
QUARTERLY REPORT
MARCH 31, 2021



DEWAN SALMAN FIBRE LIMITED



YD

A YOUSUF DEWAN COMPANY



A YOUSUF DEWAN COMPANY

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COMPANY INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

- : Mr. Zafar Asim
Mr. Saleem-ul-haque
- Chief Executive Officer

NON-EXECUTIVE DIRECTORS

- : Mr. Muhammad Irfan Ali
Mr. Farrukh Sajjad
Mr. Muhammad Wajid
Mr. Shafqatullah
- Chairman Board of Directors

INDEPENDENT DIRECTOR

- : Mr. Asghar Iqbal

CHIEF FINANCIAL OFFICER

- : Mr. Saleem-ul-haque

COMPANY SECRETARY

- : Mr. Muhammad Hanif German

AUDIT COMMITTEE

- : Mr. Asghar Iqbal
Mr. Muhammad Wajid
Mr. Muhammad Irfan Ali
- Chairman
Member
Member

**HUMAN RESOURCE &
REMUNERATION COMMITTEE**

- : Mr. Asghar Iqbal
Mr. Zafar Asim
Mr. Muhammad Wajid
- Chairman
Member
Member

AUDITORS

- : Faruq Ali & Company
Chartered Accountants
Feroze Sharif Tariq & Co.
Chartered Accountants

LEGAL ADVISORS

- : Khalid Anwer & Company - Advocates

TAX ADVISORS

- : Sharif & Company - Advocates

**SHARE REGISTRAR/
TRANSFER AGENT**

- : BMF Consultants Pakistan (Pvt.) Ltd.
Anum Estate Building, Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society,
Shahrah-e-Faisal, Adjacent to Baloch Colony Bridge,
Karachi, Pakistan

CORPORATE OFFICE

- : Finance & Trade Centre, Block A, 2nd Floor,
Shahrah-e-faisal, Karachi.

FACTORY OFFICE

- : Plot No. 1, Dewan Farooque Industrial Park,
Hattar, District Haripur, Khyber Pakhtunkhwa.

REGISTERED OFFICE

- : Plot No. 6, Street No. 9, Fayyaz Market,
G-8/2, Islamabad, Pakistan

BANKERS

- : Al Baraka Islamic Investment Bank Limited
Allied Bank Limited
Askari Bank Limited
Bank Al Falah Limited
Bank of Khyber Limited
Bank of Punjab Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
Summit Bank Limited
National Bank of Pakistan Limited
Standard Chartered Bank Limited (Pakistan)
Silk Bank Limited
United Bank Limited

WEBSITE

www.yousufdewan.com

DIRECTORS' REPORT

The Board of Directors of your company present un-audited Condensed Interim Financial Statements of the Company for the nine months ended on March 31, 2021 in compliance with the requirements of section 245 of the Company's Ordinance 1984, as amended through Companies (amendment) Ordinance 2002 and Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan.

FINANCIAL PERFORMANCE OPERATING AND FINANCIAL RESULTS AT A GLANCE

	(Rupees in '000')
SALES (NET)	(Nil)
COST OF SALES	416,434
GROSS LOSS	(416,434)
OPERATING EXPENSES	26,365
OPERATING LOSS	(442,809)
FINANCE COST	(285,943)
LOSS BEFORE TAXATION	(156,866)
TAXATION	73,768
LOSS AFTER TAXATION	(83,098)

Company recorded net sales of Rs. nil (2020-Rs.nil) during the period under review suffered gross loss of Rs. 416.434 million (2020 Rs. 469.972 million). And loss after taxation amounted to Rs. 83.098 million. (2020 Rs. 554.809 million)

INDUSTRY OVERVIEW

During the period under review, conditions for Pakistan's textile industry remained favorable. Global buyers are increasingly turning towards Pakistan because of more severe impact of the Covid-19 pandemic on regional countries, hence industry is operating at full capacity. Almost all the major players in the country are in the process of expanding their capacity to cater the growing number of export orders.

The production of domestic PSF manufacturers remained at the optimum level. PTA and MEG had a weakened price trend during the period under review.

