took place in Pakistan, which caused huge devastation and colossal loss of life rendering about 3.5 million people homeless in the Northern Areas of Pakistan and Azad Kashmir. All the plants of your company situated at Haripur District are in close proximity of just 50/60 KM aerial distance from epicenter. *Alhamdulillah* with the blessing of Almighty Allah, the entire properties of the company remained safe and sound.

In these difficult times faced by the country, your company realized its social and national responsibilities and provided early response within 3 days of the earthquake. Your company was the first one to establish 3 relief camps in the distant areas. The camps operated for eight months providing refuge to 12,000 people catering their medical needs, counseling, providing shelter and education. In order to facilitate Ayub Medical College & Hospital, the largest medical institution of the area, to provide maximum health facilities your company, equipped with the required expertise in maintenance of Electrical, Electronic and Mechanical equipments, made their following damaged equipments operational;

➤ Power Generator	1 No.
➤ Boilers	2 Nos.
➤ Operation theatre tables	80 Nos
➤ Special moveable surgical beds	40 Nos.
➤ Hydraulic Jack for Operation theatre	10 Nos.
➤ Patient beds	900 Nos.



➤ Wheel chairs	70 Nos.
➤ Portable trolleys	40Nos.
➤ Stretchers	25 Nos.

In addition to the above company also provided 05 Heat Exchangers and various Bio Medical equipments to AMC as per their requirements.

The company managed generous spending of more than Rs.64.524 millions from its own resources and from the contributions made by group companies, other institutions, directors, friends and associates as under;

➤ Dewan Salman Fibre Ltd.	Rs. 14.144 millions,
➤ Dewan Zia-ur-Rehman Farooqui	Rs. 10.000 millions.
➤ International Finance Corporation	Rs. 17.914 millions,
➤ Dewan Group companies, friends and associates	Rs. 22.466 millions.

In addition to the above direct spending company managed contribution of tents, Blankets, Mattresses, Water containers, Plastic Sheets, clothing, medicines, food items and various other relief goods and services donated in kind to the tune of Rs.130.00 million by various international Institutions and NGOs like UNHCR, UNICEF, UNDP, US AID, Save the Child (UN Organization), OXFAM of England, Medicine San Frontiers (MSF), Turkish Red Crescent, Tuzachi Foundation of Taiwan, Red Cross of Switzerland, Midland International of England, ITA-Pakistan, Mutayyab-ul-Islam-Pakistan, Mr. Muhammad Jawaid Iqbal of Allied Bank, M/s. Mitsubishi Corporation, Japan, Emity International of Kuwait and many others.

It is worth mentioning that volunteers from United Kingdom, United States of America, Canada, Australia, Belgium, China, Hong Kong, Taiwan, Indonesia, Cuba, Turkey and Spain provided their tireless relief services under the umbrella of Dewan's Camp. Dewan's camp also arranged marriages of 52 couples and provided reasonable 'dowries' as well.

CODE OF CORPORATE GOVERNANCE:

The directors of your company are aware of their responsibilities under the Code of Corporate Governance, incorporated in the Listing Regulations of the Stock Exchanges in the country under instructions from Security & Exchange Commission of Pakistan. We are taking all necessary steps to ensure Good Corporate Governance in your company as required by the code.

As a Part of the compliance of the code, we confirm the following:

- The financial statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper book of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied.
- International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and is being effectively implemented and monitored.
- The company has a very sound balance sheet with excellent debt equity ratio and therefore there is no doubt at all about company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations.
- Significant deviations from last year's operating results have been disclosed in Director's report.
- Information regarding outstanding taxes and levies is given in notes to the financial statements.
- We have an Audit Committee from amongst the members of the Board of Directors.
- We have prepared and circulated a Statement of Ethics and Business Strategy among directors and employees.
- The Board of Directors has adopted a Mission Statement and a Statement of Overall Corporate Strategy.
- As required by the Code of Corporate Governance, we have included the following information in this report:
 - ✓ Statement of the Board meetings held during the year and attendance by each director.
 - ✓ Key operating and financial statistics for the six years.

PATTERN OF SHARE HOLDING:

The pattern of shareholdings of the company is attached to this report.



VOTE OF THANKS

The Board places on record its gratitude to its valued shareholders, Federal and Provincial Government functionaries, banks, financial institutions and customers of Salsabil, whose cooperation, continued support and patronage have enabled the company to achieve the desired results.

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. It recognizes that they are most valuable assets of the Company.

AUDITORS

The Auditors of the Company, M/s Faruq Ali & Company,

Chartered Accountants and M/s Feroze Sharif Tariq & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment under the terms of the code of corporate governance, they have been recommended by the audit committee for re-appointment as auditors until the conclusion of the next annual general meeting.

CONCLUSION

In conclusion, we bow, beg and pray to **Almighty Allah, Rahman-e-Rahim**, in the name of our beloved prophet, **Muhammad, may peace be upon him**, for continued showering of His Blessings, Guidance, Strength, Health and Prosperity on our Nation, Country, Our Company and Us all and also pray to **Almighty Allah** to bestow peace, harmony, brotherhood and unity in true Islamic spirit to the whole of Muslim Ummah, Ameen, Summa-Ameen.

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

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

For and on behalf of the Board of Directors

DEWAN ZIA-UR-REHMAN FAROOQUI
President / Chief Executive

Islamabad : October 7, 2006



FINANCIAL HIGHLIGHTS

Rs. in million

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Turnover	7,317	6,052	5,638	6,724	17,972	17,967	18,661	21,122	19,470	16,732
Less: Govt. Levy & Commission	465	715	731	918	2,406	2,992	2,942	3,048	2,127	10
Sales (Net)	6,852	5,337	4,907	5,806	15,566	14,975	15,719	18,074	17,343	16,722
Gross Profit	824	639	636	1,061	2,183	2,156	1,438	1,674	1,092	1,030
Profit (Loss) before Tax	350	215	207	549	795	468	87	399	15	(101)
Profit (Loss) after Tax	350	215	296	514	631	317	28	327	(128)	(120)
Gross Assets Employed	7,146	7,728	9,785	18,235	18,361	17,967	18,397	19,670	20,565	24,743
Return on Equity	13.06%	7.71%	9.99%	10.70%	11.61%	5.51%	0.49%	5.49%	(2.27%)	(1.4%)
Current Assets	2,891	3,143	3,089	6,265	6,901	7,096	7,596	9,670	11,350	11,458
Shareholders Equity	2,573	2,788	2,963	4,803	5,434	5,751	5,659	5,963	5,626	8,605
Long Term Debts & Deferred Liabilities	2,354	2,209	4,259	5,307	5,781	5,037	4,472	3,604	3,191	4,654
Current Liabilities	2,219	2,697	2,563	8,124	7,145	7,179	8,266	10,103	11,747	11,485
Gross Profit Ratio	12.03%	11.97%	12.96%	18.27%	14.02%	14.40%	9.15%	9.26%	6.30%	6.20%
Net Profit Ratio	5.11%	4.03%	6.03%	8.85%	4.05%	2.12%	0.18%	1.81%	(0.74%)	(0.72%)
Debt/Equity Ratio	0.91	0.79	1.44	1.10	1.06	0.88	0.79	0.60	0.56	0.541
Current Ratio	1.30	1.17	1.21	0.77	0.97	0.99	0.92	0.96	0.97	0.998
Earning per Share	2.89	1.54	1.84	1.82	1.85	0.93	0.08	0.96	(0.35)	(0.33)
Dividend (percentage)										
-Cash	7.50%	—	7.50%	—	—	—	—	—	—	—
-Stock	15.00%	15.00%	12.50%	50.00%	12.50%	—	—	7.5%	—	—
Production Volume (Tons)	98,542	102,506	101,804	193,743	241,732	259,423	235,805	279,291	197,677	186,615



