



CONTENTS

Company Information.....	4
Directors' Review.....	5
Auditor's Review Report.....	7
Condensed Interim Balance Sheet.....	9
Condensed Interim Profit and Loss Account	10
Condensed Interim Cash Flow Statement.....	11
Condensed Interim Statement of Changes in Equity.....	12
Condensed Interim Statement of Comprehensive Income.....	13
Notes to the Condensed Interim Financial Statement.....	14
Condensed Interim Operating Results.....	17
Director Report in Urdu.....	18-19

COMPANY INFORMATION

BOARD OF DIRECTORS	:	MR. ZAFAR ASIM CEO & CHAIRMAN BOARD OF DIRECTORS
EXECUTIVE DIRECTOR	:	MR. SALEEM-UL-HAQUE
NON-EXECUTIVE DIRECTORS	:	MR. HAFEEZ 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 half year ended on December 31, 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.

INDUSTRY OVERVIEW

The local Polyester Industry enjoyed almost maximum capacity utilization and respective increased sales volume during the period under review. The PSF prices also witnessed an upward trend both locally and internationally. One of the main reasons of such trend was the closure of PSF/PET Bottles recycling plants in China due to the sanctions imposed by the International Environmental Agencies upon their non-compliance with the international standards. Due to their closure, the demand shifted towards virgin PSF products which resulted in their price increase.

The spinning sector during the period under review, also kept stable as yarn prices also raised accordingly. The spinning sector also enjoyed the consistent supply of electricity and gas which helped in maintaining their capacity utilization and thereby economics well-being.

Your company remain closed during the period under review.

OUTLOOK

We had reported on the debt re-profiling exercise to you in the last audited financial statements for the year ended 30th.June 2017. This effort continues. And Insha-Allah we expect good progress and conclusion in the near future.

FINANCIAL PERFORMANCE

Company recorded net sales of Rs.nil (2016-Rs.nil) during the period under review suffered gross loss of Rs. 380.294 million. (2016 Rs. 256.483 million) And loss after taxation amounted to Rs. 522.452 million. (2016 Rs. 239.261 million)

AIDITOR'S OBSERVATION

- a) 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.
- b) The company has not made provision of mark up for the period amounting Rs. 0.815 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. 1.711 billion are stagnant, not being recovered, against which a provision of Rs.0.538 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.1.173 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



Zafar Asim

Chief Executive / Chairman Board of Directors

Karachi: February 23, 2018

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 balance sheet of Dewan Salman Fibre Limited as at 31 December 2017, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the six months' period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for the quarters ended 31 December 2017 and 2016 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 information of the company for the period ended 31 December 2017 reflects loss after taxation of Rs.0.522 billion and as of that date it has accumulated losses of Rs.17.393 billion which resulted in net capital deficiency of Rs.13.380 billion and its current liabilities exceeded its current assets by Rs.16.117 billion and total assets by Rs.7.826 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 information is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

Feroze Sharif Tariq & Co.

CHARTERED ACCOUNTANTS

Partners : **FEROZE QAISER FCA**
All Husaln 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

- b) The Company has not made provision of markup for the period amounting to Rs.0.815 billion (up to June 30, 2017: Rs.17.636 billion) (refer note 10) on account of restructuring proposal offered to the lenders as described in note 2 to the condensed interim financial information. 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 information. Had the provision of markup been made in the condensed interim financial information, the loss after taxation for the period would have been higher by Rs.0.815 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.18.451 billion.
- 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 information) although the resolution for the permission to sale the same has been expired during financial year ended 30 June 2008. This investment is to be shown / valued 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 Rs1.711 billion are stagnant, not being recovered, against which a provision of Rs0.538 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 1.173 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Feroze Sharif Tariq

Chartered Accountants
(Muhammad Ghalib)

Faruq Ali

Chartered Accountants
(Muhammad Faisal Nini)

