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COMPANY INFORMATION

BOARD OF DIRECTORS	:	MR. MUHAMMAD IRFAN ALI	CHAIRMAN BOARD OF DIRECTORS
NON-EXECUTIVE DIRECTORS	:	SYED FARHAN ASDAQUE MR. MUHAMMAD WAJID	
EXECUTIVE DIRECTORS	:	MR. ISHTIAQ AHMAD MR. SALEEM-UL-HAQUE MS. MOMNA GULL	CHIEF EXECUTIVE OFFICER
INDEPENDENT DIRECTOR	:	MR. ASGHAR IQBAL	
AUDIT COMMITTEE	:	MR. ASGHAR IQBAL MR. MUHAMMAD WAJID MR. MUHAMMAD IRFAN ALI	CHAIRMAN MEMBER MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	:	MR. ASGHAR IQBAL MR. ISHTIAQ AHMAD MR. MUHAMMAD WAJID	CHAIRMAN MEMBER MEMBER
CHIEF FINANCIAL OFFICER	:	MR. SALEEM-UL-HAQUE	
COMPANY SECRETARY	:	MR. MUHAMMAD HANIF GERMAN	
AUDITORS	:	FARUQ ALI & CO. CHARTERED ACCOUNTANTS	
	:	FEROZE SHARIF TARIQ & CO. CHARTERED ACCOUNTANTS	
LEGAL ADVISOR	:	KHALID ANWAR & COMPANY - ADVOCATES	
TAX ADVISORS	:	SHARIF & COMPANY – ADVOCATES	
FACTORY OFFICE	:	PLOT NO. 1, DEWAN FAROOQUE INDUSTRIAL PARK, HATTAR, DISTRICT HARIPUR, K.P.	
CORPORATE OFFICE	:	DEWAN CENTRE, 3-A, LALAZAR, BEACH HOTEL ROAD, KARACHI.	
REGISTERED OFFICE	:	PLOT NO. 6, STREET NO. 9, FAYYAZ MARKET, G-8/2, ISLAMABAD, PAKISTAN.	
SHARE REGISTRAR / TRANSFER AGENTS	:	BMF CONSULTANTS PAKISTAN (PRIVATE) LIMITED ANUM ESTATE BUILDING, ROOM NO. 310 & 311, 3RD FLOOR, 49, DARUL AMAN SOCIETY, MAIN SHAHRAH-E-FAISAL, ADJACENT TO BALOCH COLONY BRIDGE, KARACHI, PAKISTAN.	
BANKERS	:	AL BARAKA ISLAMIC INVESTMENT BANK LIMITED ALLIED BANK LIMITED ASKARI BANK LIMITED BANK ALFALAH LIMITED BANK OF KHYBER LIMITED BANK OF PUNJAB LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED MEEZAN BANK LIMITED SUMMIT BANK LIMITED NATIONAL BANK OF PAKISTAN LIMITED STANDARD CHARTERED BANK LIMITED (PAKISTAN) SILK BANK LIMITED UNITED BANK LIMITED	

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 RESPONSIBILITY 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 US 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 THE THIRTY THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty Third Annual General Meeting of **Dewan Salman Fibre Limited** (“**DSFL**” or “**the Company**”) will be held on Friday, **October 28, 2022, at 11:00 a.m.** at Plot No. 6, Street No. 9, Fayyaz Market, G-8/2, Islamabad, Pakistan; to transact the following businesses upon recitation from Holy Qur’aan and other religious recitals:

ORDINARY BUSINESS:

1. To confirm the minutes of the preceding Extra Ordinary Annual General Meeting of the Company held on Monday, September 26, 2022;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2022, together with the Directors’ and Auditors’ Reports thereon;
3. To confirm the appointment of the Statutory Auditors of the Company for the year ended June 30, 2023, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

By Order of the Board

Muhammad Hanif German
Company Secretary

Dated: September 27, 2022
Place : Karachi.

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 21, 2022 to October 28, 2022 (both days inclusive).
2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.
3. 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 effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
4. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and 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 (CNIC), or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors’ resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of 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 requirements.
 - ii) Two persons, whose names, addresses, and CNIC numbers shall be mentioned on the form, shall witness the proxy.

- iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished along with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney, along with the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

CNIC of the shareholders is mandatory in terms of directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(1)/2012 dated July 05, 2012 for the issuance of future dividend warrants etc. and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs directly to our Shares Registrar without any further delay.

6. Mandate for E-DIVIDENDS for shareholders:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no changes of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 5, 2013 had advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

7. Electronic Transmission of Financial Statements Etc.:

SECP through its notification No. SRO 787(1)/2014 dated September 8, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: <http://www.yousufdewan.com/DSFL/index.html>.



CHAIRMAN'S REVIEW

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the board in achieving the company's objectives. The board of directors is responsible for the management of the company, which formulates all significant policies and strategies. The board is governed by relevant laws & regulations and its obligation, rights, responsibilities and duties are as specified and prescribed therein.

The Board of Directors comprises of individuals with diversified knowledge who endeavour to contribute towards the aim of the Company with the best of their abilities.

An annual self-evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

On behalf of the Board, I want to say how grateful I am to our team members for their commitment and dedication, thanks to them we have fulfilled our obligation on time. Despite challenging working conditions, they have maintained high levels of service to the company as well as supporting the well-being of their families and colleagues. It is a credit to them and the senior management team that we have been able to operate in light of these challenging conditions. I am justly proud of all their efforts.

During financial year ended June 30, 2022, four board meetings were held. The Board of Directors of the Company received agendas and supporting material in advance prior to the board and its committee meetings. The non-executive and independent directors are equally involved in important decisions. The Board's overall performance and effectiveness for the year under review was satisfactory.

Muhammad Irfan Ali
Chairman Board of Director

Dated: September 27, 2022
Place : Karachi.

DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

IF YE GIVE THANKS, I WILL GIVE YOU MORE (HOLY QURAN)

Your directors present to you the Thirty third Report of the company together with the Audited Accounts for the year ending June 30, 2022.

OPERATING AND FINANCIAL RESULTS AT A GLANCE

	(Rupees In '000')
SALES (NET)	(Nil)
COST OF SALES	(512,636)
GROSS LOSS	(512,636)
OPERATING EXPENSES	(35,751)
OPERATING LOSS	(548,387)
FINANCE COST	(1,121,636)
LOSS BEFORE TAXATION	(1,670,023)
TAXATION	(78,120)
LOSS AFTER TAXATION	(1,591,903)

During the year under review, your company recorded turnover of Rs. Nil (2021: Nil.) There is gross loss amounting to Rs 512.636 million. (2021: Rs. 560.599 million).

We humbly and gratefully bow our heads before Almighty Allah, and pray for his blessings for early revival of our company during this difficult period.

THE YEAR UNDER REVIEW

Despite our best efforts, manufacturing operation of the country's largest polyester and only acrylic manufacturing plant in the current financial year could not be started. It is unfortunate that due to closure of Dewan Salman Fibre Limited (DSFL), short fall in the supply of polyester fibre and acrylic fibre is met by import of these commodities. This not only results in spending of huge foreign exchange but also deprives people of the country to earn honorable livings.

Management of your company has made various proposals for the restructuring of the company and all these proposals have been discussed with financial institutions to make it workable but unfortunately positive results have not yet emerged.

Auditors of the company have qualified their report on certain instances, in para (a) of their report they did not agree with the going concern assumption used in preparation of financial statements accordingly they have given their adverse opinion on the financial statements. The management is in process of negotiation with banks and is confident that the outcome will be positive. The justifications regarding preparation of financial statements on going concern assumption are more fully explained in note 2 to the financial statement.

The company has not made provision of mark-up for the year amounting to Rs.1.556 billion (up to 30 June 2022: Rs.27.746 billion) on its mark-up bearing liabilities.

The management has approached its bankers/financial institutions for restructuring of its long-term and short-term obligations. The management is confident that the company's restructuring proposals will be accepted by the bankers/financial institutions. Therefore, the company has not made any provision for mark-up as it will not be payable.



Para (c) of the report relates to valuation and classification of investment in Dewan Petroleum (Pvt.) Ltd. using the equity method as required under International Accounting Standard – 28 ‘Investment in associates’ which the company has classified as held for sale. The auditors are of the view that since the shareholders’ approval sought by the company in extra ordinary general meeting held on June 23, 2008 stands expired during the year therefore the investment should be valued using equity method. Investment has been classified as held for sale upon management’s intention to sell the same within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the company, although the shareholders’ approval has been expired but the management will seek further shareholder’s approval before disposal of the same.

Para (d) of the report relates to Trade debts amounting to Rs. 1.381 billion are stagnant, not being recovered, against which a provision of Rs.0.878 billion has been made so far. Since these trade debts are doubtful of recovery therefore the provision should be made there against. Had provision been made, loss for the period would have been further higher by Rs.0.503 billion.

Management of your company making utmost efforts to recover these debts and we believe that there will be a positive response from debtors in future.

INDUSTRY OVERVIEW

Pakistan produces natural as well as man-made fibres. Among naturally produced fibres, cotton is the most common textile raw material, while polyester is the main synthetic/man-made fibre. The country’s demand of polyester fibre is majorly met through local manufacturers, while some portion is catered through imports. Despite the challenges posed by the covid-19 pandemic, textile sector has been staging a recovery following ease in local and international restrictions that allowed the industry to resume normal operations amid a rising global demand.

During the year under review, domestic polyester business performed well. Sales volume were higher supported by healthy unit margins due to strong downstream demand and favorable regional dynamics. Domestic PSF prices kept upward trend particularly in the second half of the year under review.

PTA and MEG prices were much higher during the period under review as compared to the same period last year. In addition, Rupee witnessed a sharp devaluation against US dollar, resulting significant increase in fuel prices as well as other imported raw materials. Cotton prices also remained higher due to reduced global production and tight availability.

Your company operations remained closed during the year under review.

PRINCIPAL ACTIVITIES OF THE COMPANY

Dewan Salman Fibre Limited is incorporated in Pakistan as a public limited Company and is listed on the Pakistan Stock Exchange. The Company’s principal activity was the manufacturing and sale of Polyester staple fibre (PSF) and Acrylic staple fibre (ACY) and Tow products. Currently the operations of your company are closed.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company consider the following as key risks:

- Significant competition in international PSF market;
- Depreciation of Pak Rupee against US Dollar;
- Non-availability of banking lines.

The Company is endeavoring internally as well as externally to cater with and mitigate the impact of aforesaid risks and uncertainties.

CODE OF CORPORATE GOVERNANCE

- The financial statements for the year ended June 30, 2022, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- Proper books of accounts of the company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended June 30, 2022 and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements and departure there from, if any, has been adequately disclosed in the financial statements;

- The system of internal control is sound in design and has been effectively implemented and monitored;
- There has been no material departure from the best practice of the corporate governance, as detailed in the listing regulations of the stock exchange of Pakistan;
- Summarized key operating and financial data of last six years is enclosed with the report;
- Information about taxes and levies is given in the notes to and forming part of financial results.

BOARD

The composition of board is as follows:

- | | |
|----------------------------|---|
| a. Independent Director | Mr. Asghar Iqbal |
| b. Executive Directors | Mr. Ishtiaq Ahmed
Mr. Saleem Ul Haque
Ms. Momna Gull |
| c. Non-Executive Directors | Mr. Muhammad Irfan Ali
Syed Farhan Asdaque
Mr. Muhammad Wajid |

During the year, two casual vacancies were occurred on the Board. Which was filled by the directors within stipulated time.

