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## COMPANY INFORMATION

|  |   |  |                              |
|--|---|--|------------------------------|
| BOARD OF DIRECTORS                         | : | MR. MUHAMMAD IRFAN ALI   | CHAIRMAN BOARD OF DIRECTORS  |
| NON-EXECUTIVE DIRECTORS                    | : | SYED FARHAN ASDAQUE<br>MR. MUHAMMAD WAJID  |                              |
| EXECUTIVE DIRECTORS                        | : | MR. ISHTIAQ AHMAD<br>MR. SALEEM-UL-HAQUE<br>MS. MOMNA GULL   | CHIEF EXECUTIVE OFFICER      |
| INDEPENDENT DIRECTOR                       | : | MR. ASGHAR IQBAL   |                              |
| AUDIT COMMITTEE                            | : | MR. ASGHAR IQBAL<br>MR. MUHAMMAD WAJID<br>MR. MUHAMMAD IRFAN ALI   | CHAIRMAN<br>MEMBER<br>MEMBER |
| HUMAN RESOURCE &<br>REMUNERATION COMMITTEE | : | MR. ASGHAR IQBAL<br>MR. ISHTIAQ AHMAD<br>MR. MUHAMMAD WAJID  | CHAIRMAN<br>MEMBER<br>MEMBER |
| CHIEF FINANCIAL OFFICER                    | : | MR. SALEEM-UL-HAQUE  |                              |
| COMPANY SECRETARY                          | : | MR. MUHAMMAD HANIF GERMAN  |                              |
| AUDITORS                                   | : | FEROZE SHARIF TARIQ & CO.<br>CHARTERED ACCOUNTANTS   |                              |
| LEGAL ADVISOR                              | : | KHALID ANWAR & COMPANY - ADVOCATES   |                              |
| TAX ADVISORS                               | : | SHARIF & COMPANY – ADVOCATES   |                              |
| FACTORY OFFICE                             | : | PLOT NO. 1, DEWAN FAROOQUE INDUSTRIAL<br>PARK, HATTAR, DISTRICT HARIPUR, K.P.  |                              |
| CORPORATE OFFICE                           | : | DEWAN CENTRE, 3-A, LALAZAR, BEACH<br>HOTEL ROAD, KARACHI.  |                              |
| REGISTERED OFFICE                          | : | PLOT NO. 6, STREET NO. 9, FAYYAZ MARKET,<br>G-8/2, ISLAMABAD, PAKISTAN.  |                              |
| SHARE REGISTRAR /<br>TRANSFER AGENTS       | : | BMF CONSULTANTS PAKISTAN (PRIVATE) LIMITED<br>ANUM ESTATE BUILDING, ROOM NO. 310 & 311,<br>3RD FLOOR, 49, DARUL AMAN SOCIETY, MAIN SHAHRAH-E-FAISAL,<br>ADJACENT TO BALOCH COLONY BRIDGE, KARACHI, PAKISTAN.   |                              |
| BANKERS                                    | : | AL BARAKA ISLAMIC INVESTMENT BANK LIMITED<br>ALLIED BANK LIMITED<br>ASKARI BANK LIMITED<br>BANK ALFALAH LIMITED<br>BANK OF KHYBER LIMITED<br>BANK OF PUNJAB LIMITED<br>FAYSAL BANK LIMITED<br>HABIB BANK LIMITED<br>HABIB METROPOLITAN BANK LIMITED<br>MCB BANK LIMITED<br>MEEZAN BANK LIMITED<br>SUMMIT BANK LIMITED<br>NATIONAL BANK OF PAKISTAN LIMITED<br>STANDARD CHARTERED BANK LIMITED (PAKISTAN)<br>SILK BANK LIMITED<br>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 FULFILL 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-Fourth Annual General Meeting of **Dewan Salman Fibre Limited** (“*DSFL*” or “*the Company*”) will be held on **Friday, October 27, 2023, 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 Annual General Meeting of the Company held on Friday, October 28, 2022;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2023, 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, 2024, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

### Special Business:

1. To consider and approve short term loans/ advances to an associated company in compliance with the provisions of Section 199 of the Companies Act, 2017.

By Order of the Board

**Muhammad Hanif German**  
Company Secretary

Dated: September 28, 2023  
Place : Karachi.

### NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 20, 2023 to October 27, 2023 (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 above said 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>.



## STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed as an integral part of the Notice of the Annual General Meeting of Dewan Salman Fibre Limited ("the Company" or "DSFL") to be held on Friday, October 27, 2023 at Plot No. 6, Street No. 9, Fayyaz Market, G-8/2, Islamabad, Pakistan; and sets out the material facts concerning the Special Business to be transacted at the meeting.

### SPECIAL BUSINESS

- To consider and approve of the limits of short-term loan to an associated company in compliance with the provisions of Section 199 of the Companies Act, 2017.

| SR.#                        | DESCRIPTION  | Reference   |                             |       |                      |                |              |                |                |      |
|-----------------------------|--|---|-----------------------------|-------|----------------------|----------------|--------------|----------------|----------------|------|
| a)                          | Name of the Associated Company Criteria of associated relationship   | Dewan Khalid Textile Mills Limited Common Directorship  |                             |       |                      |                |              |                |                |      |
| a)                          | Amount of loans and advances   | Rs. 115.600 million   |                             |       |                      |                |              |                |                |      |
| c)                          | In Case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof.  | None  |                             |       |                      |                |              |                |                |      |
| d)                          | Earnings/(Loss) per share for the last three years.  | <table border="1"> <tr> <td>2022</td> <td>2021</td> <td>2020</td> </tr> <tr> <td>-5.89</td> <td>-4.77</td> <td>-7.73</td> </tr> </table>  | 2022                        | 2021  | 2020                 | -5.89          | -4.77        | -7.73          |                |      |
| 2022                        | 2021   | 2020  |                             |       |                      |                |              |                |                |      |
| -5.89                       | -4.77  | -7.73   |                             |       |                      |                |              |                |                |      |
| e)                          | Financial position, including main items of balance sheet and profit and loss  | <table border="1"> <tr> <td>Earnings / (loss) per share</td> <td>-5.89</td> </tr> <tr> <td>Shareholders' equity</td> <td>95.186 million</td> </tr> <tr> <td>Total Assets</td> <td>36.207 million</td> </tr> <tr> <td>Break-up value</td> <td>9.90</td> </tr> </table>                   | Earnings / (loss) per share | -5.89 | Shareholders' equity | 95.186 million | Total Assets | 36.207 million | Break-up value | 9.90 |
| Earnings / (loss) per share | -5.89  |   |                             |       |                      |                |              |                |                |      |
| Shareholders' equity        | 95.186 million   |   |                             |       |                      |                |              |                |                |      |
| Total Assets                | 36.207 million   |   |                             |       |                      |                |              |                |                |      |
| Break-up value              | 9.90   |   |                             |       |                      |                |              |                |                |      |
| f)                          | Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Interbank offered rate at the relevant period   | As the Company has approached its lenders for restructuring and no mark-up is payable as per the proposal. Therefore, as per regulation 5(4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, three months KIBOR rate is applicable. |                             |       |                      |                |              |                |                |      |
| g)                          | Rate of interest, mark-up, profit, fees or commission etc., to be charged  | Rate of interest to be charged will be 1% above three months KIBOR rate. Three months KIBOR as of September 20, 2023 is 22.76% per annum.   |                             |       |                      |                |              |                |                |      |
| h)                          | Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any:  | Borrowing is unsecured.   |                             |       |                      |                |              |                |                |      |
| i)                          | Repayment schedules and terms of loans or advances to be given to the investee company.  | As per mutual understanding.  |                             |       |                      |                |              |                |                |      |
| j)                          | Salient feature of all the agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.  | <p>The tenure of loan may be extended by the lender, subject to the approval of shareholders.</p> <p>As per the terms of the agreement with the borrower the Company may recover the amount of loan by way of swap with assets/investments owned by the borrower.</p>                   |                             |       |                      |                |              |                |                |      |
| k)                          | Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration. | <p>The following are interested directors to the extent of their respective shareholding in the investee company which are as follows:</p> <p>a) Mr. Ishtiaq Ahmad 500 (0.005%)</p>   |                             |       |                      |                |              |                |                |      |
| l)                          | Any other important details necessary for the members to understand the transaction.   | None.   |                             |       |                      |                |              |                |                |      |

In this regard, the following resolution is proposed to be passed, with or without modification, as a "SPECIAL RESOLUTION":

**"RESOLVED THAT, the company, in accordance with the provisions of Section 199 of the Companies Act, 2017, Clause 111 (X) of the Memorandum of Association and the terms and conditions hereby approved in the Extra Ordinary Annual General Meeting of the Company, be and is hereby authorized and empowered to renew the sanctioned limit for short term loan sought for approval in the previous general meeting in respect of following associated company:**

**LOAN**

**Borrowing Company:  
Dewan Khalid Textile Mills Limited**

**(Rupees in Million)  
115.600**

**The above limit shall be for a period of one year and shall be renewable in the next general meeting for further period of one year."**



## 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, 2023, 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 26, 2023  
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 fourth Report of the company together with the Audited Accounts for the year ending June 30, 2023.

### OPERATING AND FINANCIAL RESULTS AT A GLANCE

|                             | (Rupees In '000')  |
|-----------------------------|--------------------|
| SALES (NET)                 | (Nil)              |
| COST OF SALES               | (447,724)          |
| <b>GROSS LOSS</b>           | <b>(447,724)</b>   |
| OPERATING EXPENSES          | (26,517)           |
| <b>OPERATING LOSS</b>       | <b>(474,241)</b>   |
| FINANCE COST                | (1,785,383)        |
| <b>LOSS BEFORE TAXATION</b> | <b>(2,259,624)</b> |
| TAXATION                    | 67,696             |
| <b>LOSS AFTER TAXATION</b>  | <b>(2,191,928)</b> |

During the year under review, your company recorded turnover of Rs. Nil (2022: Nil.) There is gross loss amounting to Rs. 447,724 million. (2022: Rs. 512.636 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 that 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.1.886 billion (up to 30 June 2023: Rs.28.632 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. 1.234 billion are stagnant, not being recovered, against which a provision of Rs.0.928 billion has been made so far. 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.

Para (f) of the report relates to the revaluation of certain classes of fixed assets in accordance with the International Accounting Standard -16. During the course of audit the revaluation was under process and as of the reporting date could not be completed. However, the effects of the revaluation will be incorporated in the following year.

Para (g) of the report relates to the non-provisioning of the mark up on short term loan to related party. The management of the company is in the process of negotiation with the party to recover the balance in total. However, mark up will be provided in the following year.