Going forward, local PSF prices might decline to some extent but it is expected that market will remain strong.

Your company remained closed during the period under review.

ACKNOWLEDGEMENT

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

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

CONCLUSION

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

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

By and under Authority of the Board of Directors



Muhammad Irfan Ali
Chairman Board of Directors



Zafar Asim
Chief Executive

Karachi
Date: April 27, 2021

**Condensed Interim Statement of Financial Position
For the Nine Months Ended March 31, 2021**

	Notes	UN-AUDITED MAR. 31, 2021	AUDITED JUNE 30, 2020
(Rupees in '000)			
<u>EQUITY AND LIABILITIES</u>			
SHARE CAPITAL AND RESERVES			
Authorized capital			
630,000,000 (2013: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (2013: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		<u>7,200,000</u>	<u>7,200,000</u>
Issued, subscribed and paid-up capital		3,663,211	3,663,211
Revenue reserves		350,000	350,000
General reserves		(19,952,527)	(20,050,033)
Accumulated losses			
Capital reserves			-
Surplus on revaluation of property, plant and equipment		<u>3,096,736</u>	<u>3,277,340</u>
		<u>(12,842,580)</u>	<u>(12,759,482)</u>
NON CURRENT LIABILITIES			
Long term loans		269,381	248,559
Deferred liabilities		<u>1,074,498</u>	<u>1,149,460</u>
		<u>1,343,879</u>	<u>1,398,019</u>
CURRENT LIABILITIES			
Trade and other payables		965,777	952,028
Short term borrowings		13,770,925	13,770,926
Overdue portion of long term loans		4,306,713	4,619,074
Provision for taxation		<u>162,992</u>	<u>162,992</u>
		<u>19,206,407</u>	<u>19,505,020</u>
Contingencies and commitments			
		--	--
		<u>7,707,706</u>	<u>8,143,557</u>
<u>ASSETS</u>			
NON CURRENT ASSETS			
Property, plant and equipment		5,922,904	6,315,545
CURRENT ASSETS			
Stores and spares		585,741	585,740
Stock in trade		--	--
Trade debts		696,565	736,647
Advances - Considered good		13,224	13,611
Short term deposits and prepayments		151,437	151,437
Other receivables - Considered good		6,202	5,873
Cash and bank balances		<u>11,633</u>	<u>14,704</u>
		<u>1,464,802</u>	<u>1,508,012</u>
Non current assets held for sale		<u>320,000</u>	<u>320,000</u>
		<u>7,707,706</u>	<u>8,143,557</u>

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors

Condensed Interim Statement of Profit or Loss - (Un-audited)
For the Nine Months Ended 31 March 2021

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
Notes				
	(Rupees in '000)		(Rupees in '000)	
Sales	--	--	--	--
Cost of sales (fixed costs)	416,434	469,972	140,675	155,374
Gross loss	(416,434)	(469,972)	(140,675)	(155,374)
Distribution cost	1,503	1,503	501	501
Administration expenses	24,872	35,594	8,166	11,952
	26,375	37,097	8,667	12,453
Operating loss	(442,809)	(507,069)	(149,342)	(167,827)
Finance cost	20,831	112,016	6,948	99,528
Other charges	181	23,394	--	3,138
Other income	(306,955)	(6,928)	(126,035)	203,289
	(285,943)	128,482	(119,087)	305,955
(Loss) / before taxation	(156,866)	(635,551)	(30,255)	(473,782)
Taxation				
Deferred	73,768	80,742	24,589	27,321
(Loss) / after taxation	(83,098)	(554,809)	(5,666)	(446,462)
Loss per share - Basic (Rupees)	(0.23)	(0.72)	(0.02)	(1.22)
Loss per share - Diluted (Rupees)	(0.22)	(0.68)	(0.01)	(1.16)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors

Condensed Interim Statement of Cash Flows - (Un-audited)
For the Nine Months Ended March 31, 2021

