

Third Quarter Report
31st March 2023



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COMPANY INFORMATION

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

DIRECTORS' 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, 2023.

FINANCIAL PERFORMANCE OPERATING AND FINANCIAL RESULTS AT A GLANCE

	(Rupees In'000')
SALES (NET)	(Nil)
COST OF SALES	<u>334,733</u>
GROSS LOSS	(334,733)
OPERATING EXPENSES	<u>31,310</u>
OPERATING LOSS	(366,043)
FINANCE COST	<u>(1,606,184)</u>
LOSS BEFORE TAXATION	(1,972,227)
TAXATION	<u>50,841</u>
LOSS AFTER TAXATION	<u>(1,921,386)</u>

Company recorded net sales of Rs. Nil (2022-Rs.Nil) during the period under review suffered gross loss of Rs. 334.733 million (2022 Rs. 384.640 million) and loss after taxation amounted to Rs. 1,921.386 million (2022 Rs. 839.183 million).

INDUSTRY OVERVIEW

Pakistan entered 2023 with multiple internal and external challenges including energy affordability & availability, current account deficit, shortage of raw materials.

Textile exports during the period under review, remained low as compared to the corresponding year. Withdrawal of subsidy on power tariff from March 01, 2023 would further raise the cost of production, which could also impact the export sector.

Domestic PSF prices, during the period under review, maintained upward trajectory. There was improvement in the sales volume of local PSF manufacturers, as compared to the last quarter.

Your company operations remained closed during the period under review.

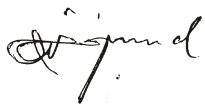
ACKNOWLEDGEMENT

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.



Ishtiaq Ahmed
Chief Executive Officer

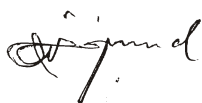


Muhammad Irfan Ali
Chairman Board of Director

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31 2023

Notes	UN-AUDITED MAR 31, 2023 (Rupees in '000)	AUDITED JUN 30, 2022
<u>EQUITY AND LIABILITIES</u>		
<u>SHARE CAPITAL AND RESERVES</u>		
Authorized 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
	<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	(23,357,673)	(21,582,577)
Accumulated losses		
Capital reserves		
Surplus on revaluation of property, plant and equipment	2,673,519	2,819,809
	<u>(16,670,943)</u>	<u>(14,749,557)</u>
<u>NON CURRENT LIABILITIES</u>		
Long term loans	332,923	307,188
Deferred liabilities	897,380	956,125
	<u>1,230,303</u>	<u>1,263,313</u>
<u>CURRENT LIABILITIES</u>		
Trade and other payables	983,986	986,147
Short term borrowings	13,770,926	13,770,926
Overdue portion of long term loans	6,977,774	5,374,252
Provision for taxation	192,954	184,043
	<u>21,925,640</u>	<u>20,315,368</u>
Contingencies and commitments	<u>--</u>	<u>--</u>
	<u>6,485,000</u>	<u>6,829,124</u>
<u>ASSETS</u>		
<u>NON CURRENT ASSETS</u>		
Property, plant and equipment	5,003,095	5,321,005
<u>CURRENT ASSETS</u>		
Stores and spares	483,650	483,650
Stock in trade	--	--
Trade debts	461,402	502,755
Advances - Considered good	14,462	13,561
Short term deposits and prepayments	151,496	151,437
Other receivables - Considered good	23,846	19,597
Cash and bank balances	27,049	17,119
	<u>1,161,905</u>	<u>1,188,119</u>
Non current assets held for sale	320,000	320,000
	<u>6,485,000</u>	<u>6,829,124</u>