During the year four meetings of the Board of Directors were held. Directors' attendance in these meetings is as under:

Names of Directors	No. of meetings Attended
Mr. Zafar Asim	4
Mr. Muhammad Irfan Ali	4
Mr. Saleem-ul-Haque	4
Mr. Muhammad Wajid	4
Mr. Asghar Iqbal	4
Syed Farhan Asdaque	4
Ms. Momna Gull	4
Mr. Ishtiaq Ahmad	0

AUDIT COMMITTEE

The audit committee comprises of three directors, one of them is an independent director and two are non-executive directors. During the year four meeting were held, members' attendance in these meeting is as under:

Names of Members	No. of meetings Attended / Eligibility to attend Meeting
Mr. Asghar Iqbal	4
Mr. Muhammad Wajid	4
Mr. Muhammad Irfan Ali	4

HUMAN RESOURCE AND REMUNERATION COMMITTEE

During the year one meeting of the human resource committee was held. Members' attendance in this meeting is as under:

Names of Members	No. of meetings Attended
Mr. Asghar Iqbal	1
Mr. Zafar Asim	1
Mr. Muhammad Wajid	1

**YD****A YOUSUF DEWAN COMPANY****EARNINGS PER SHARE**

Loss per share during the period under report worked out to Rs. (4.35) [2021: Rs. (1.09)].

DIVIDEND

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

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

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

By and under Authority of the Board of Directors

On behalf of the Board

Ishtiaq Ahmed
Chief Executive Officer

Muhammad Irfan Ali
Chairman Board of Director

Date: September 27, 2022

Place: Karachi

FINANCIAL HIGHLIGHTS

	Rupees in million					
	2017	2018	2019	2020	2021	2022
Turnover	-	-	-	-	-	-
Less: Govt. Levy & Commission	-	-	-	-	-	-
Sales (Net)	-	-	-	-	-	-
Gross Profit/(Loss)	(519)	(759)	(698)	(624)	(561)	(513)
Profit (loss) before Tax	(709)	(1,322)	(1,831)	(1,035)	(489)	(1,670)
Profit (loss) after Tax	(650)	(1,183)	(1,710)	(928)	(401)	(1,592)
Gross Assets Employed	10,974	10,023	9,125	8,143	7,474	6,829
Return on Equity	-7.20%	-11.64%	-14.45%	-7.27%	-3.05%	-10.79%
Current assets	2,322	2,095	1,847	1,508	1,362	1,188
Shareholders Equity	(9,029)	(10,165)	(11,832)	(12,759)	(13,159)	(14,750)
Long Term Debts & Deferred Liabilities	1,784	1,617	1,477	1,398	1,323	1,263
Current Liabilities	18,218	18,571	19,480	19,505	19,308	20,315
Gross Profit / Loss Ratio	-	-	-	-	-	-
Net Profit Ratio	-	-	-	-	-	-
Debt/Equity Ratio	(0.20)	(0.16)	(0.12)	(0.11)	(0.10)	(0.09)
Current Ratio	0.13	0.11	0.09	0.08	0.07	0.06
Earning per Sahre Divided (Percentage)	(1.72)	(3.23)	(4.67)	(2.53)	(1.09)	(1.09)
-Cash	-	-	-	-	-	-
-Stock	-	-	-	-	-	-
Production Volume(Tons)	-	-	-	-	-	-



STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2022

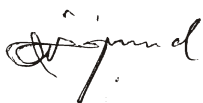
The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: 6
 - b. Female: 1
2. The composition of board is as follows:

Category	Names
a. Independent Director	Mr. Asghar Iqbal
b. Non-executive Directors	Mr. Muhammad Irfan Ali Syed Farhan Asdaque Mr. Muhammad Wajid
c. Executive Directors	Mr. Ishtiaq Ahmad Mr. Saleem Ul Haque Ms. Momna Gull

3. All Directors have confirmed that they are not serving as director in more than Seven Listed Companies including this Company.
4. 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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/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.
7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with requirements of act and the regulations with respect to frequency, recording and circulating minutes of meeting of board.
9. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
10. Two directors of the Company are trained under Directors Training Program and rest are yet to be trained for which we will arrange Directors Training Program in the coming sessions.
11. The Board has approved appointments of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The board has formed committees comprising of members given below:
 - a. Audit Committee
 - Asghar Iqbal - Chairman
 - Muhammad Wajid – Member
 - Muhammad Irfan Ali - Member
 - b. HR and Remuneration Committee
 - Asghar Iqbal – Chairman
 - Ishtiaq Ahmad–Member
 - Muhammad Wajid – Member
14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
15. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a. Audit Committee
 - 4 quarterly meetings during the financial year ended June 30, 2022
 - b. HR and Remuneration Committee
 - 1 annual meeting held during the financial year ended June 30, 2022
16. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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 Accountants (IFAC) guidelines on code of ethics are adopted by the ICAP.
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 the other material principles enshrined in the CCG have been complied with.



Ishtiaq Ahmed
Chief Executive Officer



Muhammad Irfan Ali
Chairman Board of Director

Dated: September 27, 2022
Place : Karachi.

**YD**

A YOUSUF DEWAN COMPANY

Feroze Sharif Tariq & Co.**CHARTERED ACCOUNTANTS**4 / N / 4, BLOCK-6, P.E.C.H. SOCIETY
KARACHI-75400**FARUQ ALI & CO.****CHARTERED ACCOUNTANTS**C-88, Ground Floor, KDA Scheme No.1,
Main Karsaz Road, Opp. Maritime
Museum, Karachi.**INDEPENDENT AUDITORS' MODIFIED REVIEW REPORT
TO THE MEMBERS OF DEWAN SALMAN FIBRE LIMITED****REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED
IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors ('the Board') of Dewan Salman Fibre Limited ('the Company') for the year ended 30 June 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations. As a part of our audit of the 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks. The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Further, we highlight the instance of non-compliance with the requirement of the Regulations as reflected in the paragraph 2 & 10 of the Statement of Compliance.

The Company is required to have at least two or one third members of the Board, whichever is higher, as independent directors on its board. However, the Company has only one independent director.

The Company is required to have all the directors on its board to be certified under any directors training program as at 30 June 2022, however, the Company has only two directors certified under director training program.



**Chartered Accountants
(Muhammad Tariq)**

Karachi: September 28, 2022
UDIN: CR2022101298WkaELFqv



**Chartered Accountants
(Faruq Ali)**

Karachi: September 28, 2022
UDIN: CR202210179HjiCy9TLP

Feroze Sharif Tariq & Co.**CHARTERED ACCOUNTANTS**4 / N / 4, BLOCK-6, P.E.C.H. SOCIETY
KARACHI-75400**FARUQ ALI & CO.****CHARTERED ACCOUNTANTS**C-88, Ground Floor, KDA Scheme No.1,
Main Karsaz Road, Opp. Maritime
Museum, Karachi.**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF DEWAN SALMAN FIBRE LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Adverse Opinion**

We have audited the annexed financial statements of Dewan Salman Fibre Limited ('the Company'), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of matters discussed in basis for adverse opinion paragraph, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ('the Code') and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

- a) The financial statements of the Company for the year ended 30 June 2022 reflect loss after taxation of Rs.1.592 billion and as of that date it has accumulated losses of Rs.21.583 billion which resulted in net capital deficiency of Rs.14.750 billion and its current liabilities exceeded its current assets by Rs.19.127 billion and total assets by Rs.13.486 billion. The operations of the Company are closed since December 2008 due to working capital constraints. Furthermore, the Company has been unable to ensure timely repayment of debts owing to financial institutions due to liquidity problems and short-term finance facilities have expired and not been renewed by banks. Following course, certain lenders have gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) The Company has not made provision of markup for the year amounting to Rs.1.556 billion (up to 30 June 2022: Rs.26.746 billion) (refer note 25.1) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the Company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the year would have been higher by Rs.1.556 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.26.746 billion.



- c) Investment in associate company 'Dewan Petroleum (Private) Limited' is disclosed as non-current assets held for sale (refer note 21 to the financial statements) although the resolution for the permission to sale the same has been expired during the financial year 2009, which is non-compliance of IFRS 5 Non-current assets held for sale. This investment is required to be accounted for at equity method as prescribed in International Accounting Standard – 28 'Investment in associates'. We are unable to quantify the effect of the same as latest audited financial statements of Dewan Petroleum (Private) Limited were not made available;
- d) Trade debts amounting to Rs.1.381 billion are stagnant, not being recovered, against which a provision of Rs.0.878 billion has been made so far (refer note 16 to the financial statements). Since these trade debts are doubtful for recovery therefore the provision should be made there against. Had the provision been made, loss for the year would have been further higher by Rs.0.503 billion;
- e) We did not observe counting of physical inventories as at 30 June 2022 as the management did not carry out the same. We are unable to satisfy ourselves by alternative means concerning the inventory quantities held at 30 June 2022 which are stated in the statement of financial position at net value of Rs.0.484 billion;

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report other than the matters described in the basis for adverse opinion section.

Information Other Than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. As described in the basis for adverse opinion section of our report, we have concluded that the other information is materially misstated for the same reason.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) Except for the effects of the matters discussed in the Basis for Adverse Opinion paragraph, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Because of the matters described in Basis for Adverse Opinion section, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have not been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) however, the same are in agreement with the books of account and returns;
- c) Except for the effects of the matters discussed in the Basis for Adverse Opinion paragraph, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

*Chartered Accountants
(Muhammad Tariq)*

Karachi: September 28, 2022
UDIN: AR2022101297fq186cgR

*Chartered Accountants
(Fasih-uz-Zaman)*

Karachi: September 28, 2022
UDIN: AR20221079C1OPdskhj

STATEMENT OF FINANCIAL POSITION

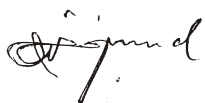
AS AT JUNE 30, 2022

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

		2022	2021
	Notes	----- (Rupees in '000) -----	
Authorized share capital			
630,000,000 (2021: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (2021: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		7,200,000	7,200,000
Issued, subscribed and paid-up share capital	5	3,663,211	3,663,211
Revenue reserves			
General reserves		350,000	350,000
Accumulated losses		(21,582,577)	(20,208,485)
Capital reserves			
Surplus on revaluation of property, plant and equipment	6	2,819,809	3,036,534
		(14,749,557)	(13,158,740)
NON-CURRENT LIABILITIES			
Long term loans	7	307,188	276,323
Deferred liabilities	8	956,125	1,047,594
		1,263,313	1,323,917
CURRENT LIABILITIES			
Trade and other payables	9	986,147	974,827
Short term borrowings	10	13,770,926	13,770,926
Overdue portion of long term liabilities	11	5,374,252	4,389,424
Provision for taxation		184,043	173,198
		20,315,368	19,308,375
CONTINGENCIES AND COMMITMENTS	12	--	--
		6,829,124	7,473,552
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	5,321,005	5,792,021
CURRENT ASSETS			
Stores and spares	14	483,650	531,484
Stock in trade	15	--	--
Trade debts - Unsecured	16	502,755	640,949
Advances	17	13,561	13,269
Short term deposits	18	151,437	151,437
Advances and other receivables - Considered good	19	19,597	12,530
Cash and bank balances	20	17,119	11,862
		1,188,119	1,361,531
Non-current asset held for sale	21	320,000	320,000
		6,829,124	7,473,552

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Notes	----- (Rupees in '000) -----	
Sales		--	--
Cost of sales	22	(512,636)	(560,599)
Gross loss		(512,636)	(560,599)
Operating expenses			
Distribution cost	23	(2,004)	(2,004)
Administrative expenses	24	(33,747)	(38,325)
		(35,751)	(40,329)
Operating loss		(548,387)	(600,928)
Finance cost	25	(1,054,109)	(27,778)
Other charges	26	(117,369)	(127,290)
Other income	27	49,842	266,994
		(1,121,636)	111,926
Loss before taxation		(1,670,023)	(489,002)
Taxation - Net	28	78,120	88,151
Loss for the year		(1,591,903)	(400,851)
Loss per share - Basic and diluted	29	(4.35)	(1.09)