THE MISSION STATEMENT

- **“THE MISSION OF DEWAN SALMAN FIBRE LIMITED IS TO BE THE LEADER IN SYNTHETIC FIBRE MANUFACTURING IN PAKISTAN AND BECOME A GLOBAL PLAYER IN THE FIELD.**
- **TO ASSUME LEADERSHIP ROLE IN THE TECHNOLOGICAL ADVANCEMENT OF THE INDUSTRY AND TO ACHIEVE THE HIGHEST LEVEL OF QUALITATIVE AND QUANTITATIVE INDIGENIZATION.**
- **TO BE THE FINEST ORGANIZATION IN ITS INDUSTRY, AND TO CONDUCT ITS BUSINESS RESPONSIBLY AND IN A STRAIGHT FORWARD MANNER.**
- **TO SEEK LONG-TERM AND GOOD RELATIONS WITH OUR SUPPLIERS AND CUSTOMERS WITH FAIR, HONEST, AND MUTUALLY PROFITABLE DEALINGS.**
- **TO ACHIEVE THE BASIC AIM OF BENEFITING OUR CUSTOMERS, EMPLOYEES, SHAREHOLDERS, OTHER STAKE HOLDERS AND TO FULLFIL ITS COMMITMENTS TO OUR SOCIETY.**
- **TO CREATE A WORK ENVIRONMENT HIGHLIGHTING TEAM WORK, WHICH MOTIVATES, RECOGNIZES AND REWARDS ACHIEVEMENTS AT ALL LEVELS OF THE ORGANIZATION, BECAUSE “IN ALLAH WE TRUST AND BELIEVE” AND HUMAN RESOURCE IS OUR CAPITAL AND ASSET.**
- **TO BE HONEST AND BE ABLE TO RESPOND EFFECTIVELY TO CHANGES IN ALL ASPECTS OF LIFE INCLUDING TECHNOLOGY, CULTURE PROACTIVE AND ENVIRONMENT.**
- **TO BE A CONTRIBUTING CORPORATE CITIZEN FOR THE BETTERMENT OF SOCIETY AND TO EXHIBIT A SOCIALLY RESPONSIBLE BEHAVIOR.**
- **TO CONDUCT BUSINESS WITH INTEGRITY AND STRIVE TO BE THE BEST”.**



NOTICE OF 17th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the SEVENTEENTH Annual General Meeting of DEWAN SALMAN FIBRE LIMITED will Insha' Allah be held at the Registered Office of the Company, 46-Nazimuddin Road, F-7/4, Islamabad on Monday October 30, 2006 at 04.30 p.m. to transact the following business:

1. Recitation from the Holy Quran.
2. To confirm the minutes of Extra Ordinary General Meeting held on August 30, 2006.
3. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2006 together with the Directors' and Auditors' Reports thereon.
4. To appoint auditors for the year ending June 30, 2007 and fix their remuneration. The present auditors Messrs Feroze Sharif Tariq & Company, Chartered Accountants and Messrs Faruq ali & Company, Chartered Accountants, retire and being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the Chairman.

By Order of the Board

(Mansoor Ahmad Siddiqui)

Company Secretary

Date: October 7, 2006
Place: Islamabad

NOTES:

1. A member of the Company entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her, proxies, in order to be affective, must be received by the Company not less than 48 hours before the meeting. CDC Account holders will further have the following guidelines as laid down by the Securities & Exchange Commission of Pakistan.
 - a) **For Attending Meeting:**
 - i) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the meeting.
 - ii) In case of Corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the meeting.
 - B) **For Appointing Proxies:**
 - i) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - ii) Two persons whose names, addresses and NIC numbers shall be mentioned on the form shall witness the proxy.
 - iii) Attested copies of NIC or passport of the beneficial owners and proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his/her original NIC or original passport at the time of the meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) along with the proxy form to the Company.
2. Members are requested to immediately notify the change in their addresses, if any.
3. The Share Transfer Books of the Company will remain closed from **October 30, 2006 to November 5, 2006** (both days inclusive).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2006

1 THE COMPANY AND ITS OPERATION

The Company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in manufacture and sale of polyester, acrylic fibre and tow products.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Accounting Convention*

These financial statements have been prepared under the historical cost convention except revalued assets which are stated at revalued amounts and certain exchange elements referred to in note 2.13 have been incorporated in the cost of relevant assets.

2.2 *Statement of Compliance*

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirement of such directives take precedence.

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- i) Staff retirement benefits
- ii) Income taxes
- iii) Revaluation of property, plant and equipment
- iv) Estimation of residual values and useful lives of property, plant and equipment.

2.3 *Staff retirement benefits*

The Company operates unfunded gratuity scheme covering all employees eligible to the benefit. Provisions are based on actuarial recommendations. Actuarial valuations are carried out using the projected unit credit method as required by International Accounting Standard 19 "Employee Benefits". The unrecognized actuarial gains or losses at each valuation date are amortized over the average remaining working lives of the employees in excess of 10% of the present value of the defined benefit obligation.



The transitional liability arising out of change in accounting policy is recognized over a period of five years on straight line basis.

2.4 *Taxation*

Current

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available, if any.

Deferred

Deferred tax is recognized on all major timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

2.5 *Trade and other payables*

Short term liabilities for trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and services.

2.6 *Property, plant and equipment and depreciation*

Owned:

Operating assets except freehold and leasehold land are stated at cost or revalued/ adjusted amounts less accumulated depreciation. Freehold and leasehold land are stated at cost and capital work-in-progress is stated at cost. Cost of certain property, plant and equipment and capital work in progress comprises of historical cost, exchange differences referred to in note 2.13, cost of exchange risk cover in respect of foreign currency loans obtained for acquisition of property, plant and equipment upto the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken for specific projects.

Depreciation on additions is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis.

An amount equal to the incremental depreciation charged on revalued property, plant and equipment is transferred from surplus on revaluation of property, plant and equipment to retained earnings.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and Losses on disposal of Assets are taken to Profit and Loss Account.

Leased:

Assets subject to finance lease are initially recorded at lower of the present value of minimum lease payments under the lease agreements and the fair value of leased assets. The related obligation under the finance lease less financial charges allocated to future periods are shown as liability.

Depreciation charge is based on the reducing balance method at the rates specified in Note 12. Depreciation on additions is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and Losses on disposal of Assets are taken to Profit and Loss Account.



2.7 *Borrowing costs*

Borrowings costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

2.8 *Investments*

Available for sale:

Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair values (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. In case the investments in foreign currencies, fair values dominated in foreign currencies are reported using the exchange rates that existed when the values were determined. Gains and losses on remeasurement to fair value are recognized directly in equity through the statement of changes in equity.

2.9 *Negative Goodwill*

The amount of negative goodwill representing excess of fair value of net assets acquired over acquisition cost is recognized as income over the remaining weighted average useful life of the plant and machinery, transferred from DFL with effect from 01 July 2001

2.10 *Stores and Spares*

These are valued at average cost except for those in transit, which are valued at cost.

2.11 *Stock-in-trade*

Raw and packing materials except for those in transit are valued at lower of average cost and net realizable value.

Work-in-process is valued at material cost only. Conversion costs are not included as these are not significant.

Finished goods are valued at lower of cost, which includes prime cost and appropriate portion of production overheads, and net realizable value

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale

2.12 *Trade Debts*

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, if any. An estimate for doubtful debt is made when collection of full amount is no longer probable. Bad debts are written off as incurred.

2.13 *Foreign currency Transaction*

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of

transaction.

Assets and liabilities in foreign currencies are translated into Rupees at exchange rates approximating those prevailing at the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in which case the rates contracted for are used.

In respect of foreign currency loans obtained for acquisition of property, plant and equipment, exchange differences on principal amount are included in the cost of relevant assets over the period of these loans.

All other exchange differences are taken to profit and loss account.

2.14 Transactions with related parties

All transactions with related parties are priced on an arm's length basis using Comparable Uncontrolled Price Method.

2.15 Revenue recognition

Sales are recorded on dispatch of goods to customers. Profit/mark-up on deposits and investments are accounted for when it becomes receivable.