Karachi : February 23, 2018

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

	Notes	(Un-audited)	(Audited)
		31 December 2017	30 June 2017
(Rupees in '000)			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
630,000,000 (June 2017: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (June 2017: 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
Reserves		(17,043,022)	(16,681,079)
		<u>(13,379,811)</u>	<u>(13,017,868)</u>
Surplus on revaluation of property, plant and equipment		3,828,808	3,989,317
NON-CURRENT LIABILITIES			
Long term loans		191,015	180,911
Deferred liabilities		1,533,558	1,603,141
CURRENT LIABILITIES			
Trade and other payables		536,335	533,229
Short term borrowings		14,196,095	14,196,095
Overdue portion of long term loans		3,386,424	3,273,024
Overdue portion of lease liabilities		54,145	54,145
Provision for taxation		161,769	161,769
		<u>18,334,768</u>	<u>18,218,262</u>
Contingencies and commitments	5	—	—
		<u>10,508,338</u>	<u>10,973,763</u>
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,944,482	8,305,995
Long term investments	7	122,951	122,951
CURRENT ASSETS			
Stores and spares		786,461	813,589
Trade debts - Unsecured		1,172,779	1,250,625
Advances		9,812	8,522
Short term deposits		160,553	160,553
Other receivables		78,281	77,943
Cash and bank balances		10,019	10,585
		<u>2,217,905</u>	<u>2,321,817</u>
Non-current assets held-for-sale	8	223,000	223,000
		<u>10,508,338</u>	<u>10,973,763</u>

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	<u>Half Year Ended</u>	
	<u>31 December 2017</u>	<u>31 December 2016</u>
	Notes — (Rupees in '000) —	
Sales	--	--
Cost of sales (fixed costs)	380,294	256,483
Gross loss	(380,294)	(256,483)
Distribution cost	911	829
Administration expenses	19,864	17,383
	20,775	18,212
Operating loss	(401,069)	(274,695)
Finance cost	9 123,152	13,297
Provision for doubtful debts / advances	43,216	--
Provision for obsolescence and slow moving stocks and stores	27,128	--
	193,496	13,297
Loss before taxation	(594,565)	(287,992)
Taxation		
Deferred	(72,113)	(48,731)
Loss after taxation	(522,452)	(239,261)
Loss per share - Basic and diluted (Rupees)	(1.43)	(0.65)

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Un-Audited 31 December 2017	Un-Audited 31 December 2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(594,565)	(287,992)
Adjustments for non-cash and other items:		
Depreciation	361,513	238,923
Provision for gratuity	2,650	3,101
Provision for doubtful debts / advances	43,216	
Provision for obsolescence and slow moving stocks and stores	27,128	--
Finance cost	123,152	13,297
	<u>(36,906)</u>	<u>(32,671)</u>
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Trade debts	34,630	33,055
Advances	(1,290)	(145)
Other receivables	(199)	(206)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	3,461	2,703
	<u>36,602</u>	<u>35,407</u>
Cash (used in) / generated from operations	(304)	2,736
Payments for:		
Staff gratuity	(120)	(2,350)
Finance cost	(3)	(8)
Taxes	(139)	--
	<u>(262)</u>	<u>(2,358)</u>
Net cash (outflows) / inflows from operating activities	(566)	378
CASH FLOWS FROM INVESTING ACTIVITIES	--	--
CASH FLOWS FROM FINANCING ACTIVITIES	--	--
Net increase in cash and cash equivalents	(566)	378
Cash and cash equivalents at beginning	<u>(2,962,310)</u>	<u>(2,964,945)</u>
Cash and cash equivalents at 31 December	<u>(2,962,876)</u>	<u>(2,964,567)</u>
Note - A		
Cash and cash equivalents		
Cash and cash equivalents include:		
Cash and bank balances	10,019	8,328
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>(2,962,876)</u>	<u>(2,964,567)</u>

(Note A)

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Issued, subscribed and paid-up capital	General Reserve	Unrealized gain due to changes in fair value of investments <i>(Rupees in '000)</i>	Accumulated Loss	Total
Balance as at 1 July 2016	3,663,211	350,000	2,336	(16,533,060)	(12,517,513)
Total comprehensive (loss) for the period					
Loss for the period	-	-	-	(239,261)	(239,261)
Net change in fair value of available-for-sale financial assets	-	-	6,215	-	6,215
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	65,930	65,930
	-	-	6,215	(173,331)	(167,116)
Balance as at 31 December 2016	3,663,211	350,000	8,551	(16,706,391)	(12,684,629)
Balance as at 1 July 2017	3,663,211	350,000	-	(17,031,079)	(13,017,868)
Total comprehensive (loss) for the period					
Loss for the period	-	-	-	(522,452)	(522,452)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	-	160,509	160,509
	-	-	-	(361,943)	(361,943)
Balance as at 31 December 2017	3,663,211	350,000	-	(17,393,022)	(13,379,811)