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

Ishtiaq Ahmed
Chief Executive Officer

Saleem-ul-Haque
Chief Financial Officer

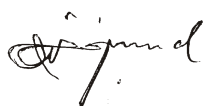
Muhammad Irfan Ali
Chairman Board of Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Notes	----- (Rupees in '000) -----	
Loss for the year	(1,591,903)	(400,851)
<i>Other comprehensive income</i>		
<i>Items that will not be subsequently reclassified to profit or loss:</i>		
Remeasurement of defined benefit liability - Net of tax	1,529	2,243
Deferred tax on remeasurement of defined benefit liability	(443)	(650)
	1,086	1,593
Impact of change in tax rate	6 --	--
Total comprehensive loss for the year	(1,590,817)	(399,258)

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	Notes	2022 ----- (Rupees in '000) -----	2021 -----
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(1,670,023)	(489,002)
<i>Adjustments for non-cash and other items:</i>			
Depreciation	13.1	471,088	523,524
Unwinding of discount	25	30,865	27,764
Exchange gain - Net	27	(3,096)	(223,001)
Provision for gratuity	8.1.7	5,387	4,462
Provision for doubtful debts / advances / receivables	26	69,535	73,034
Provision for obsolescence and slow moving stocks and stores	26	47,834	54,256
Finance cost	25	1,017,320	14
Cash outflows before working capital changes		(31,090)	(28,949)
<i>Movement in working capital</i>			
<i>(Increase) / decrease in current assets</i>			
Trade debts - Unsecured		69,148	23,174
Advances		(292)	342
Advances and other receivables - Considered good		(489)	(510)
<i>Increase in current liabilities</i>			
Trade and other payables		11,114	22,799
		79,481	45,805
Cash generated from operations		48,391	16,856
<i>Payments for:</i>			
Staff gratuity	8.1.5	(6,599)	(6,377)
Finance cost		(500)	(14)
Taxation		(7,067)	(6,657)
		(14,166)	(13,048)
Net cash inflows from operating activities		34,225	3,808
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(72)	--
Net cash outflows from investing activities		(72)	--
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans - Net		(30,692)	--
Repayment of leased liability		(1,300)	(6,000)
Net cash outflows from financing activities		(31,992)	(6,000)
Net increase / (decrease) in cash and cash equivalents		2,161	(2,192)
Net foreign exchange difference		3,096	(650)
Cash and cash equivalents at beginning of the year		(2,961,033)	(2,958,191)
Cash and cash equivalents at end of the year	30	(2,955,776)	(2,961,033)

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

Ishtiaq Ahmed
Chief Executive Officer

Saleem-ul-Haque
Chief Financial Officer

Muhammad Irfan Ali
Chairman Board of Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2022

Issued, subscribed and paid-up share capital	Revenue Reserves			Capital Reserves		Total equity
	General Reserve	Accumulated Loss	Total revenue reserves	Surplus on revaluation of property, plant and equipment	Total capital reserves	

----- (Rupees) -----

Balance as on 1 July 2020 3,663,211 350,000 (20,050,033) (19,700,033) 3,277,340 3,277,340 (12,759,482)

Loss for the year ended 30 June 2021	--	--	(400,851)	(400,851)	--	--	(400,851)
Other comprehensive income	--	--	1,593	1,593	--	--	1,593
Total comprehensive loss for the year	--	--	(399,258)	(399,258)	--	--	(399,258)

Transfer to accumulated losses on account
of incremental depreciation - Net of tax -- -- 240,806 240,806 (240,806) (240,806) --

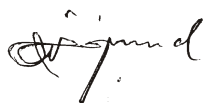
Balance as at 30 June 2021 3,663,211 350,000 (20,208,485) (19,858,485) 3,036,534 3,036,534 (13,158,740)

Loss for the year ended 30 June 2022	--	--	(1,591,903)	(1,591,903)	--	--	(1,591,903)
Other comprehensive income	--	--	1,086	1,086	--	--	1,086
Total comprehensive loss for the year	--	--	(1,590,817)	(1,590,817)	--	--	(1,590,817)

Transfer to accumulated losses on account
of incremental depreciation - Net of tax -- -- 216,725 216,725 (216,725) (216,725) --

Balance as at 30 June 2022 3,663,211 350,000 (21,582,577) (21,232,577) 2,819,809 2,819,809 (14,749,557)

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on 4 October 1989 under repealed Companies Ordinance 1984, now Companies Act, 2017 and its shares are listed on Pakistan Stock Exchange. It is engaged in manufacturing and sale of polyester, acrylic fibre and tow products. However, the operations of the Company are closed since December 2008.

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

- The registered office of the Company is situated at Plot No. 6, street no. 9, Fayyaz market, G-8/2, Islamabad, Pakistan.
- The factory office of the Company is situated at Plot No. 1, Dewan Farooque Industrial Park, Hattar, District Haripur (K.P.K), Pakistan.
- The corporate office of the Company is situated at Dewan Center, 3-A Lalazar Beach Hotel Road, Karachi, Pakistan.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended 30 June 2022 reflect loss after taxation of Rs.1.592 billion (2021: Rs.0.401 billion) and as of that date it has accumulated losses of Rs.21.583 billion (2021: Rs.20.208 billion) which have resulted in net capital deficiency of Rs.14.750 billion (2021: Rs.13.159 billion) and its current liabilities exceeded its current assets by Rs.19.127 billion (2021: Rs.17.947 billion) and total assets by Rs.13.486 billion (2021: Rs.11.835 billion). The operations of the Company are closed since December 2008 due to working capital constraints. Further, the Company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and short term finance facilities have not been renewed by banks. Following course most of the lenders have gone into litigation for repayment of liabilities through attachment and sale of Company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty, which may cast significant doubt about Company's ability to continue as going concern.

These financial statements have been prepared on going concern assumption because the above conditions are temporary and would reverse. The management is confident that the outcome will be positive as the Company is negotiating re-profiling of the debt with all the lenders and is expected to be closed in near future. Accordingly the Company has approached its lenders for the restructuring of its entire debt in the following manner:

- a) All the debt obligations of the Company be converted into interest bearing long term loan in proportion to their respective current exposures;
- b) Principal to be repaid in 12 years in equal quarterly installments commencing from the 28th month of the restructuring date;
- c) Mark-up payable as on 31 December 2008 to be freezed and paid quarterly over a period of three years commencing after 3 months from the restructuring date;

The management believes that the restructuring proposal presented is workable and would enable the Company to service its debts. Therefore, the management is confident that the proposal will be accepted by its lenders. Accordingly, these financial statements have been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in note 25.1 to the financial statements, for which the management concludes that provisioning of mark up would conflict with the objectives of the financial statements. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared on historical cost basis, except as otherwise stated in respective accounting policies.

3.3 Changes in accounting standards, interpretations and pronouncements

3.3.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended 30 June 2022

The following standards, amendments and interpretations are effective for the year ended 30 June 2022. These standards, amendments and interpretations are either not relevant to the company's operations or not expected to have significant impact on the company's financial statements other than certain additional disclosures.

	Effective Date (Period beginning on or after)
"Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)"	1 January 2021
Amendment to IFRS 16 "Leases" - Covid-19 related rent concessions extended beyond 30 June 2021	1 April 2021

3.3.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the company's operations or are not expected to have significant impact on the company's financial statements other than certain additional disclosure.

	Effective Date (Period beginning on or after)
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	1 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	1 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - cost of fulfilling a contract	1 January 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	1 January 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	1 January 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	1 January 2023
Amendment to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	1 January 2023



Amendment to IAS 12 'Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction

1 January 2023

Amendment to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Deferred indefinitely

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

3.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.5 Use of estimates and judgements

The preparation of the financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are as follows:

3.5.1 Operating fixed assets, revaluation and depreciation

The Company reviews appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. The estimates of revalued amounts of revalued assets are based on valuations carried out by a professional valuer. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

3.5.2 Trade debts and amount due from related parties

The Company reviews its doubtful debts at each reporting dates to assess whether provision should be recorded in the statement of profit or loss. In particular, judgment by management is required in the estimates of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provisions.

3.5.3 Income tax

In making the estimates for income tax currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

3.5.4 Stores and spares

The Company reviews the net realizable value (NRV) and impairment of stores and spare parts to assess any diminution in the respective carrying values and wherever required provision for NRV / impairment is made. The calculation of provision involves the use of estimates with regards to future estimated use and past consumption along with stores and spares holding period.

3.5.5 Staff retirement benefits

Certain actuarial assumptions have been used as disclosed in these financial statements (note 8.1.2) for the actuarial valuation of unfunded gratuity scheme. Changes in these assumptions in future years may effect the liability under this scheme in those years.

3.5.6 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

4 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

4.1 Property, plant and equipment and depreciation

Owned:

Item of property, plant and equipment is recognized as asset when it is probable that future economic benefits associated with the asset will flow to the company and its cost to the company can be measured reliably.

An item of property, plant and equipment, which qualifies for recognition as an asset, is initially measured at its cost. Cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent to initial recognition items of property, plant and equipment are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using the fair value at the balance sheet date.

Any revaluation increase arising on the revaluation of assets is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revalued assets to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Capital work in process is stated at cost, less any recognized impairment loss. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost or revaluation of assets, other than leasehold and freehold land and capital work-in-process, over their estimated useful lives, using the reducing balance method, on the basis of rates specified in note 13. Depreciation on additions is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income statement.

4.2 Right-of-use asset and lease liability

The Company accounts for property, plant and equipment acquired under lease agreement by recording the right of use asset and related lease liability.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a reducing balance method over the shorter of lease-term or assets economic life. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Initially on lease commencement date, the lease liability is measured at the present value of unpaid lease payments. These unpaid lease payments are discounted using interest rate implicit in the lease, if readily determinable. If that rate cannot be readily determined then the incremental borrowing rate is used.

The lease liability is subsequently measured (at amortised cost) by increasing the carrying amount to reflect interest on the lease liability using the effective interest method and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the income and expenditure account.

For short term leases and leases of low / immaterial value assets, the Company's recognises the lease payments as an expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

4.3 Staff retirement benefits

The Company operates an unfunded Gratuity Scheme (the Plan) for eligible employees of the Company. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. Remeasurements which comprise actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in statement of profit or loss. The latest actuarial valuation was conducted by a qualified professional firm of actuaries using the "Projected Unit Credit Method".

4.4 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.

4.5 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

4.6 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.

4.7 Investment in associates

Associates are entities over which the Company exercises significant influence. Investment in associates is accounted for using equity basis of accounting, under which the investment in associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the associate after the date of acquisition. The Company's share of profit or loss of the associate is recognised in the Company's statement of profit or loss. Distributions received from associate reduce the carrying amount of the investment. Adjustments to the carrying amount are also made for changes in the Company's proportionate interest in the associate arising from changes in the associates' other comprehensive income that have not been recognised in the associate's profit or loss. The Company's share of those changes is recognised in other comprehensive income of the Company. The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and the fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses. If the associate subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4.8 Stores and spares

These are valued at average cost except for those in transit, which are valued at cost. Provision for obsolete items is based on their condition as at the financial position date depending upon the management's judgement.

4.9 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.

4.10 Trade debts

Trade debts and other receivables are stated initially at fair value and subsequently measured at amortized cost using the effective interest rate method, if applicable, less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade debts and receivables are written off when considered irrecoverable.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.11 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to statement of profit or loss.

4.12 Transactions with related parties

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



4.13 Revenue recognition

- Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good to a customer at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.
- Return on bank deposits and investments are recognised on a time proportion basis on the principal amount outstanding at the applicable rate.
- Dividend income is recognised when the Company's right to receive the dividend is established.
- Rental income is recognised when the Company's right to receive is established.