2.16 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

2.17 Cash and Cash Equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances, net of short term running finances.

2.18 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

Financial instruments carried on the balance sheet include investments, receivables, cash and bank balances, creditors, borrowings and other payables. The particular recognition method adopted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously

2.19 Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

**3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2006	2005		2006 (Rupees in '000)	2005 (Rupees in '000)
65,000,000	65,000,000	ordinary shares of Rs. 10 each fully paid in cash	650,000	650,000
267,849,938	267,849,938	ordinary shares of Rs. 10 each issued as bonus shares	2,678,499	2,678,499
1,215,345	1,215,345	ordinary shares of Rs. 10 each issued against conversion of convertible bonds	12,154	12,154
32,255,800	32,255,800	ordinary shares of Rs. 10 each issued in exchange for 96,767,400 shares of Rs 10 each of Dhan Fibres Limited.	322,558	322,558
366,321,083	366,321,083		3,663,211	3,663,211

3.1 Rs. 157,922,949 (2005: Rs. 156,433,140) shares were held by associated companies.

4. RESERVES**Revenue reserves:**

General Reserves	350,000	350,000
Unrealized (loss) due to change in fair value of investment	1,458	(1,671)
Unappropriated profit	1,205,765	1,268,071
	1,557,223	1,616,400

5. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance	346,822	385,358
Add: Revaluation carried out during the year	4,551,123	--
	4,897,945	385,358
Less: Related deferred tax liability	1,456,215	--
	3,441,730	385,358
Less : Transferred to un-appropriated profit in respect of incremental depreciation for the year - net of tax	57,219	38,536
Balance as on 30 June	3,384,511	346,822

The following fixed assets of the Company were revalued on June 30, 2006. The revaluation was carried out by independent valuer M/s Iqbal A Nanjee & Co. Valuation Consultants and Surveyors. The surplus arising from revaluation is Rs.5,555.133 million.

Particulars	W.D.V. of assets before revaluation	Revalued amount	Revaluation Surplus
(Rupees in thousands)			
PSF Units			
Freehold Land	41,673	66,450	24,777
Leasehold Land	2,269	368,000	365,731
Factory Building	850,816	916,388	65,572
Non-Factory Building	157,749	497,204	339,455
Plant and Machinery	3,775,021	7,863,807	4,088,786
Acrylic Unit			
Factory Building	192,700	361,260	168,560
Non-Factory Building	2,028	3,803	1,775
Plant and Machinery	1,907,733	2,408,210	500,477
	6,929,989	12,485,122	5,555,133

The closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders

6 LONG TERM LOANS - Secured

					2006	2005
					(Rupees in '000)	
From Financial institutions - Secured						
Long term finances utilized under mark-up arrangements						
Financier	Installments	Repayment	Mark-up rate	Notes		
Pak Kuwait Investment Company (Pvt.) Limited	Half Yearly	2001-2007	3% over 6month T-bill rate	6.1	38,182	63,636
Syndicate of banks	Half Yearly	2003-2008	3.75% over 6 months T-bill rate	6.2	833,333	1,250,000
International Finance Corporation (IFC) FCY-LOAN	Half Yearly	2005-2011	6.9 % p.a.	6.3	1,508,750	1,796,400
International Finance Corporation (IFC) FCY-LOAN	Annual	2010	5% p.a.	6.4	241,400	239,520
Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd.	Quarterly	2009	3% p.a. months KIBOR	6.5	100,000	—
National Bank of Pakistan	Quarterly	2011	2% over 3 months KIBOR		500,000	—
From Related parties						
Director - unsecured, interest free					93,000	--
					3,314,665	3,349,556
Less: Current portion -shown under current liabilities					777,205	741,521
					2,537,460	2,608,035



- 6.1 This loan is obtained to finance the Acrylic Fibre & Tow Project of the company and are secured by way of first pari passu charge on all the present and future movable and immovable assets of the company excluding stocks and book debts.
- 6.2 These represents term loans obtained from syndicate of commercial banks and are secured by way of first pari passu hypothecation charge on all the present and future property, plant and equipment of the company.
- 6.3 This represents US Dollars 30 million term loan obtained from IFC to finance the setting up specialty fibre project and repayment of high cost loans. This is secured by way of hypothecation charge on all the present and future property, plant and equipment of the company
- 6.4 This represents the financing of US Dollars 4 million obtained under the "Convertible C Loan Agreement" dated June 16, 2003 from IFC to finance the setting up specialty fibre project and repayment of high cost loans. This is secured by way of first ranking security interests in all assets and rights subject to the security documents.

A commitment fee shall be paid to IFC @ 0.5 % per annum beginning on the date of this agreement until the date of disbursement on the basis of a 360-days year and the actual number of days in the relevant period.

This loan shall repay the entire outstanding amount of the C Loan on the fourteenth Interest payment date @ 5% per annum from the date of execution of this agreement i.e., February 24, 2004 unless prior to the fourteenth interest payment date, subject to any prior conversion of all or part of the C Loan pursuant to the conversion option. "The conversion option may be exercised by IFC one or several times, each time by delivering a notice of conversion. IFC shall subscribe for the conversion shares at the conversion price and shall pay by setting off with the C Loan. The conversion period commencing on the second anniversary of the date of this agreement and ending on the date when all amounts of whatsoever nature, outstanding has been paid to the entire satisfaction of IFC

According to agreement the basic conversion price is Rs. 20/- per share. The conversion price per share obtained by applying the formula " to multiply the basic conversion price with initial number of share divided by number of issued, subscribed, paid up shares as of the settlement date." and the conversion shares calculated by applying the formula "the part of the C Loan to be converted into US / Pak Rs official rate as of the settlement date divided by conversion price per share"

There is further extension of convertible C Loan agreement with the acceptance of US 1 million dated May 14, 2004 with all the terms and conditions of the said agreement remains unchanged.

- 6.5 This represents loan for the purpose of working capital requirements and is secured by way of first pari passu hypothecation charge over fixed assets with 25% margin
- 6.6 This represents term finance facility for the purpose of restructuring of the balance sheet of the company and is secured by way of ranking charge over fixed assets with 25% margin and first pari passu hypothecation charge over all future stocks and receivables..



7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE.

	2006		2005	
	Minimum Lease Payments	Present Value of minimum lease payments	Minimum Lease Payments	Present Value of minimum lease payments
	(Rupees in '000)			
Less than one year	55,881	34,182	--	--
One to five years	191,515	153,100	--	--
Total minimum lease payments	247,396	187,282	--	--
Less: Financial charges allocated to the future period	60,114	--	--	--
Present value of minimum lease payments	187,282	187,282	--	--
Less: Transferred to current maturity	34,182	34,182	--	--
	153,100	153,100	--	--

The Company entered into lease agreements with various leasing companies to acquire gas generators to reduce the power costs. The rentals under these lease agreements are payable quarterly up to the period ending June 2011. Mark up rate ranging from 12.95% to 14.21% per annum have been used as discounting factors. The cost of operating and maintaining the leased assets will be borne by the company. The Company intends to exercise its option to purchase the leased assets at its aggregate residual value of Rs.11.148 millions upon the completion of the respective lease periods.

		2006	2005
		(Rupees in '000)	
Deferred liability for staff gratuity	8.1	130,508	141,656
Deferred taxation	8.2	1,832,579	441,660
		1,963,087	583,316
8.1 Provision for Staff Gratuity Movement in Balance			
Opening Balance		141,656	127,934
Less: payments during the year		46,841	19,201
		94,815	108,733
Add: provision for the year		35,693	32,923
		130,508	141,656
Balance Sheet Reconciliation			
Present value of defined benefit obligations		131,595	143,787
Less: Unrecognised Transitional Liability		(1,044)	(2,088)
Less: Unrecognised Actuarial Loss		(43)	(43)
		130,508	141,656



	2006	2005
	(Rupees in '000)	
Charge for the year		
Service Cost	21,708	21,321
Interest Cost	12,941	10,558
Recognition of Transitional Liability	1,044	1,044
	35,693	32,923
Allocation of charge for the year		
Cost of sales	28,554	26,338
Distribution cost	1,784	1,646
Administrative expenses	5,355	4,939
	35,693	32,923
Principal Actuarial Assumption		
Expected Rate of increase in salaries	8% p.a.	8% p.a.
Discount Factor used	9% p.a.	9% p.a.
Average expected remaining working life times of employees	13 years	13 years
8.2 Deferred Taxation		
Credit/ (debit) balances arising in respect of:		
- Accelerated tax depreciation allowance	448,643	461,910
- Revaluation net of related depreciation	1,612,155	186,750
- Debits arising in respect of certain provisions/ liabilities	(42,512)	(42,662)
- Debits arising due to losses and available tax credits	(185,707)	(164,338)
	1,832,579	441,660
9 TRADE AND OTHER PAYABLES		
Trade Creditors	4,771,935	5,743,751
Accrued expenses	93,405	54,754
Workers Profit Participation Fund.	9.1 --	767
Unclaimed TFCs redemption warrants	18,304	27,112
Others	1,892	202
	4,885,536	5,826,586
9.1 Workers' Profit Participation Fund		
Opening Balance	767	20,983
Less: payments during the year	(767)	(20,983)
	--	--
Add: provision for the year	--	767
	--	767



2006 2005

(Rupees in '000)

10 SHORT TERM BORROWINGS

From banks and financial institutions - secured

Demand Finance	250,000	250,000
Morahaba Finance	355,475	300,000
Short Term Loans	1,105,250	730,000
Short Term Running Finance - secured	3,318,686	3,124,381
Temporary book overdraft - unsecured	18,743	174,473
	5,048,154	4,578,854

These facilities for various loans and finances under mark-up arrangements available from various banks amount to Rs. 5,252 million (2005: Rs. 4,252 million) and carry mark up ranging from 10% to 12.50% per annum. (2005: 7.5% to 12.5%). These facilities are secured by hypothecation of the Company's stock-in-trade and book debts and are generally for a period of one year renewable at the end of the period.

