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## COMPANY INFORMATION

BOARD OF DIRECTORS EXECUTIVE DIRECTOR	:	MR. ZAFAR ASIM CEO & CHAIRMAN BOARD OF DIRECTORS MR. SALEEM-UL-HAQUE
NON-EXECUTIVE DIRECTORS	:	MR. HAFBEZ AHMED MR. MUHAMMAD IRFAN ALI MR. MUHAMMAD WAJID MR. AHSAN BILAL
INDEPENDENT DIRECTOR	:	MR. ASGHAR IQBAL
AUDIT COMMITTEE	:	MR. ASGHAR IQBAL - CHAIRMAN MR. MUHAMMAD WAJID - MEMBER MR. HAFEEZ AHMED - MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	:	MR. MUHAMMAD IRFAN ALI - CHAIRMAN MR. ZAFAR ASIM - MEMBER MR. AHSAN BILAL - 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)
HEAD OFFICE	:	FINANCE & TRADE CENTRE BLOCK-A, 7TH FLOOR, SHAHRAH-E-FAISAL, KARACHI.
REGISTERED OFFICE	:	PLOT NO. 6, STREET NO. 9, FAYYAZ MARKET, G-8/2, ISLAMABAD, PAKISTAN
SHARE REGISTRAR / TRANSFER AGENTS LIMITED	:	BMF CONSULTANTS PAKISTAN (PRIVATE) 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 HONG KONG & SHANGHAI BANKING CORPORATION 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 1st quarter ended on September 30, 2017 in compliance with the requirements of section 245 of the Company's Ordinance 1984, as amended through Companies (amendment) Ordinance 2002 and Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan

#### OPERATING PERFORMANCE

Despite of our best efforts during the period under review, we were unable to start the plants of your company due to unavailability of Working Capital. However, management of your company makes their best efforts to operate the largest unit of the country.

The Company is successfully facing litigations with lenders as elaborated in our previous audited financial statements. The Management is fully confident that the Company will have favorable decision from the concerned courts.

#### FINANCIAL PERFORMANCE

Company recorded net sales of Rs.nil (2016-Rs.nil) during the period under review suffered loss after taxation amounted to Rs. 173.296 million. (2016 Rs. 119.274 million)

#### INDUSTRY OVERVIEW

The industry has experienced better sales and optimum capacity utilization during the period under review. However, some price variation in the raw material prices was seen which the industry kept passing on to the spinning industry. The downstream spinning industry also gained momentum in terms of their sales and yarn rates especially the PV yarn rates went up to certain levels which drove up the PSF sales as well.

No significant shifting of the mills from blended to cotton was seen during the period under review as the cotton sector was going through some tough times. The load shedding went down to some extent as well due to which the looms productions did not affected too much. Your company DSFL remained close during the period under review.

#### ACKNOWLEDGEMENT

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

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

#### CONCLUSION

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

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

*By and under Authority of the Board of Directors*



**Zafar Asim**

Chief Executive / Chairman Board of Directors

Karachi: 27th October, 2017

## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2017

	Re-Styled UN-AUDITED JUNE. 30, 2017	Re-Styled AUDITED JUNE 30, 2016
	(Rupees in '000)	
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized capital		
630,000,000 (2013: 630,000,000) Ordinary shares of Rs. 10/- each	6,300,000	6,300,000
90,000,000 (2013: 90,000,000) Preference shares of Rs. 10/- each	900,000	900,000
	<b>7,200,000</b>	<b>7,200,000</b>
Issued, subscribed and paid-up capital	3,663,211	3,663,211
Reserves	(16,774,120)	(16,681,079)
	<b>(13,110,909)</b>	<b>(13,017,868)</b>
Surplus on revaluation of property, plant and equipment	3,909,059	3,989,317
<b>NON CURRENT LIABILITIES</b>		
Long term loans	180,911	180,911
Deferred liabilities	1,568,947	1,603,141
<b>CURRENT LIABILITIES</b>		
Trade and other payables	533,615	533,228
Short term borrowings	14,196,095	14,196,095
Overdue portion of long term loans	3,282,474	3,273,024
Overdue portion of liability against assets subject to finance lease	54,145	54,145
Provision for taxation	161,769	161,769
	<b>18,228,098</b>	<b>18,218,261</b>
Contingencies and commitments	-	-
	<b>10,776,106</b>	<b>10,973,762</b>
<b><u>ASSETS</u></b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	8,125,289	8,305,995
Long term investments	122,951	122,951
Long term prepayments	-	-
<b>CURRENT ASSETS</b>		
Stores and spares	813,589	813,589
Stock in trade	-	-
Trade debts	1,233,047	1,250,625
Advances - Considered good	8,522	8,522
Short term deposits and prepayments	160,553	160,553
Other receivables - Considered good	78,115	77,943
Cash and bank balances	11,040	10,585
	<b>2,304,866</b>	<b>2,321,817</b>
Non current assets held for sale	223,000	223,000
	<b>10,776,106</b>	<b>10,973,763</b>

