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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		

DIRECTOR'S REVIEW

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, 2020 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	275,759
GROSS LOSS	(275,759)
OPERATING EXPENSES	17,709
OPERATING LOSS	(293,468)
FINANCE COST	166,856
LOSS BEFORE TAXATION	(126,612)
TAXATION	49,179
LOSS AFTER TAXATION	(77,433)

Company recorded net sales of Rs. nil (2019-Rs.nil) during the period under review suffered gross loss of Rs. 275.759 million (2019 Rs. 314.598 million). And loss after taxation amounted to Rs. 77.433 million. (2019 Rs. 108.349 million)

INDUSTRY OVERVIEW

During the period under review, volatile conditions continued in the global markets. Pakistan textile sector witnessed unprecedented recovery and reported strong demand in most of the segments. The energy package announced by the Government for the export industry helped exports become competitive. The State Bank has also launched a long term concessionary financing facility for boosting investments in new capacity expansion and upgradation of technology.

The domestic Polyester industry enjoyed almost maximum capacity utilization and respectively higher sales volume during the period under review, due to the strong market demand. PTA and MEG markets remained stable. Slight increase in the price of MEG was noticed in the second quarter of Financial Year.

Going forward, much growth in textile and clothing export is expected. Your company remained closed during the period under review.

AIDITOR'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 Rs0.905 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.

- 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. 1.447 billion are stagnant, not being recovered, against which a provision of Rs.0.737 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.0.710 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.



Muhammad Irfan Ali
Chairman Board of Directors



Zafar Asim
Chief Executive

Karachi
Date: February 22, 2021

Feroze Sharif Tariq & Co.**Chartered Accountants**

4 / N / 4, Block 6, P.E.C.H. Society,
Karachi – 75400

FARUQ ALI & CO.**Chartered Accountants**

C-88, Ground Floor, KDA Scheme
No.1,
Main Karsaz Road, Opp. Maritime
Museum, Karachi.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dewan Salman Fibre Limited

Report on review of Condensed Interim Financial Statements**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Dewan Salman Fibre Limited ('the Company') as at 31 December 2020, 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 condensed 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 2020 and 31 December 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2020.

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 2020 reflects loss after taxation of Rs.0.077 billion and as of that date it has accumulated losses of Rs.20.007 billion which resulted in net capital deficiency of Rs.12.837 billion and its current liabilities exceeded its current assets by Rs.17.851 billion and total assets by Rs.11.477 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 these condensed interim financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.
- b) The Company has not made provision of markup for the period amounting to Rs.0.905 billion (up to December 31, 2020: Rs.24.507 billion) (refer note 9) 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

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the provision of markup should be made in this condensed interim financial statement. 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.0.905 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.24.507 billion.

- c) Investment in associate Dewan Petroleum (Private) Limited is disclosed as non-current assets held for sale (refer note 8 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.1.447 billion are stagnant, not being recovered, against which a provision of Rs.0.737 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.0.710 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, these condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



Chartered Accountants
(Muhammad Ghalib)



Chartered Accountants
(Fasih uz Zaman)

Dated: February 22, 2021
Place: Karachi

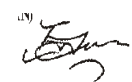
DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION - (Un-audited)
AS AT 31 DECEMBER 2020

	(Un-audited) 31 December 2020	(Audited) 30 June 2020
Notes		
	----- (Rupees in '000) -----	
<u>EQUITY AND LIABILITIES</u>		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
630,000,000 (June 2020: 630,000,000) Ordinary shares of Rs. 10/- each	6,300,000	6,300,000
90,000,000 (June 2020: 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 share capital	3,663,211	3,663,211
Revenue reserves		
General reserves	350,000	350,000
Accumulated losses	(20,007,063)	(20,050,033)
Capital reserves		
Surplus on revaluation of property, plant and equipment	3,156,937	3,277,340
	<u>(12,836,915)</u>	<u>(12,759,482)</u>
NON-CURRENT LIABILITIES		
Long term loans	262,441	248,559
Deferred liabilities	1,097,884	1,149,460
	<u>1,360,325</u>	<u>1,398,019</u>
CURRENT LIABILITIES		
Trade and other payables	959,955	952,028
Short term borrowings	13,770,926	13,770,926
Overdue portion of long term liabilities	4,434,634	4,619,074
Provision for taxation	162,992	162,992
	<u>19,328,507</u>	<u>19,505,020</u>
CONTINGENCIES AND COMMITMENTS		
	6 -	--
	<u>7,851,917</u>	<u>8,143,557</u>
<u>ASSETS</u>		
NON-CURRENT ASSETS		
Property, plant and equipment	7 6,054,333	6,315,545
CURRENT ASSETS		
Stores and spares	585,740	585,740
Trade debts - Unsecured	710,106	736,647
Advances	13,025	13,611
Short term deposits	151,437	151,437
Other receivables - Considered good	5,918	5,873
Cash and bank balances	11,358	14,704
	<u>1,477,584</u>	<u>1,508,012</u>
Non-current asset held for sale	8 320,000	320,000
	<u>7,851,917</u>	<u>8,143,557</u>