11 CONTINGENCIES AND COMMITMENTS**11.1 Contingencies**

Guarantees given by the commercial banks on behalf of the company amounts to Rs.521 million (2005: Rs. 521 million)

11.2 Commitments

- In respect of letter of credits other than for capital expenditures amounts to Rs. 312.063 million (2005: Rs. 475 million)
- In respect of cash calls for the purpose of development and exploration in Safed Ko Block amount to Rs.1,500 million.

12 PROPERTY PLANT AND EQUIPMENT

Operating fixed assets	12.1	12,641,314	9,053,841
Capital work in progress	12.5	365,740	59,761
		13,007,054	9,113,602



12.1 Operating fixed assets

Particulars	Cost / Revaluation				Rate	Depreciation			Book Value	
	As at 01 July 2005	Addition / Transfers / (deletion)	Revaluation	As at 30 June 2006		As at 01 July 2005	Charge for the period / Adjustment	As at 30 June 2006	As at 30 June 2006	
	(Rupees in '000)					(Rupees in '000)				
PSF - Units										
Freehold Land	41,673	--	24,777	66,450	--	--	--	--	66,450	
Leasehold Land	2,269	--	365,731	368,000	--	--	--	--	368,000	
Islamabad Office	131,690	--	--	131,690	10%	48,870	8,282	57,152	74,538	
Factory Building	1,414,867	823	65,572	1,481,262	10%	479,011	93,499	572,510	908,752	
Non-Factory Building	535,519	--	339,455	874,974	10%	361,854	20,063	381,917	493,057	
Tank Terminal	16,453	--	--	16,453	10%	11,780	467	12,247	4,206	
Plant & Machinery	11,448,465	6,125 (65,449)	3,084,776	14,469,517	10%	6,133,350	549,444 (11,355)	6,671,182	7,798,335	
Vehicles	215,012	17,724 (7,432)	--	229,704	20%	148,169	15,826 (1,777)	162,475	67,229	
Furniture & Fixtures	77,127	1,480	--	78,607	10%	34,175	4,449	38,624	39,983	
Office Equipment	125,821	5,531 (104)	--	131,248	10%	56,832	7,454 (20)	64,266	66,982	
2006	14,008,896	31,683 (72,985)	3,880,311	17,847,905		7,274,041	699,484 (13,152)	7,960,373	9,887,532	
2005	13,916,905	93,737 (1,746)	--	14,008,896		6,528,376	746,837 (1,172)	7,274,041	6,734,855	
Acrylic Unit										
Factory Building	359,273	--	168,560	527,833	10%	147,126	22,457	169,583	358,250	
Non-Factory Building	3,780	--	1,775	5,555	10%	1,548	236	1,784	3,771	
Plant & Machinery	3,554,641	--	500,477	4,055,118	10%	1,454,384	212,591	1,666,975	2,388,143	
Vehicles	9,025	--	--	9,025	20%	6,067	592	6,659	2,366	
Furniture & Fixtures	890	--	--	890	10%	343	55	398	492	
Office Equipment	1,370	--	--	1,370	10%	525	85	610	760	
2006	3,928,979	--	670,812	4,599,791		1,609,993	236,016	1,846,009	2,753,782	
2005	3,927,961	1,018	--	3,928,979		1,352,009	257,984	1,609,993	2,318,986	
TOTAL – 2006	17,937,875	31,683 (72,985)	4,551,123	22,447,696		8,884,034	935,500 (13,152)	9,806,382	12,641,314	
TOTAL – 2005	17,844,866	94,755 (1,746)	--	17,937,875		7,880,385	1,004,821 (1,172)	8,884,034	9,053,841	

12.2 The depreciation charge for the year has been allocated as follows:

	2006 (Rupees in '000)			2005 (Rupees in '000)		
	PSF - Units	Acrylic Unit	Total	PSF - Units	Acrylic Unit	Total
Cost of Sales	695,987	234,836	930,823	743,103	256,694	999,797
Administrative	3,497	1,180	4,677	3,734	1,290	5,024
	699,484	236,016	935,500	746,837	257,984	1,004,821

12.3 Plant and machinery include effect of adjustments resulting from subsequent increase in fair value, amounting to Rs. 900 million. This fair value was determined by an independent valuer (Iqbal A. Nanjee & Co.) during the year ended 30 June 2001.

12.4 The following assets were disposed off during the year :

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceed	Mode of disposal	Particulars of buyers
(Rupees in '000)						
Plant and machinery						
Unit 5-A	65,449	11,355	54,094	54,094	Insurance claim	Adamjee Insurance Co. Ltd.
Vehicles						
Mitsubishi Pajero	4,085	902	3,183	3,750	Insurance claim	Adamjee Insurance Co. Ltd.
Kia Sportage	1,580	650	930	1,200	Insurance claim	Adamjee Insurance Co. Ltd.
Toyota Corolla	209	147	62	650	Insurance claim	Adamjee Insurance Co. Ltd.
Kia Spectra	779	39	740	740	Warranty claim	Dewan Farooq Motors Ltd.
Kia Spectra	779	39	740	740	Warranty claim	Dewan Farooq Motors Ltd.
Office Equipment						
Laptop Computer	104	20	84	70	Insurance claim	Adamjee Insurance Co. Ltd.
	72,985	13,152	59,833	61,244		

2006

2005

(Rupees in '000)

12.5 Capital work-in-progress

Plant and machinery

- Owned	171,376	59,761
- Leased	194,364	--
	<u>365,740</u>	<u>59,761</u>

12.6 Additions to property, plant and equipment include borrowing cost amounting to Rs.11.973 million (2005: Rs. 22.950 million) capitalized during the year relating to the specific borrowings.

12.7 Had there been no revaluation the carrying amounts of revalued assets as at June 30, 2006 would have been as follows

PSF Units

Freehold Land	41,673	41,673
Leasehold Land	2,269	2,269
Factory Building	843,727	935,856
Non-Factory Building	156,431	173,665
Plant and Machinery	4,259,051	4,781,543

Acrylic Unit

Factory Building	191,095	212,147
Non-Factory Building	2,010	2,232
Plant and Machinery	1,891,836	2,100,257
	<u>7,388,092</u>	<u>8,249,642</u>



2006
2005
(Rupees in '000)

13 LONG TERM INVESTMENTS AND ADVANCES

Available for sale - at cost

In Rally Energy Pakistan Limited (REPL)
(Incorporated under the international Business
Companies Ordinance
of the Territory of the British Virgins Islands)

Equity investment against 49% of 40% indirect
working interest in Safed Koh Exploration
Block held by REPL:
1,781,867 (2005: 1,000,049) ordinary shares of
US\$ 1 each :

Advances against cash calls

13.1
13.2

Available for sale - at fair value

Meezan Balance Fund
(500,000 certificates of Rs.10/- each)

Pakistan Strategic Allocation Fund
(2,204,000 certificates of Rs.10/- each)

Surplus due to change in fair value of investment

	106,310	59,440
	117,353	2,461
	223,663	61,901
	5,000	5,000
	22,040	22,040
	27,040	27,040
	1,458	(1,671)
	28,498	25,369
	252,161	87,270

13.1 These represents advances made to Rally Energy Pakistan Limited for the purpose of development and exploration in Safed Koh Block being the proportionate share of indirect working interest of the company.

