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COMPANY INFORMATION

BOARD OF DIRECTORS			
NON-EXECUTIVE DIRECTORS	:	MR. MUHAMMAD IRFAN ALI MR. FARRUKH SAJJAD MR. MUHAMMAD WAJID MR. SHAFQATULLAH	- CHAIRMAN BOARD OF DIRECTORS
EXECUTIVE DIRECTORS	:	MR. ZAFAR ASIM MR. SALEEM-UL-HAQUE	- CHIEF EXECUTIVE OFFICER
INDEPENDENT DIRECTOR	:	MR. ASGHAR IQBAL	
AUDIT COMMITTEE	:	MR. ASGHAR IQBAL MR. MUHAMMAD WAJID MR. MUHAMMAD IRFAN ALI	- CHAIRMAN - MEMBER - MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	:	MR. ASGHAR IQBAL MR. ZAFAR ASIM MR. MUHAMMAD WAJID	- CHAIRMAN - MEMBER - MEMBER
CHIEF FINANCIAL OFFICER	:	MR. SALEEM-UL-HAQUE	
COMPANY SECRETARY	:	MR. MUHAMMAD HANIF GERMAN	
AUDITORS	:	FARUQ ALI & CO. CHARTERED ACCOUNTANTS	
	:	FEROZE SHARIF TARIQ & CO. CHARTERED ACCOUNTANTS	
LEGAL ADVISORS	:	KHALID ANWER & COMPANY – ADVOCATES	
TAX ADVISORS	:	SHARIF & COMPANY – ADVOCATES	
FACTORY OFFICE	:	PLOT NO. 1, DEWAN FAROOQUE INDUSTRIAL PARK, HATTAR, DISTRICT HARIPUR (K.P.K)	
CORPORATE OFFICE	:	FINANCE & TRADE CENTRE BLOCK-A, 2ND FLOOR, SHAHRAH-E-FAISAL, 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

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

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

The Board of Directors of your company present un-audited Condensed Interim Financial Statements of the Company for the half year ended on December 31, 2019 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	314,598
GROSS LOSS	(314,598)
OPERATING EXPENSES	24,644
OPERATING LOSS	(339,242)
FINANCE COST/OTHER INCOME	(177,473)
LOSS BEFORE TAXATION	(161,769)
TAXATION	53,420
LOSS AFTER TAXATION	(108,349)

Company recorded net sales of Rs. nil (2018-Rs. nil) during the period under review suffered gross loss of Rs. 314.598 million (2018 Rs. 344.456 million). And loss after taxation amounted to Rs. 108.349 million. (2018 Rs. 738.088 million)

INDUSTRY OVERVIEW

Economic conditions remained challenging during the period under review. PTA and MEG prices witnessed decline, which resulted a downward trend in the local PSF price. The capacity utilization of the domestic PSF manufacturers remained at the optimum level as there was no change in the market size.

The spinning industry remained under pressure due to the imposition of sales tax in the Federal Budget. Increase in the electricity prices further enhanced the cost of production; therefore, despite the increase of yarn rates, margins remained restricted.

Your company remained closed during the period under review.

AUDITOR'S OBSERVATION

- In Para (a) of their review report they did not agree with the going concern assumption used in preparation of interim condensed financial statements accordingly they have given their adverse opinion on the interim condensed financial statements. However, the management is in process of negotiation with the bankers and is confident that the outcome will be positive. The justification regarding preparation of interim condensed financial statements on going concern assumption are more fully explained in note 2 to the interim condensed financial statements.
- The company has not made provision of mark up for the period amounting Rs1.069 Billion on its markup bearing liabilities. The management has approached its bankers/financial institutions for restructuring of its obligations. The management is confident that the company's restructuring proposals will be accepted by the financial institutions. Therefore, the company has not made any provision for mark-up.

DEWAN SALMAN FIBRE LIMITED

- c) Para (c) of the report relates to valuation and classification of investment in Dewan petroleum (pvt) Limited using the equity method as required under International Accounting Standards 28 Investment in Associates which the company has classified as held for sale. The management's intention to sell this investment within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the company, which will enable to resume operation of the company. For the purpose special resolution was passed in 2008 has been expired, however the management will seek further shareholders, approval before disposal of the same.
- d) Trade debts amounting to Rs. 1.546 billion are stagnant, not being recovered, against which a provision of Rs.0.657 billion has been made so far. Since these trade debts are doubtful of recovery therefore the provision should be made there against. Had provision been made, loss for the period would have been further higher by Rs.0.889 billion. Management of your company taking utmost efforts to recover these debts, we believe that there will be positive response from debtors and will take our position accordingly.

