

31st March 2022



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DEWAN SALMAN FIBRE LIMITED
COMPANY INFORMATION
BOARD OF DIRECTORS
EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

- : Mr. Muhammad Irfan Ali
Syed Farhan Asdaque
Mr. Muhammad Wajid
Ms. Momna Gull
- 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

DIRECTOR'S REVIEW

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, 2022 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.

OPERATING AND FINANCIAL RESULTS AT A GLANCE

	(Rupees In'000')
SALES (NET)	(Nil)
COST OF SALES	384,640
GROSS LOSS	(384,640)
OPERATING EXPENSES	27,476
OPERATING LOSS	(412,116)
FINANCE COST	(489,089)
LOSS BEFORE TAXATION	(901,205)
TAXATION	62,067
LOSS AFTER TAXATION	(839,183)

Company recorded net sales of Rs. nil (2021-Rs.nil) during the period under review suffered gross loss of Rs. 384.640 million (2021 Rs. 416.434 million). And loss after taxation amounted to Rs. 839.183 million. (2021 Rs. 83.098 million)

INDUSTRY OVERVIEW

During the period under review, conditions for Pakistan's textile industry remained favorable. It has picked up a growing pace following the removal of Covid-19 restrictions. However, unprecedented hike in input prices at international level and continuous fluctuation in exchange rate has significantly increased the working capital requirements for many sub sectors of textile sector.

The domestic Polyester industry enjoyed maximum capacity utilization and respectively higher sales volume during the period under review, due to the strong market demand. Local PSF prices maintained the upward trajectory during the quarter. Domestic cotton use continues to be driven by the strong performance of value-added textile exports.

Going forward, prospects for Pakistan's export-oriented textile sector remain bright.

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.



Zafar Asim
Chief Executive Officer

Karachi

Date: April 26, 2022



Mohammad Irfan Ali
Chairman Board of Directors

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	Notes	UN-AUDITED MAR. 31, 2022 (Rupees in '000)	AUDITED JUNE 30, 2021
<u>EQUITY AND LIABILITIES</u>			
<u>SHARE CAPITAL AND RESERVES</u>			
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		(20,885,079)	(20,208,485)
Accumulated losses			
Capital reserves			
Surplus on revaluation of property, plant and equipment		<u>2,873,990</u>	<u>3,036,534</u>
		(13,997,878)	(13,158,740)
<u>NON CURRENT LIABILITIES</u>			
Long term loans		299,472	276,323
Deferred liabilities		983,039	1,047,594
		<u>1,282,511</u>	<u>1,323,917</u>
<u>CURRENT LIABILITIES</u>			
Trade and other payables		979,188	974,827
Short term borrowings		13,770,926	13,770,926
Overdue portion of long term loans		4,871,084	4,389,424
Provision for taxation		178,172	173,198
		<u>19,799,370</u>	<u>19,308,375</u>
Contingencies and commitments		<u>--</u>	<u>--</u>
		<u>7,084,003</u>	<u>7,473,552</u>
<u>ASSETS</u>			
<u>NON CURRENT ASSETS</u>			
Property, plant and equipment		5,438,783	5,792,021
<u>CURRENT ASSETS</u>			
Stores and spares		531,484	531,484
Trade debts		595,996	640,949
Advances - Considered good Short		13,411	13,269
term deposits and prepayments Other		151,437	151,437
receivables - Considered good Cash		18,135	12,530
and bank balances		14,757	11,862
		<u>1,325,220</u>	<u>1,361,531</u>
Non current assets held for sale		320,000	320,000
		<u>7,084,003</u>	<u>7,473,552</u>