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Un-Audited 31 December 2017	Un-Audited 31 December 2016
	----- (Rupees in '000) -----	
Net loss after taxation	(522,452)	(239,261)
Net change in fair value of available-for-sale financial assets	—	6,215
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment	232,622	95,551
Related deferred tax	(72,113)	(29,621)
	160,509	65,930
Total comprehensive loss transferred to equity	<u>(361,943)</u>	<u>(167,116)</u>

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


Zafar Asim
 Chief Executive /
 Chairman Board of Directors


Hafeez Ahmed
 Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on 4 October 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 Dewan Centre, House No. 58, Margalla Road, F-7/2, Islamabad, Pakistan.

2 GOING CONCERN ASSUMPTION

The condensed interim financial information for the half year ended 31 December 2017 reflects loss after taxation of Rs.0.522 billion (June 2017: Rs.0.631 billion) and as of that date it has accumulated losses of Rs.17.393 billion (June 2017: Rs.17.031 billion) which have resulted in net capital deficiency of Rs.13.380 billion (June 2017: Rs.13.018 billion) and its current liabilities exceeded its current assets by Rs.16.117 billion (June 2017: Rs.15.896 billion) and total assets by Rs.7.826 billion (June 2017: Rs.7.244 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 information 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 information has been prepared on a going concern basis.

3 BASIS OF PREPARATION

3.1 These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. As per the requirements of circular No. CLD/CCD/PR(11)/2017 dated 20 July 2017 and circular No. 23 of 2017 dated 4 October 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), the Company has prepared these financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance). Accordingly, approved accounting standards for interim financial reporting comprise of International Accounting Standard 34, 'Interim Financial Reporting' and provisions of and directives issued under the Ordinance. In case requirements differ, the provisions of or directives issued under the Ordinance prevail.

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 2017.

3.3 The figures included in the condensed interim profit and loss account for the quarters ended 31 December 2017 and 2016 and in 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 2017 and 2016.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

5 CONTINGENCIES AND COMMITMENTS

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

	(Un-audited) Dec. 31, 2017	(Audited) June 30, 2017
	(Rupees in '000)	
6 PROPERTY PLANT AND EQUIPMENT		
Operating fixed assets	7,801,669	8,163,182
Capital work in progress	142,813	142,813
	<u>7,944,482</u>	<u>8,305,995</u>
7 LONG TERM INVESTMENTS		
<i>Investment in listed securities</i>		
Global Securities (Pvt) Limited 495,000 shares (June 2017: 495,000 shares) of Rs.10/- each at a premium of Rs.40.92/- per share	25,205	25,205
Equity investment in Dewan Petroleum (Pvt) Limited 12,000,000 shares (June 2017: 12,000,000 shares) of Rs.10/- each at a premium of Rs.8.583/- per share	223,000	223,000
Shares application money - Dewan Petroleum (Pvt.) Ltd	97,746	97,746
	320,746	320,746
Transferred to non-current assets held-for-sale	(223,000)	(223,000)
	<u>122,951</u>	<u>122,951</u>

8 NON-CURRENT ASSETS HELD-FOR-SALE

This represent equity investment in Dewan Petroleum (Private) Limited representing 12 million ordinary shares of Rs. 10/- each at a premium of Rs.8.583/-. 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.

9 FINANCE COST

The Company has not made the provision of mark-up amounting to Rs.0.815 billion (Upto 30 June 2017: Rs.17.636 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.0.815 billion and accrued mark-up would have been higher and shareholders' equity would have been lower by Rs.18.451 billion. The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs'.

10 TRANSACTIONS WITH RELATED PARTIES

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

11 CORRESPONDING FIGURES

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison. However, 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.

12 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information have been authorized for issue on 23rd February 2018 by the Board of Directors of the Company.