4.14 Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a 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 the obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

4.15 Cash and cash equivalents

Cash and cash equivalents comprise cash and cheques in hand, balances with banks, term deposits with original maturity period of three months or less, short term running finances and temporary book overdrawn balances.

4.16 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

4.17 Financial instruments

4.17.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- Fair value through other comprehensive income (FVOCI);
- Fair value through profit or loss (FVTPL); and
- Measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss account.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss account unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss account.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the statement of profit or loss account.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss account.

4.17.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

4.17.2.1 Trade debts, advances and other receivables

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.17.2.2 Cash and cash equivalents

For the purpose of presentation in statement of cash flow, cash and cash equivalents includes cash in hand, balances with banks and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value and short term borrowings availed by the Company, which are repayable on demand and form an integral part of the Company's cash management.

4.17.3 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

4.17.3.1 Mark-up bearing borrowings and borrowing costs

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss account over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

4.17.3.2 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

**4.17.4 Derivative financial instruments - Other than hedging**

Derivatives that do not qualify for hedge accounting are recognised in the statement of financial position at estimated fair value with corresponding effect to statement of profit or loss account. Derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative.

4.17.5 Derivative financial instruments - Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in fair value of the derivative is recognised in other comprehensive income and accumulated in hedging reserve. Any ineffective portion of changes in fair value of derivative is recognised immediately in the statement of profit or loss account. The amount accumulated in equity is removed therefrom and included in the initial carrying amount of non-financial asset upon recognition of non-financial asset.

The fair value of forward exchange contracts is estimated using appropriate valuation techniques. These are carried as assets when the fair value is positive and liabilities when the fair value is negative.

4.17.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has currently legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the Company or the counter parties.

4.18 Impairment**4.18.1 Financial assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

4.18.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

2022 ---- (Number of shares) ----	2021		2022 ----- (Rupees in '000) -----	2021
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	322,558	322,558
366,321,083	366,321,083	96,767,400 shares of Rs.10/- each of Dhan Fibres Limited	3,663,211	3,663,211

5.1 At reporting date, 156,433,140 shares (2021: 156,433,140 shares) were held by associated companies.

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Surplus on revaluation of property, plant and equipment - Opening	3,036,534	3,277,340
Transfer to accumulated losses on account of incremental depreciation - Net of tax	(216,725)	(240,806)
Surplus on revaluation of property, plant and equipment - Closing	2,819,809	3,036,534

6.1 This represents surplus on revaluation of freehold land, leasehold land, non-factory building, factory building and plant and machinery. The latest revaluation has been carried out at 30 June 2017 by an independent valuer M/s. Anderson Consulting (Private) Limited. The basis of revaluation are stated below:

Land

Valuation of land is determined by obtaining key market data from property brokers, dealers and estate agents to ascertain the asking and selling prices of the property of the same nature in the immediate neighborhood and adjoining areas.

Building

Revalued amount of building has been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical conditions and level of preventive maintenance carried out by the Company.

Plant and machinery

Revalued amount of plant and machinery has been determined by reference to present depreciated replacement values after taking into consideration the existence, level of maintenance and assessment of value of the machinery on the basis of its present conditions. Since the plant is not operational therefore assessment is carefully made to establish if the machinery can be put into operation after routine maintenance. New price is calculated according to the market values, applied suitable depreciation as per their condition, usage, life and maintenance and determined its Current Market Values.

- 6.2** The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

7 LONG TERM LOANS

		2022	2021
		------(Rupees in '000)-----	
From bank and financial institutions - Secured	7.1	5,374,252	4,388,124
Overdue portion - Shown under current liabilities	11	(5,374,252)	(4,388,124)
		--	--
From related parties - Unsecured, interest free			
Original loan amount	7.2	379,645	379,645
Effects of fair value adjustments			
Opening balance		(103,322)	(131,086)
Unwinding of interest / discount for the year	25	30,865	27,764
Shareholder's contribution included in equity		(72,457)	(103,322)
Shareholders' loan / fair value of the loan		307,188	276,323
		307,188	276,323

7.1 From bank and financial institutions - Secured

Financier	Installments payable	Repayment period	Mark-up rate	Notes	2022	2021
					------(Rupees in '000)-----	
Syndicate of banks	Half yearly	2003-2008	3.75% over 6 months T-bill rate	7.1.1	58,333	58,333
International Finance Corporation (IFC) FCY-LOAN	Half yearly	2005-2011	6.9% p.a.	7.1.2	3,510,840	2,687,700
International Finance Corporation (IFC) FCY-LOAN	Annual	2010	5% p.a.	7.1.3	826,080	632,400
Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd.	Quarterly	2009	3% over six months KIBOR	7.1.4	18,308	49,000
National Bank of Pakistan	Quarterly	2011	2% over three months KIBOR	7.1.5	500,000	500,000
Allied Bank Limited	Monthly	2010	3.25% over three months KIBOR	7.1.6	460,691	460,691
					5,374,252	4,388,124

7.1.1 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.

7.1.2 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.

7.1.3 This represents the financing of US Dollars 4 million obtained under the "Convertible C Loan Agreement" dated 16 June 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 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 Dollar 1 million dated 14 May 2004 with all the terms and conditions of the said agreement remains unchanged.

7.1.4 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.

During the year, an out of court settlement has been made for the outstanding liabilities. The total settlement amount is Rs.54.923 million which will be payable in three equal quarterly installments of Rs.18.308 million each. Cost of fund amounting to Rs.72.719 million which will be waived by Saudi Pak in case of no violation of this settlement by the Company.

7.1.5 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.

7.1.6 This represents term finance facility for the purpose of retiring present running finance & FADB outstanding and is secured by way of first pari passu charge over fixed assets with 25% margin.

7.2 This represents interest free loan and is repayable in lump sum on 30 June 2024. The loan from sponsor has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 11.17% per annum.

8 DEFERRED LIABILITIES

Staff gratuity payable

Deferred tax liability - Net

	2022	2021
	----- (Rupees in '000) -----	
8.1	158,987	161,728
8.2	797,138	885,866
	956,125	1,047,594

**8.1 Staff gratuity payable**

The Company operates unfunded gratuity scheme for its permanent eligible employees. Gratuity benefit is payable under the scheme to employees on cessation of employment due to death, retirement and resignation.

The gratuity is payable based on the last drawn gross pay and the number of years of services.

	2022	2021
8.1.1 Number of employees under the scheme	46	50

8.1.2 Principal actuarial assumptions

The latest actuarial valuations of the above gratuity scheme were carried out as at 30 June 2022 under the Project Unit Credit Method. Principal actuarial assumptions used in the valuation of the scheme is as follows:

Financial assumptions

Expected rate of increase in salaries	12.25% p.a.	9% p.a.
Discount rate	13.25% p.a.	10% p.a.
Average expected remaining working life times of employees	7 years	7 years

Mortality rate is based on adjusted SL1C 2001-2005 with one year age set back mortality table.

		2022	2021
		------(Rupees in '000)-----	
8.1.3 Staff gratuity payable			
Present value of defined benefit obligations	8.1.4	34,984	33,546
Frozen gratuity		124,003	128,182
	8.1.5	158,987	161,728
8.1.4 Reconciliation of present value of defined benefit obligation			
Present value of defined benefit obligation - opening		33,546	36,873
Frozen gratuity - opening		128,182	129,013
Service cost		2,133	1,785
Interest on defined benefit liability		3,254	2,677
Benefits paid		(2,016)	(696)
Liability transferred to other account		(4,583)	(5,681)
Frozen gratuity - closing		(124,003)	(128,182)
Actuarial gain		(1,529)	(2,243)
		34,984	33,546
8.1.5 Movement in present value of defined benefit obligations			
Net defined benefit liability - Opening		161,728	165,886
Expense chargeable to profit and loss account	8.1.6	5,387	4,462
Remeasurement gain transferred to OCI		(1,529)	(2,243)
Transfer to final settlement payable		(4,583)	(5,681)
Payments during the year		(2,016)	(696)
		158,987	161,728
8.1.6 Expense chargeable to profit and loss account			
Service cost		2,133	1,785
Net interest on net defined benefit liability		3,254	2,677
	8.1.7	5,387	4,462

		2022	2021
		----- (Rupees in '000) -----	
8.1.6 Allocation of charge for the year			
Cost of sales	23	1,647	1,433
Administrative expenses	24	3,740	3,029
		<u>5,387</u>	<u>4,462</u>

8.1.8 Sensitivity analysis

Sensitivity analysis has been performed by varying on assumption keeping all other assumptions constant and calculating the impact on the present value of the defined benefit obligations under the gratuity scheme. The increase / (decrease) in the present value of defined benefit obligations as a result of change in each assumption is summarized below:

Present value of defined benefit obligation

Discount rate + 1%	32,955	31,601
Discount rate - 1%	37,135	35,609
Salary increase + 1%	37,136	35,610
Salary increase - 1%	32,956	31,602

8.2 Deferred tax liabilities - Net

Deferred taxation comprises temporary difference relating to:

Accelerated tax depreciation	246,132	266,317
Surplus on revaluation of fixed assets	796,695	885,216
Finance lease transactions	27,644	(21,793)
Provisions and others	(726,515)	(693,656)
Accumulated tax losses	(5,325,466)	(5,226,209)
Deferred tax (asset)	(4,981,510)	(4,790,125)
Deferred tax asset not recognized	5,778,648	5,675,991
Deferred tax liability in respect of revaluation surplus	<u>797,138</u>	<u>885,866</u>

9 TRADE AND OTHER PAYABLES

Trade creditors	619,482	621,705
Accrued expenses	359,279	346,391
Withholding income tax payable	5,158	4,503
Unclaimed TFCs redemption warrants	2,228	2,228
	<u>986,147</u>	<u>974,827</u>

10 SHORT TERM BORROWINGS

From banks and financial institutions - Secured		
- Morabaha finance	621,530	621,530
- Short term loans	4,218,471	4,218,471
Short term running finance - Secured	2,970,019	2,970,019
Short term bank financing	5,958,030	5,958,030
Temporary book overdraft - Unsecured	2,876	2,876
	<u>13,770,926</u>	<u>13,770,926</u>

10.1 The facilities for various loans and finances under mark-up arrangements available from various banks amount to Rs.8.766 billion (2021: Rs.8.766 billion) and carry mark up ranging from 1% to 4% (2021: from 1% to 4%) over one to six months KIBOR. 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. These facilities have not been renewed by the banks, however, the renewal would take place at the finalization of the financial restructuring process. During the year, settlement has been made and consequently entire liability has been paid as morefully explain in note 11.1 to the financial statements. The lenders listed above are in litigation with the Company as more fully explained in note 12.1(a) to the financial statements.



		2022	2021
		----- (Rupees in '000) -----	
11 OVERDUE PORTION OF LONG TERM LIABILITIES			
Overdue portion of long term loans	7	5,374,252	4,388,124
Overdue portion of lease liabilities	11.1	--	1,300
		<u>5,374,252</u>	<u>4,389,424</u>

11.1 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 ended June 2011. Mark up rate ranging from 13.71% to 14.38% (2021: from 13.71% to 14.38%) 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.8.498 million upon the completion / settlement of the respective lease. During the year ended 30 June 2020, the Company paid principal liability of a financial institution plus cost of funds and charged short amount against cost of fund to profit or loss account in that year.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

- (a) In respect of liabilities towards banks / financial institutions disclosed in note 7, 9, 10 and 11 to the financial statements, most of banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount is Rs. 22.110 billion, out of total suits amount four of the banks having suit to the extent of Rs. 2.435 billion has also filed winding up petition u/s 301 of the Companies Act, 2017. Since the Company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse affect on Company's position in the suits.