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



Zafar Asim
Chief Executive Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	Notes	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
		Mar. 31, 2022	Mar. 31, 2021	Mar. 31, 2022	Mar. 31, 2021
		(Rupees in '000)		(Rupees in '000)	
Sales		--	--	--	--
Cost of sales (fixed costs)		384,640	416,434	126,339	140,675
Gross loss		(384,640)	(416,434)	(126,339)	(140,675)
Distribution cost		1,503	1,503	501	501
Administration expenses		25,973	24,872	10,219	8,166
		27,476	26,375	10,720	8,667
Operating loss		(412,116)	(442,809)	(137,059)	(149,342)
Finance cost		23,649	20,831	7,716	6,948
Other charges		501,270	181	78,120	--
Other income		(35,830)	(306,955)	(11,867)	(126,035)
		489,089	(285,943)	73,969	(119,087)
(Loss) / before taxation		(901,205)	(156,866)	(211,028)	(30,255)
Taxation		62,067	73,768	22,780	24,589
(Loss) / after taxation		<u>(839,138)</u>	<u>(83,098)</u>	<u>(188,248)</u>	<u>(5,666)</u>
Loss per share - Basic (Rupees)		<u>(2.29)</u>	<u>(0.23)</u>	<u>(0.51)</u>	<u>(0.02)</u>
Loss per share - Diluted (Rupees)		<u>(2.17)</u>	<u>(0.22)</u>	<u>(0.49)</u>	<u>(0.01)</u>

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



Zafar Asim
Chief Executive Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

**CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

	Mar. 31, 2022	Mar. 31, 2021
	(Rupees in '000)	
Cash Flow from Operating Activities		
Loss before taxation	(901,205)	(156,866)
Adjustments for:		
Depreciation	353,309	392,645
Unwinding discount	23,149	20,823
Provision for gratuity	4,089	3,610
Provision for doubtful debts	--	180
Exchange gain	(1,526)	(306,955)
Financial charges	501,770	8
Cash outflow before working capital changes	(20,414)	(46,555)
Movement in Working Capital		
<i>(Increase) / decrease in current assets</i>		
Trade Debts	46,639	40,081
Advances	(142)	387
Other receivables	(411)	(401)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	4,362	13,749
	50,448	53,816
Cash generated /(used) from operations	30,035	7,261
Payments for:		
Staff gratuity	(2,837)	(5,732)
Financial charges	500	8
Tax	(5,195)	(108)
	(7,532)	(5,832)
Net cash generated in operating activities	22,503	1,429
Cash Flow from Investing Activities	--	--
Cash Flow from Financing/ Non financing Activities		
Liabilities against assets subject to finance lease - Net	(1,300)	(4,500)
Long term loan - Secured	(18,308)	--
Net cash outflow from financing activities	(19,608)	(4,500)
Net Increase/ (decrease) in cash and cash equivalents	2,895	(3,071)
Cash and cash equivalents at beginning 1st July 2021	(2,961,033)	(2,958,191)
Cash and cash equivalents at 31 March 2022	(2,958,138)	(2,961,262)
	(Note – A)	
Note - A		
Cash and Cash Equivalents		
Cash and cash equivalents include:		
Cash and bank balances	14,757	11,633
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)
	(2,958,138)	(2,961,262)

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



Zafar Asim
Chief Executive Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

STATEMENT OF OTHER COMPREHENSIVE INCOME - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2022

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	Mar. 31,	Mar. 31,	Mar. 31,	Mar. 31,
	2022	2021	2022	2021
	(Rupees in '000)		(Rupees in '000)	
Net loss after taxation	(839,138)	(83,098)	(188,248)	(5,666)
Total comprehensive loss transferred to equity	<u><u>(839,138)</u></u>	<u><u>(83,098)</u></u>	<u><u>(188,248)</u></u>	<u><u>(5,666)</u></u>

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



Zafar Asim
Chief Executive Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

**STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2022**

Issued, subscribed and paid-up share capital	Revenue reserves			Capital reserves		Total equity
	General reserve	Accumulated losses	Total revenue reserves	Surplus on revaluation of property, plant and equipment	Total capital reserves	
----- (Rupees in '000) -----						
3,663,211	350,000	(20,050,033)	(19,700,033)	3,277,340	3,277,340	(12,759,482)
--	--	(83,098)	(83,098)	--	--	(83,098)
--	--	--	--	--	--	--
--	--	(83,098)	(83,098)	--	--	(83,098)
--	--	180,604	180,604	(180,604)	(180,604)	--
3,663,211	350,000	(19,952,527)	(19,602,527)	3,096,736	3,096,736	(12,842,580)
3,663,211	350,000	(20,208,485)	(19,858,485)	3,036,534	3,036,534	(13,158,740)
--	--	(839,138)	(839,138)	--	--	(839,138)
--	--	--	--	--	--	--
--	--	(839,138)	(839,138)	--	--	(839,138)
--	--	162,544	162,544	(162,544)	(162,544)	--
3,663,211	350,000	(20,885,079)	(20,535,079)	2,873,990	2,873,990	(13,997,878)