	Mar. 31, 2021	Mar. 31, 2020
	(Rupees in '000)	
Cash Flow from Operating Activities		
Loss before taxation	(156,866)	(635,551)
Adjustments for:		
Depreciation	392,645	438,178
Unwinding discount	20,823	18,731
Loss on sale of investments	--	19,033
Gain realize on sale of investments	--	(6,928)
Loss on Disposal of of fixed assets	--	4,361
Provision for gratuity	3,610	4,369
Provision for doubtful debts	180	--
Exchange gain	(306,955)	--
Financial charges	8	93,285
cash outflow before working capital changes	(46,555)	(64,522)
Movement in Working Capital		
<i>(Increase) / decrease in current assets</i>		
Trade Debts	40,081	101,160
Advances	387	(170)
Short term deposits and prepayments	--	9,117
Other receivables	(401)	(1,339)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	13,749	27,292
	53,816	136,060
Cash generated /(used)from operations	7,261	71,538
Payments for:		
Staff gratuity	(5,732)	(853)
Financial charges	8	(46,183)
Tax	(108)	(1,340)
	(5,832)	(48,376)
Net cash generated in operating activities	1,429	23,160
Cash Flow from Investing Activities		
Fixed capital expenditure	--	--
Sale proceed of fixed assets	--	4,950
Dividend incom received	--	8,151
	--	13,101
Cash Flow from Financing Activities		
Short term deposit - Net	--	4,594
Sale proceed of fixed assets (generator)	--	29,000
Liabilities against assets subject to finance lease - Net	(4,500)	(72,134)
Net cash outflow from financing activities	(4,500)	(38,540)
Net Increase/ (decrease) in cash and cash equivalents	(3,071)	(2,279)
Cash and cash equivalents at beginning 1st July 2020	(2,958,191)	(2,956,815)
Cash and cash equivalents at 31 March 2021	(2,961,262)	(2,959,094)

(Note – A)

Note - A

Cash and Cash Equivalents

Cash and cash equivalents include:

Cash and bank balances	11,633	13,801
Short term finances:		
-Short term running finances	(2,970,019)	(2,970,019)
-Book Overdraft	(2,876)	(2,876)
	(2,972,895)	(2,972,895)
	(2,961,262)	(2,959,094)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors

Condensed Interim Statement Of Changes In Equity - (Un-audited)
For the Nine Months Ended March 31, 2021

	Issued, subscribed and paid-up share capital	Revenue reserves			Capital reserves			Total equity
		General reserve	Accumulated losses	Total revenue reserves	Unrealized gain due to changes in fair value of investments	Surplus on revaluation of property, plant and equipment	Total capital reserves	
----- (Rupees in '000) -----								
Balance as at 30 June 2019	3,663,211	350,000	(19,389,719)	(19,039,719)	--	3,544,902	3,544,902	(11,831,606)
Loss for the nine months ended 31 March 2020	--	--	(554,809)	(554,809)	--	--	--	(554,809)
Other comprehensive income	--	--	--	--	--	--	--	--
Total comprehensive income/ Loss for the year	--	--	(554,809)	(554,809)	--	--	--	(554,809)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	200,672	200,672	--	(200,672)	(200,672)	--
Balance as at 31 March 2020	3,663,211	350,000	(19,743,856)	(19,393,856)	--	3,344,230	3,344,230	(12,386,415)
Balance as on 1 July 2020	3,663,211	350,000	(20,050,033)	(19,700,033)	--	3,277,340	3,277,340	(12,759,482)
Loss for the nine months ended 31 March 2021	--	--	(83,098)	(83,098)	--	--	--	(83,098)
Other comprehensive income	--	--	--	--	--	--	--	--
Total comprehensive income/ Loss for the year	--	--	(83,098)	(83,098)	--	--	--	(83,098)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	180,604	180,604	--	(180,604)	(180,604)	--
Balance as at 31 March 2021	3,663,211	350,000	(19,952,527)	(19,602,527)	--	3,096,736	3,096,736	(12,842,580)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors
THIRD QUARTER REPORT 2021

Condensed Interim Statement of Comprehensive Income - (Un-audited)
For The Nine Months Ended March 31, 2021