The management has disputed the claim and is strongly contesting the cases. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged mark-up on mark-up and other levies higher than the rate of mark-up agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favour of the Company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage. Since the banks / financial institutions are in litigation with the Company, therefore balance confirmations have not been received there from.

- (b) The Company is defendant in a legal proceeding initiated by certain transporters for an aggregate amount of Rs.31.127 million (being pending bill of Rs.27.127 million and Rs.4 million as delayed payment charges) which is pending before Hon'able Lahore High Court (Rawalpindi Bench), the outcome of which cannot be established at this stage. The management, based on the strength of its case and the advice of its lawyers, believes that no additional liability will arise out of these proceedings; hence no provision for delayed payment charges has been made in these financial statements.
- (c) Guarantees given by the commercial banks on behalf of the company amounted to Rs.78.30 million (2021: Rs.78.30 million).

		2022	2021
		----- (Rupees in '000) -----	
13 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	5,178,192	5,649,208
Capital work in progress	13.4	142,813	142,813
		<u>5,321,005</u>	<u>5,792,021</u>

13.1 Operating fixed assets

2022								
PARTICULARS	COST / REVALUATION			Accumulated depreciation			Carrying value as at 30 June 2022	Rate %
	As at 1 July 2021	Additions during the year	As at 30 June 2022	As at 1 July 2021	Charge for the year	As at 30 June 2022		
	(Rupees)							
Freehold land	155,000	--	155,000	--	--	--	155,000	-
Leasehold land	787,200	--	787,200	--	--	--	787,200	-
Factory building	3,349,978	--	3,349,978	2,362,635	98,735	2,461,370	888,608	10
Non-factory building	1,079,856	--	1,079,856	955,382	12,448	967,830	112,026	10
Tank terminal	16,453	--	16,453	15,649		15,729	724	10
Plant and machinery	21,015,405	--	21,015,405	17,448,876	356,652	17,805,528	3,209,877	10
Vehicles	162,680	72	162,752	158,892	766	159,658	3,094	20
Furniture and fixtures	80,917	--	80,917	72,263	865	73,128	7,789	10
Office equipment	136,997	--	136,997	121,581	1,542	123,123	13,874	10
TOTAL	26,784,486	72	26,784,558	21,135,278	471,088	21,606,366	5,178,192	

2021								
PARTICULARS	COST / REVALUATION			Accumulated depreciation			Carrying value as at 30 June 2021	Rate %
	As at 1 July 2020	Additions during the year	As at 30 June 2021	As at 1 July 2020	Charge for the year	As at 30 June 2021		
	(Rupees)							
Freehold land	155,000	--	155,000	--	--	--	155,000	-
Leasehold land	787,200	--	787,200	--	--	--	787,200	-
Factory building	3,349,978	--	3,349,978	2,252,931	109,704	2,362,635	987,343	10
Non-factory building	1,079,856	--	1,079,856	941,552	13,830	955,382	124,474	10
Tank terminal	16,453	--	16,453	15,560		15,649	804	10
Plant and machinery	21,015,405	--	21,015,405	17,052,595	396,281	17,448,876	3,566,529	10
Vehicles	162,680	--	162,680	157,946	946	158,892	3,788	20
Furniture and fixtures	80,917	--	80,917	71,302	961	72,263	8,654	10
Office equipment	136,997	--	136,997	119,868	1,713	121,581	15,416	10
TOTAL	26,784,486	--	26,784,486	20,611,754	523,524	21,135,278	5,649,208	

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

	2022	2021
	----- (Rupees in '000) -----	
Cost of sales	468,733	520,907
Administrative expenses	2,355	2,617
	471,088	523,524

13.3 The aggregate book value of all the disposals was less than five million rupees.

13.4 Capital work in progress

Plant and machinery - Owned	56,429	56,429
Plant and machinery - Leased	86,384	86,384
	142,813	142,813

13.5 Had there been no revaluation the carrying value of revalued assets as at 30 June, would have been as follows:



	2022	2021
	----- (Rupees in '000) -----	
PSF-Units		
Freehold land	70,652	70,652
Leasehold land	2,269	2,269
Factory building	171,174	190,194
Non-factory building	44,718	49,687
Plant and machinery	851,784	946,426
Acrylic Unit		
Factory building	35,440	39,378
Non-factory building	374	416
Plant and machinery	350,859	389,843
	1,527,270	1,688,865

13.6 Particulars of immovable properties in the name of the Company are as follows:

Location	Usage of immovable property	Total area
Plot Number 1, Dewan Farooque Industrial Park, Hattar District	Production plant	2624 canals
Phase IV, Hattar Industrial Estate, District Haripur, KPK	Production plant	443 canals

13.7 The forced sale value of the revalued property, plant and equipment owned by the Company had been assessed at Rs.6,450.704 million.

14 STORES AND SPARES

Consumable stores	1,009,218	1,009,218
Packing material	12,501	12,501
Chemicals	51,107	51,107
Fuel, oil and lubricants	12,288	12,288
	1,085,114	1,085,114
Provision for obsolescence and slow moving items	14.1 (601,464)	(553,630)
	483,650	531,484

14.1 Movement in provision for obsolescence and slow moving items

Opening balance	553,630	499,374
Provision during the year	47,834	54,256
Closing balance	601,464	553,630

15 STOCK IN TRADE

Raw materials	308,497	308,497
Work-in-process	103,879	103,879
Stock in transit	194,940	194,940
Waste	19,086	19,086
	626,402	626,402
Provision for obsolescence and slow moving stocks	(626,402)	(626,402)
	--	--

		2022	2021
		------(Rupees in '000)-----	
16 TRADE DEBTS - Unsecured			
Considered good		502,755	640,949
Considered doubtful		878,167	809,121
		<u>1,380,922</u>	<u>1,450,070</u>
Provision for doubtful debts	16.3	<u>(878,167)</u>	<u>(809,121)</u>
		<u>502,755</u>	<u>640,949</u>
16.1 Trade debts include Rs. 117.050 million (2021: Rs.117.050 million) due from Dewan Khalid Textile Mills Limited (associated company). Subsequent to the balance sheet date, the Company is holding an EOGM at 26 September 2022, where a proposed resolution of conversion of trade debts into unsecured, interest bearing short term loan in accordance with the provision of section 199 of the Company Act, 2017 is to be passed.			
16.2 Trade debts also include a sum of Rs. 21.673 million (2021: Rs.21.673 million) receivable from Nazir of High Court of Sindh representing receivable against sales made on account of auction of the Company's stock as per order of court. All the sale proceeds are being deposited by the successful bidder directly with Nazir of High Court. The said amount will be adjusted against liability of bank under litigation upon lifting of all pledged stock.			
16.3 Movement in provision for doubtful debts			
Opening balance		809,121	736,597
Provision during the year	26	69,046	72,524
Closing balance		<u>878,167</u>	<u>809,121</u>
17 ADVANCES			
<i>Against expenses / employees</i>			
Considered good		13,561	13,269
Considered doubtful		80,126	80,126
		<u>93,687</u>	<u>93,395</u>
Provision for doubtful advances		<u>(80,126)</u>	<u>(80,126)</u>
		<u>13,561</u>	<u>13,269</u>
18 SHORT TERM DEPOSITS			
Deposits		1,142	1,142
Margin		150,295	150,295
		<u>151,437</u>	<u>151,437</u>
19 OTHER RECEIVABLES - Considered good			
Sales tax		68,798	68,309
Duty drawback receivable		73,872	73,872
Duties refundable		4,691	4,691
Insurance claim receivable		14,730	14,730
Advance income tax		19,597	12,530
		<u>181,688</u>	<u>174,132</u>
Less: Provision for doubtful receivable	19.1	<u>(162,091)</u>	<u>(161,602)</u>
		<u>19,597</u>	<u>12,530</u>



	Notes	2022 ------(Rupees in '000)-----	2021
19.1 Movement in provision for other receivable			
Opening balance		161,602	161,092
Provision during the year		489	510
Closing balance		162,091	161,602
20 CASH AND BANK BALANCES			
Cash in hand		445	396
Cash at banks			
- Current accounts		3,470	1,357
- Foreign currency accounts		13,204	10,109
		17,119	11,862
21 NON-CURRENT ASSET HELD FOR SALE			
Investment in Dewan Petroleum (Pvt) Limited			
12,600,000 Shares (2021: 12,600,000 shares)			
of Rs.10/- each at a premium of Rs.15.397/- per share		320,000	320,000
<p>21.1 Rally Energy Pakistan Limited (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 has acquired 12 million ordinary shares of Rs.10/- each of the DPL (33.33% of DPL equity) in lieu of its equity investment and advance against cash calls under authority of the special resolution passed under section 208 of the Companies Ordinance, 1984 in Extra Ordinary General Meeting held on 30 August 2006.</p> <p>21.2 The investment has been classified as held for sale upon management intention to sell the same within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the Company. For this purpose special resolution was passed by the shareholders in the Extra Ordinary General Meeting of the Company held on June 23, 2008, which was expired during the financial year 2009, however the management will seek further shareholders' approval before disposal of the same.</p> <p>21.3 The investment is made in accordance with the requirements of Companies Act, 2017.</p>			
22 COST OF SALES			
Depreciation	13.2	468,733	520,907
Salaries, wages and other benefits		28,529	31,070
Electricity, fuel and power		8,452	7,281
Fee and subscription		2,808	--
Repairs and maintenance		2,292	135
Vehicle running expenses		973	533
General expenses		824	662
Travelling expenses		25	11
		512,636	560,599
Opening stock of work-in-process		103,879	103,879
Closing stock of work-in-process		(103,879)	(103,879)
Cost of goods manufactured		512,636	560,599
Opening stock of finished goods and waste		19,086	19,086
Closing stock of finished goods and waste		(19,086)	(19,086)
		512,636	560,599
23 DISTRIBUTION COST			
Salaries and other benefits		2,004	2,004

DEWAN SALMAN FIBRE LIMITED

		2022	2021
	Notes	------(Rupees in '000)-----	
24 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		24,415	30,059
Depreciation	13.2	2,355	2,617
Legal and professional charges		1,884	1,304
Vehicle running expenses		1,870	1,284
General expenses		1,202	480
Auditors' remuneration	24.1	1,350	1,350
Rent, rates and taxes		257	195
Printing and stationery		187	778
Communication		110	112
Travelling expenses		96	137
Entertainment		21	9
		<u>33,747</u>	<u>38,325</u>
24.1 Auditors' remuneration			
Annual audit fee - Faruq Ali & Co		500	500
Annual audit fee - Feroze Shariif Tariq & Co		500	500
Fee for half yearly review		200	200
Other certifications		100	100
Out of pocket		50	50
		<u>1,350</u>	<u>1,350</u>
25 FINANCE COST			
Exchange loss		1,016,820	--
Unwinding of discount		30,865	27,764
Markup expense on settlement		5,924	--
Bank charges		500	14
		<u>1,054,109</u>	<u>27,778</u>
25.1 The Company has not made the provision of mark-up amounting to Rs.1.556 billion (Upto 30 June 2022: Rs. 26.746 billion) keeping in view of the financial restructuring proposed to the lenders as disclosed in note 2. Management is hopeful that the restructuring proposal will be accepted by the lenders. Had the provision been made the loss for the year would have been increased by Rs. 1.556 billion and accrued mark-up would have been increased and shareholders' equity would have been decreased by Rs. 26.746 billion. The said non-provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.			
26 OTHER CHARGES			
Provision for doubtful debts / advances / receivables		69,535	73,034
Provision for obsolescence and slow moving stores and spares	14.1	47,834	54,256
		<u>117,369</u>	<u>127,290</u>
27 OTHER INCOME			
Rental income on warehouse		46,746	43,993
Exchange gain - Net		3,096	223,001
		<u>49,842</u>	<u>266,994</u>
28 TAXATION - Net			
Current year tax		10,845	10,206
Deferred tax		(88,965)	(98,357)
		<u>(78,120)</u>	<u>(88,151)</u>

**28.1 Relationship between income tax expense and accounting loss**

Numerical reconciliation between the average tax rate and the applicable tax rate has not been given as current year tax represents tax on rental income.