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer

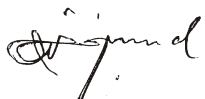


Muhammad Irfan Ali
Chairman Board of Director

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS ACCOUNT - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Notes	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
		Mar, 31 2023	Mar, 31 2022	Mar, 31 2023	Mar, 31 2022
		(Rupees in '000)		(Rupees in '000)	
Sales		--	--	--	--
Cost of sales		334,733	384,640	112,244	126,339
Gross loss		(334,733)	(384,640)	(112,244)	(126,339)
				--	
Operating expenses					
Administrative expenses		31,310	27,476	6,550	10,720
Operating loss		(366,043)	(412,116)	(118,794)	(137,059)
Finance cost		3	23,649	1	7,716
Other charges		1,647,565	501,270	1,209,779	78,120
Other income		(41,384)	(35,830)	(14,974)	(11,867)
		1,606,184	489,089	1,194,806	73,969
(Loss) / before taxation		(1,972,227)	(901,205)	(1,313,600)	(211,028)
Taxation		50,841	62,067	16,836	22,780
(Loss) / after taxation		<u>(1,921,386)</u>	<u>(839,138)</u>	<u>(1,296,764)</u>	<u>(188,248)</u>
Loss per share - Basic (Rupees)		<u>(5.25)</u>	<u>(1.78)</u>	<u>(3.54)</u>	<u>(0.02)</u>
Loss per share - Diluted (Rupees)		<u>(4.98)</u>	<u>(1.70)</u>	<u>(3.36)</u>	<u>(0.01)</u>

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	Mar, 31 2023	Mar, 31 2022
	(Rupees in '000)	
Cash Flow from Operating Activities		
Loss before taxation	(1,972,227)	(901,205)
Adjustments for:		
Depreciation	317,931	353,309
Exchange gain	(4,938)	(1,526)
Unwinding discount	25,735	23,149
Provision for gratuity	4,965	4,089
Exchange loss	1,621,830	501,270
Financial charges	<u>3</u>	<u>500</u>
Cash outflow before working capital changes	(6,701)	(20,414)
Movement in Working Capital		
<i>(Increase) / decrease in current assets</i>		
Trade Debts	41,330	46,639
Advances	(901)	(142)
Short term deposits and prepayments	(59)	--
Other receivables	(385)	(411)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	<u>(2,161)</u>	<u>4,362</u>
	37,824	50,448
Cash generated /(used)from operations	31,123	30,035
Payments for:		
Staff gratuity	(3,957)	(2,837)
Financial charges	(3)	500
Tax	(3,863)	(5,195)
	<u>(7,823)</u>	<u>(7,532)</u>
Net cash generated in operating activities	23,300	22,503
Cash Flow from Investing Activities	--	--
Cash Flow from Financing Activities		
Liabilities against assets subject to finance lease - Net	--	(1,300)
Long term loan - Secured	(18,308)	(18,308)
Net cash outflow from financing activities	<u>(18,308)</u>	<u>(19,608)</u>
Net Increase/ (decrease) in cash and cash equivalents	4,992	2,895
Net foreign exchange difference	4,938	--
Cash and cash equivalents at beginning 1st July 2022	(2,955,776)	(2,961,033)
Cash and cash equivalents at 31st March 2023	<u>(Note – A) (2,945,846)</u>	<u>(2,958,138)</u>

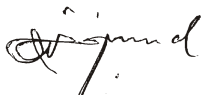
Note - A

Cash and Cash Equivalents

Cash and cash equivalents include:

Cash and bank balances	27,049	14,757
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)
	<u>(2,945,846)</u>	<u>(2,958,138)</u>

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer

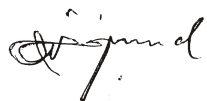


Muhammad Irfan Ali
Chairman Board of Director

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	Mar, 31 2023	Mar, 31 2022	Mar, 31 2023	Mar, 31 2022
	(Rupees in '000)		(Rupees in '000)	
Net loss after taxation	(1,921,386)	(839,138)	(1,296,764)	(188,248)
Total comprehensive loss transferred to equity	<u>(1,921,386)</u>	<u>(839,138)</u>	<u>(1,296,764)</u>	<u>(188,248)</u>