13.2 Subsequent to the balance sheet date REPL has transferred its entire 40% working interest in Safed Koh Block to Dewan Petroleum (Private) Limited (DPL) (an associated company of DSFL). By virtue of the Company's ownership of 49% of 40% indirect working interest in Safed Koh Block through REPL, the Company will acquire 12 million ordinary shares of Rs.10/- each of the DPL equivalent to about 33.33% shareholding. In this connection the shareholders have passed a special resolution under section 208 of The Companies Ordinance, 1984 in Extra Ordinary General Meeting held on August 30, 2006. Thereby the total equity investment and advances against cash calls amounting to Rs.223.683 million shall be considered as equity investment in DPL therefore the same have been classified as long term investment and advances.

14 LONG-TERM PREPAYMENTS

38,330

42,589

The company has entered in to a long term terminal services agreement with Engro Vopak Terminal Limited (EVTL) to receive Acrylonitrile (ACN), basic raw material for Unit III from ships, store this chemical and make it available for delivery to the company. The company has constructed the dedicated facilities on behalf of EVTL to be exclusively used for providing services to the Company. This represents all cost and expenses incurred for constructing dedicated facilities by the Company and will be considered advance payment of fixed price element for dedicated facilities for 15 years by the company to EVTL. The charge applicable to the current year has been taken to the Profit and Loss Account.



	2006	2005
	(Rupees in '000)	
15 (NEGATIVE) GOODWILL		
Opening Balance	(28,895)	(34,674)
Less: Amortized during the period	5,779	5,779
	<u>(23,116)</u>	<u>(28,895)</u>
<p>On 30 June 2000, the company acquired 67.8% of voting shares of Dhan Fibres Limited (DFL), at a total cost of Rs. 4,200,000,000/-. On 27 October 2000, the Honorable Lahore High Court, Rawalpindi Bench approved the scheme of arrangement for amalgamation of DFL with the Company to take effect from 30 June 2000. Accordingly transfer of identifiable assets and liabilities of DFL as at 30 June 2000 at their respective book values and the goodwill, which represented the excess of acquisition cost over the book value of net assets transferred from DFL, were recorded in the books of the Company.</p> <p>Subsequent to the acquisition of and merger of DFL, the Company appointed an independent valuation consultant Iqbal A Nanjee & Co. to determine the fair value of plant & machinery of DFL transferred to the Company. As a result of valuation of plant & machinery of DFL, the fair value was increased by Rs. 900 million over the book value as at 30 June 2000. Accordingly, Rs. 842.210 million has been adjusted in the financial statements against the Goodwill and balance amount of Rs. 57.790 million has been recognized as Negative Goodwill and shown as deduction from the assets of the Company. The negative goodwill will be recognized as income as per Note 2.9 to these financial statements.</p>		
16 STORES AND SPARES		
Consumable stores	996,354	851,390
Packing material	17,833	22,555
Chemicals	9,770	17,948
Fuel, oil and lubricants	95,499	51,723
	<u>1,119,456</u>	<u>943,616</u>
17 STOCK IN TRADE		
Raw materials	1,506,891	1,366,931
Work-in-process	198,744	263,162
Finished goods	3,851,580	3,927,600
Stock in transit	1,199,870	1,261,045
Waste	86,891	74,735
	<u>6,843,976</u>	<u>6,893,473</u>
18 TRADE DEBTS –Considered good		
<p>Trade debts include Rs.348.246 million (2005: Rs.121.108 million) due from associated companies, Dewan Khalid Textile Mills Limited, Dewan Mushtaq Textile Mills Limited and Dewan Textile Mills Limited.</p>		
19 ADVANCES - Considered good		
Against Expenses	23,201	412
To Contractors	3,609	--
	<u>26,810</u>	<u>412</u>
20 SHORT TERM DEPOSITS AND PREPAYMENTS		
Deposits	1,521	1,485
Margin	100,760	137,684
Pre-Payments	1,671	5,021
	<u>103,952</u>	<u>144,190</u>



21 OTHER RECEIVABLES

Sales tax	259,858	366,632
Duty drawback receivable	92,596	93,420
Duties refundable	113,789	353,080
Receivable from suppliers	191,070	241,600
Insurance claim receivable	136,779	--
Others	20,836	82,700
	<u>814,928</u>	<u>1,137,432</u>

22 CASH AND BANK

Cash in hand	15,166	2,481
Cash at bank:		
- Current account	264,644	187,724
- Foreign currency current accounts	14,360	--
- Foreign currency deposits	--	159,327
	<u>294,170</u>	<u>349,532</u>

23 OPERATING RESULTS

							Amount in Rs. '000'
	Note	PSF Units	Acrylic Unit	2006 Total	PSF Units	Acrylic Unit	2005 Total
Sales							
Fiber - Local		13,388,929	2,045,900	15,434,829	15,457,129	1,438,847	16,895,976
Fiber - Export		555,581	603,404	1,158,985	1,369,535	1,050,190	2,419,725
Waste		138,786	--	138,786	148,485	6,750	155,235
		14,083,296	2,649,304	16,732,600	16,975,149	2,495,787	19,470,936
Sales Tax		--	--	--	1,881,348	176,142	2,057,490
Commission and discount		5,565	4,311	9,876	32,899	37,067	69,966
		5,565	4,311	9,876	1,914,247	213,209	2,127,456
Net Sales		14,077,731	2,644,993	16,722,724	15,060,902	2,282,578	17,343,480
Cost of sales	24	13,071,896	2,620,204	15,692,100	14,086,148	2,165,238	16,251,386
Gross Profit		1,005,835	24,789	1,030,624	974,754	117,340	1,092,094
Distribution cost	25	186,317	61,654	247,971	231,309	75,702	307,011
Administrative Expenses	26	156,340	22,670	179,010	168,780	18,926	187,706
Amortization of negative goodwill		(5,779)	--	(5,779)	(5,779)	--	(5,779)
		336,878	84,324	421,202	394,310	94,628	488,938
Operating profit/(loss)		668,957	(59,535)	609,422	580,444	22,712	603,156
Finance cost	27	583,534	66,528	650,062	538,356	54,142	592,498
Other loss/(income)	28	60,567	--	60,567	(4,678)	--	(4,678)
		644,101	66,528	710,629	533,678	54,142	587,820
Profit/(loss) before W.P.P.F. and taxation		24,856	(126,063)	(101,207)	46,766	(31,430)	15,336



24 COST OF SALES

Amount in Rs. '000'						
Note	PSF Units	Acrylic Unit	2006 Total	PSF Units	Acrylic Unit	2005 Total
Raw material consumed						
Opening stock	955,037	411,894	1,366,931	1,873,759	503,555	2,377,314
Purchases	11,094,471	1,873,593	12,968,064	11,476,703	1,777,295	13,253,998
	12,049,508	2,285,487	14,334,995	13,350,462	2,280,850	15,631,312
Closing stock	(1,091,116)	(415,775)	(1,506,891)	(955,037)	(411,894)	(1,366,931)
	10,958,392	1,869,712	12,828,104	12,395,425	1,868,956	14,264,381
Salaries, wages and benefits	314,871	51,413	366,284	302,445	50,576	353,021
Electricity, fuel and power	1,441,174	147,554	1,588,728	1,015,177	344,938	1,360,115
Packing material consumed	111,319	14,333	125,652	112,162	16,699	128,861
Stores and spares	109,232	19,164	128,396	145,207	14,201	159,408
Insurance	57,894	5,927	63,821	51,778	6,087	57,865
Depreciation	12.2 695,987	234,836	930,823	743,103	256,694	999,797
Repairs and maintenance	10,567	571	11,138	16,409	1,673	18,082
Vehicle running expenses	11,954	1,736	13,690	17,328	2,037	19,365
Traveling expenses	11,368	140	11,508	7,652	731	8,383
General expenses	8,617	1,687	10,304	14,458	1,701	16,159
Opening stock of work-in-process	222,991	40,171	263,162	116,275	34,686	150,961
Closing stock of work-in-process	(159,143)	(39,601)	(198,744)	(222,991)	(40,171)	(263,162)
Cost of goods manufactured	13,795,223	2,347,643	16,142,866	14,714,428	2,558,808	17,273,236
Opening stock of finished goods	3,154,018	848,317	4,002,335	2,525,738	454,747	2,980,485
Tariff protection	(197,142)	--	(197,142)	--	--	--
Stock loss due to fire	(317,488)	--	(317,488)	--	--	--
Closing stock of finished goods	(3,362,715)	(575,756)	(3,938,471)	(3,154,018)	(848,317)	(4,002,335)
	13,071,896	2,620,204	15,692,100	14,086,148	2,165,238	16,251,386