28.2 The income tax assessments of the Company deemed to have been finalized up to tax year 2021.**29 LOSS PER SHARE - Basic and diluted****29.1 Basic loss per share**

Loss after taxation attributable to ordinary shareholders

2022 2021

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

(1,591,903) (400,851)

----- (Number of shares) -----

Weighted average number of ordinary
shares outstanding during the year

366,321,083 366,321,083

----- (Rupees) -----

Loss per share - Basic

(4.35) (1.09)

29.2 Diluted loss per share

Effect of convertible C loan shares is not included in diluted earnings per share calculation since the effect is anti-dilutive, resulting in a decrease in diluted loss per share.

30 CASH AND CASH EQUIVALENTS

Cash and bank balances

20 17,119 11,862

Short term finances:

Short term running finances

10 (2,970,019) (2,970,019)

Book overdraft

10 (2,876) (2,876)

(2,972,895) (2,972,895)

(2,955,776) (2,961,033)

31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

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

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

31.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

In summary, the maximum exposure to credit risk as at 30 June 2022 and 30 June 2021 was as follows:

	2022		2021	
	Financial assets	Maximum exposure	Financial assets	Maximum exposure
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Trade debts	502,755	502,755	640,949	640,949
Short term deposits	151,437	151,437	151,437	151,437
Advances	13,561	13,561	13,269	13,269
Cash at banks	16,674	16,674	11,466	11,466
	684,427	684,427	817,121	817,121

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The Company believes that it is not exposed to any major concentration of credit risk as its customers are credit worthy and dealing banks possess good credit ratings.

31.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities by continuous monitoring of forecast and actual cash outflows. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.



	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
2022						
<i>Non-derivative financial liabilities</i>	<i>(Rupees in '000)</i>					
Long term loans	5,681,440	5,753,897	5,374,252	--	--	379,645
Trade and other payables	980,989	980,989	980,989	--	--	--
Short term borrowings	13,770,926	13,770,926	13,770,926	--	--	--
	20,433,355	20,505,812	20,126,167	--	--	379,645
2021						
<i>Non-derivative financial liabilities</i>	<i>(Rupees in '000)</i>					
Long term loans	4,664,447	4,767,769	4,388,124	--	--	379,645
Trade and other payables	970,324	970,324	970,324	--	--	--
Short term borrowings	13,770,926	13,770,926	13,770,926	--	--	--
	19,405,697	19,509,019	19,129,374	--	--	379,645

All the financial liabilities of the Company are non derivative financial liabilities. The contractual cash flow relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June.

31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

31.3.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to foreign currency risk primarily with respect to loans and bank balances denominated in US Dollars (USD).

Exposure to currency risk

The summary of the quantitative data about the Company's exposure to foreign currency risk is as follows:

	2022	2021
<i>Assets / (liabilities)</i>	<i>----- (Rupees in '000) -----</i>	
Loans	(4,336,920)	(3,320,100)
Bank balances	13,204	10,109
	(4,323,716)	(3,309,991)
The following significant exchange rate has been applied:		
USD to PKR (Reporting date rate in Rupees)	206.52	158.10

Sensitivity analysis

At reporting date if PKR against US Dollar had strengthened by 10% against the US Dollar with all other variables held constant loss / profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange loss on translation of foreign currency liabilities.

	2022 ------(Rupees in '000)-----	2021 ------(Rupees in '000)-----
Effect on loss	432,372	330,999

The 10% weakening of the PKR against US Dollar would have had an equal but opposite impact on the loss for the year on the basis that all other variables remain constant.

31.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments at carrying amounts:

Financial assets		
Balance with banks	13,204	10,109
Financial liabilities		
Long term loans	4,336,920	3,320,100

Variable rate instruments at carrying amounts:

Financial liabilities		
Loans	1,037,332	1,068,024
Short term borrowings	13,768,050	13,768,050
	14,805,382	14,836,074

Fair value sensitivity analysis for fixed rate instruments:

The Company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flows sensitivity analysis for variable rate instruments:

Since the Company has not made provision for mark-up on its variable rate instruments therefore cash flow sensitivity analysis is not being given.

31.4 Fair value of the financial instruments

The carrying amounts of financial assets and financial liabilities approximate their fair value as assets and liabilities are either short term or are repriced frequently. The fair value is determined on the basis of non observable market data. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

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

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



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

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

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

31.5 Capital risk management

The Company's prime objective when managing capital is to safe guard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

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

	Chief Executive		Director		Executive		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Rupees in '000)							
Managerial remuneration	4,248	4,248	1,148	715	1,290	1,290	6,686	6,253
Retirement benefits	--	1,474	--	147	--	349	--	1,970
House rent allowance	1,912	1,912	517	322	581	581	3,010	2,815
Utilities	425	425	115	71	129	129	669	625
Conveyance	4	4	7	4	4	4	15	12
	6,589	8,063	1,787	1,259	2,004	2,353	10,380	11,675
Number of persons	1	1	2	1	1	1	4	3

The Chief Executive, Director and Executive are provided with free use of Company cars.

33 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, directors, key management personnel, entities with common directorships, and employee retirement funds. Balances with related parties are shown in trade debts (note 16.1), and Non-current asset held for sale (note 21) to the financial statements. During the year, no transaction with related parties except as disclosed in note 32, Remuneration to chief executive, director and executive of the Company.

34 INFORMATION ABOUT BUSINESS SEGMENTS

34.1 Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

34.2 Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. These financial statements have been prepared on the basis of single reportable segment. The operations of the Company are closed since December 2008.

34.3 All non-current assets of the Company as of 30 June 2022 are located in Pakistan.

35 PLANT CAPACITY AND PRODUCTION

	----- 2022 -----		----- 2021 -----	
	Annual (tons)	Production (tons)	Annual (tons)	Production (tons)
PSF Units	240,900	--	240,900	--
Acrylic Unit	25,760	--	25,760	--
	<u>266,660</u>	<u>--</u>	<u>266,660</u>	<u>--</u>

The operation of the Company are closed since December 2008 due to working capital constraints.

36 NUMBER OF EMPLOYEES

Number of employees at 30 June

Regular

Contractual

Average number of employees during the year

Regular

Contractual

Number of factory employees as at 30 June

Average number of factory employees during the year

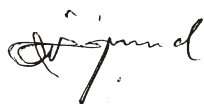
	2022	2021
	----- (Rupees in '000) -----	
	<u>46</u>	<u>52</u>
	<u>5</u>	<u>4</u>
	<u>46</u>	<u>52</u>
	<u>5</u>	<u>4</u>
	<u>39</u>	<u>45</u>
	<u>91</u>	<u>114</u>

37 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified for the purpose of comparison and better presentation, however there is no significant restatements / reclassification were made in these financial statements.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on September 27, 2022 in accordance with the resolution by the Board of Directors of the Company.



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director



PATTERN OF SHAREHOLDING THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2022

Srl #	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	1	104,288,773	28.47%
2.	NIT and ICP	6	550,691	0.15%
3.	Directors, CEO, their Spouses & Minor Children	5	2,500	0.00%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	109	42,512,276	11.61%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	85	2,964,979	0.81%
7.	Individuals	20,801	216,001,864	58.97%
	TOTAL	21,007	366,321,083	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding

1. Associated Companies

1.1	Dewan Textile Mills Limited	1	104,288,773	28.47%
		1	104,288,773	28.47%

2. NIT and ICP

2.1	Investment Corporation of Pakistan	1	100	0.00%
2.2	National Bank of Pakistan, Trustee Department	1	1,111	0.00%
2.3	NATIONAL BANK OF PAKISTAN TRUSTEE WING	1	500	0.00%
2.4	National Bank of Pakistan	1	3,238	0.00%
2.5	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	1	18,501	0.01%
2.6	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	527,241	0.14%
		6	550,691	0.15%

3. Directors, CEO, their Spouses & Minor Children Directors and CEO

3.1	Mr. Ishtiaq Ahmad (Nominee Director DTML)	0	-	0.00%
3.2	Mr. Muhammad Irfan Ali	1	500	0.00%
3.3	Mr. Muhammad Wajid	1	500	0.00%
3.4	Mr. Saleem-Ul-Haque	1	500	0.00%
3.5	Mr. Asghar Iqbal	1	500	0.00%
3.6	Syed Farhan Asdaque (Nominee Director DTML)	0	-	0.00%
3.7	Ms. Momna Gull (Nominee Director DMTML)	0	-	0.00%
		5	2,000	0.00%

Spouses of Directors and CEO

-	-	0.00%
-	-	0.00%

Minor Children of Directors and CEO

-	-	0.00%
-	-	0.00%

DEWAN SALMAN FIBRE LIMITED

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY				
Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	M/s Dewan Textile Mills Limited	1	104,288,773	28.47%
2	Dewan Muhammad Yousuf Farooqui	3	64,668,183	17.65%
3	Mitsubishi Corporation	1	40,349,814	11.01%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN				
---	--	--	--	--

During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.



THE COMPANIES ORDINANCE, 1984
(Section 236(1) and 464)

FORM 34

PATTERN OF SHAREHOLDING

1. Incorporation Number 0020315
2. Name of the Company DEWAN SALMAN FIBRE LIMITED

3. Pattern of holding of the shares held by the Shareholders as at
- | | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | 0 | 0 | 6 | 2 | 0 | 2 | 2 |
|---|---|---|---|---|---|---|---|

4.	Number of Shareholders	Shareholdings			Total Shares held	Percentage
		From		To		
	5789	1	-	100	150,662	0.04%
	7673	101	-	500	1,826,443	0.50%
	1549	501	-	1,000	1,350,550	0.37%
	2977	1,001	-	5,000	8,471,694	2.31%
	1047	5,001	-	10,000	8,422,214	2.30%
	783	10,001	-	20,000	12,102,914	3.30%
	335	20,001	-	30,000	8,501,319	2.32%
	154	30,001	-	40,000	5,539,981	1.51%
	154	40,001	-	50,000	7,318,640	2.00%
	70	50,001	-	60,000	3,888,459	1.06%
	50	60,001	-	70,000	3,278,608	0.90%
	46	70,001	-	80,000	3,489,514	0.95%
	37	80,001	-	90,000	3,174,574	0.87%
	80	90,001	-	100,000	7,919,854	2.16%
	45	100,001	-	120,000	4,933,469	1.35%
	23	120,001	-	140,000	2,966,649	0.81%
	34	140,001	-	160,000	5,134,536	1.40%
	14	160,001	-	180,000	2,415,500	0.66%
	25	180,001	-	200,000	4,915,024	1.34%
	25	200,001	-	250,000	5,708,348	1.56%
	27	250,001	-	300,000	7,560,781	2.06%
	13	300,001	-	350,000	4,275,783	1.17%
	7	350,001	-	400,000	2,642,518	0.72%
	4	400,001	-	450,000	1,750,000	0.48%
	9	450,001	-	500,000	4,370,001	1.19%
	5	500,001	-	550,000	2,634,741	0.72%
	1	550,001	-	600,000	600,000	0.16%
	1	600,001	-	650,000	645,481	0.18%
	2	650,001	-	700,000	1,360,000	0.37%
	2	700,001	-	750,000	1,462,000	0.40%
	2	750,001	-	800,000	1,579,000	0.43%
	1	800,001	-	850,000	829,000	0.23%
	4	850,001	-	1,000,000	3,905,760	1.07%
	1	1,000,001	-	2,000,000	2,000,000	0.55%
	1	2,000,001	-	2,200,000	2,109,634	0.58%
	1	2,200,001	-	2,400,000	2,400,000	0.66%
	1	2,400,001	-	2,600,000	2,585,699	0.71%
	1	2,600,001	-	5,000,000	4,200,000	1.15%
	1	5,000,001	-	9,000,000	8,594,963	2.35%
	1	9,000,001	-	13,000,000	12,523,816	3.42%
	1	13,000,001	-	20,000,000	19,864,518	5.42%
	1	20,000,001	-	35,000,000	32,279,849	8.81%
	1	35,000,001	-	45,000,000	40,349,814	11.01%
	1	45,000,001	-	104,500,000	104,288,773	28.47%
	20,999	TOTAL			366,321,083	100.00%