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 PROFIT OR LOSS - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Notes	Half Year Ended		Quarter Ended	
	31 December	31 December	31 December	31 December
	2020	2019	2020	2019
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales	--	--	--	--
Cost of sales	(275,759)	(314,598)	(135,555)	(156,436)
Gross loss	(275,759)	(314,598)	(135,555)	(156,436)
Operating expenses				
Distribution cost	(1,002)	(1,002)	(501)	(501)
Administrative expenses	(16,707)	(23,642)	(8,014)	(11,452)
	(17,709)	(24,644)	(8,515)	(11,953)
Operating loss	(293,468)	(339,242)	(144,070)	(168,389)
Finance cost	(13,883)	(12,488)	(6,941)	(6,243)
Other charges	(181)	(20,256)	(55,681)	--
Other income	180,920	210,217	180,920	126,994
	166,856	177,473	118,298	120,751
Loss before taxation	(126,612)	(161,769)	(25,772)	(47,638)
Taxation - Net	49,179	53,420	24,589	27,041
Loss for the period	(77,433)	(108,349)	(1,183)	(20,597)
Loss per share - Basic and diluted	(0.21)	(0.30)	(0.00)	(0.06)

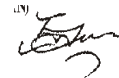
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Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors

DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020	31 December 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(126,612)	(161,769)
<i>Adjustments for non-cash and other items:</i>		
Depreciation	261,212	292,674
Unwinding of discount	13,882	12,487
Dividend income	--	(8,151)
Loss on sale of long term investment	--	20,256
Provision for gratuity	2,407	2,913
Provision for doubtful debts / advances / receivables	181	--
Exchange gain	(181,440)	(202,650)
Finance cost	1	1
Cash outflows before working capital changes	<u>(30,369)</u>	<u>(44,239)</u>
<i>Movement in working capital</i>		
<i>(Increase) / decrease in current assets</i>		
Trade debts - Unsecured	26,541	38,968
Advances	586	(171)
Short term deposits	--	618
Other receivables - Considered good	(181)	(242)
<i>Increase in current liabilities</i>		
Trade and other payables	7,927	5,714
	<u>34,873</u>	<u>44,887</u>
Cash generated from operations	<u>4,504</u>	<u>648</u>
<i>Payments for:</i>		
Staff gratuity	(4,804)	(404)
Finance cost	(1)	(1)
Taxation	(45)	(1,304)
	<u>(4,850)</u>	<u>(1,709)</u>
Net cash outflows from operating activities	<u>(346)</u>	<u>(1,061)</u>

	31 December 2020	31 December 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend income received	--	8,151
Trade debts - Unsecured	--	4,949
Net cash inflows from investing activities	--	13,100
CASH FLOWS FROM FINANCING ACTIVITIES		
Net movement in leased liability	(3,000)	--
Overdue portion of lease liabilities	--	(15,000)
Net cash outflows from financing activities	(3,000)	(15,000)
Net decrease in cash and cash equivalents	(3,346)	(2,961)
Cash and cash equivalents at beginning of the period	(2,958,191)	(2,956,815)
Cash and cash equivalents at end of the period	(2,961,537)	(2,959,776)

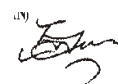
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Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer




Muhammad Irfan Ali
Chairman Board of Directors

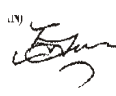
DEWAN SALMAN FIBRE LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	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 2019	3,663,211	350,000	(19,389,719)	(19,039,719)	3,544,902	3,544,902	(11,831,606)
Loss for the period ended 31 December 2019	--	--	(108,349)	(108,349)	--	--	(108,349)
Other comprehensive loss	--	--	--	--	--	--	--
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)
Balance as on 1 July 2020	3,663,211	350,000	(20,050,033)	(16,036,822)	3,277,340	3,277,340	(12,759,482)
Loss for the period ended 31 December 2020	--	--	(77,433)	(77,433)	--	--	(77,433)
Other comprehensive loss	--	--	--	--	--	--	--
Total comprehensive loss for the period	--	--	(77,433)	(77,433)	--	--	(77,433)
Transfer to accumulated losses on account of incremental depreciation - Net of tax	--	--	120,403	120,403	(120,403)	(120,403)	--
Balance as at 31 December 2020	3,663,211	350,000	(20,007,063)	(15,993,852)	3,156,937	3,156,937	(12,836,915)