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: February 25, 2020

Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS

Partners : **FEROZE QAISER FCA**

Ali Husain FCA

Mohammad Tariq FCA, ACMA

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

FARUQ ALI & CO.

CHARTERED ACCOUNTANTS

222-A, Karachi Memon Cooperative
Housing Society, Justice Inamullah Road,
Near Hill Park, Karachi-74800.
Email: faac@cyber.net.pk

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dewan Salman Fibre Limited ('the Company') as at 31 December 2019, the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2019 and 31 December 2018 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2019.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Bases for adverse conclusion

- a) The condensed interim financial statement of the Company for the period ended 31 December 2019 reflects loss after taxation of Rs.0.108 billion and as of that date it has accumulated losses of Rs.19.364 billion which resulted in net capital deficiency of Rs.11.940 billion and its current liabilities exceeded its current assets by Rs.17.462 billion and total assets by Rs.10.503 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 repayments of debts owing to financial institutions due to liquidity problems and short term finance facilities have expired and not been renewed by banks. Following course, 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 this condensed interim financial statement 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 period amounting to Rs.1.069 billion (up to December 31, 2019: Rs.22.428 billion) (refer note 10) on account of restructuring proposal offered to the lenders as described in note 2 to the condensed interim 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 this condensed interim financial statements. Had the provision of markup been made in the condensed interim financial statement, the loss after taxation for the period would have been higher by Rs.1.069 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.22.428 billion.

Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS

Partners : **FEROZE QAISER FCA**

Ali Husain FCA

Mohammad Tariq FCA, ACMA

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

FARUQ ALI & CO.

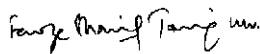
CHARTERED ACCOUNTANTS

222-A, Karachi Memon Cooperative
Housing Society, Justice Inamullah Road,
Near Hill Park, Karachi-74800.
Email: faac@cyber.net.pk

- c) Investment in associate Dewan Petroleum (Private) Limited is disclosed as non-current assets held for sale (refer note 9 to the condensed interim financial statements) although the resolution for the permission to sale the same has been expired during financial year ended 30 June 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 accounts of Dewan Petroleum (Private) Limited were not made available;
- d) Trade debts amounting to Rs.1.546 billion are stagnant, not being recovered, against which a provision of Rs.0.657 billion has been made so far. Since these trade debts are doubtful of 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.0.889 billion.

Adverse conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) coupled with financial impact of matter discussed in paragraph (b) to (d) above, this condensed interim financial statement is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



Chartered Accountants
(Muhammad Tariq)



Chartered Accountants
(Muhammad Faisal Nini)

Karachi : February 25, 2020



A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

AS AT DECEMBER 31, 2019		(Un-audited) 31 December 2019	(Audited) 30 June 2019
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES		Notes	
Authorized share capital		----- (Rupees in '000) -----	
630,000,000 (June 2019: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (June 2019: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		7,200,000	7,200,000
Issued, subscribed and paid-up share capital		3,663,211	3,663,211
Revenue reserves			
General reserves		350,000	350,000
Accumulated losses		(19,364,287)	(19,389,719)
Capital reserves			
Surplus on revaluation of property, plant and equipment		3,411,121	3,544,902
		(11,939,955)	(11,831,606)
NON-CURRENT LIABILITIES			
Long term loans		236,072	223,585
Deferred liabilities		1,201,352	1,253,486
		1,437,424	1,477,071
CURRENT LIABILITIES			
Trade and other payables		952,181	946,467
Short term borrowings		13,794,714	13,794,714
Overdue portion of long term liabilities		4,359,019	4,576,669
Provision for taxation		162,992	161,769
		19,268,906	19,479,619
CONTINGENCIES AND COMMITMENTS		6	--
		8,766,375	9,125,084
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	6,639,913	6,932,587
Long term investments	8	--	25,205
		6,639,913	6,957,792
CURRENT ASSETS			
Stores and spares		650,822	650,822
Trade debts - Unsecured		889,074	928,042
Advances		13,611	13,440
Short term deposits		159,935	160,553
Other receivables - Considered good		79,901	78,355
Cash and bank balances		13,119	16,080
		1,806,462	1,847,292
Non-current asset held for sale	9	320,000	320,000
		8,766,375	9,125,084

