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## COMPANY INFORMATION

- BOARD OF DIRECTORS :** DEWAN MOHAMMAD YOUSUF FAROOQUI  
PRESIDENT/CHIEF EXECUTIVE
- DEWAN ASIM MUSHFIQ FAROOQUI  
MANAGING DIRECTOR
- DEWAN ABDUL REHMAN FAROOQUI  
DEWAN ABDULLAH AHMED  
DEWAN ABDUL BAQI FAROOQUI  
SHAHID HUSSAIN SHERA  
FARRUKH V. JUNAIDY
- AUDIT COMMITTEE :** DEWAN MOHAMMAD YOUSUF FAROOQUI - CHAIRMAN  
DEWAN ABDUL BAQI FAROOQUI - MEMBER  
DEWAN ABDUL REHMAN FAROOQUI - MEMBER
- AUDITORS :** FARUQ ALI & CO.  
CHARTERED ACCOUNTANTS
- FEROZE SHARIF TARIQ & CO.  
CHARTERED ACCOUNTANTS
- COMPANY SECRETARY :** MANSOOR-UL-HAQ
- LEGAL ADVISORS :** KHALID ANWER & COMPANY - ADVOCATES
- TAX ADVISORS :** SHARIF & COMPANY - ADVOCATES
- FACTORY OFFICE :** PLOT NO 1, DEWAN FAROOQUE INDUSTRIAL PARK,  
HATTAR, DISTRICT HARIPUR (N.W.F.P.)
- HEAD OFFICE :** FINANCE & TRADE CENTRE BLOCK-A, 8TH FLOOR,  
SHAHRAH-E-FAISAL, KARACHI.
- REGISTERED OFFICE :** DEWAN CENTRE, 46-NAZIMUDDIN ROAD, F-7/4, ISLAMABAD.
- BANKERS :** ABN AMRO BANK  
AL BARAKA ISLAMIC INVESTMENT BANK LIMITED  
ALLIED BANK LIMITED  
ASKARI COMMERCIAL BANK LIMITED  
ATLAS BANK LIMITED  
BANK ALFALAH LIMITED  
BANK OF KHYBER LIMITED  
BANK OF PUNJAB LIMITED  
CITIBANK N.A.  
FAYSAL BANK LIMITED  
HABIB BANK LIMITED  
HABIB METROPOLITAN BANK LIMITED  
HONG KONG & SHANGHAI BANKING CORPORATION  
KASB BANK LIMITED  
MEEZAN BANK LIMITED  
MYBANK LIMITED  
MCB BANK LIMITED  
NATIONAL BANK OF PAKISTAN LIMITED  
NIB BANK LIMITED  
PICIC COMMERCIAL BANK LIMITED  
STANDARD CHARTERED BANK LIMITED  
SAUDI PAK COMMERCIAL BANK LIMITED  
SONERI BANK LIMITED  
UNION BANK LIMITED  
UNITED BANK LIMITED



## THE MISSION STATEMENT

- \* “THE MISSION OF DEWAN SALMAN FIBRE LIMITED IS TO BE THE LEADER IN SYNTHETIC FIBRE MANUFACTURING IN PAKISTAN AND BECOME A GLOBAL PLAYER IN THE FIELD.
  
- \* TO ASSUME LEADERSHIP ROLE IN THE TECHNOLOGICAL ADVANCEMENT OF THE INDUSTRY AND TO ACHIEVE THE HIGHEST LEVEL OF QUALITATIVE AND QUANTITATIVE INDIGENIZATION.
  
- \* TO BE THE FINEST ORGANIZATION IN ITS INDUSTRY AND TO CONDUCT ITS BUSINESS RESPONSIBILITY AND IN A STRAIGHT FORWARD MANNER.
  
- \* TO SEEK LONG-TERM AND GOOD RELATIONS WITH OUR SUPPLIERS AND CUSTOMERS WITH FAIR, HONEST AND MUTUALLY PROFITABLE DEALINGS.
  