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 COMPREHENSIVE INCOME - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Notes	Half Year Ended		Quarter Ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Loss for the period	(77,433)	(108,349)	(1,183)	(20,597)
Other comprehensive loss:				
<i>Items that will not be subsequently reclassified to statement of profit or loss</i>	--	--	--	--
Total comprehensive loss for the period	<u>(77,433)</u>	<u>(108,349)</u>	<u>(1,183)</u>	<u>(20,597)</u>

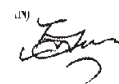
The annexed notes form an integral part of these condensed interim financial statements.



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors

DEWAN SALMAN FIBRE LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS - (Un-audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

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 head 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 2020 reflects loss after taxation of Rs.0.077 billion (June 2020: Rs.0.928 billion) and as of that date it has accumulated losses of Rs.20.007 billion (Jun 2020: Rs.20.050 billion) which have resulted in net capital deficiency of Rs.12.837 billion (June 2020: Rs.12.759 billion) and its current liabilities exceeded its current assets by Rs.17.851 billion (June 2020: Rs.17.997 billion) and total assets by Rs.11.477 billion (June 2020: Rs.11.361 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 2020 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 2020.
- 3.3** The figures included in the condensed interim statement of profit or loss and other comprehensive income for the quarters ended 31 December 2020 and 2019 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 2020 and 2019.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2020.

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 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.

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 2020.

		(Un-audited)	(Audited)
		31 December	30 June
		2020	2020
		----- (Rupees in '000) -----	
7 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets	7.1	5,911,520	6,172,732
Capital work in progress		142,813	142,813
		<u>6,054,333</u>	<u>6,315,545</u>
7.1 Operating fixed assets - At cost less accumulated depreciation			
Opening carrying value		6,172,732	6,789,774
Disposal during the period / year (book value)		--	(33,361)
Depreciation charged during the period / year		(261,212)	(583,681)
Closing carrying value		<u>5,911,520</u>	<u>6,172,732</u>

8 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 financial year 2009, however the management will seek further shareholders' approval before disposal of the same.

9 FINANCE COST

The Company has not made the provision of mark-up amounting to Rs.0.905 billion (Upto 31 December 2020: Rs.24.507 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.0.905 billion and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.24.507 billion. The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.

10 INFORMATION ABOUT BUSINESS SEGMENTS

For management purposes, the activities of the Company are organized into business segments based on their products and has two reportable operating segments. The PSF segment mainly relates to production and sale of Polyester Staple Fibre. ASF segment includes production and sale of Acrylic Staple Fibre. The operations of the Company are closed since December 2008.

11 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

11.1 Financial risk factors

The Company is exposed to the credit risks, liquidity risks and market risks (including currency rate risk and other price risk) from its use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's objective in managing risk is the creation and protection of shareholders value. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

There have been no changes in the risk management policies during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

11.2 Fair value hierarchy

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The Company does not have any investment to be carried at fair value.

12 TRANSACTIONS WITH RELATED PARTIES

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

13 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.

14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **February 22, 2021** by the Board of Directors of the Company.

15 GENERAL

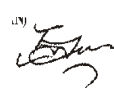
The figures have been rounded off to the nearest thousand rupees.



Zafar Asim
Chief Executive



Saleem-ul-Haque
Chief Financial Officer



Muhammad Irfan Ali
Chairman Board of Directors

ڈائریکٹر کا جائزہ :

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2020-2021 کے سشماہی یعنی کہ 31 دسمبر 2020 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)	
(صفر)	مجموعی فروخت
275,759	فروخت اور ترسیل کے اخراجات
(275,759)	مجموعی نقصان
17,709	انتظامی اخراجات
(293,468)	انتظامی نقصان
166,856	مالیاتی نقصان
(126,612)	قبل از ٹیکس نقصان
49,179	ٹیکس
(77,433)	بعد از ٹیکس نقصان