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

Zafar Asim
Chief Executive


Saleem-ul-Haque
Chief Financial Officer

Muhammad Irfan Ali
Chairman Board of Directors

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
Notes	----- (Rupees) -----			
Sales	--	--	--	--
Cost of sales	314,598	344,456	156,436	171,493
Gross loss	(314,598)	(344,456)	(156,436)	(171,493)
Operating expenses				
Distribution cost	1,002	1,002	501	501
Administrative expenses	23,642	18,448	11,452	9,063
	24,644	(19,450)	(11,953)	(9,564)
Operating loss	(339,242)	(363,906)	(168,389)	(181,057)
Finance cost	12,488	367,133	6,243	255,108
Other charges	20,256	67,763	--	67,763
Other income	(210,217)	--	(126,994)	--
	(177,473)	(434,896)	120,751	(322,871)
Loss before taxation	(161,769)	(798,802)	(47,638)	(503,928)
Taxation - Net	53,420	60,714	27,041	(46,408)
Loss for the year	(108,349)	(738,088)	(20,597)	(550,336)
Loss per share - Basic and diluted	(0.30)	(2.01)	(0.06)	(1.50)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors



A YOUSUF DEWAN COMPANY

CONDENSED INTERIM STATEMENT OF CASH FLOWS - (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	31 December 2019	31 December 2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(161,769)	(798,802)
Adjustments for non-cash and other items:		
Depreciation	292,674	325,274
Unwinding of discount	12,487	11,232
Dividend income	(8,151)	--
Loss on sale of investments	20,256	--
Provision for gratuity	2,913	1,838
Provision for doubtful debts / advances / receivables	--	40,635
Provision for obsolescence and slow moving stocks and stores	--	27,128
Exchange gain	(202,650)	--
Finance cost	1	357,001
Cash outflows before working capital changes	(44,239)	(35,694)
Movement in working capital		
(Increase) / decrease in current assets		
Trade debts	38,968	35,657
Advances	(171)	(1,041)
Short term deposits	618	--
Other receivables	(242)	(199)
Increase in current liabilities		
Trade and other payables	5,714	3,419
	44,887	37,836
Cash generated from operations	648	2,142
Payments for:		
Staff gratuity	(404)	(2,770)
Finance cost	(1)	(1)
Taxation	(1,304)	(80)
	(1,709)	(2,851)
Net cash outflows from operating activities	(1,061)	(709)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income received	8,151	--
Long term investments	4,949	--
Net cash inflows from investing activities	13,100	--
CASH FLOWS FROM FINANCING ACTIVITIES		
Overdue portion of lease liabilities	(15,000)	--
Net cash outflows from financing activities	(15,000)	--
Net decrease in cash and cash equivalents	(2,961)	(709)
Cash and cash equivalents at beginning of the year	(2,956,815)	(2,960,023)
Cash and cash equivalents at end of the year	(2,959,776)	(2,960,732)

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

Zafar Asim
Chief Executive

Saleem-ul-Haque
Chief Financial Officer

Muhammad Irfan Ali
Chairman Board of Directors

DEWAN SALMAN FIBRE LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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)

Balance as on 1 July 2018	3,663,211	350,000	(17,978,165)	(17,628,165)	3,800,321	3,800,321	(10,164,633)
Loss for the half year ended 31 December 2018	--	--	(738,088)	(738,088)	--	--	(738,088)
Other comprehensive income	--	--	--	--	41,872	41,872	41,872
Total comprehensive loss for the period	--	--	(738,088)	(738,088)	41,872	41,872	(696,216)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	148,646	148,646	(148,646)	(148,646)	--
Balance as at 31 December 2018	3,663,211	350,000	(18,567,607)	(18,217,607)	3,693,547	3,693,547	(10,860,849)
Balance as on 1 July 2019	3,663,211	350,000	(19,389,719)	(19,039,719)	3,544,902	3,544,902	(11,831,606)
Loss for the half year ended 31 December 2019	--	--	(108,349)	(108,349)	--	--	(108,349)
Other comprehensive income	--	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	(108,349)	(108,349)	--	--	(108,349)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	133,781	133,781	(133,781)	(133,781)	--
Balance as at 31 December 2019	3,663,211	350,000	(19,364,287)	(19,014,287)	3,411,121	3,411,121	(11,939,955)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Notes	Half Year Ended		Quarter Ended	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		---- (Rupees in '000) ----		---- (Rupees in '000) ----	
Loss for the year		(108,349)	(738,088)	(20,597)	(550,336)
Other comprehensive loss					
<i>Items that will not be subsequently reclassified to profit or loss:</i>					
Impact of change in tax rate	6	--	41,872	--	4,187
Total comprehensive loss for the year		(108,349)	(696,216)	(20,597)	(546,149)