#### **INDUSTRY OVERVIEW**

Polyester Staple Fibre (PSF) is a synthetic man-made fibre made from Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG). Polyester staple fibre is one of the most used fibre types globally for the textile industry.

During the FY 2022-23, global economic conditions were difficult. Supply chain was adversely affected due to the ongoing Russia-Ukraine conflict. It led to product shortages and a significant rise in energy costs, notably in the first half of the year under review.

Pakistan textile industry also experienced multiple internal and external challenges during the period under review. Overall demand remained on the lower side due to high inflation and falling real earnings among end consumers.

On the cotton front in Pakistan, the availability of domestic cotton was tightened due floods. This factor kept the domestic cotton prices on higher side. However the international average cotton price remained lower as compared to the previous FY.

Going forward, domestic market is expected to remain under pressure due to various uncertainties and ongoing economic challenges.

Your company operations remained closed during the period 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, 2023, 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, 2023 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, there was no casual vacancy occurred on the Board.

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

| Names of Directors     | No. of meetings<br>Attended |
|------------------------|-----------------------------|
| Mr. Muhammad Irfan Ali | 6                           |
| Mr. Saleem-ul-Haque    | 7                           |
| Mr. Muhammad Wajid     | 7                           |
| Mr. Asghar Iqbal       | 7                           |
| Syed Farhan Asdaque    | 7                           |
| Ms. Momna Gull         | 7                           |
| Mr. Ishtiaq Ahmad      | 6                           |

**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<br>Attended / Eligibility to<br>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<br>Attended |
|--------------------|-----------------------------|
| Mr. Asghar Iqbal   | 1                           |
| Mr. Ishtiaq Ahmad  | 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. (5.98) [2022: Rs. (4.35)].

**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 Auditor of the Company, 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 26, 2023

**Place:** Karachi

## FINANCIAL HIGHLIGHTS

|  | Rupees in million |          |          |          |          |          |          |
|--|-------------------|----------|----------|----------|----------|----------|----------|
|  | 2017              | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     |
| Turnover                               | -                 | -        | -        | -        | -        | -        | -        |
| Less: Govt. Levy & Commission          | -                 | -        | -        | -        | -        | -        | -        |
| Sales (Net)                            | -                 | -        | -        | -        | -        | -        | -        |
| Gross Profit/( Loss)                   | (519)             | (759)    | (698)    | (624)    | (561)    | (513)    | (448)    |
| Profit (loss) before Tax               | (709)             | (1,322)  | (1,831)  | (1,035)  | (489)    | (1,670)  | (2,260)  |
| Profit (loss) after Tax                | (650)             | (1,183)  | (1,710)  | (928)    | (401)    | (1,592)  | (2,192)  |
| Gross Assets Employed                  | 10,974            | 10,023   | 9,125    | 8,143    | 7,474    | 6,829    | 6,292    |
| Return on Equity                       | -7.20%            | -11.64%  | -14.45%  | -7.27%   | -3.05%   | -10.79%  | -12.94%  |
| Current assets                         | 2,322             | 2,095    | 1,847    | 1,508    | 1,362    | 1,188    | 1,075    |
| Shareholders Equity                    | (9,029)           | (10,165) | (11,832) | (12,759) | (13,159) | (14,750) | (16,941) |
| Long Term Debts & Deferred Liabilities | 1,784             | 1,617    | 1,477    | 1,398    | 1,323    | 1,263    | 1,198    |
| Current Liabilities                    | 18,218            | 18,571   | 19,480   | 19,505   | 19,308   | 20,315   | 22,034   |
| Gross Profit / Loss Ratio              | -                 | -        | -        | -        | -        | -        | -        |
| Net Profit Ratio                       | -                 | -        | -        | -        | -        | -        | -        |
| Debt/Equity Ratio                      | (0.20)            | (0.16)   | (0.12)   | (0.11)   | (0.10)   | (0.09)   | (0.07)   |
| Current Ratio                          | 0.13              | 0.11     | 0.09     | 0.08     | 0.07     | 0.06     | 0.05     |
| Earning per Sahre Divided (Percentage) | (1.72)            | (3.23)   | (4.67)   | (2.53)   | (1.09)   | (4.35)   | (5.98)   |
| -Cash                                  | -                 | -        | -        | -        | -        | -        | -        |
| -Stock                                 | -                 | -        | -        | -        | -        | -        | -        |
| Production Volume(Tons)                | -                 | -        | -        | -        | -        | -        | -        |



## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2023

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

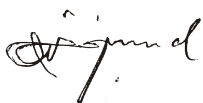
1. The total number of directors are seven as per the following:
  - a. Male: 6
  - b. Female: 1
2. The composition of board is as follows:

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

**Note:** Regulation 8(1) of the CCG Regulations stipulates that it is mandatory for each listed company that the executive directors, including the chief executive officer, shall not be more than one third of the Board. In a board comprising 7 numbers, one-third works out to 2.33 persons. The fraction contained in one-third is rounded up as one to improve corporate governance, facilitate effective succession planning, strengthen risk management, and increase investors' trust.

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 NBF1 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, 2023
  - b. HR and Remuneration Committee  
1 annual meeting held during the financial year ended June 30, 2023
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 26, 2023  
Place : Karachi.



## ***Feroze Sharif Tariq & Co.***

**CHARTERED ACCOUNTANTS**

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

### **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 2023 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 noncompliance 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 2023.

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 2023, however, the Company has only two directors certified under director training program.

**Chartered Accountants  
(Muhammad Tariq)**

Karachi: October 4, 2023  
UDIN: CR202310129q50yuc92x



***Feroze Sharif Tariq & Co.*****CHARTERED ACCOUNTANTS**

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

**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 2023, 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 2023 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 2023 reflect loss after taxation of Rs.2.192 (2022: Rs.1.592 ) billion and as of that date it has accumulated losses of Rs.23.579 (2022: Rs.21.583 ) billion which resulted in net capital deficiency of Rs.16.941 (2022: Rs.14.750 ) billion and its current liabilities exceeded its current assets by Rs.20.959 (2022: Rs.19.127 ) billion and total assets by Rs.15.742 (2022: 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 therefore, the Balance Confirmations from Financial Institutions have not been received. 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.1.886 (2022: Rs.1.556 ) billion (up to 30 June 2023: Rs.28.632 billion) (refer note 24.1) 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.1.886 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.28.632 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;
- b) Trade debts amounting to Rs.1.234 (2022: Rs.1.381 ) billion are stagnant, not being recovered, against which a provision of Rs.0.928 (2022: 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.0.306 billion;
- c) We did not observe counting of physical inventories as at 30 June 2023 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 2023 which are stated in the statement of financial position at net value of Rs.0.435 billion;
- d) The revaluation of certain classes of operating fixed assets of the company was carried out in the year ended June 30, 2017. As per requirements of International Accounting Standard 16 'Property, Plant and Equipment', revaluation is required to be carried out with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date, whereas no revaluation has been conducted since then. The carrying amounts of said classes of operating fixed assets may not reflect their fair values as at balance sheet date. In the absence of further revaluation, we are unable to quantify the effect that such a revaluation would have on the said assets.
- e) The company did not Provide Mark up amounting to Rs. 21.064 million on the Short term Loan to Related Party in Compliance with the Resolution passed by the Shares holders dated September 26, 2022 under section 199 of the Company's Ordinance 2017.

**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).

### **Other matter**

The financial statements of the Company for the year ended June 30, 2022 were audited by us Jointly with another firm of Chartered Accountants and jointly Expressed adverse opinion thereon vide report dated September 28, 2022.

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

*Chartered Accountants  
(Muhammad Tariq)*

Karachi: October 4, 2023  
UDIN: AR202310129fux9NpR2M

## STATEMENT OF FINANCIAL POSITION

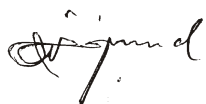
### AS AT JUNE 30, 2023

#### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

|  | Notes | 2023<br>----- (Rupees in '000) ----- | 2022                |
|--|-------|--------------------------------------|---------------------|
| Authorized share capital   |       |                                      |                     |
| 630,000,000 (2022: 630,000,000) Ordinary shares of Rs. 10/- each |       | 6,300,000                            | 6,300,000           |
| 90,000,000 (2022: 90,000,000) Preference shares of Rs. 10/- each |       | 900,000                              | 900,000             |
|  |       | <b>7,200,000</b>                     | <b>7,200,000</b>    |
| Issued, subscribed and paid-up share capital                     | 5     | 3,663,211                            | 3,663,211           |
| Revenue reserves   |       |                                      |                     |
| General reserves   |       | 350,000                              | 350,000             |
| Accumulated losses   |       | (23,578,881)                         | (21,582,577)        |
| Capital reserves   |       |                                      |                     |
| Surplus on revaluation of property, plant and equipment          | 6     | 2,624,756                            | 2,819,809           |
|  |       | <b>(16,940,914)</b>                  | <b>(14,749,557)</b> |
| <b>NON-CURRENT LIABILITIES</b>                                   |       |                                      |                     |
| Long term loans  | 7     | 341,501                              | 307,188             |
| Deferred liabilities   | 8     | 857,067                              | 956,125             |
|  |       | <b>1,198,568</b>                     | <b>1,263,313</b>    |
| <b>CURRENT LIABILITIES</b>                                       |       |                                      |                     |
| Trade and other payables   | 9     | 1,002,193                            | 986,147             |
| Short term borrowings  | 10    | 13,770,926                           | 13,770,926          |
| Overdue portion of long term liabilities                         | 11    | 7,064,924                            | 5,374,252           |
| Provision for taxation   |       | 196,016                              | 184,043             |
|  |       | <b>22,034,059</b>                    | <b>20,315,368</b>   |
| <b>CONTINGENCIES AND COMMITMENTS</b>                             | 12    | --                                   | --                  |
|  |       | <b>6,291,713</b>                     | <b>6,829,124</b>    |
| <b>ASSETS</b>  |       |                                      |                     |
| <b>NON-CURRENT ASSETS</b>  |       |                                      |                     |
| Property, plant and equipment                                    | 13    | 4,897,097                            | 5,321,005           |
| <b>CURRENT ASSETS</b>  |       |                                      |                     |
| Stores and spares  | 14    | 435,285                              | 483,650             |
| Stock in trade   | 15    | --                                   | --                  |
| Trade debts - Unsecured  | 16    | 305,387                              | 502,755             |
| Short term loans to associated undertakings - considered good    | 17    | 115,599                              | --                  |
| Advances   | 18    | 16,018                               | 13,561              |
| Short term deposits  | 19    | 151,437                              | 151,437             |
| Advances and other receivables - Considered good                 | 20    | 28,202                               | 19,597              |
| Cash and bank balances   | 21    | 22,688                               | 17,119              |
|  |       | <b>1,074,616</b>                     | <b>1,188,119</b>    |
| Non-current asset held for sale                                  | 22    | 320,000                              | 320,000             |
|  |       | <b>6,291,713</b>                     | <b>6,829,124</b>    |