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer

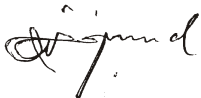


Muhammad Irfan Ali
Chairman Board of Director

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2023

	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)							
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 nine months ended 31 March 2023	--	--	(839,138)	(839,138)	--	--	(839,138)
Other comprehensive income	--	--	--	--	--	--	--
Total comprehensive income/ Loss for the nine months ended	--	--	(839,138)	(839,138)	--	--	(839,138)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	162,544	162,544	(162,544)	(162,544)	--
Balance as at 31 March 2022	3,663,211	350,000	(20,885,079)	(20,535,079)	2,873,990	2,873,990	(13,997,878)
Balance as on 1 July 2022	3,663,211	350,000	(21,582,577)	(21,232,577)	2,819,809	2,819,809	(14,749,557)
Loss for the nine months ended 31 March 2022	--	--	(1,921,386)	(1,921,386)	--	--	(1,921,386)
Other comprehensive income	--	--	--	--	--	--	--
Total comprehensive income/ Loss for the nine months ended	--	--	(1,921,386)	(1,921,386)	--	--	(1,921,386)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	146,290	146,290	(146,290)	(146,290)	--
Balance as at 31 March 2023	3,663,211	350,000	(23,357,673)	(23,007,673)	2,673,519	2,673,519	(16,670,943)

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

DEWAN SALMAN FIBRE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited)
FOR THE NINE MONTHS ENDED MARCH 31, 2023

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 Dewan Centre, 3-A Lalazar, Beach Hotel Road, Karachi, Pakistan.

2 BASIS OF PREPARATION

- 2.1** These condensed interim financial statements of the Company for the nine months ended 31 March 2023 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 2022.

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 2022.

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 2022.

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 2022.

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 2022.

6 TRANSACTIONS WITH RELATED PARTIES

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

7 CORRESPONDING FIGURES

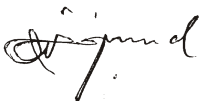
In order to comply with the requirements of International Accounting Standard 34 "Interim Financial Reporting", condensed interim statement of financial position has been compared with the balances of annual financial statements, whereas condensed interim statement of profit or loss, statement of comprehensive 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-2023** by the Board of Directors of the Company.

9 GENERAL

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



Ishtiaq Ahmed
Chief Executive Officer



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Director

ڈائریکٹر کا جائزہ :

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2022-2023 کے تیسری سہ ماہی یعنی کہ 31 مارچ 2023 کے لیے غیر آڈٹ ملخص عبوری مالیاتی رپورٹس ر حاضر خدمت ہیں۔

مالیاتی صورتحال کا جائزہ

(روپے '000)	
(مصر)	مجموعی فروخت
334,733	فروخت اور ترسیل کے اخراجات
(334,733)	مجموعی نقصان
31,310	انتظامی اخراجات
(366,043)	انتظامی نقصان
(1,606,184)	مالیاتی نقصان
(1,972,227)	قبل از ٹیکس نقصان
50,841	ٹیکس
(1,921,386)	بعد از ٹیکس نقصان

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2022: صفر)، کمپنی کا مجموعی نقصان 334.733 ملین روپے (2022: 384.640 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 1,921.386 ملین روپے (2022: 839.183 ملین روپے) رہا۔

صنعت کا مجموعی جائزہ

سال 2023 پاکستان کے لیے متعدد اندرونی اور بیرونی چیلنجز کا سال ثابت ہوا، جن میں توانائی کی سستی اور دستیابی، کرنٹ اکاؤنٹ خسارہ، خام مال کی کمی شامل ہیں۔

زیر نظر مدت کے دوران ٹیکسٹائل کی برآمدات پچھلے سال کے مقابلے میں کم رہیں۔ یکم مارچ 2023 سے بجلی کے نرخوں پر سبسڈی واپس لینے سے پیداواری لاگت میں مزید اضافہ ہو جائے گا جس کا اثر برآمدی شعبے پر بھی پڑ سکتا ہے۔

زیر جائزہ مدت کے دوران مقامی پی ایس ایف کی قیمتیں بڑھتی ہوئی نظر آئیں، ساتھ ساتھ مقامی پی ایس ایف صنعتکاروں نے فروخت کے حجم میں پچھلی سہ ماہی کے مقابلے میں بہتری کے اشارے دیے۔

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

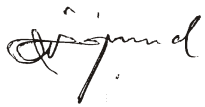
اظہارِ تشکر:

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



اشتیاق احمد

چیف ایگزیکٹو آفیسر



محمد عرفان علی

چیرمین بورڈ آف ڈائریکٹر