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



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

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 GOING CONCERN ASSUMPTION

The condensed interim financial statement for the half year ended 31 December 2019 reflects loss after taxation of Rs.0.108 billion (June 2019: Rs.1.710 billion) and as of that date it has accumulated losses of Rs.19.364 billion (June 2019: Rs.19.390 billion) which have resulted in net capital deficiency of Rs.11.940 billion (June 2019: Rs.11.832 billion) and its current liabilities exceeded its current assets by Rs.17.462 billion (June 2019: Rs.17.632 billion) and total assets by Rs.10.503 billion (June 2019: Rs.10.355 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 the 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.

The condensed interim financial statements has 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, the condensed interim financial statements has been prepared on a going concern basis.



3 BASIS OF PREPARATION

- 3.1** These condensed interim financial statements of the Company for the half year ended 31 December 2019 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.

- 3.2** 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 2019.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2019 and 2018 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 December 2019 and 2018.

4 SIGNIFICANT ACCOUNTING POLICIES

- 4.1** 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 2019 except those that stated in note 4.2 (a) below.

4.2 Change in accounting standards, Interpretations and amendments to published accounting and reporting standards

- a)** Standards and amendments to published accounting and reporting standards which were effective during the half year ended 31 December 2019

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the half year ended 31 December 2019 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

- b)** Standards and amendments to approved accounting and reporting standards that are not yet effective

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after 01 July 2020. However, these standard, amendments and interpretation will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

5 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 2019.

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 2019.

6 CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments are same as reported in the annual financial statements for the year ended 30 June 2019.

	(Un-audited) Dec. 31, 2018	(Audited) June 30, 2018
7 PROPERTY PLANT AND EQUIPMENT	----- (Rupees in '000) -----	
Operating fixed assets	6,497,100	6,789,774
Capital work in progress	142,813	142,813
	<u>6,639,913</u>	<u>6,932,587</u>
7.1 Operating fixed assets - At cost less accumulated depreciation		
Opening carrying value	6,789,774	7,440,234
Additions during the period / year	--	388
Disposal during the period / year (book value)	--	(495)
Depreciation charged during the period / year	(292,674)	(650,353)
Closing carrying value	<u>6,497,100</u>	<u>6,789,774</u>
8 LONG TERM INVESTMENTS		
Global Securities (Pvt) Limited		
(495,000 Shares (June 2019: 495,000 shares)		
of Rs.10/- each at a premium of Rs.40.92/- per share	--	25,205

9 NON-CURRENT ASSET HELD-FOR-SALE

This represent equity investment in Dewan Petroleum (Private) Limited representing 12.6 million ordinary shares of Rs. 10/- each at a premium of Rs.15.397/-. The 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, which will enable to resume operations of the Company. For the purpose special resolution was passed by the shareholders in the Extra Ordinary General Meeting of the Company held on 23 June 2008, which was expired during the preceding financial year, however the management will seek further shareholders' approval before disposal of the same.



10 FINANCE COST

The Company has not made the provision of mark-up amounting to Rs.1.069 billion (Upto 31 December 2019: Rs.22.428 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 period would have been higher by Rs.1.069 billion and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.22.428 billion. The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.

11 TRANSACTIONS WITH RELATED PARTIES

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

12 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.

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on 25 February 2020 by the Board of Directors of the Company.