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

  
**Zafar Asim**  
 Chief Executive /  
 Chairman Board of Directors

  
**Hafeez Ahmed**  
 Director

**DEWAN SALMAN FIBRE LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

	<b>SEPT 30, 2017</b>	<b>SEPT 30, 2016</b>
	<b>(Rupees in '000)</b>	
Sales	—	—
Cost of sales (fixed costs)	<u>190,314</u>	<u>126,974</u>
Gross loss	<u>(190,314)</u>	<u>(126,974)</u>
Distribution cost	<u>455</u>	<u>414</u>
Administration expenses	<u>9,170</u>	<u>8,227</u>
	<u>9,625</u>	<u>8,641</u>
Operating loss	<u>(199,939)</u>	<u>(135,615)</u>
Finance cost	<u>9,413</u>	<u>(1,053)</u>
(Loss) / before taxation	<u>(209,352)</u>	<u>(134,562)</u>
Taxation		
Deferred	<u>(36,056)</u>	<u>(15,288)</u>
(Loss) / after taxation	<u>(173,296)</u>	<u>(119,274)</u>
Loss per share - Basic      ( Rupees )	<u>(0.47)</u>	<u>(0.33)</u>
Loss per share - Diluted    ( Rupees )	<u>(0.45)</u>	<u>(0.31)</u>

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

  
**Zafar Asim**  
 Chief Executive /  
 Chairman Board of Directors

  
**Hafeez Ahmed**  
 Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

	<b>SEPT 30, 2017</b>	<b>SEPT 30, 2016</b>
	<b>(Rupees in '000)</b>	
Net loss after taxation	<b>(173,296)</b>	(119,274)
Comprehensive income transferred to equity	<b>(173,296)</b>	(119,274)
Net change in fair value of available-for-sale financial assets	-	1,873
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	<b>116,311</b>	47,776
Related deferred tax	<b>(36,056)</b>	(15,288)
	<b>80,255</b>	32,488
Total comprehensive loss for the period	<b>(93,041)</b>	(84,913)
Total comprehensive loss transferred to equity	<b>(93,041)</b>	<b>(84,913)</b>

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



**Zafar Asim**  
Chief Executive /  
Chairman Board of Directors



**Hafeez Ahmed**  
Director

**DEWAN SALMAN FIBRE LIMITED**

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

	<b>SEPT 30, 2017</b>	<b>SEPT 30, 2016</b>
	<b>(Rupees in '000)</b>	
<b>Cash Flow from Operating Activities</b>		
Loss before taxation	<b>(209,352)</b>	(134,562)
Adjustments for:		
Depreciation	<b>180,754</b>	119,461
Provision for gratuity	<b>875</b>	618
Financial charges	<b>10,523</b>	(1,052)
cash outflow before working capital changes	<b>(17,200)</b>	(15,535)
Movement in working capital (Note A)	<b>17,791</b>	18,649
Cash generated /(used)from operations	<b>591</b>	3,114
Payments for:		
Staff gratuity	<b>(65)</b>	(866)
Financial charges	<b>(2)</b>	(1)
Tax	<b>(70)</b>	(34)
	<b>(137)</b>	(901)
Net cash generated in operating activities	<b>454</b>	2,214
<b>Cash Flow from Investing Activities</b>	<b>–</b>	–
<b>Cash Flow from Financing Activities</b>	<b>–</b>	–
Net Increase/ (decrease) in cash and cash equivalents	<b>454</b>	2,214
Cash and cash equivalents at beginning	<b>(2,962,310)</b>	(2,964,945)
Cash and cash equivalents at 30 September 2017 (Note B)	<b>(2,961,856)</b>	(2,962,731)