- \* TO ACHIEVE THE BASIC AIM OF BENEFITING OUR CUSTOMERS, EMPLOYEES, SHAREHOLDERS, OTHER STAKE HOLDERS AND TO FULLFIL US COMMITMENTS TO OUR SOCIETY.
  
- \* TO CREATE A WORK ENVIRONMENT HIGHLIGHTING TEAM WORK, WHICH MOTIVATES, RECOGNIZES AND REWARDS ACHIEVEMENTS AT ALL LEVELS OF THE ORGANIZATION, BECAUSE “IN ALLAH WE TRUST AND BELIEVE” AND HUMAN RESOURCE IS OUR CAPITAL AND ASSET.
  
- \* TO BE HONEST AND BE ABLE TO RESPOND EFFECTIVELY TO CHANGES IN ALL ASPECTS OF LIFE INCLUDING TECHNOLOGY, CULTURE PROACTIVE AND ENVIRONMENT.
  
- \* TO BE A CONTRIBUTING CORPORATE CITIZEN FOR THE BETTERMENT OF SOCIETY AND TO EXHIBIT A SOCIALLY RESPONSIBLE BEHAVIOR.
  
- \* TO CONDUCT BUSINESS WITH INTEGRITY AND STRIVE TO BE THE BEST.”





## NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Eighteenth Annual General Meeting of Dewan Salman Fibre Limited ("the Company") will be held on **Friday, November 30, 2007, at 09:00 a.m., at 58 Main Margalla Road, F-7/2, Islamabad, Pakistan**; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

1. To read and confirm the minutes of the Seventeenth Annual General Meeting of the Company held on Monday, October 30, 2006;
2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2007, together with the Directors' and Auditors' Reports thereon;
3. To appoint the Statutory Auditors' of the Company for the ensuing year, and to fix their remuneration;
4. To consider any other business with the permission of the Chair.

*By Order of the Board*

**Mansur-ul-Haque**  
Company Secretary

Dated: November 08, 2007

### NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from November 24, 2007 to November 30, 2007 (both days inclusive) and no transfer will be accepted for registration during this period.
3. Members are requested to immediately notify change in their addresses, if any, at the Shares Department of the company, located at A-14, Trade Centre, Block 7/8, K.C.H.S., Main Shahrah-e-Faisal, Karachi 75350, Pakistan.
4. A member of the Company entitled to attend and vote at this meeting, may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies, in order to be effective, must be received by the Company at the abovesaid address, not less than 48 hours before the meeting.
5. CDC Account holders will further have to observe the following guidelines, as laid down in Circular 01 dated January 20, 2000, issued by the Securities and Exchange Commission of Pakistan:
  - a) **For Attending Meeting:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC), or original passport at the time of attending the meeting.
    - ii) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) at the time of meeting.
  - b) **For Appointing Proxies:**
    - i) In case of individual, the account holder or sub-account holder, and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
    - ii) Two persons, whose names, addresses, and NIC numbers shall be mentioned on the form, shall witness the proxy.
    - iii) Attested copies of NIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.
    - iv) The proxy shall produce his/her original NIC or original passport at the time of the meeting.
    - v) In case of corporate entity, the Board of Directors' resolution/power of attorney, alongwith the specimen signature of the nominee, shall be produced (unless it has been provided earlier) along with the proxy form to the Company.





## DIRECTORS' REPORT

IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL

لَئِنْ شَكَرْتُمْ لَأَزِيدَنَّكُمْ (القرآن)

اگر شکر کرو تم ابنتہ زیادہ دوں گا میں تم کو۔

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

Your Directors take pleasure in presenting you the Eighteenth Annual Report of the Company together with the Audited Accounts for the year ending on June 30, 2007.

We humbly and gratefully bow our heads before Almighty Allah, the most Gracious and Merciful for enabling us in combating the most challenging time and pray for his blessing for early revival of Synthetic Fibre Sector.