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	2,000	0.00%
5.2	Associated Companies, undertakings and related parties	104,288,773	28.4%
5.3	NIT and ICP	550,691	0.15%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	796,993	0.22%
5.5	Insurance Companies	2,109,634	0.58%
5.6	Modarabas and Mutual Funds	58,352	0.02%
5.7	Shareholders holding 5%	209,306,770	57.14%
5.8	<u>General Public</u>		
	a. Local	215,682,646	58.88%
	b. Foreign	319,218	0.09%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	42,512,276	11.61%

**YD****A YOUSUF DEWAN COMPANY****ہیومن ریسورسز اور ریمپو نیویشن کمیٹی**

دوران مدت ہیومن ریسورسز کا ایک اجلاس منعقد ہوا، تفصیلات درج ذیل ہیں:

حاضری کی تفصیلات

1
1
1

ڈائریکٹرز کے نام

جناب اصغر اقبال

جناب ظفر عاصم

جناب محمد واجد

حصص کی آمدنی

زیر جائزہ مدت کے دوران فی حصص خسارہ منفی 4.35 روپوٹ ہوا جبکہ گزشتہ سال 2021 میں یہ خسارہ منفی 1.09 روپوٹ ہوا تھا۔

حصص یافتگی:

حصص کی حصول کی درخواست، سالانہ روپوٹ کے ساتھ منسلک ہے۔

اظہار تشکر:

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

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

آڈیٹرز:

کمیٹی کے موجودہ آڈیٹرز میسرز فاروق علی اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹ اور میسرز فیروز شریف طارق اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹ نے اس سال اپنی خدمات کی مدت مکمل کر لی اور کارپوریٹ گورننس کے کوڈ کے مطابق دوبارہ اپنی خدمات مہیا کرنے کی خواہش ظاہر کی ہے۔ آڈٹ کمیٹی نے بھی اگلے سال کی عمومی اور سالانہ اجلاس تک کے لیے انکی دوبارہ تقرری کی سفارش کی ہے۔

اختتام:

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

منجانب بورڈ

اشتیاق احمد

چیف ایگزیکٹو آفیسر اور ڈائریکٹر

کراچی
تاریخ: ۲۷ ستمبر، ۲۰۲۲**محمد عرفان علی**

چیرمین بورڈ آف ڈائریکٹرز

کارپوریٹ گورننس کا کوڈ

- (ا) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے اس کے معاملات، اس کے کاروباری سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- (ب) کمپنی اپنے اکاؤنٹس کے کھاتے درست طریقے سے سنبھال رہی ہے۔
- (ج) 30 جون، 2022 کو ختم ہونے والے مالیاتی سال کے لئے گوشواروں کی تیاری میں مسلسل اکاؤنٹنگ کی پالیسیوں کو مد نظر رکھا گیا ہے اور مالیاتی تخمینہ معقول اور پراعتماد فیصلے پر مبنی ہے۔
- (د) مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے وہ تمام بین الاقوامی معیار، جو کہ پاکستان میں قابل اطلاق ہیں، مد نظر رکھے گئے ہیں۔
- (ه) انٹرنل کنٹرول کا نظام مضبوط اور مؤثر طور پر لاگو ہے اور اسکی مستعد گمرانی ہوتی ہے۔
- (و) پاکستان کے اسٹاک ایکسچینج کی لسٹنگ کے قواعد و ضوابط میں دی گئیں تفصیلات کے عین مطابق، کارپوریٹ گورننس کی حکمت عملی میں کوئی ظاہری تبدیلی نہیں کی گئی ہے۔
- (ز) گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کا خلاصہ اس سال کی رپورٹ سے منسلک ہے۔
- (ح) ٹیکسوں اور محصولات کے بارے میں معلومات نوٹس میں دی گئیں ہیں اور مالیاتی گوشوارے کا حصہ ہیں۔

بورڈ

بورڈ کی تفصیلات درج ذیل ہیں:

- (ا) جناب اصغر اقبال خود مختار ڈائریکٹر
- (ب) جناب اشتیاق احمد ایگزیکٹو ڈائریکٹر
مومنہ گل صاحبہ
جناب سلیم الحق
- (ج) جناب محمد عرفان علی نان۔ ایگزیکٹو ڈائریکٹر
جناب سید فرحان ازدک
جناب محمد واجد

زیر جائزہ سال کے دوران دو ڈائریکٹر کی نشست خالی ہوئیں۔ جنہیں معینہ مدت کے دوران پر کر لیا گیا۔

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے۔ ڈائریکٹرز کی حاضری کی تفصیلات مندرجہ ذیل ہیں۔

ڈائریکٹرز کے نام	حاضری کی تفصیلات
جناب ظفر عاصم	4
جناب محمد عرفان علی	4
جناب سلیم الحق	4
جناب محمد واجد	4
جناب اصغر اقبال	4
جناب سید فرحان ازدک	4
محترمہ مومنہ گل صاحبہ	4
جناب اشتیاق احمد	0

آڈٹ کمیٹی

آڈٹ کمیٹی تین ڈائریکٹرز پر مشتمل ہوتی ہے جن میں سے ایک خود مختار جبکہ دو نان ایگزیکٹو ڈائریکٹرز ہوتے ہیں۔ دوران مدت آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے جن کی تفصیلات درج ذیل ہیں:

ڈائریکٹرز کے نام	حاضری کی تفصیلات
جناب اصغر اقبال	4
جناب محمد واجد	4
جناب محمد عرفان علی	4

**YD****A YOUSUF DEWAN COMPANY**

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

آڈٹ رپورٹ یہ بھی واضح کرتی ہے کہ تجارتی قرض 1.381 بلین روپے جس پر 0.878 بلین روپے کے سود کا تخمینہ لگایا گیا ہے ابھی تک واپس نہیں لیے گئے اور جمود کا شکار ہیں۔ چونکہ ان قرضوں کی واپسی مشکوک ہے اس لیے نقصان کا تخمینہ لگانا ضروری ہے۔ اس بات کو مد نظر رکھتے ہوئے کمپنی نے مزید 0.503 بلین روپے نقصان کا تخمینہ لگایا ہے۔

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

صنعت کا مجموعی جائزہ

پاکستان قدرتی اور انسانی ساختہ فابریکا کرتا ہے۔ ٹیکسٹائل کے شعبے میں قدرتی طور پر تیار ہونے والے ریشموں میں، کپاس سب سے زیادہ عام خام مال ہے، جبکہ پولیسٹر اہم مصنوعی/ انسانی ساختہ فابریکا ہے۔ پولیسٹر فابریکا ملکی طلب زیادہ تر مقامی صنعت کاروں کے ذریعے پوری کی جاتی ہے جبکہ کچھ حصہ کوڈ-19 کی وجہ سے درپیش آنے والے مسائل کے باوجود درآمدات کے ذریعے پورا کیا جا رہا ہے۔ ٹیکسٹائل کا شعبہ مقامی اور بین الاقوامی پابندیوں میں آسانی کے بعد سے بحالی کی جانب گامزن ہے جس کی وجہ بڑھتی ہوئی عالمی طلب ہے جس نے صنعت کو معمول کے مطابق دوبارہ کام شروع کرنے کا موقع دیا۔

زیر نظر سال کے دوران مقامی پولیسٹر کے کاروبار نے اچھی کارکردگی کا مظاہرہ کیا۔ کاروباری حجم نہایت اچھا رہا جس کی وجہ مناسب یونٹ مارجن کا حصول تھا جو مضبوط اور متواتر طلب اور سازگار علاقائی حرکیات کے طفیل ممکن ہوا۔ زیر جائزہ مدت کے دوران عمومی طور پر اور بالخصوص دوسری ششماہی میں مقامی پولیسٹر کی قیمت میں اضافہ دیکھا گیا۔

زیر جائزہ مدت کے دوران پی ٹی اے اور ایم ای جی کی قیمتیں گزشتہ سال کی اسی مدت کے مقابلے بہت زیادہ تھیں۔ اس کے علاوہ، امریکی ڈالر کے مقابلے روپے کی قدر میں تیزی سے کمی دیکھی گئی، جس کے نتیجے میں ایندھن کی قیمتوں کے ساتھ ساتھ دیگر درآمد شدہ خام مال میں بھی نمایاں اضافہ ہوا۔ عالمی پیداوار میں کمی اور کم دستیابی کی وجہ سے کپاس کی قیمتیں بھی بلند رہیں۔

زیر جائزہ سال کے دوران آپ کی کمپنی بدستور بند رہی۔

کمپنی کی بنیادی سرگرمیاں

دیوان سلمان فابریکا لیمیٹڈ ایک پبلک لیمیٹڈ کمپنی ہے اور پاکستان اسٹاک ایکسچینج میں ایک لسٹڈ کمپنی کے طور پر درج ہے۔ کمپنی کی بنیادی سرگرمی پالیسٹر اسٹیکل فابریکا، آکرائلک اسٹیکل فابریکا اور ٹاؤ کی صنعت کاری اور فروخت ہے۔ تاحال آپ کی کمپنی کی پیداواری سرگرمیاں معطل ہیں۔

بنیادی خطرات اور تحفظات

کمپنی مندرجہ ذیل خطرات کو اہم خطرات تصور کرتی ہے:

بین الاقوامی پی ایس ایف مارکیٹ میں مقابلہ بازی
امریکی ڈالر کے خلاف پاک روپیہ کا عدم استحکام
بینکنگ لائسنس کی غیر دستیابی

کمپنی اندرونی اور بیرونی خطرات اور غیر یقینی صورتحال کے اثرات کو کم کرنے کے لیے کوشاں ہے۔

ڈائریکٹرز کا جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2021-2022 کی سالانہ یعنی 30 جون 2022 کے لیے تینتیسویں آڈٹ شدہ مالیاتی گوشوارے حاضر خدمت ہیں۔

مالیاتی صورتحال کا جائزہ

(’000 روپے)

(مفر)	مجموعی فروخت
(512,636)	فروخت اور ترسیل کے اخراجات
(512,636)	مجموعی نقصان
(35,751)	انتظامی اخراجات
(548,387)	انتظامی نقصان
(1,121,636)	مالیاتی نقصان
(1,670,023)	قبل از ٹیکس نقصان
(78,120)	ٹیکس
(1,591,903)	بعد از ٹیکس نقصان

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت مفر رہی (2021: مفر)، کمپنی کا مجموعی نقصان 512.636 ملین روپے (2021: 560.599 ملین روپے) رہا۔

ہم اللہ تبارک و تعالیٰ کے حضور سر بسجود ہیں اور دعا گو ہیں کہ وہ اپنی رحمت سے ہماری کمپنی پر سے مشکل وقت کو آسان فرمادے۔ (آمین)