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, 2023

|                                    |       | 2023                         | 2022               |
|------------------------------------|-------|------------------------------|--------------------|
|                                    | Notes | ----- (Rupees in '000) ----- |                    |
| Sales                              |       | --                           | --                 |
| Cost of sales                      | 23    | (447,724)                    | (512,636)          |
| Gross loss                         |       | (447,724)                    | (512,636)          |
| Operating expenses                 |       |                              |                    |
| Administrative expenses            | 24    | (26,517)                     | (35,751)           |
| Operating loss                     |       | (474,241)                    | (548,387)          |
| Finance cost                       | 25    | (1,743,296)                  | (1,054,109)        |
| Other charges                      | 26    | (98,898)                     | (117,369)          |
| Other income                       | 27    | 56,811                       | 49,842             |
|                                    |       | (1,785,383)                  | (1,121,636)        |
| Loss before taxation               |       | (2,259,624)                  | (1,670,023)        |
| Taxation - Net                     | 28    | 67,696                       | 78,120             |
| <b>Loss for the year</b>           |       | <b>(2,191,928)</b>           | <b>(1,591,903)</b> |
| Loss per share - Basic and diluted | 29    | (5.98)                       | (4.35)             |

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

**Ishtiaq Ahmed**  
Chief Executive Officer

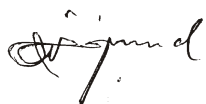
**Saleem-ul-Haque**  
Chief Financial Officer

**Muhammad Irfan Ali**  
Chairman Board of Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

|  | 2023                         | 2022                      |
|--|------------------------------|---------------------------|
| Notes  | ----- (Rupees in '000) ----- | -----                     |
| Loss for the year  | <b>(2,191,928)</b>           | (1,591,903)               |
| <b><i>Other comprehensive income</i></b>                   |                              |                           |
| Remeasurement of defined benefit liability - Net of tax    | <b>804</b>                   | 1,529                     |
| Deferred tax on remeasurement of defined benefit liability | <b>(233)</b>                 | (443)                     |
|  | <b>571</b>                   | 1,086                     |
| <b>Total comprehensive loss for the year</b>               | <b><u>(2,191,357)</u></b>    | <b><u>(1,590,817)</u></b> |

*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, 2023

|   | Notes | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|---|-------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |       |                                      |                                      |
| Loss before taxation  |       | (2,259,624)                          | (1,670,023)                          |
| <i>Adjustments for non-cash and other items:</i>              |       |                                      |                                      |
| Depreciation  | 13.1  | 423,908                              | 471,088                              |
| Unwinding of discount   | 25    | 34,313                               | 30,865                               |
| Exchange gain - Net   | 27    | (5,203)                              | (3,096)                              |
| Provision for gratuity  | 8.1.7 | 7,154                                | 5,387                                |
| Provision for doubtful debts / advances / receivables         | 26    | 50,533                               | 69,535                               |
| Provision for obsolescence and slow moving stocks and stores  | 26    | 48,365                               | 47,834                               |
| Finance cost  | 25    | 1,708,983                            | 1,017,320                            |
| Cash outflows before working capital changes                  |       | 8,429                                | (31,090)                             |
| <i>Movement in working capital</i>                            |       |                                      |                                      |
| <i>(Increase) / decrease in current assets</i>                |       |                                      |                                      |
| Trade debts - Unsecured                                       |       | 147,093                              | 69,148                               |
| Short term loans to associated undertakings - considered good |       | (115,599)                            | --                                   |
| Advances  |       | (2,457)                              | (292)                                |
| Advances and other receivables - Considered good              |       | (1,040)                              | (489)                                |
| <i>Increase in current liabilities</i>                        |       |                                      |                                      |
| Trade and other payables                                      |       | 3,543                                | 11,114                               |
|   |       | 31,540                               | 79,481                               |
| Cash generated from operations                                |       | 39,969                               | 48,391                               |
| <i>Payments for:</i>  |       |                                      |                                      |
| Staff gratuity  | 8.1.5 | (13,473)                             | (6,599)                              |
| Finance cost  |       | (3)                                  | (500)                                |
| Taxation  |       | (7,819)                              | (7,067)                              |
|   |       | (21,295)                             | (14,166)                             |
| Net cash inflows from operating activities                    |       | 18,674                               | 34,225                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |       |                                      |                                      |
| Fixed capital expenditure                                     |       | --                                   | (72)                                 |
| Net cash outflows from investing activities                   |       | --                                   | (72)                                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |       |                                      |                                      |
| Long term loans - Net   |       | (18,308)                             | (1,300)                              |
| Repayment of leased liability                                 |       | --                                   | (30,692)                             |
| Net cash outflows from financing activities                   |       | (18,308)                             | (31,992)                             |
| Net increase / (decrease) in cash and cash equivalents        |       | 366                                  | 2,161                                |
| Net foreign exchange difference                               |       | 5,203                                | 3,096                                |
| Cash and cash equivalents at beginning of the year            |       | (2,955,776)                          | (2,961,033)                          |
| <b>Cash and cash equivalents at end of the year</b>           | 30    | <b>(2,950,207)</b>                   | <b>(2,955,776)</b>                   |

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

**Ishtiaq Ahmed**  
Chief Executive Officer

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

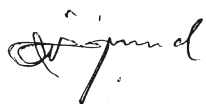
**Muhammad Irfan Ali**  
Chairman Board of Director



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

| 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 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)        | --                  |
| <b>Balance as at 30 June 2022</b>  | <b>3,663,211</b> | <b>350,000</b>   | <b>(21,582,577)</b>    | <b>(21,232,577)</b>                                     | <b>2,819,809</b>       | <b>2,819,809</b> | <b>(14,749,557)</b> |
| Loss for the year ended 30 June 2023   | --               | --               | (2,191,928)            | (2,191,928)   | --                     | --               | (2,191,928)         |
| Other comprehensive income   | --               | --               | 571                    | 571   | --                     | --               | 571                 |
| Total comprehensive loss for the year  | --               | --               | (2,191,357)            | (2,191,357)   | --                     | --               | (2,191,357)         |
| Transfer to accumulated losses on account of incremental depreciation - Net of tax | --               | --               | 195,053                | 195,053   | (195,053)              | (195,053)        | --                  |
| <b>Balance as at 30 June 2023</b>  | <b>3,663,211</b> | <b>350,000</b>   | <b>(23,578,881)</b>    | <b>(23,228,881)</b>                                     | <b>2,624,756</b>       | <b>2,624,756</b> | <b>(16,940,914)</b> |

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, 2023

### 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 head 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.2.192 billion (2022: Rs1.592 billion) and as of that date it has accumulated losses of Rs.23.579 billion (2022: Rs.21.583 billion) which have resulted in net capital deficiency of Rs.16.941 billion (2022: Rs.14.750 billion) and its current liabilities exceeded its current assets by Rs.20.959 billion (2022: Rs.19.127 billion) and total assets by Rs.15.742 billion (2022: Rs.13.486 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 for the following items, which are measured on an alternative basis on each reporting date as otherwise stated in respective accounting policies.

| Item   | Measurement basis  |
|--|--|
| Land   | Revaluation model  |
| Building   | Revaluation model  |
| Plant and Machinery                              | Revaluation model  |
| Employee benefits- Net defined benefit liability | Present value of the defined benefit liability, determined through actuarial valuation |

The method used to measure fair values are disclosed in respective policy notes.

### 3.3 STANDARDS, INTERPRETATIONS, IMPROVEMENTS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

Adoption of amendments to approved accounting standards effective during the year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these financial statements.

#### Amendments to approved accounting standards

- IFRS 3 Reference to the Conceptual Framework (Amendments)
- IAS 16 Reference to the Conceptual Framework (Amendments)
- IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Company's financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

#### Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

- IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities
- IAS 41 Agriculture – Taxation in fair value measurements
- IFRS 16 Leases – Lease incentives

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's financial statements.

#### Standards and amendments to IFRSs that are not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective amendment or improvements:

| <b>Amendment or improvement</b>           | <b>Effective Date<br/>(Period<br/>beginning on or<br/>after)</b>                                   |
|---|--|
| IFRS 17                                   | Insurance Contracts (Amendments)   |
| IAS 1 and<br>IFRS Practice<br>Statement 2 | Disclosure of Accounting Policies (Amendments)   |
| IAS 8                                     | Definition of Accounting Estimates (Amendments)  |
| IAS 12                                    | Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)      |
| IAS 12                                    | International Tax Reform – Pillar Two Model Rules (Amendments)                                     |
| IAS 1                                     | Classification of Liabilities as Current or Non-current  |
| IFRS 16                                   | Lease Liability in a Sale and Leaseback (Amendments)   |
| IAS 7/IFRS 7                              | Disclosures: Supplier Finance Arrangements (Amendments)  |
| IFRS 10/IAS 28                            | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments) |

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

#### **Standard or interpretation**

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 access 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 Companyed together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companys 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.

**4.19 Contingent Liability**

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

**4.20 Cash and cash equivalents**

For the purpose of statement of cash flow, cash and cash equivalents comprise of cash in hand, bank balances and short term investments with a maturity of three months or less from the date of acquisition. The cash and cash equivalents are readily convertible to known amount of cash and are therefore subject to insignificant risk of changes in value.

**4.21 Share Capital and Dividend**

Ordinary shares are classified as equity and recognized at their face value. Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

**4.22 Earnings per share**

The Company presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

**4.23 Unclaimed dividend**

This is recognised at the amount of dividend declared and unclaimed by shareholders from the date it became due and payable.