14 GENERAL

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

Zafar Asim
Chief Executive

Saleem-ul-Haque
Chief Financial Officer

Muhammad Irfan Ali
Chairman Board of Directors

ج) پورا (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 خاتمے میں موجود ہے۔ کمپنی اس سرمایہ کاری کو اگلے مالیاتی سال میں فروخت کرنے کا ارادہ رکھتی ہے۔ اس مقصد کے لیے 2008 میں ایک خصوصی قرار داد 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۔

د) آڈٹ رپورٹ یہ بھی واضح کرتی ہے۔ کہ تجارتی قرض 1.546 ملین روپے جس پر 0.657 ملین روپے کے سود کا تخمینہ لگایا گیا ہے ابھی تک واپس نہیں لیے گئے اور موجودہ شرائط پر۔ چونکہ ان قرضوں کی واپسی مفلوک ہے اس لیے نقصان کا تخمینہ لگنا ضروری ہے۔ اس بات کو مد نظر رکھتے ہوئے کمپنی نے مزید 0.889 ملین روپے نقصان کا تخمینہ لگایا ہے۔

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

اظہار تشکر:

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


بورڈ اپنی کمپنی کے ایگزیکٹوز، عملے کے ارکان کی طرف سے پیش کی گئی گرام 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 کے حضور یہ دعا مانگتے ہیں کہ رسول اللہ حضرت محمد صلی اللہ علیہ وسلم کے صدمے 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، حمد آمین۔

میرا پروردگار یقیناً ہماری دعاؤں کو سنتا ہے۔ (قرآن کریم)
بورڈ آف ڈائریکٹرز کی جانب سے


محمد عرفان علی
چیئر مین بورڈ آف ڈائریکٹر


ظفر عامر
چیف ایگزیکٹو

کراچی
تاریخ: ۲۵ فروری، ۲۰۲۰ء

ڈائریکٹر کا جائزہ:

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2019-2020 کے ششماہی پتہ کی 31 دسمبر 2019 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:

(000' روپے)	مجموعی فروخت
(مصر)	فروخت اور ترسیل کے اخراجات
314,598	مجموعی نقصان
(314,598)	انتظامی اخراجات
24,644	انتظامی نقصان
(339,242)	مالیاتی نقصان / دیگر آمدنی
(177,473)	قبل از ٹیکس نقصان
(161,796)	ٹیکس
53,420	بعد از ٹیکس نقصان
(108,349)	

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت مصر رہی (2018: مصر)، کمپنی کا مجموعی نقصان 314.598 ملین روپے (2018: 344.456 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 108.349 ملین روپے (2018: 738.088 ملین روپے) رہا۔

صنعت کا مجموعی جائزہ:

زیر جائزہ مدت کے دوران معاشی حالات کوئی مشکلات درپیش نہیں۔ پی ٹی اے اور ایم ای جی کی قیمتوں میں کمی دیکھی گئی، جس کے نتیجے میں مقامی پی ایس ایف کی قیمتوں میں مندی کا رجحان رہا۔ مقامی طور پر پی ایس ایف کی پیداوار کی صلاحیت کو بھرپور استعمال کیا گیا کیونکہ مارکیٹ کے حجم میں کوئی تبدیلی دیکھنے میں نہیں آئی۔ وفاقی بجٹ میں سٹر ٹیکس کٹنے کی وجہ سے سوت کی کٹائی کی صنعت دباؤ میں رہی۔ بجلی کی قیمتوں میں اضافے نے لاگت میں مزید اضافہ کیا۔ لہذا، سوت کے نرخوں میں اضافے کے باوجود، نفع کا تناسب محدود رہا۔ آپ کی کمپنی زیر جائزہ مدت کے دوران بند رہی۔

آڈیٹرز کے مشاہدے:

ا) ہیرا (1) میں رپورٹ کرتے ہیں کہ وہ گوبینک کنسرن کے مفروضے پر مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی حتمی رائے رکھتے ہیں۔ جبکہ کمپنی کے مطابق منجمنٹ بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پرامید ہیں کہ نتیجہ مثبت ہوگا۔ مالیاتی رپورٹس کی گوبینک کنسرن کے مفروضے پر تیاری کی مزید تاویلات اگلے ہیرا میں دیکھی جاسکتی ہے۔

ب) زیر جائزہ مدت میں کمپنی نے بینکوں کو واجب الادا رقم پر سود جو کہ 1.069 ملین روپے بنتا ہے پر سود کا تخمینہ نہیں لگایا۔ کمپنی کی انتظامیہ بینکوں/مالیاتی اداروں سے رابطے میں ہے تاکہ قرضوں کی واپسی کی بنی شرائط پر غور کیا جاسکے۔ انتظامیہ کو یقین ہے کہ 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۔

(الف)