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2019: صفر)، کمپنی کا مجموعی نقصان 275.759 ملین روپے (2019: 314.598 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 77.433 ملین روپے (2019: 108.349 ملین روپے) رہا۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران، عالمی منڈیوں میں حالات غیر مستحکم رہے۔ پاکستان ٹیکسٹائل کے شعبے میں غیر معمولی بحالی دیکھنے میں آئی اور بیشتر طبقات میں اس کی شدید طلب رہی۔ حکومت کے برآمداتی صنعت کے لئے اعلان کردہ توانائی پیکیج سے برآمدات کو مسابقتی بننے میں مدد ملی۔ اسٹیٹ بینک نے نئی صلاحیت میں توسیع اور ٹکنالوجی کی اپ گریڈیشن میں سرمایہ کاری کو فروغ دینے کے لئے طویل مدتی مراعات یافتہ مالی اعانت کی سہولت بھی شروع کی ہے۔

زیر جائزہ مدت کے دوران، مقامی پالیسٹر انڈسٹری زیادہ سے زیادہ صلاحیت کے استعمال سے لطف اندوز ہوئی اور بالترتیب زیادہ سے زیادہ فروخت مستحکم مارکیٹ مانگ کے مطابق رہی۔ پی ٹی اے اور ایم ای جی کی مارکیٹیں مستحکم رہیں۔ مالی سال کی دوسری سہ ماہی میں ایم ای جی کی قیمت میں ہلکا اضافہ دیکھا گیا۔ مزید برآں، ٹیکسٹائل اور کپڑوں کی برآمد میں بہت زیادہ توقع کی جا رہی ہے۔ آپ کی کمپنی زیر جائزہ مدت کے دوران بند رہی۔

(ا) پیر (ا) میں رپورٹ کرتے ہیں کہ وہ گومینگ کنسرن کے مفروضے پر مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی منفی رائے رکھتے ہیں۔ جبکہ کمپنی کے مطابق مینجمنٹ بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پر امید ہیں کہ نتیجہ مثبت ہو گا۔ مالیاتی رپورٹس کی گومینگ کنسرن کے مفروضے پر تیاری کی مزید تاویلات اگلے پیر میں دیکھی جاسکتی ہے۔

(ب) زیر جائزہ مدت میں کمپنی نے بینکوں کو واجب الادا رقم پر سود جو کہ 0.905 بلین روپے بنتا ہے پر سود کا تخمینہ نہیں لگایا۔ کمپنی کی انتظامیہ بینکوں / مالیاتی اداروں سے رابطے میں ہے تاکہ قرضوں کی واپسی کی نئی شرائط پر غور کیا جاسکے۔ انتظامیہ کو یقین ہے کمپنی کی قرضوں سے متعلق گزارشات کو مالیاتی اداروں کی طرف سے قبول کیا جائے گا، لہذا کمپنی نے سود کے حوالے سے کوئی تخمینہ نہیں لگایا ہے۔

(ج) پیر (ج) رپورٹ کے مطابق کمپنی نے دیوان پٹرولیم میں سرمایہ کاری کی درجہ بندی انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ کی شق 28 کے مطابق تعلق داروں کے ساتھ سرمایہ کاری میں کی ہے جبکہ یہ سرمایہ کاری فروخت کے لیے رکھ چھوڑے اثاثہ جات کے خانے میں موجود ہے۔ کمپنی اس سرمایہ کاری کو اگلے مالیاتی سال میں فروخت کرنے کا ارادہ رکھتی ہے۔ 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 1.447 بلین روپے جس پر 0.737 بلین روپے کے سود کا تخمینہ لگایا گیا ہے ابھی تک واپس نہیں لیے گئے اور جمود کا شکار ہیں۔ چونکہ ان قرضوں کی واپسی مشکوک ہے اسلئے نقصان کا تخمینہ لگانا ضروری ہے۔ اس بات کو مد نظر رکھتے ہوئے کمپنی نے مزید 0.710 بلین 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۔

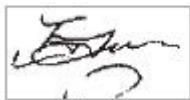
اظہار تشکر:

بورڈ کمپنی کو اپنے قابل قدر حصص یافتگان، وفاقی اور صوبائی حکومت کے کارکنوں، بینکوں اور مالیاتی اداروں اور 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 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۔



عرفان علی
چیرمین بورڈ آف ڈائریکٹرز
کراچی
بتاریخ: ۲۲ فروری ۲۰۲۱

”حقیقت میں میرا رب دعا کا بڑا سننے والا ہے“ (القران)

بورڈ کی طرف سے


ظفر عاصم
چیف ایگزیکٹو