**5 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL**

| 2023                         | 2022               |   | 2023                         | 2022             |
|------------------------------|--------------------|---|------------------------------|------------------|
| ---- (Number of shares) ---- |                    |   | ----- (Rupees in '000) ----- |                  |
| <b>65,000,000</b>            | 65,000,000         | Ordinary shares of Rs. 10/- each fully paid in cash                             | <b>650,000</b>               | 650,000          |
| <b>267,849,938</b>           | 267,849,938        | Ordinary shares of Rs. 10/- each issued as bonus shares                         | <b>2,678,499</b>             | 2,678,499        |
| <b>1,215,345</b>             | 1,215,345          | Ordinary shares of Rs. 10/- each issued against conversion of convertible bonds | <b>12,154</b>                | 12,154           |
| <b>32,255,800</b>            | 32,255,800         | Ordinary shares of Rs. 10/- each issued in exchange for                         | <b>322,558</b>               | 322,558          |
| <b>366,321,083</b>           | <b>366,321,083</b> | 96,767,400 shares of Rs.10/- each of Dhan Fibres Limited                        | <b>3,663,211</b>             | <b>3,663,211</b> |

5.1 At reporting date, 104,288,773 shares (2022: 104,288,773 shares) were held by associated companies.

**6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

|  |                  |                  |
|--|------------------|------------------|
| Surplus on revaluation of property, plant and equipment - Opening                  | <b>2,819,809</b> | 3,036,534        |
| Transfer to accumulated losses on account of incremental depreciation - Net of tax | <b>(195,053)</b> | (216,725)        |
| Surplus on revaluation of property, plant and equipment - Closing                  | <b>2,624,756</b> | <b>2,819,809</b> |

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                                 | Notes | 2023                         | 2022           |
|---|-------|------------------------------|----------------|
|   |       | ----- (Rupees in '000) ----- |                |
| From bank and financial institutions - Secured    | 7.1   | 7,064,924                    | 5,374,252      |
| Overdue portion - Shown under current liabilities | 11    | (7,064,924)                  | (5,374,252)    |
|   |       | --                           | --             |
| From related parties - Unsecured, interest free   |       |                              |                |
| Original loan amount                              | 7.2   | 379,645                      | 379,645        |
| Effects of fair value adjustments                 |       |                              |                |
| Opening balance                                   |       | (72,457)                     | (103,322)      |
| Unwinding of interest / discount for the year     | 25    | 34,313                       | 30,865         |
| Shareholder's contribution included in equity     |       | (38,144)                     | (72,457)       |
| Shareholders' loan / fair value of the loan       |       | 341,501                      | 307,188        |
|   |       | <b>341,501</b>               | <b>307,188</b> |

**7.1 From bank and financial institutions - Secured**

| Financier  | Installments payable | Repayment period | Mark-up rate                    | Notes | 2023                         | 2022             |
|--|----------------------|------------------|---------------------------------|-------|------------------------------|------------------|
|  |                      |                  |                                 |       | ----- (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 | 4,894,300                    | 3,510,840        |
| International Finance Corporation (IFC) FCY-LOAN               | Annual               | 2010             | 5% p.a.                         | 7.1.3 | 1,151,600                    | 826,080          |
| Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd. | Quarterly            | 2009             | 3% over six months KIBOR        | 7.1.4 | --                           | 18,308           |
| 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          |
|  |                      |                  |                                 |       | <b>7,064,924</b>             | <b>5,374,252</b> |



**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 previous period an out of court settlement has been made for the outstanding liabilities. The total settlement amount is Rs.54.923 million which was to be paid in three equal quarterly installments of Rs.18.308 million each. The last installment was made during this period and the entire liability has been settled.

**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 a sponsor has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of 11.17% per annum.

|                               |       | 2023                         | 2022    |
|-------------------------------|-------|------------------------------|---------|
|                               | Notes | ----- (Rupees in '000) ----- |         |
| <b>8 DEFERRED LIABILITIES</b> |       |                              |         |
| Staff gratuity payable        | 8.1   | 139,366                      | 158,987 |
| Deferred tax liability - Net  | 8.2   | 717,701                      | 797,138 |
|                               |       | 857,067                      | 956,125 |

**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.

|   |           |    |
|---|-----------|----|
| <b>8.1.1</b> Number of employees under the scheme | <b>10</b> | 46 |
|---|-----------|----|

**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                      | <b>15.25% p.a.</b> | 12.25% p.a. |
| Discount rate  | <b>16.25% p.a.</b> | 13.25% p.a. |
| Average expected remaining working life times of employees | <b>7 years</b>     | 7 years     |

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

|  | Notes        | 2023<br>------(Rupees in '000)----- | 2022      |
|--|--------------|-------------------------------------|-----------|
| <b>8.1.3</b> Staff gratuity payable  |              |                                     |           |
| Present value of defined benefit obligations                               | <b>8.1.4</b> | <b>23,961</b>                       | 34,984    |
| Frozen gratuity  |              | <b>115,405</b>                      | 124,003   |
|  | <b>8.1.5</b> | <b>139,366</b>                      | 158,987   |
| <b>8.1.4</b> Reconciliation of present value of defined benefit obligation |              |                                     |           |
| Present value of defined benefit obligation - opening                      |              | <b>34,984</b>                       | 33,546    |
| Frozen gratuity - opening  |              | <b>124,003</b>                      | 128,182   |
| Service cost   |              | <b>2,784</b>                        | 2,133     |
| Interest on defined benefit liability                                      |              | <b>4,370</b>                        | 3,254     |
| Benefits paid  |              | <b>(3,974)</b>                      | (2,016)   |
| Liability transferred to other account                                     |              | <b>(21,997)</b>                     | (4,583)   |
| Frozen gratuity - closing  |              | <b>(115,405)</b>                    | (124,003) |
| Actuarial gain   |              | <b>(804)</b>                        | (1,529)   |
|  |              | <b>23,961</b>                       | 34,984    |
| <b>8.1.5</b> Movement in present value of defined benefit obligations      |              |                                     |           |
| Net defined benefit liability - Opening                                    |              | <b>158,987</b>                      | 161,728   |
| Expense chargeable to profit and loss account                              | <b>8.1.6</b> | <b>7,154</b>                        | 5,387     |
| Remeasurement gain transferred to OCI                                      |              | <b>(804)</b>                        | (1,529)   |
| Transfer to final settlement payable                                       |              | <b>(21,997)</b>                     | (4,583)   |
| Payments during the year   |              | <b>(3,974)</b>                      | (2,016)   |
|  |              | <b>139,366</b>                      | 158,987   |
| <b>8.1.6</b> Expense chargeable to profit and loss account                 |              |                                     |           |
| Service cost   |              | <b>2,784</b>                        | 2,133     |
| Net interest on net defined benefit liability                              |              | <b>4,370</b>                        | 3,254     |
|  | <b>8.1.7</b> | <b>7,154</b>                        | 5,387     |



|  |       | 2023                         | 2022         |
|--|-------|------------------------------|--------------|
|  | Notes | ----- (Rupees in '000) ----- |              |
| <b>8.1.7 Allocation of charge for the year</b> |       |                              |              |
| Cost of sales                                  | 23    | 3,944                        | 1,647        |
| Administrative expenses                        | 24    | 3,210                        | 3,740        |
|  |       | <u>7,154</u>                 | <u>5,387</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%   | 36,251 | 32,955 |
| Discount rate - 1%   | 40,849 | 37,135 |
| Salary increase + 1% | 40,850 | 37,136 |
| Salary increase - 1% | 36,252 | 32,956 |

**8.2 Deferred tax liabilities - Net**

Deferred taxation comprises temporary difference relating to:

|  |                |                |
|--|----------------|----------------|
| Accelerated tax depreciation                             | 232,423        | 246,132        |
| Surplus on revaluation of fixed assets                   | 717,025        | 796,695        |
| Finance lease transactions                               | 25,051         | 27,644         |
| Provisions and others                                    | (748,937)      | (726,515)      |
| Accumulated tax losses                                   | (2,326,839)    | (5,288,100)    |
| Deferred tax (asset)                                     | (2,101,277)    | (4,981,510)    |
| Deferred tax asset not recognized                        | 2,818,978      | 5,778,648      |
| Deferred tax liability in respect of revaluation surplus | <u>717,701</u> | <u>797,138</u> |

**9 TRADE AND OTHER PAYABLES**

|                                    |                  |                |
|------------------------------------|------------------|----------------|
| Trade creditors                    | 619,279          | 619,482        |
| Accrued expenses                   | 373,565          | 359,279        |
| Withholding income tax payable     | 9.1              | 7,121          |
| Unclaimed TFCs redemption warrants | 2,228            | 5,158          |
|                                    | <u>2,228</u>     | <u>2,228</u>   |
|                                    | <u>1,002,193</u> | <u>986,147</u> |

9.1 The Company facing financial Crunch therefore the same With holding tax is unpaid . The company taking measure to pay the same.

**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         |
| Overdue letter of credits            | 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 (2022: Rs.8.766 billion) excluding facilities limits of Letter of Credits by various banks and carry mark up ranging from 1% to 4% (2022: 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.

|  |   | 2023                        | 2022             |
|--|---|-----------------------------|------------------|
|  |   | ------(Rupees in '000)----- |                  |
| <b>11 OVERDUE PORTION OF LONG TERM LIABILITIES</b> |   |                             |                  |
| Overdue portion of long term loans                 | 7 | 7,064,924                   | 5,374,252        |
|  |   | <u>7,064,924</u>            | <u>5,374,252</u> |

**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 baseless 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 (2022: Rs.78.30 million).

|   |      | 2023                        | 2022             |
|---|------|-----------------------------|------------------|
|   |      | ------(Rupees in '000)----- |                  |
| <b>13 PROPERTY, PLANT AND EQUIPMENT</b>       |      |                             |                  |
| Operating fixed assets                        | 13.1 | 4,754,284                   | 5,178,192        |
| Capital work in progress- Plant and Machinery |      | 142,813                     | 142,813          |
|   |      | <u>4,897,097</u>            | <u>5,321,005</u> |