25 DISTRIBUTION COST

	Amount in Rs. '000'					
	PSF Units	Acrylic Unit	2006 Total	PSF Units	Acrylic Unit	2005 Total
Salaries and benefits	20,786	2,491	23,277	22,914	2,436	25,350
Advertisement	984	118	1,102	2,839	302	3,141
Outward freight and handling	106,890	12,812	119,702	86,219	6,042	92,261
Export freight & others	57,657	46,233	103,890	119,337	66,922	186,259
	<u>186,317</u>	<u>61,654</u>	<u>247,971</u>	<u>231,309</u>	<u>75,702</u>	<u>307,011</u>

26 ADMINISTRATIVE EXPENSES

	Note	Amount in Rs. '000'					
		PSF Units	Acrylic Unit	2006 Total	PSF Units	Acrylic Unit	2005 Total
Salaries and benefits		56,547	6,892	63,439	65,217	6,933	72,150
Entertainment		4,252	509	4,761	6,801	723	7,524
Communication		8,660	1,053	9,713	9,480	1,008	10,488
Depreciation	12.2	3,497	1,180	4,677	3,734	1,290	5,024
Vehicle running expenses		13,960	1,929	15,889	15,453	1,643	17,096
Legal and professional		13,070	1,561	14,631	9,588	1,019	10,607
Printing and stationary		2,920	350	3,270	3,377	359	3,736
Electricity, fuel and power		6,862	1,422	8,284	6,791	722	7,513
Repair and maintenance		767	1,290	2,057	666	72	738
Insurance		7,469	895	8,364	6,161	656	6,817
Traveling expenses		7,907	2,185	10,092	16,847	1,893	18,740
Auditors' remuneration	26.1	774	76	850	768	82	850
Donation	26.2	12,586	1,558	14,144	6,174	656	6,830
General expenses		17,069	1,770	18,839	17,723	1,870	19,593
		<u>156,340</u>	<u>22,670</u>	<u>179,010</u>	<u>168,780</u>	<u>18,926</u>	<u>187,706</u>



26.1 Auditor's Remuneration

	Amount in Rs. '000'					
	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2006	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2005
Annual Audit Fee	225	225	450	225	225	450
Fee for Half yearly review	100	100	200	100	100	200
Other Certifications	50	50	100	50	50	100
Out of pocket	50	50	100	50	50	100
	425	425	850	425	425	850

26.2 Donation

- a) None of the directors or their spouse has any interest in the donee fund.
- b) The amount represents Company's donation towards activities undertaken by it for the rehabilitation of earthquake victims as follows:

- Total Amount spent	42,058
Less: Contribution from	
- Chief Executive	10,000
- International Finance Corporation	17,914
	<u>27,914</u>
- Company's contribution	<u>14,144</u>

27 FINANCE COST

	Amount in Rs. '000'					
	PSF Units	Acrylic Unit	2006 Total	PSF Units	Acrylic Unit	2005 Total
Interest on long term loan	245,168	1,787	246,955	202,141	21,489	223,630
Mark-up on:						
Redeemable capital	--	--	--	79,109	8,409	87,518
Short term finances	328,742	64,741	393,483	227,618	24,244	251,862
Exchange loss	9,624	--	9,624	29,488	--	29,488
	583,534	66,528	650,062	538,356	54,142	592,498



		2006 (Amount in Rs. '000)	2005
28 OTHER (LOSS) / INCOME			
Gain on disposal of fixed assets		1,411	872
Dividend income from financial assets		5,510	3,806
Loss on insurance claim	28.1	(67,488)	-
		<u>(60,567)</u>	<u>4,678</u>

28.1 This represents loss on settlement of insurance claim on account of fire broke out during the year due to short circuiting of WAPDA power supply line which resulted into burnout of some stocks and fixed assets of the company.

29 (LOSS) PER SHARE - Basic and diluted

29.1 Basic (loss) per share

Net (loss) for the year	<u>(119,525)</u>	<u>(127,671)</u>
	Number of shares	
Average ordinary shares in issue during the year	<u>366,321,083</u>	<u>366,321,083</u>
	Rupees	
(Loss) per share - Basic	<u>(0.33)</u>	<u>(0.35)</u>

29.2 Diluted (loss) per share

Net (loss) for the year	(119,525)	(127,671)
Dilutive effect - net of tax	7,895	9,290
	<u>(111,630)</u>	<u>(118,381)</u>
	Number of shares	
Average ordinary shares in issue during the year	366,321,083	366,321,083
Dilutive effect	12,877,419	12,877,419
	<u>379,198,502</u>	<u>379,198,502</u>
	Rupees	
(Loss) per share - Diluted	<u>(0.29)</u>	<u>(0.31)</u>



30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

30.1 Interest rate risk exposure

The company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows

	Amount in Rs. '000'				
	2006				Total
	Interest bearing		Non Interest bearing		
Less than one year	One year to five years	Less than one year	One year to five years		
Financial assets					
Long term Investments	--	--	--	252,161	252,161
Trade debts	--	--	1,938,021	--	1,938,021
Deposits	--	--	102,281	11,148	113,429
Accrued income on financial assets	--	--	--	--	--
Other Receivables- Considered good	--	--	348,685	--	348,685
Cash and bank balances	--	--	294,170	--	294,170
	<u>--</u>	<u>--</u>	<u>2,683,157</u>	<u>263,309</u>	<u>2,946,466</u>
Effective interest rates					
Financial liabilities					
Long term loans	777,205	2,444,460	--	93,000	2,814,665
Liability against assets subject to finance lease	34,058	153,224	--	--	187,282
Trade and Other payables	--	--	4,885,536	--	4,885,536
Markup accrued	--	--	204,462	--	204,462
Short term borrowings	5,029,411	--	18,743	--	5,548,154
	<u>5,840,674</u>	<u>2,597,684</u>	<u>5,108,741</u>	<u>93,000</u>	<u>13,640,099</u>
Net exposure - 2006	(5,840,674)	(2,597,684)	(2,425,584)	170,309	(10,693,633)

Effective interest rates 5% to 14.90%

	Amount in Rs. '000'				
	2005				Total
	Interest bearing		Non Interest bearing		
Less than one year	One year to five years	Less than one year	One year to five years		
Financial assets					
Long term Investments	--	--	--	87,270	87,270
Trade debts	--	--	1,585,252	--	1,585,252
Deposits	--	--	139,169	--	139,169
Accrued income on financial assets	--	--	3,806	--	3,806
Other Receivables- Considered good	--	--	324,300	--	324,300
Cash and bank balances	159,327	--	190,205	--	349,532
	<u>159,327</u>	<u>--</u>	<u>2,242,732</u>	<u>87,270</u>	<u>2,489,329</u>
Effective interest rates	2.5% to 5%				
Financial liabilities					
Long term loans	741,521	2,608,035	--	--	3,349,556
Trade and Other payables	--	--	5,826,586	--	5,826,586
Markup accrued	--	--	148,035	--	148,035
Short term borrowings	4,404,381	--	174,473	--	4,578,854
	<u>5,145,902</u>	<u>2,608,035</u>	<u>148,035</u>	<u>--</u>	<u>13,903,031</u>
Net exposure - 2006	(4,986,575)	(2,608,035)	2,094,697	87,270	(11,413,702)

Effective interest rates 5% to 14.90%



30.2 Concentration of credit risk and credit exposures of the financial instruments

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company attempts to control Credit risks by monitoring Credit exposure, limiting transaction with specific customers and continuing assessment of credit worthiness of customers. Financial assets exposed to credit risk amounted to Rs.2,934 million (2005.Rs 2,487) million.

30.3 Fair value of the financial instruments

The carrying value of all the financial instruments reflected in the financial statements approximates their fair values.

30.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exists due to transactions with foreign undertakings. Payables exposed to foreign currency risks are covered through hedging or by forward foreign exchange contracts, when considered appropriate.

30.5 Liquidity risk

Liquidity risk reflects the company's inability of raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of over all funding mix and avoidance of undue reliance on large individual customers.