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

  
**Zafar Asim**  
 Chief Executive /  
 Chairman Board of Directors

  
**Hafeez Ahmed**  
 Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

	SEPT 30, 2017	SEPT 30, 2016
	(Rupees in '000)	
<b>Note - A</b>		
<b>Movement in Working Capital</b>		
<i>(Increase) / decrease in current assets</i>		
Trade Debts	17,577	13,934
Other receivables	(172)	(52)
Increase / (decrease) in current liabilities		
Trade and other payables	386	4,766
	<u>17,791</u>	<u>18,649</u>
<b>Note - B</b>		
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents include:		
Cash and bank balances	11,039	10,164
Short term finances:		
-Short term running finances	(2,970,019)	(2,970,019)
-Book Overdraft	(2,876)	(2,876)
	<u>(2,972,895)</u>	<u>(2,972,895)</u>
	<u>(2,961,856)</u>	<u>(2,962,731)</u>

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



**Zafar Asim**  
Chief Executive /  
Chairman Board of Directors



**Hafeez Ahmed**  
Director



**DEWAN SALMAN FIBRE LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

	Issued, subscribed and paid-up capital	General reserve	Unrealized gain/ (loss) due to change in fair value of investment	Accumulated loss	Total
	(Rupees in '000)				
Balance as at July 1, 2016	3,663,211	350,000	2,336	(16,533,060)	(12,517,513)
Comprehensive loss for the period	-	-	-	(119,274)	(119,274)
Net changes in fair value of available for sale financial assets	-	-	1,873	-	1,873
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment- Net of Tax	-	-	-	32,487	32,487
				-	-
Balance as at September 30, 2016	<u>3,663,211</u>	<u>350,000</u>	<u>4,209</u>	<u>(16,619,847)</u>	<u>(12,602,426)</u>
Balance as at July 1, 2017	3,663,211	350,000	-	(17,031,079)	(13,017,868)
<b>Total Comprehensive loss for the period</b>					
Comprehensive loss for the period	-	-	-	(173,296)	(173,296)
Net changes in fair value of available for sale financial assets	-	-	-	-	-
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment- Net of Tax	-	-	-	80,255	80,255
Balance as at September 30, 2017	<u>3,663,211</u>	<u>350,000</u>	<u>-</u>	<u>(17,124,120)</u>	<u>(13,110,909)</u>

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

  
**Zafar Asim**  
 Chief Executive /  
 Chairman Board of Directors

  
**Hafeez Ahmed**  
 Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE QTR ENDED SEPTEMBER 30, 2017**

**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated in Pakistan on October 04, 1989 and its shares are listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in manufacture and sale of polyester, acrylic fibre and tow products. The registered office of the Company is situated at Plot No.6, Street No.9, Fayyaz Market, G-8/2, Islamabad, Pakistan.

**2 BASIS OF PREPARATION**

**2.1** These condensed interim financial statements of the company are for the quarter ended September 30, 2017 have been prepared in accordance with the requirements of International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" and being submitted to the shareholders under section 245 of the Companies Ordinance 1984 and listing regulations of Pakistan Stock Exchange.

**2.2** These interim financial Statements comprises of the Balance Sheet as at September 30, 2017 and the Profit and Loss Account, Statement of Changes in Equity and the Cash Flow Statement for the quarter ended September 30, 2017.

**2.3** The comparative Balance Sheet presented in these condensed interim financial statements as September 30, 2017 has been extracted from the annual audited financial statements of the company for the year ended June 30, 2017 where as the items of comparative profit and loss account, statement of changes in equity, cash flow statement and statement of comprehensive income are for the quarter ended September 30, 2016.

**3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies, significant accounting estimates and judgments adopted and applied in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the company's annual financial statements for the year ended June 30, 2017.

**4 SHORT TERM BORROWINGS**

The short term borrowings has not been renewed by the bank as of balance sheet date.

**5 CONTINGENCIES AND COMMITMENTS**

The status of contingencies and commitments are same as reported in the yearly financial statements for the year ended June 30, 2017.