**13.1 Operating fixed assets**

| PARTICULARS            | 2023               |                           |                    |                          |                     |                    | Carrying value as at 30 June 2023 | Rate % |
|------------------------|--------------------|---------------------------|--------------------|--------------------------|---------------------|--------------------|-----------------------------------|--------|
|                        | COST / REVALUATION |                           |                    | Accumulated depreciation |                     |                    |                                   |        |
|                        | As at 1 July 2022  | Additions during the year | As at 30 June 2023 | As at 1 July 2022        | Charge for the year | As at 30 June 2023 |                                   |        |
|                        | (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          | 2,461,370                | 88,861              | 2,550,231          | 799,747                           | 10     |
| Non-factory building   | 1,079,856          | --                        | 1,079,856          | 967,830                  | 11,203              | 979,033            | 100,823                           | 10     |
| Tank terminal          | 16,453             | --                        | 16,453             | 15,729                   | 72                  | 15,801             | 652                               | 10     |
| Plant and machinery    | 21,015,405         | --                        | 21,015,405         | 17,805,528               | 320,988             | 18,126,516         | 2,888,889                         | 10     |
| Vehicles               | 162,752            | --                        | 162,752            | 159,658                  | 618                 | 160,276            | 2,476                             | 20     |
| Furniture and fixtures | 80,917             | --                        | 80,917             | 73,128                   | 779                 | 73,907             | 7,010                             | 10     |
| Office equipment       | 136,997            | --                        | 136,997            | 123,123                  | 1,387               | 124,510            | 12,487                            | 10     |
| <b>TOTAL</b>           | <b>26,784,558</b>  | <b>--</b>                 | <b>26,784,558</b>  | <b>21,606,366</b>        | <b>423,908</b>      | <b>22,030,274</b>  | <b>4,754,284</b>                  |        |

| PARTICULARS            | 2022               |                           |                    |                          |                     |                    | Carrying value as at 30 June 2022 | Rate % |
|------------------------|--------------------|---------------------------|--------------------|--------------------------|---------------------|--------------------|-----------------------------------|--------|
|                        | COST / REVALUATION |                           |                    | Accumulated depreciation |                     |                    |                                   |        |
|                        | 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                   | 80                  | 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     |
| <b>TOTAL</b>           | <b>26,784,486</b>  | <b>72</b>                 | <b>26,784,558</b>  | <b>21,135,278</b>        | <b>471,088</b>      | <b>21,606,366</b>  | <b>5,178,192</b>                  |        |

**13.2** The depreciation charge for the year has been allocated as follows : -----(Rupees in '000)-----

|                         | 2023           | 2022           |
|-------------------------|----------------|----------------|
| Cost of sales           | 421,788        | 468,733        |
| Administrative expenses | 2,120          | 2,355          |
|                         | <b>423,908</b> | <b>471,088</b> |

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

**PSF-Units**

|                      |         |         |
|----------------------|---------|---------|
| Freehold land        | 70,652  | 70,652  |
| Leasehold land       | 2,269   | 2,269   |
| Factory building     | 154,058 | 171,174 |
| Non-factory building | 40,247  | 44,718  |
| Plant and machinery  | 766,607 | 851,784 |

**Acrylic Unit**

|                      |                  |                  |
|----------------------|------------------|------------------|
| Factory building     | 31,896           | 35,440           |
| Non-factory building | 336              | 374              |
| Plant and machinery  | 315,773          | 350,859          |
|                      | <b>1,381,838</b> | <b>1,527,270</b> |

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

| Location  | Usage of immovable property | Total area  |
|---|-----------------------------|-------------|
| Plot No. 1, Dewan Farooque Industrial Park, Hattar District | Production plant            | 1120 canals |
| Phase IV, Hattar Industrial Estate, District Haripur, KPK   | Production plant            | 443 canals  |

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

|  | Notes | 2023<br>------(Rupees in '000)----- | 2022      |
|--|-------|-------------------------------------|-----------|
| <b>14 STORES AND SPARES</b>  |       |                                     |           |
| 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    |
|  |       | <b>1,085,114</b>                    | 1,085,114 |
| Provision for obsolescence and slow moving items                         | 14.1  | (649,829)                           | (601,464) |
|  |       | <b>435,285</b>                      | 483,650   |
| <b>14.1</b> Movement in provision for obsolescence and slow moving items |       |                                     |           |
| Opening balance  |       | 601,464                             | 553,630   |
| Provision during the year  |       | 48,365                              | 47,834    |
| Closing balance  |       | <b>649,829</b>                      | 601,464   |
| <b>15 STOCK IN TRADE</b>   |       |                                     |           |
| 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    |
|  |       | <b>626,402</b>                      | 626,402   |
| Provision for obsolescence and slow moving stocks                        |       | (626,402)                           | (626,402) |
|  |       | --                                  | --        |
| <b>16 TRADE DEBTS - Unsecured</b>  |       |                                     |           |
| Considered good  |       | 355,663                             | 502,755   |
| Considered doubtful  |       | 878,167                             | 878,167   |
|  |       | <b>1,233,830</b>                    | 1,380,922 |
| Provision for doubtful debts   | 16.3  | (928,443)                           | (878,167) |
|  |       | <b>305,387</b>                      | 520,755   |

16.1 Trade debts include nil (2022: Rs.117.050 million) due from Dewan Khalid Textile Mills Limited (associated company). Subsequent to the balance sheet date, the Company held an EOGM at 26 September 2022, and obtained the approval of the balance of the Related Party transferred to interest bearing short term loan to related party as disclosed in note 17 to the Financial Statement in accordance with the provision of section 199 of the Company Act, 2017.

16.2 Trade debts also include a sum of Rs. 23.753 million (2022: 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.



|  | Notes | 2023<br>------(Rupees in '000)----- | 2022           |
|--|-------|-------------------------------------|----------------|
| <b>16.3 Movement in provision for doubtful debts</b>   |       |                                     |                |
| Opening balance  |       | 878,167                             | 809,121        |
| Provision during the year  | 26    | 50,276                              | 69,046         |
| Closing balance  |       | <u>928,443</u>                      | <u>878,167</u> |
| <b>17 SHORT TERM LOAN TO ASSOCIATED UNDERTAKINGS - CONSIDERED GOOD</b>   |       |                                     |                |
| Deawan Khalid Textile Mills Limited  |       | <u>115,599</u>                      | <u>--</u>      |
| <b>17.1</b> The Company has charged mark-up on loan to associated undertaking carrying mark-up @1% above 3 months KIBOR rate. At the end of the year, this loan carries mark-up at the rate of 23.91% per annum. |       |                                     |                |
| <b>17.2</b> The maximum aggregate amount of loan at the end of any month during the year was Rs. 115.599 Million.  |       |                                     |                |
| <b>18 ADVANCES</b>   |       |                                     |                |
| <i>Against expenses / employees</i>  |       |                                     |                |
| Considered good  |       | 16,018                              | 13,561         |
| Considered doubtful  |       | 80,126                              | 80,126         |
|  |       | <u>96,144</u>                       | <u>93,687</u>  |
| Provision for doubtful advances  |       | (80,126)                            | (80,126)       |
|  |       | <u>16,018</u>                       | <u>13,561</u>  |
| <b>19 SHORT TERM DEPOSITS</b>  |       |                                     |                |
| Deposits   |       | 1,142                               | 1,142          |
| Margin   |       | 150,295                             | 150,295        |
|  |       | <u>151,437</u>                      | <u>151,437</u> |
| <b>20 ADVANCES AND OTHER RECEIVABLES - Considered good</b>   |       |                                     |                |
| Sales tax  |       | 69,334                              | 68,798         |
| Duty drawback receivable   |       | 73,872                              | 73,872         |
| Duties refundable  |       | 4,691                               | 4,691          |
| Insurance claim receivable   |       | 14,730                              | 14,730         |
| Advance income tax   |       | 27,923                              | 19,597         |
|  |       | <u>190,550</u>                      | <u>181,688</u> |
| Less: Provision for doubtful receivable  | 20.1  | (162,348)                           | (162,091)      |
|  |       | <u>28,202</u>                       | <u>19,597</u>  |
| <b>20.1 Movement in provision for other receivable</b>   |       |                                     |                |
| Opening balance  |       | 162,091                             | 161,602        |
| Provision during the year  |       | 257                                 | 489            |
| Closing balance  |       | <u>162,348</u>                      | <u>162,091</u> |
| <b>21 CASH AND BANK BALANCES</b>   |       |                                     |                |
| Cash in hand   |       | 986                                 | 445            |
| Cash at banks  |       |                                     |                |
| - Current accounts   |       | 3,295                               | 3,470          |
| - Foreign currency accounts  |       | 18,407                              | 13,204         |
|  |       | <u>22,688</u>                       | <u>17,119</u>  |

**22 NON-CURRENT ASSET HELD FOR SALE**

|   | Notes | 2023<br>------(Rupees in '000)----- | 2022    |
|---|-------|-------------------------------------|---------|
| Investment in Dewan Petroleum (Pvt) Limited<br>12,600,000 Shares (2022: 12,600,000 shares)<br>of Rs.10/- each at a premium of Rs.15.397/- per share |       | <b>320,000</b>                      | 320,000 |

**22.1** 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.

**22.2** 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.

**22.3** The investment is made in accordance with the requirements of Companies Act, 2017.

**23 COST OF SALES**

|   |      |                |           |
|---|------|----------------|-----------|
| Depreciation                              | 13.2 | 421,788        | 468,733   |
| Salaries, wages and other benefits        |      | 10,740         | 28,529    |
| Electricity, fuel and power               |      | 12,257         | 8,452     |
| Fee and subscription                      |      | --             | 2,808     |
| Repairs and maintenance                   |      | 297            | 2,292     |
| Vehicle running expenses                  |      | 432            | 973       |
| General expenses                          |      | 2,181          | 824       |
| Travelling expenses                       |      | 29             | 25        |
|   |      | <b>447,724</b> | 512,636   |
| Opening stock of work-in-process          |      | 103,879        | 103,879   |
| Closing stock of work-in-process          |      | (103,879)      | (103,879) |
| Cost of goods manufactured                |      | 447,724        | 512,636   |
| Opening stock of finished goods and waste |      | 19,086         | 19,086    |
| Closing stock of finished goods and waste |      | (19,086)       | (19,086)  |
|   |      | <b>447,724</b> | 512,636   |