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



Zafar Asim
Chief Executive Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited) FOR THE NINE MONTHS ENDED MARCH 31, 2022

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 2022 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 2021.
- 2.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 March 2022 and 2021 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 year ended.

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 2021.

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 2021.

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 2021.

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 2021.

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 **April 26, 2022** 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 Officer



Saleem ul Haque
Chief Financial Officer



Mohammad Irfan Ali
Chairman Board of Directors

ڈائریکٹر کا جائزہ :

کمپنی کے بورڈ آف ڈائریکٹر کی طرف سے مالی سال 2021-2022 کے تیسری سہ ماہی یعنی کہ 31 مارچ 2022 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

(روپے '000)	
(مفر)	مجموعی فروخت
384,640	فروخت اور ترسیل کے اخراجات
(384,640)	مجموعی نقصان
27,476	انتظامی اخراجات
(412,116)	انتظامی نقصان
(489,089)	مالیاتی نقصان
(901,205)	قبل از ٹیکس نقصان
62,067	ٹیکس
(839,183)	بعد از ٹیکس نقصان

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2021: صفر)، کمپنی کا مجموعی نقصان 384.640 ملین روپے (2021: 416.434 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 839.183 ملین روپے (2021: 83.098 ملین روپے) رہا۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران پاکستان کی ٹیکسٹائل صنعت کیلئے حالات سازگار رہے اور یہ مزید بہتری کی جانب گامزن ہوئی جیسے جیسے کوویڈ-19 وبا کے زیر اثر پابندیاں ختم ہوتی گئیں۔ لیکن دوسری جانب خام مال کی آسمان کو چھوتی قیمتیں جن کی پہلے کوئی ایسی نظیر نہیں ملتی اور ساتھ ساتھ زر مبادلہ کے اتار چڑھاؤ کے باعث اس صنعت سے ملحقہ بہت سے ذیلی شعبوں کیلئے کاروباری قرضوں کے حصول کی ضرورت میں نمایاں اضافہ ہوا۔

مذکورہ وبا کے خاتمے کے باعث بازار کی مضبوط طلب نے زیر جائزہ مدت کے دوران مقامی پولیسر کی صنعت کو بام عروج پر پہنچا دیا اور اس شعبہ نے اپنی مکمل پیداواری صلاحیت کے بل بوتے پر خرید و فروخت کے پہلے سے بہتر اہداف حاصل کیے۔ مقامی سطح پر پولیسر کی قیمت بلندی کی جانب گامزن رہی اور ساتھ ساتھ مقامی کپاس کی کھپت میں بھی ویلیو ایڈڈ ٹیکسٹائل برآمدات میں طلب کی وجہ سے اضافہ دیکھا گیا۔

اظہارِ تشکر:

کمپنی بورڈ 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 جل جلالہ کے حضور یہ دعا مانگتے ہیں کہ رسول اللہ حضرت محمد صلی اللہ علیہ وسلم کے صدقے میں اپنا رحم و کرم اور برکتیں ہم پر نازل فرمائے، ہمیں صراطِ مستقیم پر چلنے کی توفیق عطا فرمائے اور ہماری قوم و ملک میں خوشحالی، امن، ہم آہنگی، تمام امت مسلمہ میں حقیقی اسلامی روح، بھائی چارگی اور اتحاد عطا فرما۔

آمین، شہ آمین۔



ظفر عاصم

چیف ایگزیکٹو آفیسر



محمد عرفان علی

چیرمین بورڈ آف ڈائریکٹرز

بتاریخ: 26 اپریل 2022