زیر جائزہ مالیاتی سال

باوجود انتھک محنت اور کوششوں کے آپ کی کمپنی جو کہ ملک کے سب سے بڑے پالیسٹر اور ملک کے واحد آکرائٹلک کی پیداوار کا باعث تھی، اس سال بھی اپنے آپریشن شروع کرنے میں ناکام رہی ہے۔ یہ ہماری بد قسمتی رہی ہے کہ دیوان سلمان فائبر کے مسلسل بند رہنے کی وجہ سے پالیسٹر اور آکرائٹلک کی رسد میں کمی کو برآمدی مصنوعات نے پورا کیا۔ جسکی وجہ سے عام عوام کو زرمبادلہ کی مد میں بھاری نقصان تو اٹھانا پڑی رہا ہے ساتھ ساتھ کمپنی سے منسلک ملازمین کی بنیادی ضروریات زندگی بھی متاثر ہو رہی ہیں۔

آپ کی کمپنی کے انتظامیہ نے کمپنی کی بحالی کے لئے مختلف تجاویز پیش کی ہیں اور ان تمام تجاویز کو مالیاتی اداروں کے ساتھ قابل عمل بنانے کے بارے میں تبادلہ خیال کیا گیا ہے لیکن بد قسمتی سے مثبت نتائج ابھی تک ابھرتے نظر نہیں آئے ہیں۔

آپ کی کمپنی کے آڈیٹر نے اپنی رپورٹ میں کچھ مشاہدات کی نشاندہی کی ہے۔ جیسے کہ پیرا (1) میں رپورٹ کرتے ہیں کہ وہ گوبینک کنسرن کے مفروضے پر مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی مافیائے رکھتے ہیں۔ جبکہ کمپنی کے مطابق مینجمنٹ بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پرامید ہیں کہ نتیجہ مثبت ہوگا۔ مالیاتی رپورٹس کی گوبینک کنسرن کے مفروضے پر تیاری کی مزید تاویلات اگلے پیرا میں دیکھی جاسکتی ہے۔

زیر جائزہ مدت میں کمپنی نے بینکوں کو واجب الادا رقم پر سود جو کہ 1.556 ملین روپے (جون 2022 تک 27.746 ملین روپے) بنتا ہے پر سود کا تخمینہ نہیں لگایا۔ کمپنی کی انتظامیہ بینکوں/مالیاتی اداروں سے رابطے میں ہے تاکہ قرضوں کی واپسی کی نئی شرائط پر غور کیا جاسکے۔ انتظامیہ کو یقین ہے کمپنی کی قرضوں سے متعلق گزارشات کو مالیاتی اداروں کی طرف سے قبول کیا جائے گا، لہذا کمپنی نے سود کے حوالے سے کوئی تخمینہ نہیں لگایا ہے۔

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(5) تاحال سی این آئی سی فراہم نہ کرنے والے شیئرز ہولڈرز کو نوٹس

سکیورٹیز اینڈ ایکسچینج آف پاکستان کے ایس آر او 831(1)/2012 مورخہ 5 جولائی 2012ء میں درج ذیل ہدایات کے مطابق شیئرز ہولڈرز کو ڈیویڈنڈ وارنٹس وغیرہ کے اجراء کے لیے سی این آئی سی لازمی ہے جس کی عدم موجودگی میں ڈیویڈنڈ کی ادائیگی ایس ای سی پی کی مندرجہ بالا ہدایات کے مطابق روکی جاسکتی ہے لہذا جن حصص یافتگان نے تاحال اپنے سی این آئی سی فراہم نہیں کیے ہیں ان کو ایک بار پھر ہدایت کی جاتی ہے کہ اپنے سی این آئی سی کی تصدیق شدہ کاپی بلاتا خیر باد راست ہمارے شیئر رجسٹرار کو فراہم کر دیں۔

(6) شیئر ہولڈرز کے لیے ای ڈیویڈنڈ مینڈیٹ

نقد منافع منقسمہ کی ادائیگی کو مزید بہتر بنانے کے لیے ای ڈیویڈنڈ میکینزم متعارف کرایا گیا ہے جس کے تحت حصص یافتگان ڈیویڈنڈ کی رقم فوری طور پر اپنے متعلقہ بینک اکاؤنٹ میں الیکٹرونک طور پر وصول کر سکتے ہیں اس طریقہ سے ڈیویڈنڈ ان کے بینک اکاؤنٹ میں منتقل ہو جائے گا اور بذریعہ ڈاک گمشدگی، عدم وصولی اور غلط پتے پر وصولی وغیرہ کے خدشات نہیں ہوں گے، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹس نمبر 8(4) ایس ایم/سی ڈی سی 2008ء مورخہ 5 اپریل 2013ء کے ذریعہ تمام لسٹڈ کمپنیوں کو حصص ہولڈرز کے مفاد میں ای ڈیویڈنڈ میکینزم کو اختیار کرنے کی ہدایت جاری کی گئی ہیں، مندرجہ بالا کے پیش نظر آپ کو ڈیویڈنڈ مینڈیٹ فارم پر اور دستخط کے ہمراہ جمع کرا کے ڈیویڈنڈ مینڈیٹ فراہم کیا جا رہا ہے۔

(7) مالی گوشواروں وغیرہ کی الیکٹرونک منتقلی

ایس ای سی پی نے اپنے اعلامیہ نمبر ایس آر او 787(1)/2014 مورخہ 8 ستمبر 2014ء کمپنیوں کو سالانہ آڈٹ شدہ مالی گوشواروں مع سالانہ اجلاس کے نوٹس ڈاک کی بجائے بذریعہ ای میل ان ممبران کو ارسال کرنے کی اجازت دی ہے جو اس سہولت سے استفادہ حاصل کرنے کے متنی ہیں مذکورہ بالا گوشوارے اور سالانہ اجلاس عام کے نوٹس بذریعہ ای میل وصول کرنے کے خواہشمند ممبران سے درخواست ہے کہ وہ کمپنی کی ویب سائٹ <http://www.yousufdewan.com/DSFL/index.html> اسٹینڈرڈ ریکورڈس فائرم پر اپنی خواہش تحریری طور پر فراہم کریں۔

اطلاع برائے سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان سلمان فائبر لمیٹڈ (ڈی ایس ایف ایل یا کمپنی) کا تہتیمواں 33 سالانہ اجلاس عام جمعہ 28 اکتوبر 2022 کو صبح 11:00 بجے پلاٹ نمبر 6 اسٹریٹ نمبر 9 فیاض مارکیٹ G-8/2 اسلام آباد پاکستان میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔
اجلاس کا آغاز تلاوت قرآن پاک سے ہوگا۔

عمومی امور

1. کمپنی کے سالانہ اجلاس عام پیر 26 اکتوبر 2022ء کی کارروائی کی توثیق۔
2. 30 جون 2022ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
3. 30 جون 2023ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈیٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
4. چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

بحکم بورڈ
محمد حنیف جرمن
کمپنی سیکریٹری

کراچی
27 ستمبر 2022ء

نوٹ:

1. کمپنی کی منتقلی حصص کی کتب 21 اکتوبر 2022 تا 28 اکتوبر 2022 (دونوں دن شامل) بند رہیں گی۔
2. ممبران سے پتہ میں کسی قسم کی تبدیلی سے فوری طور پر ہمارے شیئرز رجسٹرارٹر انسٹریٹیجی بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انیم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی میں شاہراہ فیصل متصل بلوچ کالونی پل، کراچی پاکستان کو مطلع کرنے کی درخواست کی جاتی ہے۔
3. اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پروکسی مقرر کر سکتا ہے۔ تاہم پروکسی کی تقرری کی دستاویز اجلاس کے انعقاد سے کم از کم اڑھتالیس 48 گھنٹے قبل کمپنی کو مندرجہ بالا پتہ پر مل جانی چاہیے۔
4. سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکل نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

الف) برائے اجلاس میں شرکت

- (i) انفرادی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا افراد کی صورت میں یا جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے مطابق اپ لوڈ ہوں اپنی شناخت کے لیے اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ اجلاس میں شرکت کے موقع پر پیش کرنا ہوگا۔
- (ii) کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) اجلاس کے موقع پر پیش کرنا ہوگا۔

ب) پروکسی کی تقرری

- (i) انفرادی اکاؤنٹ ہولڈر یا سب ہولڈر اور یا افراد کی صورت میں جن کی سکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن تفصیلات ضابطہ کے تحت اپ لوڈ ہوں پروکسی فارم مندرجہ بالا شرائط کے مطابق داخل کرانے ہوں گے۔
- (ii) پروکسی فارم پر دو افراد کی گواہی ہونی چاہیے جن کے نام پتہ اور سی این آئی سی نمبر فارم میں درج ہوں۔
- (iii) ممبر اور پروکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پروکسی فارم سے منسلک کرنی ہوں گی۔
- (iv) پروکسی کو اجلاس کے موقع پر اصل قومی شناختی کارڈ (سی این آئی سی) یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ انٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی مع نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کیے گئے ہوں) پروکسی فارم ہمارہ کمپنی کو پیش کرنے ہوں گے۔

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FORM OF PROXY

33RD ANNUAL GENERAL MEETING

IMPORTANT

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting A Proxy should also be a member of the Company.

I/We _____ of

_____ being a member

of **DEWAN SALMAN FIBRE LIMITED** and holder of _____

_____ Ordinary shares as per Registered Folio No./CDC

Participant's ID and Account No _____ hereby appoint

_____ of

_____ who is also

member of **DEWAN SALMAN FIBRE LIMITED** vide Registered Folio No./CDC Participant's ID

and Account No. _____

my/our proxy to vote for me/our behalf at the 33rd Annual General Meeting of the Company to be held

Friday, October 28, 2022, at 11:00 a.m. at Plot No. 6, Street No. 9, Fayyaz Market, G-8/2,

Islamabad, Pakistan.

Signed this _____ day of _____ 2022.

Affix
Revenue
Stamp
Rs. 5/-

Signature _____

Witness: _____

Signature

Name: _____

Address: _____

Witness: _____

Signature

Name: _____

Address: _____

پراکسی فارم
۳۳ واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیوٹ) لمیٹڈ، انعم اسٹیٹ بلڈنگ، روم نمبر 310 اور 311، تیسری منزل، 49، دارالمان سوسائٹی، شاہراہ فیصل، ملحقہ بلوچ کالونی پل، کراچی۔ 75350، پاکستان۔ کے آفس میں، میٹنگ کے انعقاد سے اڑتالیس گھنٹے پہلے یہ فارم ضرور جمع کروادیں، کسی بھی پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

میں / ہم _____ کا (مکمل پتہ)

_____ بحیثیت ممبر

دیوان سلمان فائبر لمیٹڈ کے _____ حصص کے مالک، رجسٹرڈ فوئیو نمبر /

سی ڈی سی آئی ڈی اور کھاتہ نمبر _____ میں

بطور پراکسی تقرر کرتا / کرتی ہوں _____ کا (مکمل پتہ)

_____ جو بذات خود بھی

_____ دیوان سلمان فائبر لمیٹڈ

_____ سی ڈی سی آئی ڈی اور کھاتہ نمبر

جو کہ میری / ہماری غیر موجودگی کی صورت میں کمپنی کے ۳۳ واں سالانہ اجلاس عام جو کہ بروز جمعہ، ۲۸ اکتوبر ۲۰۲۲ کو صبح ۱۱:۰۰ بجے، بمقام پلاٹ نمبر ۶، گلی نمبر ۹، فیاض مارکیٹ، جی۔۸/۲، اسلام آباد، پاکستان میں منعقد کیا جا رہا ہے، میری / ہماری جانب سے ووٹ دے۔

بطور گواہ میں / ہم نے بروز _____ بتاریخ _____ ۲۰۲۲ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix
Revenue
Stamp
Rs. 5/-

دستخط _____

گواہ: _____

نام: _____

مکمل پتہ: _____

گواہ: _____

نام: _____

مکمل پتہ: _____