**24 ADMINISTRATIVE EXPENSES**

|                                |      |               |        |
|--------------------------------|------|---------------|--------|
| Salaries and other benefits    |      | 17,574        | 26,419 |
| Depreciation                   | 13.2 | 2,120         | 2,355  |
| Legal and professional charges |      | 1,245         | 1,884  |
| Vehicle running expenses       |      | 1,966         | 1,870  |
| General expenses               |      | 1,010         | 1,202  |
| Repair and maintenance         |      | 538           | --     |
| Electricity, fuel and power    |      | 49            | --     |
| Auditors' remuneration         | 24.1 | 1,350         | 1,350  |
| Rent, rates and taxes          |      | --            | 257    |
| Printing and stationery        |      | 345           | 187    |
| Communication                  |      | 106           | 110    |
| Travelling expenses            |      | 209           | 96     |
| Entertainment                  |      | 5             | 21     |
|                                |      | <b>26,517</b> | 35,751 |



|   | Notes   | 2023<br>----- (Rupees in '000) ----- | 2022               |
|---|---|--------------------------------------|--------------------|
| <b>24.1 Auditors' remuneration</b>                                      |   |                                      |                    |
| Annual audit fee - Faruq Ali & Co                                       |   | --                                   | 500                |
| Annual audit fee - Feroze Shariif Tariq & Co                            |   | 1,000                                | 500                |
| Fee for half yearly review  |   | 200                                  | 200                |
| Review of Code of Corporate Governance                                  |   | 100                                  | 100                |
| Out of pocket   |   | 50                                   | 50                 |
|   |   | <u>1,350</u>                         | <u>1,350</u>       |
| <b>25 FINANCE COST</b>  |   |                                      |                    |
| Exchange loss   |   | 1,708,980                            | 1,016,820          |
| Unwinding of discount   |   | 34,313                               | 30,865             |
| Markup expense on settlement  |   | --                                   | 5,924              |
| Bank charges  |   | 3                                    | 500                |
|   |   | <u>1,743,296</u>                     | <u>1,054,109</u>   |
| <b>25.1</b>   | The Company has not made the provision of mark-up amounting to Rs. 1.886 billion (Upto 30 June 2023: Rs. 28.632 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. 1.886 billion and accrued mark-up would have been increased and shareholders' equity would have been decreased by Rs. 28.632 billion. The said non-provisioning is departure from the requirements of IAS-23 'Borrowing Costs'. |                                      |                    |
| <b>26 OTHER CHARGES</b>   |   |                                      |                    |
| Provision for doubtful debts / advances / receivables                   |   | 50,533                               | 69,535             |
| Provision for obsolescence and slow moving stores and spares            | 14.1  | 48,365                               | 47,834             |
|   |   | <u>98,898</u>                        | <u>117,369</u>     |
| <b>27 OTHER INCOME</b>  |   |                                      |                    |
| Rental income on warehouse  |   | 51,608                               | 46,746             |
| Exchange gain - Net   |   | 5,203                                | 3,096              |
|   |   | <u>56,811</u>                        | <u>49,842</u>      |
| <b>28 TAXATION - Net</b>  |   |                                      |                    |
| Current year tax  |   | 11,973                               | 10,845             |
| Deferred tax  |   | (79,669)                             | (88,965)           |
|   |   | <u>(67,696)</u>                      | <u>(78,120)</u>    |
| <b>28.1 Relationship between income tax expense and accounting loss</b> |   |                                      |                    |
|   | 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.   |                                      |                    |
| <b>28.2</b>   | The income tax assessments of the Company deemed to have been finalized up to tax year 2022.  |                                      |                    |
| <b>29 LOSS PER SHARE - Basic and diluted</b>                            |   |                                      |                    |
| <b>29.1 Basic loss per share</b>  |   |                                      |                    |
| Loss after taxation attributable to ordinary shareholders               |   | <u>(2,191,928)</u>                   | <u>(1,591,903)</u> |
| Weighted average number of ordinary shares outstanding during the year  |   | <u>366,321,083</u>                   | <u>366,321,083</u> |
|   |   | ----- (Number of shares) -----       |                    |
|   |   | ----- (Rupees) -----                 |                    |
| Loss per share - Basic  |   | <u>(5.98)</u>                        | <u>(4.35)</u>      |

**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.

|                                     | Notes | 2023<br>------(Rupees in '000)----- | 2022               |
|-------------------------------------|-------|-------------------------------------|--------------------|
| <b>30 CASH AND CASH EQUIVALENTS</b> |       |                                     |                    |
| Cash and bank balances              | 21    | 22,688                              | 17,119             |
| Short term finances:                |       |                                     |                    |
| Short term running finances         | 10    | (2,970,019)                         | (2,970,019)        |
| Book overdraft                      | 10    | (2,876)                             | (2,876)            |
|                                     |       | <u>(2,972,895)</u>                  | <u>(2,972,895)</u> |
|                                     |       | <u>(2,950,207)</u>                  | <u>(2,955,776)</u> |

**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 2023 and 30 June 2022 was as follows:

|                         | 2023                       |                  | 2022                       |                  |
|-------------------------|----------------------------|------------------|----------------------------|------------------|
|                         | Financial assets           | Maximum exposure | Financial assets           | Maximum exposure |
|                         | ---- (Rupees in '000) ---- |                  | ---- (Rupees in '000) ---- |                  |
| Trade debts - Unsecured | 305,387                    | 305,387          | 502,755                    | 502,755          |
| Short term deposits     | 151,437                    | 151,437          | 151,437                    | 151,437          |
| Advances                | 16,018                     | 16,018           | 13,561                     | 13,561           |
| Cash at banks           | 21,702                     | 21,702           | 16,674                     | 16,674           |
|                         | <b>494,544</b>             | <b>494,544</b>   | <b>684,427</b>             | <b>684,427</b>   |

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 |
|---|------------------------------|------------------------|--------------------|----------------------|------------------|-------------------|
| <b>2023</b>                                 | ----- (Rupees in '000) ----- |                        |                    |                      |                  |                   |
| <i>Non-derivative financial liabilities</i> |                              |                        |                    |                      |                  |                   |
| Long term loans                             | 7,406,425                    | 7,444,569              | 7,064,924          | --                   | --               | 379,645           |
| Trade and other payables                    | 995,072                      | 995,072                | 995,072            | --                   | --               | --                |
| Short term borrowings                       | 13,770,926                   | 13,770,926             | 13,770,926         | --                   | --               | --                |
|   | <b>22,172,423</b>            | <b>22,210,567</b>      | <b>21,830,922</b>  | <b>--</b>            | <b>--</b>        | <b>379,645</b>    |
| <b>2022</b>                                 | ----- (Rupees in '000) ----- |                        |                    |                      |                  |                   |
| <i>Non-derivative financial liabilities</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         | --                   | --               | --                |
|   | <b>20,433,355</b>            | <b>20,505,812</b>      | <b>20,126,167</b>  | <b>--</b>            | <b>--</b>        | <b>379,645</b>    |



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:

| <u>Assets / (liabilities)</u>                             | 2023<br>----- <b>(Rupees in '000)</b> ----- | 2022               |
|---|---|--------------------|
| Loans   | <b>(6,045,900)</b>                          | (4,336,920)        |
| Bank balances   | <b>18,407</b>                               | 13,204             |
|   | <b><u>(6,027,493)</u></b>                   | <u>(4,323,716)</u> |
| The following significant exchange rate has been applied: |   |                    |
| USD to PKR (Reporting date rate in Rupees)                | <b><u>285.99</u></b>                        | <u>204.85</u>      |

#### 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.

|                |                       |                |
|----------------|-----------------------|----------------|
| Effect on loss | <b><u>604,590</u></b> | <u>433,692</u> |
|----------------|-----------------------|----------------|

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    | <b><u>18,407</u></b>    | <u>13,204</u>    |
| Financial liabilities |                         |                  |
| Long term loans       | <b><u>6,045,900</u></b> | <u>4,336,920</u> |

#### *Variable rate instruments at carrying amounts:*

|                       |                          |                   |
|-----------------------|--------------------------|-------------------|
| Financial liabilities |                          |                   |
| Loans                 | <b><u>1,019,024</u></b>  | <u>1,037,332</u>  |
| Short term borrowings | <b><u>13,768,050</u></b> | <u>13,768,050</u> |
|                       | <b><u>14,787,074</u></b> | <u>14,805,382</u> |

**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:

## DEWAN SALMAN FIBRE LIMITED

|                         | Chief Executive              |       | Director |       | Executive |       | Total  |        |
|-------------------------|------------------------------|-------|----------|-------|-----------|-------|--------|--------|
|                         | 2023                         | 2022  | 2023     | 2022  | 2023      | 2022  | 2023   | 2022   |
|                         | ----- (Rupees in '000) ----- |       |          |       |           |       |        |        |
| Managerial remuneration | --                           | 4,248 | 1,177    | 1,148 | 3,085     | 1,290 | 4,262  | 6,686  |
| Retirement benefits     | --                           | 1,846 | 709      | 473   | 3,066     | 441   | 3,775  | 2,760  |
| House rent allowance    | --                           | 1,912 | 530      | 517   | 1,388     | 581   | 1,918  | 3,010  |
| Utilities               | --                           | 425   | 118      | 115   | 309       | 129   | 427    | 669    |
| Conveyance              | --                           | 4     | 7        | 7     | 4         | 4     | 11     | 15     |
|                         | --                           | 8,435 | 2,541    | 2,260 | 7,852     | 2,445 | 10,393 | 13,140 |
| Number of persons       | 0                            | 1     | 2        | 2     | 1         | 1     | 3      | 4      |

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 22) 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 2023 are located in Pakistan.

### 35 PLANT CAPACITY AND PRODUCTION

|              | ----- 2023 ----- |                   | ----- 2022 ----- |                   |
|--------------|------------------|-------------------|------------------|-------------------|
|              | Annual (tons)    | Production (tons) | Annual (tons)    | Production (tons) |
| PSF Units    | 240,900          | --                | 240,900          | --                |
| Acrylic Unit | 25,760           | --                | 25,760           | --                |
|              | <b>266,660</b>   | <b>--</b>         | <b>266,660</b>   | <b>--</b>         |

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

**2023****2022**-----**(Rupees in '000)**-----

Regular

**10**

46

Contractual

**5**

5

Average number of employees during the year

Regular

**10**

46

Contractual

**5**

5

Number of factory employees as at 30 June- contractual

**22**

39

Average number of factory employees during the year -Contractual

**31**

91

**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 26, 2023 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, 2023**

| Categories   | Number of Shareholders | Number of Shares held | Percentage of Shareholding |
|--|------------------------|-----------------------|----------------------------|
| <b>Directors, CEO, their Spouses &amp; Minor Children</b>                              |                        |                       |                            |
| Mr. Muhammad Irfan Ali   | 1                      | 500                   | 0.00%                      |
| Mr. Muhammad Wajid   | 1                      | 500                   | 0.00%                      |
| Mr. Saleem-Ul-Haque  | 1                      | 500                   | 0.00%                      |
| Mr. Asghar Iqbal   | 1                      | 500                   | 0.00%                      |
| Mr. Ishtiaq Ahmed (Nominee Director By DTML)   | -                      | -                     | 0.00%                      |
| Syed Farhan Asdaque (Nominee Director DTML)  | -                      | -                     | 0.00%                      |
| Ms. Momna Gull (Nominee Director DTML)   | -                      | -                     | 0.00%                      |
| <b>Associated Companies</b>  |                        |                       |                            |
| Dewan Textile Mills Limited  | 1                      | 104,288,773           | 28.47%                     |
| <b>NIT and ICP</b>   | 6                      | 550,691               | 0.15%                      |
| <b>Executives</b>  | -                      | -                     | 0.00%                      |
| <b>Banks, Development Financial Institutions, Non-Banking Finance Companies</b>        | 72                     | 796,993               | 0.22%                      |
| <b>Insurance Companies</b>   | 1                      | 2,109,634             | 0.58%                      |
| <b>Modarabas and Mutual Funds</b>  | 12                     | 58,352                | 0.02%                      |
| <b>General Public</b>  |                        |                       |                            |
| a. Local   | 20,749                 | 215,683,146           | 58.88%                     |
| b. Foreign   | 4                      | 319,218               | 0.09%                      |
| <b>Others (Joint Stock Companies, Brokrage Houses, Employees Funds &amp; Trustees)</b> | 108                    | 42,512,276            | 11.61%                     |
| <b>TOTAL</b>   | <b>20,957</b>          | <b>366,321,083</b>    | <b>100.00%</b>             |

**SHAREHOLDERS HOLDING FIVE PERCENT OT MORE VOTING RIGHTS**

| NAME OF SHAREHOLDER             | Number of Shareholders | Number of Shares held | Percentage of Shareholding |
|---------------------------------|------------------------|-----------------------|----------------------------|
| M/s Dewan Textile Mills Limited | 1                      | 104,288,773           | 28.47%                     |
| Dewan Muhammad Yousuf Farooqui  | 3                      | 64,668,183            | 17.65%                     |
| 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.