13 GENERAL

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

**CONDENSED INTERIM OPERATING RESULT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2017**

	31 December Notes 2017	31 December 2016
	----- (Rupees in '000) -----	
Sales	—	—
Cost of sales (fixed costs)	<u>189,980</u>	<u>129,509</u>
Gross loss	<u>(189,980)</u>	<u>(129,509)</u>
Distribution cost	<u>456</u>	<u>415</u>
Administration expenses	<u>10,694</u>	<u>9,156</u>
	<u>(11,150)</u>	<u>9,571</u>
Operating loss	<u>(201,130)</u>	<u>(139,080)</u>
Finance cost	10 <u>113,739</u>	<u>14,350</u>
Provision for doubtful debts / advances	<u>43,216</u>	—
Provision for obsolescence and slow moving stocks and stores	<u>27,128</u>	—
	<u>184,083</u>	<u>14,350</u>
Loss before taxation	<u>(385,213)</u>	<u>(153,430)</u>
Taxation		
Deferred	<u>(36,057)</u>	<u>(33,443)</u>
Loss after taxation	<u><u>(349,156)</u></u>	<u><u>(119,987)</u></u>
Loss per share - Basic and diluted (Rupees)	<u><u>(0.95)</u></u>	<u><u>(0.33)</u></u>

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



Zafar Asim
Chief Executive /
Chairman Board of Directors



Hafeez Ahmed
Director

ج (ب) کے مطابق کمپنی نے دیوان پیٹرولیم میں سرمایہ کاری کی درجہ بندی فروخت کے لئے رکھ چھوڑے اثاثہ جات کے خانے میں کی ہے جبکہ انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ کی شیٹ 28 کے مطابق اس کا تخمینہ اکو بیڑھ کے ذریعہ کیا جاتا تھا کمپنی اس سرمایہ کاری کو اگلے مالیاتی سال میں فروخت کرنے کا ارادہ رکھتی تھی تاکہ حاصل ہونے والی رقم کمپنی کے آپریشن دوبارہ شروع کرنے میں مددگار ثابت ہوں۔ اس مقصد کے لئے 2008 میں ایک خصوصی قرارداد منظور کی گئی تھی جو کہ مذکورہ سال میں ہی اپنی معیاد پوری کر چکی۔ چنانچہ اس سرمایہ کاری کو فروخت کرنے کے بوقت ضرورت حصص یافتگان سے دوبارہ منظوری لی جائیگی۔

د) آڈٹ رپورٹ یہ بھی واضح کرتی ہے کہ گاہکوں کو دیا گیا تجارتی قرضہ 1.711 بلین روپے جس پر 0.538 بلین روپے کا مارک اپ کا تخمینہ لگایا گیا ہے ابھی تک واپس نہیں لئے گئے اور جمود کا شکار ہیں چونکہ ان قرضوں کی واپسی مشکوک ہے اس لئے نقصان کا تخمینہ لگانا ضروری ہے۔ اس بات کو مد نظر رکھتے ہوئے کمپنی نے مزید 1.173 بلین روپے نقصان کا تخمینہ لگایا ہے۔ آپ کی کمپنی کی انتظامیہ ان قرضوں کی وصولی کے لئے اپنی انتہائی کوشش کر رہی ہے۔ ہمیں قرضداروں سے مثبت رویے اور جلد از جلد قرضوں کی وصولی کی امید ہے۔

اعتراف

بورڈ کو قابل قدر حصص یافتگان، وفاقی اور صوبائی حکومت کے کارکنوں، بینکوں، مالیاتی اداروں اور سلسیل 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 فرمائیں۔ ہمیں صراطِ مستقیم پر چلنے کی توفیق عطا فرمائیں۔ ہماری قوم اور ملک میں خوشحالی، امن، ہم آہنگی، تمام امت مسلمہ میں حقیقی اسلامی روح، بھائی چارگی اور اتحاد عطا فرمائیں۔ آمین۔ حمد آمین۔

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


ظفر عاصم

چیف ایگزیکٹو افسر، بورڈ آف ڈائریکٹرز

کراچی؛
تاریخ: 23 فروری 2018ء

(ب)