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	Mar. 31, 2021	Mar. 31, 2020	Mar. 31, 2021	Mar. 31, 2020
	(Rupees in '000)		(Rupees in '000)	
Net loss after taxation	(83,098)	(554,809)	(5,666)	(446,462)
Impact of change in tax rate	--	--	--	--
Total comprehensive loss transferred to equity	<u><u>(83,098)</u></u>	<u><u>(554,809)</u></u>	<u><u>(5,666)</u></u>	<u><u>(446,462)</u></u>

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2021**

1 THE COMPANY AND ITS OPERATIONS

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

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

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

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the nine months ended 31 March 2021 have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017: and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended 30 June 2020.
- 2.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 March 2021 and 2020 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended 31 March 2021 and 2020.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of the Company for the year ended 30 June 2020.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied in the Company's annual audited financial statements for the year ended 30 June 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's annual audited financial statements for the year ended 30 June 2020.

5 CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments are same as reported in the annual financial statements for the year ended 30 June 2020.

6 TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the period under consideration.

7 CORRESPONDING FIGURES

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

8 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **27-April-2021** by the Board of Directors of the Company.

9 GENERAL

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan
Chairman Board of Directors

ڈائریکٹر کا جائزہ :

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2020-2021 کے تیسری سہ ماہی یعنی کہ 31 مارچ 2021 کے لیے غیر آڈٹ ملخص عبوری مالیاتی رپورٹس حاضر خدمت ہیں۔ جو کہ کمپنیز آرڈیننس 1984 کی دفعہ 245 (ترمیم شدہ 2002) اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کارپوریٹ گورننس کے ضابطے کے تحت پیش کیے جا رہے ہیں۔

مالیاتی صورتحال کا جائزہ

مجموعی فروخت	رو'000 (بے)
فروخت اور ترسیل کے اخراجات	(صفر)
مجموعی نقصان	416,434
انتظامی اخراجات	(416,434)
انتظامی نقصان	26,365
مالیاتی نقصان	(442,809)
قبل از ٹیکس نقصان	(285,943)
ٹیکس	(156,866)
بعد از ٹیکس نقصان	73,768
	(83,098)

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2020: صفر) ، کمپنی کا مجموعی نقصان 416.434 ملین روپے (2020 : 469.972 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 83.098 ملین روپے (2020 : 554.809 ملین روپے) رہا۔

صنعت کا مجموعی جائزہ

زیر غور مدت کے دوران ، پاکستان کی ٹیکسٹائل انڈسٹری کے لئے حالات سازگار رہے۔ علاقائی ممالک پر کوویڈ 19 وبائی بیماری کے مزید شدید اثرات کی وجہ سے عالمی خریدار تیزی سے پاکستان کی طرف مائل ہو رہے ہیں ، لہذا صنعت پوری صلاحیت سے چل رہی ہے۔ ملک میں لگ بھگ تمام بڑے صنعت کار برآمدی آرڈروں کی بڑھتی ہوئی طلب کو پورا کرنے کے لئے اپنی صلاحیت میں توسیع کر رہے ہیں۔

مقامی پی ایس ایف کی پیداوار بلند سطح پر رہی۔ زیر جائزہ مدت کے دوران پی ٹی اے اور ایم ای جی کے درمیان قیمت کا کمزور رجحان رہا۔

آنے والی مدت میں، پی ایس ایف کے مقامی قیمتوں میں کسی حد تک کمی واقع ہوسکتی ہے لیکن امید ہے کہ مارکیٹ مضبوط رہے گی۔

آپ کی کمپنی زیر جائزہ مدت کے دوران بند رہی۔

**YD**

A YOUSUF DEWAN COMPANY

اظہار تشکر:

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

بورڈ اپنی کمپنی کے 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 کمپنی کا سب سے قیمتی اثاثہ سمجھتا ہے۔

اختتام:

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

عرفان علی

چینرمین بورڈ آف ڈائریکٹر

بورڈ کی طرف سے

ظفر عاصم

چیف ایگزیکٹو

کراچی

۲۷ اپریل ۲۰۲۱