## PATTERN OF SHAREHOLDING AS ON 30TH JUNE 2023

| Number of Shareholders | Shareholding Slab |             | Total Shares Held  | Percentage     |
|------------------------|-------------------|-------------|--------------------|----------------|
|                        | From              | To          |                    |                |
| 5783                   | 1                 | 100         | 150,354            | 0.04%          |
| 7668                   | 101               | 500         | 1,825,671          | 0.50%          |
| 1540                   | 501               | 1,000       | 1,342,952          | 0.37%          |
| 2964                   | 1,001             | 5,000       | 8,434,106          | 2.30%          |
| 1048                   | 5,001             | 10,000      | 8,424,160          | 2.30%          |
| 777                    | 10,001            | 20,000      | 12,014,579         | 3.28%          |
| 332                    | 20,001            | 30,000      | 8,431,794          | 2.30%          |
| 152                    | 30,001            | 40,000      | 5,464,007          | 1.49%          |
| 152                    | 40,001            | 50,000      | 7,227,903          | 1.97%          |
| 70                     | 50,001            | 60,000      | 3,885,079          | 1.06%          |
| 53                     | 60,001            | 70,000      | 3,469,472          | 0.95%          |
| 47                     | 70,001            | 80,000      | 3,567,726          | 0.97%          |
| 37                     | 80,001            | 90,000      | 3,174,574          | 0.87%          |
| 75                     | 90,001            | 100,000     | 7,429,636          | 2.03%          |
| 44                     | 100,001           | 120,000     | 4,821,063          | 1.32%          |
| 28                     | 120,001           | 140,000     | 3,605,517          | 0.98%          |
| 36                     | 140,001           | 160,000     | 5,433,782          | 1.48%          |
| 14                     | 160,001           | 180,000     | 2,415,500          | 0.66%          |
| 24                     | 180,001           | 200,000     | 4,721,135          | 1.29%          |
| 25                     | 200,001           | 250,000     | 5,708,348          | 1.56%          |
| 26                     | 250,001           | 300,000     | 7,328,486          | 2.00%          |
| 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%          |
| 8                      | 450,001           | 500,000     | 3,884,000          | 1.06%          |
| 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%          |
| 3                      | 650,001           | 700,000     | 2,039,890          | 0.56%          |
| 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%         |
| <b>20957</b>           | <b>TOTAL</b>      |             | <b>366,321,083</b> | <b>100.00%</b> |

ہیومن ریسورسز اور ریویو نیوٹریشن کمیٹی  
دوران مدت ہیومن ریسورسز کا ایک اجلاس منعقد ہوا، تفصیلات درج ذیل ہیں:

| حاضری کی تفصیلات | ڈائریکٹرز کے نام |
|------------------|------------------|
| 1                | جناب اصغر اقبال  |
| 1                | جناب اشتیاق احمد |
| 1                | جناب محمد واجد   |

### حصص کی آمدنی

زیر جائزہ مدت کے دوران فی حصص خسارہ نمفی 5.75 روپوٹ ہوا جبکہ گزشتہ سال 2022 میں یہ خسارہ نمفی 4.35 روپوٹ ہوا تھا۔

### حصص یا فگی

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

### اظہار تشکر

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

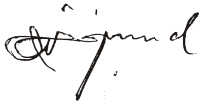
کمیٹی کے موجودہ آڈیٹرز میسرز فیروز شریف طارق اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹ نے اس سال اپنی خدمات کی مدت مکمل کر لی اور کارپوریٹ گورننس کے کوڈ کے مطابق دوبارہ اپنی خدمات مہیا کرنے کی خواہش ظاہر کی ہے۔ آڈٹ کمیٹی نے بھی اگلے سال کی عمومی اور سالانہ اجلاس تک کے لیے اگلی دوبارہ تقرری کی سفارش کی ہے۔

### اختتام

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

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)

بورڈ آف ڈائریکٹرز کی جانب سے



اشتیاق احمد  
چیف ایگزیکٹو آفیسر



محمد عرفان علی  
چیرمین بورڈ آف ڈائریکٹرز

کراچی:

مورخہ: تاریخ ۲۷ ستمبر ۲۰۲۳



## 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 فلوز اور ایکویٹی میں تبدیلی کی شفاف عکاسی کرتے ہیں۔
- (ب) کمپنی اپنے اکاؤنٹس کے کھاتے درست طریقے سے سنبھال رہی ہے۔
- (ج) 30 جون، 2023 کو ختم ہونے والے مالیاتی سال کے لئے گوشواروں کی تیاری میں مسلسل اکاؤنٹنگ کی پالیسیوں کو مد نظر رکھا گیا ہے اور شاریاتی 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) اندرونی نظم و ضبط کا نظام مستحکم اور موثر طور پر لاگو ہے اور اسکی مستند نگرانی 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) خود مختار ڈائریکٹر جناب اصغر اقبال
- (ب) ایگزیکٹو ڈائریکٹر جناب اشتیاق احمد
- جناب سلیم الحق
- مومند گل صاحبہ
- (ج) نان-ایگزیکٹو ڈائریکٹر جناب محمد عرفان علی
- جناب سید فرحان اصدق
- 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 سات اجلاس ہوئے۔ ڈائریکٹرز کی حاضری کی تفصیلات مندرجہ ذیل ہیں۔

| ڈائریکٹرز کے نام      | حاضری کی تفصیلات |
|-----------------------|------------------|
| جناب محمد عرفان علی   | 6                |
| جناب سلیم الحق        | 7                |
| جناب محمد واجد        | 7                |
| جناب اصغر اقبال       | 7                |
| جناب سید فرحان اصدق   | 7                |
| محترمہ مومند گل صاحبہ | 7                |
| جناب اشتیاق احمد      | 6                |

## 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 عرفان علی   | 4                |



رپورٹ کا پیرا (د) تجارتی قرضوں سے متعلق ہے۔ 1.234 ارب روپے جو دکاشکار ہیں، جن کی وصولی نہیں ہو پارہی، جس کے لیے اب تک 0.928 ارب روپے مستقبل میں متوقع نقصانات کو پورا کرنے کے لیے کمپنی نے مختص کردئے ہیں۔ آپ کی کمپنی کی انتظامیہ ان قرضوں کی وصولی کے لیے بھرپور کوششیں کر رہی ہے اور ہمیں یقین ہے کہ مستقبل میں قرض دہندگان کی جانب سے مثبت ردعمل سامنے آئے گا۔

رپورٹ کا پیرا (ہ) بین الاقوامی حسابات کے معیارات-16 کے مطابق مجدد اثاثوں کی مخصوص اقسام کی دوبارہ تشخیص سے متعلق ہے۔ آڈٹ کے دوران دوبارہ تشخیصی عمل جاری تھا جو کہ رپورٹنگ کی تاریخ تک مکمل نہیں ہو سکا۔ تاہم، اس تشخیص کے اثرات اگلے سال میں شامل کیے جائیں گے۔

رپورٹ کا پیرا (و) متعلقہ فریق کو مختصر مدت کے قرض پر سود کی عدم فراہمی سے متعلق ہے۔

کمپنی کی انتظامیہ مکمل بقا باجات کی وصولی کے لیے پارٹی کے ساتھ بات چیت کے عمل میں ہے۔ تاہم، اگلے سال میں سو مختص کر دیا جائے گا۔

### صنعت کا مجموعی جائزہ

پالیسٹریٹھیل فائبر پی ٹی اے اور ایم ای جی سے بنا مصنوعی انسان ساختہ فائبر ہے۔ پالیسٹریٹھیل فائبر دنیا بھر میں ٹیکسٹائل انڈسٹری کے لیے سب سے زیادہ استعمال ہونے والی فائبر اقسام میں سے ایک ہے۔

مالی سال 2022-23 کے دوران عالمی معاشی حالات مشکل تھے۔ روس اور یوکرائن کے درمیان جاری تنازعے کی وجہ سے سپلائی چین بری طرح متاثر ہوئی۔ اس کی وجہ سے مصنوعات کی قلت اور توانائی کی لاگت میں نمایاں اضافہ ہوا، خاص طور پر زیر نظر سال کے پہلے نصف میں۔

پاکستان کی ٹیکسٹائل انڈسٹری نے زیر جائزہ مدت کے دوران متعدد اندرونی اور بیرونی چیلنجز کا بھی سامنا کیا۔ افراط زر میں اضافہ اور آمدنی میں کمی کی وجہ سے مجموعی طور پر طلب چٹائی سطح پر رہی۔ کپاس کے معاملے میں، حالیہ سیلابی صورتحال کی وجہ سے ملک میں کپاس کی رسیدیں کمی کارہجان پایا گیا۔ اس عنصر نے مقامی کپاس کی قیمتوں کو بلند رکھا۔ تاہم بین الاقوامی مارکیٹ میں کپاس کی اوسط قیمت گزشتہ مالی سال کے مقابلے میں کم رہی۔

مستقبل میں توقع کی جاتی ہے کہ مقامی مارکیٹ مختلف غیر یقینی صورتحال اور جاری اقتصادی چیلنجز کی وجہ سے دباؤ میں رہے گی۔

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

### کمپنی کی بنیادی سرگرمیاں

دیوان سلمان فائبر لمیٹڈ ایک پبلک لمیٹڈ کمپنی ہے اور پاکستان اسٹاک ایکسچینج میں ایک لسٹڈ کمپنی کے طور پر درج ہے۔ کمپنی کی بنیادی سرگرمی پالیسٹریٹھیل فائبر، آکرائلک اسٹھیل فائبر اور ٹاڈ کی پیداوار کاری اور فروخت ہے۔ تاحال آپ کی کمپنی کی پیداواری سرگرمیاں معطل ہیں۔