ڈائریکٹر کا جائزہ

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے مالی سال 2017-2018 کی شش ماہی یعنی کہ 31 دسمبر 2017 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۔

کارکردگی

زیر جائزہ مدت کے دوران اپنی پوری کوششوں کے باوجود، ہم ورکنگ کیپٹل کی عدم دستیابی کی وجہ سے آپ کی کمپنی کے پائٹس فعال کرنے کے قابل نہیں تھے۔ تاہم، آپ کی کمپنی کی انتظامیہ ملک کے سب سے بڑے پونٹ کے آپریٹرز کو پھر سے بحال کرنے کے لیے کوشاں ہے۔۔۔ جیسا کہ ہمارے گزشتہ آڈٹ مالیاتی رپورٹس میں وضاحت کی گئی ہے کہ کمپنی کو قرض دہندہ کے ساتھ مقدموں کا سامنا ہے، جنہیں منجھت خوش اسلوبی سے نبھایا ہے اور کامل یقین رکھتی ہے معزز عدالتوں کا فیصلہ آپ کی کمپنی کے حق میں ہوگا۔

صنعت کا مجموعی جائزہ

زیر جائزہ مدت کے دوران، مقامی پالیسٹریک صنعت نے اپنی بھرپور پیداوری صلاحیتوں کا استعمال کیا، جس کے نتیجے میں فروخت بھی اونچائی پر رہی۔ مقامی اور غیر مقامی سطح پر پی ایس ایف کی قیمتیں بھی بلندی پر رہیں۔ قیمتوں میں اضافے کی ایک بنیادی وجہ بین الاقوامی ماحولیاتی ادارے کی طرف سے ایک شق کا نفاذ بھی ہے، جس کے تحت چینی ریسیکلڈ مصنوعات جیسے کہ پی ایس ایف/ پی ای ٹی بوتلوں پر بین الاقوامی معیار کو نظر انداز کرنے پر پیداواری پابندی کا سامنا ہے۔ اس بندش کے نتیجے میں غیر استعمال شدہ پی ایس ایف کی طلب میں اضافہ ہوا جو کہ قیمتوں میں اضافے کا باعث بنا۔

دوران مدت، سوت کی قیمتیں بھی بلند رہیں جسکی وجہ سے سوت کا تنے کی صنعت بھی مستحکم رہی۔ بجلی اور گیس کی مسلسل فراہمی نے بھی پیداوری صلاحیتوں کے بھرپور استعمال کو متاثر نہیں کیا جس کی وجہ سے معیشت مستحکم رہی۔ تاہم، زیر جائزہ مدت کے دوران آپ کی کمپنی بند رہی۔

مالیاتی کارکردگی

زیر جائزہ مدت کے دوران کمپنی کی مجموعی فروخت صفر رہی (2016: صفر)، کمپنی کا مجموعی نقصان 380.294 ملین روپے (2016: 256.483 ملین روپے) رہا۔ جبکہ ٹیکس کی کٹوتی کے بعد نقصان 522.452 ملین روپے (2016: 239.261 ملین روپے) رہا۔

آڈیٹرز کے مشاہدے

الف) پیرا (1) میں رپورٹ کرتے ہیں کہ وہ گونگ کنسرن کے مفروضے پر ملخص عبوری مالیاتی رپورٹس کی تیاری پر راضی نہیں، اور اپنی حتمی رائے رکھتے ہیں جبکہ کمپنی کے مطابق منجھت بینکاروں سے مسلسل مذاکرات کے عمل میں ہیں اور پر امید ہیں کہ نتیجہ مثبت ہوگا۔ ملخص عبوری مالیاتی رپورٹس کی گونگ کنسرن کے مفروضے پر تیاری کی مزید تاویل اس مالیاتی رپورٹ کے پیرا نمبر 11 میں دیکھی جاسکتی ہے۔

ب) زیر جائزہ مدت میں کمپنی نے بینکوں کو واجب الادا رقم پر مارک اپ کا تخمینہ نہیں لگایا جو کہ 0.815 ملین روپے بنتا ہے۔ کمپنی کی منجھت 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 مارک اپ کے حوالے سے کوئی تخمینہ نہیں لگایا۔

(الف)