30.6 Off balance sheet financial instruments

Off balance sheet financial instruments are disclosed in note 11 to the financial statements.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as follows:

	Amount in Rs. '000'							
	Chief Executive		Director		Executive		Total	
	2006	2005	2006	2005	2006	2005	2006	2005
Managerial remuneration	3,960	3,960	2,376	2,376	38,219	38,790	44,555	45,126
Retirement benefits	--	--	--	--	3,331	3,357	3,331	3,357
House rent allowance	1,740	1,740	1,044	1,044	15,288	15,516	18,072	18,300
Utilities	300	300	180	180	3,822	3,901	4,302	4,381
Medical	--	--	--	--	2,675	2,717	2,675	2,717
Conveyance	--	--	--	--	3,822	3,879	3,822	3,879
	6,000	6,000	3,600	3,600	67,157	68,160	76,757	77,760
Number of Persons	1	1	1	1	67	69	69	71

The Chief Executive, Directors and certain Executives are provided with free use of Company cars.

**32 TRANSACTION WITH RELATED PARTIES**

The related parties comprise associated undertakings, directors and key management personnel. Remuneration and benefits to chief executive directors and key management personnel under terms of their employment are disclosed in note 31 to the financial statements. Transaction with related parties other than remuneration and benefits to key management personnel are as under:

	2006	2005
	(Rupees in '000)	
Associated Companies		
Sales of goods	929,480	1,028,317
Purchases of goods	83,598	79,882
Purchase of vehicles	15,405	12,543
Director:		
Long term loan received	93,000	—

33 ALLOCATION OF INCOME AND EXPENSES BETWEEN UNITS

The transaction relating to sales and collection of sales are recorded on the basis of actual sale of PSF and ASF. Conversion costs are allocated on the basis of production, distribution cost and administrative expenses are allocated on the basis of sales value.

34 TAXATION**34.1 Relationship between income tax expense and accounting profit**

Accounting profit/(loss) as per profit and loss account	(101,207)	14,569
Applicable tax rate	35%	35%
Tax on accounting profit	(35,422)	5,099
Tax effect of accelerated tax depreciation	(35,767)	(25,073)
Tax effect of export sales subject to tax separately U/s 169	35,208	62,351
Tax effect of expenses that are not deductible in determining taxable income charged to profit and loss account	1,049	7,193
Tax (refundable) / payable under normal rules	(34,932)	49,570
Minimum tax payable under Income Tax Ordinance, 2001	83,614	86,717

35 PLANT CAPACITY AND PRODUCTION

	2006		2005	
	Annual Capacity (tons)	Production (tons)	Annual Capacity (tons)	Production (tons)
PSF Units	259,900	169,283	260,000	176,877
Acrylic Unit	25,000	17,332	25,000	20,800
Total	284,900	186,615	285,000	197,677



36 CORRESPONDING FIGURES

Comparative figures have been rearranged and reclassified for the purpose of comparison. Significant reclassification were receivable from suppliers amounting to Rs.241.600 million previously net off from trade creditors now reclassified as receivable from supplier for more appropriate presentation, advances to REPL (note 13) amounting to Rs.2.461 million have been reclassified under the head long term investment and advances for the reason fully explained in note 13.2 to the financial statements

37 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 07, 2006 in accordance with the resolution by the Board of Directors of the Company.

38 GENERAL

These financial statements are presented in rupees and figures have been rounded off to the nearest thousand rupees

DEWAN ZIA-UR-REHMAN FAROO QUI
President / Chief Executive

DEWAN ASIM MUSHFIQ FAROOQUI
Managing Director



PATTERN OF SHARE HOLDING AS ON JUNE 30, 2006

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
5,745	1	-	100	159,858
9,345	101	-	500	2,261,715
2,313	501	-	1,000	1,995,120
4,029	1,001	-	5,000	10,912,103
956	5,001	-	10,000	7,520,896
321	10,001	-	15,000	4,034,784
234	15,001	-	20,000	4,266,826
120	20,001	-	25,000	2,799,287
105	25,001	-	30,000	2,946,997
39	30,001	-	35,000	1,299,246
41	35,001	-	40,000	1,562,596
25	40,001	-	45,000	1,068,347
61	45,001	-	50,000	3,014,605
20	50,001	-	55,000	1,059,876
17	55,001	-	60,000	992,593
20	60,001	-	65,000	1,254,858
14	65,001	-	70,000	957,914
7	70,001	-	75,000	510,810
4	75,001	-	80,000	313,259
6	80,001	-	85,000	500,026
13	85,001	-	90,000	1,151,292
4	90,001	-	95,000	374,413
26	95,001	-	100,000	2,588,399
8	100,001	-	105,000	819,579
4	105,001	-	110,000	429,337
7	110,001	-	115,000	784,777
2	115,001	-	120,000	236,685
4	120,001	-	125,000	492,937
1	125,001	-	130,000	125,174
2	130,001	-	135,000	265,250
6	135,001	-	140,000	823,434
1	140,001	-	145,000	141,200
5	145,001	-	150,000	748,173
3	150,001	-	155,000	459,500
3	155,001	-	160,000	475,310
3	160,001	-	165,000	488,500
2	165,001	-	170,000	339,000
2	175,001	-	180,000	352,500
3	180,001	-	185,000	551,008
2	185,001	-	190,000	372,760
2	190,001	-	195,000	385,500
12	195,001	-	200,000	2,394,905
2	200,001	-	205,000	402,505
4	205,001	-	210,000	832,378
3	210,001	-	215,000	639,293
2	215,001	-	220,000	435,305
1	220,001	-	225,000	222,000
1	230,001	-	235,000	233,397
1	235,001	-	240,000	240,000
2	240,001	-	245,000	484,875
4	245,001	-	250,000	993,422



PATTERN OF SHARE HOLDING AS ON JUNE 30, 2006

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
2	255,001	-	260,000	516,492
2	260,001	-	265,000	524,000
1	265,001	-	270,000	270,000
1	275,001	-	280,000	277,000
1	280,001	-	285,000	280,641
1	285,001	-	290,000	286,139
6	295,001	-	300,000	1,793,778
1	305,001	-	310,000	306,000
3	315,001	-	320,000	951,343
1	320,001	-	325,000	323,876
2	335,001	-	340,000	676,850
5	345,001	-	350,000	1,741,426
1	355,001	-	360,000	359,000
1	375,001	-	380,000	376,075
2	380,001	-	385,000	769,734
2	385,001	-	390,000	773,714
1	400,001	-	405,000	401,000
1	405,001	-	410,000	409,200
1	420,001	-	425,000	425,000
1	435,001	-	440,000	439,082
1	465,001	-	470,000	466,000
7	495,001	-	500,000	3,492,643
1	530,001	-	535,000	534,371
1	560,001	-	565,000	562,862
1	595,001	-	600,000	600,000
1	625,001	-	630,000	627,700
1	630,001	-	635,000	634,000
1	635,001	-	640,000	637,363
1	665,001	-	670,000	667,000
1	700,001	-	705,000	702,378
1	740,001	-	745,000	744,900
1	745,001	-	750,000	750,000
1	775,001	-	780,000	777,500
1	780,001	-	785,000	784,520
1	845,001	-	850,000	847,000
1	895,001	-	900,000	900,000
3	995,001	-	1,000,000	3,000,000
1	1,120,001	-	1,125,000	1,125,000
1	1,290,001	-	1,295,000	1,290,442
1	1,380,001	-	1,385,000	1,381,500
1	1,475,001	-	1,490,000	1,489,809
1	1,650,001	-	1,655,000	1,655,000
1	1,995,001	-	2,000,000	2,000,000
1	2,105,001	-	2,110,000	2,109,634
1	2,345,001	-	2,350,000	2,347,760
1	2,505,001	-	2,510,000	2,505,866
1	2,515,001	-	2,520,000	2,518,286
1	2,525,001	-	2,530,000	2,529,265
1	2,815,001	-	2,820,000	2,818,460
2	2,980,001	-	2,985,000	5,963,198
1	3,000,001	-	3,005,000	3,002,951



PATTERN OF SHARE HOLDING AS ON JUNE 30, 2006

NUMBER OF SHARE HOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
1	3,040,001	-	3,045,000	3,044,420
1	3,165,001	-	3,170,000	3,167,658
1	3,390,001	-	3,395,000	3,394,000
1	3,515,001	-	3,520,000	3,517,802
1	3,535,001	-	3,540,000	3,536,512
1	5,495,001	-	5,500,000	5,500,000
1	5,585,001	-	5,590,000	5,589,998
1	11,705,001	-	11,710,000	11,707,458
1	19,860,001	-	19,865,000	19,864,518
1	32,275,001	-	32,280,000	32,279,849
1	40,345,001	-	40,350,000	40,349,814
1	104,285,001	-	104,290,000	104,288,773
23,645	TOTAL			366,321,084