## DEWAN SALMAN FIBRE LIMITED

### 6 CORRESPONDING FIGURES

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

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison. significant reclassification was payable to banks in respect of overdue letter of credits and related liabilities has been reclassified from trade creditors to short term borrowing as the same is payable to banks.

### 7 DATE OF AUTHORIZATION FOR ISSUE

These financial statement have been authorized for issue on October 27, 2017 by the board of Directors of the company.

### 8 GENERAL

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



**Zafar Asim**  
Chief Executive /  
Chairman Board of Directors



**Hafeez Ahmed**  
Director

## ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2017-2018 کی پہلی سرمایہ یعنی کہ 30 ستمبر 2017 کے لیے غیر آڈٹ شدہ مالیاتی گوشوارے حاضر خدمت ہیں۔

### کارکردگی

یاد جوہد انتھک محنت اور کوششوں کے آپ کی کمپنی جو کہ ملک کے سب سے بڑے پالیسٹرا اور ملک کے واحد آکرائٹک کی پیداوار کا باعث تھی۔ اس سال بھی اپنے آپریشن شروع کرنے میں ناکام رہی ہے۔ اسکی بنیادی وجہ آپ کی کمپنی کا مسلسل آٹھ سال سے بند رہنا، بین الاقوامی اور مقامی مارکیٹوں میں پالیسٹرا اور آکرائٹک کی طلب میں نمایاں کمی ہیں۔ جسکی وجہ سے کمپنی کو زر مبادلہ کی مدد میں ہماری نقصان تو اٹھانا پڑی رہا ہے ساتھ ساتھ کمپنی سے منسلک ملازمین کی بنیادی ضروریات زندگی بھی متاثر ہو رہی ہیں۔ آپ کی کمپنی کے انتظامیہ نے کمپنی کی، جمالی کے لئے مختلف تیار و پزیرش کی ہیں اور ان تمام تجاویز کو مالیاتی اداروں کے ساتھ قابل عمل بنانے کے بارے میں تبادلہ خیال کیا گیا ہے لیکن بد قسمتی سے مثبت نتائج ابھی تک ابھرنے نظر نہیں آئے ہیں۔

### مالیاتی کارکردگی

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفری (2016: صفر)، کمپنی کا مجموعی نقصان 173.296 ملین روپے (2016: 119.274 ملین روپے) رہا۔

### صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران پالیسٹریک صنعت میں بہتر فروخت اور زیادہ سے زیادہ پیداواری صلاحیت کا استعمال ہوا۔ تاہم، خام مال کی قیمتوں میں کچھ اتار چڑھاؤ دیکھنے میں آیا جس کو سوت کا سٹے کی صنعتوں کی طرف منتقل کر دیا گیا۔ زریوں حال سوت کا سٹے کی صنعت نے بھی اپنی فروخت اور سوت کی قیمتوں کی مدد میں خاطر خواہ اضافہ حاصل کیا خاص طور پر پی وی سوت کی قیمتیں ایک مخصوص سطح پر پہنچ کر پی ایس ایف کی فروخت میں بھی اضافہ کا باعث بنیں۔

مرکب کپاس کی صنعتوں میں کوئی اہم تبدیلی نہیں دیکھی گئی کیونکہ زیر جائزہ مدت کے دوران کپاس کا شعبہ زریوں حالی کا شکار تھا۔ بجلی کی بندش بھی اس دوران کافی حد تک کم رہی جس کی وجہ سے پیداواری صلاحیت خاص متاثر نہیں ہوئی۔ آپ کی کمپنی زیر جائزہ مدت کے دوران پیداواری سرگرمیاں جاری رکھنے میں ناکام رہی۔

### اظہار تشکر:

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

بورڈ اپنی کمپنی کے ایکریٹکٹوز، عملے کے ارکان کی طرف سے پیش کی گئی کراں 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 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، حمد آمین۔

”حقیقت میں میرا رب دعا کا بڑا سنسنے والا ہے“ (القرآن)

بورڈ کی طرف سے



ظفر عاصم

چیرمین بورڈ آف ڈائریکٹرز ایچ ایف ایچ کیو گٹھ

کراچی

تاریخ: 127 اکتوبر 2017