### بنیادی خطرات اور تحفظات

کمپنی مندرجہ ذیل نکات 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۔

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## ڈائریکٹرز کا جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2022-2023 کی سالانہ یعنی کہ 30 جون 2023 کے لیے چوبیسواں سالانہ آڈٹ شدہ مالیاتی گوشوارہ حاضر خدمت ہے۔  
مالیاتی صورتحال کا جائزہ

| (’000 روپے) |                            |
|-------------|----------------------------|
| (صفر)       | مجموعی فروخت               |
| (447,724)   | فروخت اور ترسیل کے اخراجات |
| (447,724)   | مجموعی نقصان               |
| (26,517)    | انتظامی اخراجات            |
| (474,241)   | انتظامی نقصان              |
| (1,785,383) | مالیاتی نقصان              |
| (2,259,624) | قبل از ٹیکس نقصان          |
| 67,696      | ٹیکس                       |
| (2,191,928) | بعد از ٹیکس نقصان          |

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت مفروری (2022: صفر)، کمپنی کا مجموعی نقصان 447.724 ملین روپے (2022: 512.636 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 پالیسٹرو اور ملک کے واحد آکرائٹک 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 فابریک کے مسلسل بند رہنے کی وجہ سے پالیسٹرو اور آکرائٹک 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 آڈیٹرز نے اپنی رپورٹ میں کچھ مشاہدات کی نشاندہی کی ہے۔ جیسے کہ پیرا (1) میں رپورٹ کرتے ہیں کہ وہ گوبینگ کنسرن کے مفروضے پر مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی منفی رائے رکھتے ہیں۔ جبکہ کمپنی کے مطابق بیجمنٹ بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پرامید ہیں کہ نتیجہ مثبت ہوگا۔ مالیاتی رپورٹس کی گوبینگ کنسرن کے مفروضے پر تیاری کی مزید تاویلات اگلے پیرا میں دیکھی جاسکتی ہے۔

زیر جائزہ مدت میں کمپنی نے بیجمنٹ کو واجب الادا رقم پر سود جو کہ 1.886 ملین روپے (جون 2023 تک 28.632 ملین روپے) بنتا ہے پر سود کا تخمینہ نہیں لگایا۔

کمپنی کی انتظامیہ بیجمنٹ/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۔

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۔

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

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ایس آر او نمبر ۱۳۸(۱)/۲۰۱۲ بتاریخ ۵ جولائی ۲۰۱۲ کے تحت تمام حصص یافتگان کا شناختی کارڈ جمع کروانا ضروری ہے تاکہ مستقبل میں منافع وغیرہ کا اجراء کیا جاسکے بصورت دیگر منافع روکا جاسکتا ہے، چنانچہ ایسے تمام حصص یافتگان جنہوں نے اب تک اپنے شناختی کارڈ جمع نہیں کروائے انہیں متنبہ کیا جاتا ہے کہ وہ بلا تاخیر اپنی شناختی کارڈ کی تصدیق شدہ کاپی ہمارے شیئرز رجسٹرار کو جمع کروادیں۔

### 6) شیئرز ہولڈرز کے لیے ای ڈیو ایڈ مینڈیٹ

کیش ڈیو ایڈ/منافع کی ادائیگی سے زیادہ موثر طریقہ ادائیگی ای ڈیو ایڈ کی صورت میں ہوتا ہے جہاں حصص یافتگان اپنا منافع بغیر کسی تاخیر کے اپنے بینک اکاؤنٹوں میں حاصل کر لیتا ہے، جس میں منافع کی غلط پتے پر ترسیل یا بروقت نام نہونج پانے جیسے مسائل درپیش نہیں آتے، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ اطلاع نمبر ۸(۴) ایس ایم/سی ڈی سی ۲۰۰۸، بتاریخ ۱۵ اپریل ۲۰۱۳ جو کہ تمام مندرجہ کمپنیوں کو جاری کیا گیا تاکہ تمام حصص یافتگان اس سہولت کا بھرپور فائدہ اٹھا سکیں، چنانچہ اس بات کو مد نظر رکھتے ہوئے ہمیں ڈیو ایڈ مینڈیٹ فارم پر کر کے بمعہ دستخط کے ارسال کریں۔

### 7) مالی گوشواروں وغیرہ کی الیکٹرونک منتقلی

سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ ایس آر او نمبر ۷۸(۱)/۲۰۱۳ بتاریخ ۸ ستمبر ۲۰۱۳ تمام کمپنیوں کو اجازت دی گئی کہ وہ سالانہ گوشواروں کے ساتھ ساتھ اطلاع برائے اجلاس عام کی ترسیل بھی بذریعہ ای میل کریں بجائے ڈاک کے ذریعے بھیجنے کے، تو ایسے تمام ممبران جو اس سہولت سے فائدہ اٹھانا چاہیں وہ ہماری ویب سائٹ پر موجود معیاری درخواست فارم پر کر کے جمع کروائیں، ہماری ویب سائٹ ہے: <http://www.yousufdewan.com/DSFL/index.html>

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## اطلاع برائے سالانہ اجلاس عام

ہذا کو مطلع کیا جاتا ہے کہ دیوان سلمان فابریکس (ڈی ایس ایف ایل یا کمپنی) کا چوتھواں 34 سالانہ اجلاس عام جمعہ 27 اکتوبر 2023 کو صبح 11:00 بجے پلاٹ نمبر 16 سٹریٹ نمبر 9 فیاض مارکیٹ جی 2/18 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 گزشتہ سالانہ اجلاس عام منعقدہ جمعہ 28 اکتوبر 2022ء کی کاروائی کی توثیق۔
- (2) 30 جون 2023ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالی گوشواروں مع دائرہ کیلٹرز کی رپورٹ کی وصولی، غور و خوض اور منظوری۔
- (3) 30 جون 2024ء کو مکمل ہونے والے سال کیلئے کمپنی کے آڈٹرز کی تقرری اور ان کے مشاہرہ کا تعین۔
- (4) چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

### خصوصی امور

- (1) کمپنیز ایکٹ، 2017ء کے سیکشن 199 کی دفعات کے مطابق متعلقہ کمپنی کو قلیل مدتی قرضوں / ایڈوانسز پر غور اور منظوری دینا۔

بحکم بورڈ

  
محمد حنیف جرمن  
کمپنی سیکریٹری

کراچی

28 ستمبر 2023ء

### نوٹ:

- (1) کمپنی کی منتقلی حصص کی کتب 20 اکتوبر 2023ء تا 27 اکتوبر 2023ء (دو دنوں دن شامل ہیں) بند رہیں گی۔
- (2) ممبران سے درخواست ہے کہ پتہ میں کسی قسم کی تبدیلی کی اطلاع فوری طور پر ہمارے شیئرز رجسٹرار ٹرانسفر ایجنٹ بی ایم ایف کنسلٹنٹس پاکستان (پرائیویٹ) لمیٹڈ واقع انجم اسٹیٹ بلڈنگ کمرہ نمبر 310 اور 311 تھرڈ فلور 49 دارالامان سوسائٹی مین شاہراہ فیصل متصل بلوچ کالونی پل کراچی پاکستان کو دیں۔
- (3) اجلاس ہذا میں شرکت اور رائے دہی کا اہل ممبر اپنی جانب سے شرکت اور رائے دہی کیلئے دوسرے ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ تاہم پراسی 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 ا کاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

### الف) برائے اجلاس میں شرکت

- (i) بصورت انفرادی کھاتہ دار یا ذیلی کھاتہ دار، یا وہ افراد جن کے حصص گروپ کھاتوں میں ہیں جن کی اندراج کی تفصیل قواعد کے مطابق مہیا کی گئی ہیں، انہیں میننگ میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصلی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- (ii) سی ڈی سی ا کاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ سرکلر نمبر 1 مورخہ 20 جنوری 2000ء میں درج مندرجہ ذیل ہدایت پر عمل کرنا ہوگا۔

### ب) پراسی کی تقرری

- (i) بصورت انفرادی کھاتہ دار یا ذیلی کھاتہ دار، یا وہ افراد جن کی ضمانتیں گروپ کھاتوں میں ہیں جن کی اندراج کی تفصیل قواعد کے مطابق مہیا کی گئی ہیں وہ پراسی کی تقرری کے لئے پراسی فارم مندرجہ بالا دیگر ضروری دستاویزات کے ساتھ جمع کروا سکتا ہے۔
- (ii) بطور گواہ دو افراد کے نام، پتے اور شناختی کارڈ نمبر پراسی فارم پر لکھے ہونے ضروری ہیں۔
- (iii) ملکیت انتقالی اور پراسی کی مصدقہ شناختی کارڈ یا پاسپورٹ کی کاپی ساتھ لانا ضروری ہے۔
- (iv) پراسی کے لئے اپنا اصلی شناختی کارڈ یا پاسپورٹ ساتھ لانا ضروری ہے۔
- (v) بصورت ادارے کے بورڈ آف ڈائریکٹرز کی قرارداد / مختار قانونی مہمیدار کے تصدیق شدہ دستخط (پہلے سے مہیا نا کرنے کی صورت میں) اجلاس میں پیش کرنے ہونگے۔








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# FORM OF PROXY

## 34TH 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 34th Annual General Meeting of the Company to be held

**Friday, October 27, 2023, at 11:00 a.m.** at Plot No. 6, Street No. 9, Fayyaz Market, G-8/2,

Islamabad, Pakistan.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Affix  
Revenue  
Stamp  
Rs. 5/-

Signature \_\_\_\_\_

Witness: \_\_\_\_\_

Signature

Witness: \_\_\_\_\_

Signature

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

پراکسی فارم  
۳۴ واں سالانہ اجلاس عام

اہم اعلان

یہ پراکسی فارم مکمل پر کر کے ہمارے رجسٹرار شیئر ٹرانسفر ایجنٹ، بی ایم ایف کنسلٹنٹ (پرائیویٹ) 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 فون 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 ۳۴ واں سالانہ اجلاس عام جو کہ بروز جمعہ، ۲۷ اکتوبر ۲۰۲۳ 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 \_\_\_\_\_ ۲۰۲۳ کو میرے / ہمارے ہاتھ سے مہر لگائی۔

Affix  
Revenue  
Stamp  
Rs. 5/-

دستخط \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_

گواہ: \_\_\_\_\_

نام: \_\_\_\_\_

مکمل پتہ: \_\_\_\_\_