CATEGORIES OF SHARE HOLDERS

PARTICULARS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE
1 INDIVIDUALS	23,268	121,768,620	33.24%
2 INVESTMENT COMPANIES	28	8,047,556	2.20%
3 JOINT STOCK COMPANIES	163	167,028,409	45.60%
4 FINANCIAL INSTITUTIONS	22	15,905,003	4.34%
5 LEASING COMPANIES	6	642,004	0.18%
6 INSURANCE COMPANIES	10	2,629,697	0.72%
7 MODARABAS	20	200,609	0.05%
8 MUTUAL FUNDS	7	332,499	0.09%
9 FOREIGN INVESTORS	97	46,917,621	12.81%
10 CO-OPERATIVE SOCIETIES	1	10,077	0.00%
11 CHARITABLE TRUSTS	3	45,118	0.01%
12 OTHERS	20	2,793,871	0.76%
TOTAL:	23,645	366,321,084	100.00%



PATTERN OF SHAREHOLDING
(According to Code of Corporate Governance)
AS ON JUNE 30, 2006

NO.	NUMBER OF SHARE HOLDERS	SHARE HOLDINGS	PERCENTAGE
1	ASSOCIATED COMPANIES		
	DEWAN TEXTILE MILLS LIMITED	104,288,773	28.469
	DEWAN KHALID TEXTILE MILLS LIMITED	32,279,849	8.812
	DEWAN MUSHTAQ TEXTILE MILLS LIMITED	19,864,518	5.423
	DEWAN MOTOR (PVT.) LTD.	1,489,809	0.407
2	INVESTMENT CORPORATION OF PAKISTAN	2,695	0.001
	NATIONAL BANK OF PAKISTAN	11,709,069	3.196
3	DIRECTORS HOLDING		
	DEWAN ZIA UR REHMAN FAROOQUI	8,594,963	2.346
	DEWAN M. YOUSUF FAROOQUI	2,985,104	0.815
	DEWAN GHULAM MUSTAFA KHALID	2,349,774	0.641
	DEWAN ABDUL REHMAN FAROOQUI	3,169,672	0.865
	DEWAN M. AYUB KHALID	2,820,474	0.770
	DEWAN ASIM MUSHFIQ FAROOQUI	2,982,122	0.814
	DEWAN ABDULLAH AHMED SWALEH FAROOQUI	2,507,880	0.685
	SPOUSE		
	MRS. NAJAMUS SEHER	155,320	0.042
	MRS. HEENA YOUSUF	384,867	0.105
	MRS. FARNAZ MUSTAFA	79,505	0.022
	MRS. ANEEQA AYUB	91,864	0.025
	MRS. SAMINA RAHMANI	48,982	0.041
	MINOR CHILDREN		
	SHUJA-UR-REHMAN	218,635	0.060
	MR. KHIZER SALMAN	347,618	0.095
	MR. AHMED KHALID MUSTAFA	496,603	0.136
	MR. ALI MUSHTAQ KHALID	496,603	0.136
	UMAIMA KHALID	111,734	0.031
	SADIQA MUSTAFA KHALID	111,734	0.031
	ANAM AYUB	198,635	0.054
	SHAHA AYUB	198,635	0.054
	DEWAN SAUD AYUB KHALID	323,876	0.088
	YAMNA YOUSUF	248,297	0.068
4	EXECUTIVES	-	-
5	PUBLIC SECTOR COMPANIES & CORPORATIONS		
	JOINT STOCK COMPANIES	10,595,269	2.892 *
	INVESTMENT COMPANIES	8,047,556	2.197 **
	INSURANCE COMPANIES	2,629,697	0.718
	FINANCIAL INST., LEASING COMPANY, BANK	3,345,434	0.913 ***
	MODARABA & MUTUAL FUNDS	533,108	0.146
	CO-OPERATIVE SOCIETIES	10,077	0.003
	FOREIGN INVESTOR	46,917,621	12.808
	CHARITABLE TRUSTS	45,118	0.012
	OTHERS	2,793,871	0.763
6	INDIVIDUALS	92,745,723	25.318 ****
	TOTAL	366,321,084	100.000
	MORE THAN 10% OF SHAREHOLDING		
	DEWAN TEXTILE MILLS LIMITED	104,288,773	28.469
	M/S MITSUBISHI CORPORATION	40,349,814	11.015

Note:

- * Holding of Associated Company(ies) is/are not included in Joint Stock Companies.
- ** Holding of ICP is not included in Investment Companies
- *** Holding of NBP is not included in Financial Companies
- **** Holding of Director their Spouse and Childern are not included in Individuals

FORM OF PROXY

17TH ANNUAL GENERAL MEETING

IMPORTANT

This form of Proxy duly completed must be deposited at the Company's Registered Office, Dewan Centre, 46-Nazim-ud-Din Road, F-7/4, Islamabad not later than 48 hours before the time of holding the meeting during working hours.

A Proxy should also be a member of the Company.

I _____

of _____

being a member of DEWAN SALMAN FIBRE LTD., and holder of _____
(No. of Shares)

Ordinary Shares as per Registered Folio No./CDC Participant's ID and Account No. _____

hereby appoint _____

of _____ who is

also a member of DEWAN SALMAN FIBRE LTD. vide Registered Folio No./CDC Participant's ID and Account No. _____

as my proxy to vote for me and on my behalf at the 17th Annual General Meeting of the Company to be held on October 30, 2006 and at any adjournment thereof.

Signed by me this _____ day of _____ 2006

Signed by the said

Affix
Revenue
Stamp
Rs. 5/-

Witness: _____
SIGNATURE

Name: _____

Address: _____

Witness: _____
SIGNATURE

Name: _____

Address: _____



Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS

Partners : **FEROZE QAISER FCA**
Ali Husain FCA
Mohammad Tariq FCA, ACMA

4 / N / 4, BLOCK-6, P.E.C.H. SOCIETY
K A R A C H I - 75400

TEL:OFF :4522734
4540891
FAX :4520785
CABLE : "CORRELATE"

FARUQ ALI & CO.

CHARTERED ACCOUNTANTS

803, 8th Floor, Land Mark Plaza,
Muhammed Bin Qasim Road,
Off. I.I. Chundrigar Road,
Post Box No. 778 Karachi 742000
E-mail: faac@cyber.net.pk

Telephone : (021) 221 0866
: (021) 221 0867
: (021) 221 0868
: (021) 221 0858
Fax : (021) 221 0855

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Dewan Salman Fibre Limited** to comply with the Listing Regulations of the respective Stock Exchanges where the Company is listed.

The responsibility for compliance with the code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquires of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2006.

Faruq Ali & Company
Chartered Accountants

Feroze Sharif Tariq & Company
Chartered Accountants

Date: October 7, 2006
Place: Islamabad



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2006

This statement is being presented to comply with the Code of Corporate Governance as contained in the Listing regulations of the Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors. At present, the Board includes five non-executive directors.
2. The directors have confirmed that none of them is serving as director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
5. The Board has developed a Mission Statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board has been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
7. The meeting of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board meet at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Board arranged an orientation course for its directors during the year to apprise them of their duties and responsibilities.
9. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
10. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
13. The Company has complied with all the corporate and financial reporting requirements of the Code.
14. The Board has formed an Audit Committee. It comprises three members, all of whom are non-executive directors including the chairman of the committee.



15. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has set up an effective internal audit function.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other material principles contained in the Code have been complied with.

During the years five (5) Meetings of the Board of Directors were held. Attendance by each director is as follows:

Name of Director	No. of Meetings attended
Dewan Zia-ur-Rehman Farooqui	05
Dewan Asim Mushfiq Farooqui	05
Dewan Ghulam Mustafa Khalid	04
Dewan Muhammad Yousuf Farooqui	00
Dewan Abdul Rehman Farooqui	05
Dewan Mohammad Ayub Khalid	04
Dewan Abdullah Ahmed	05

Date: October 7, 2006
Place: Islamabad

DEWAN ZIA-UR-REHMAN FAROOQUI
President / Chief Executive