### OPERATING AND FINANCIAL RESULTS

During the year under review, your company recorded net turnover of Rs.15,011 millions (Rs.16,733 millions June 30, 2006). It also includes turnover of Acrylic fibre Rs.2,180 millions during the year (Rs.2,645 Millions June 30, 2006). There was 18% reduction in turn over in the year under review as compared to the previous year. Demand of polyester fibre remained depressed due to the following reasons:

- 1- Import of polyester at Dumping prices from Indonesia, Korea and Thailand.
- 2- After imposition of Anti Dumping in February 2007 importers started importing polyester from China.
- 3- The higher margin in cotton based products as against polyester products due to higher PSF feedstock prices made cotton consumption more viable as against PSF.

Gross profit margin reduced to Rs.272 millions as compared to Rs.1,031 million recorded in the last year as the utilization of plant capacity of polyester in 2007 is 56.80% as compared to 65.13% in 2006. Acrylic Capacity utilization in year ended 2007 is 61.84% as compared to 69.32% during the year ended 2006. The operating loss is Rs.53 Millions as compared to operating profit of Rs. 609 millions in the previous year. Company suffered net loss amounting to Rs. 1,154 millions after meeting higher financial cost of Rs. 1,130 millions. Main reason of increase in financial cost is higher KIBOR rates, increase in bank spread and higher cost of penal mark up paid on over due amounts.

The key financial information for the year under review is given below:

	2007	2006
	(Rupees in Millions)	
Net sales	15,011	16,723
Depreciation	1,237	936
Cost of Sales	14,739	15,692
Gross Profit	272	1,031
Operating (Loss)/profit	(53)	609
(Loss) after taxation	(808)	(120)
(Loss) per share		
Basic	(2.21)	(0.33)
Diluted	(2.11)	(0.29)

### DIVIDEND

In view of loss after taxation due to adverse business conditions for the year under review, no dividend has been recommended by the Board of Directors.

### INDUSTRY OVERVIEW

Textile industry of Pakistan remained under pressure and faced tough competition in export market due to high cost of doing business in Pakistan. Textile Mills are finding it difficult to cope the present situation and consequently, some of the low end mills either have closed or are on the verge of closure.

In the Federal budget 2007-08, the Government has once again included Polyester Fibre in DTRE regime. This will instigate Textile mills towards importing polyester fibre rather than using locally manufactured polyester fibre. In order to bring local polyester industry out from present crisis Govt. of Pakistan has



announced Research and Development Facility of 3.5%. However, till date mechanism of payment of such R&D support has not been finalized.

### OIL & GAS BUSINESS

As mentioned in our last report your company invested in Dewan Petroleum (Pvt) Ltd. which is engaged in the exploration of oil & gas in the country. IFC (subsidiary of World Bank) has invested equity and given loan to Dewan Petroleum (Pvt) Ltd. to support its exploration business in Pakistan. We feel pleasure in informing you that investment of your company has been increased to many times on the basis of equity invested by IFC in Dewan Petroleum (Pvt) Ltd.. Experts are of the opinion that with the discovery of more wells this investment is bound to grow many folds.

Dewan Petroleum (Pvt) Ltd. Has started supplying Gas to Sui Northern Gas Company and has started generating revenues. At the same time it has started drilling of new wells for the exploration of oil & Gas and we pray to Almighty Allah for the more discoveries in the future wells.

### FUTURE OUTLOOK

Raw material prices of polyester are still showing upward trend because of continuous rise in crude oil prices. High prices of raw material and import of polyester from China at low prices is likely to keep polyester industry under pressure. Polyester Industry has demanded Govt. of Pakistan to stop the import of polyester from China at dumping prices.

The cotton crop size for next season and the price parity vs polyester prices is going to determine the future trend of polyester consumption for the next season. By the Grace of Almighty Allah your company has the manufacturing facility capable to produce quality products, i.e., 20000 M.Tons per month of polyester and 2000 M.Tons per month of acrylic. In order to sell polyester and acrylic our marketing team is making vigorous efforts to capture some of the lost local market and exploring export markets of Iran, Turkey, Bangladesh and Europe.

### CHANGE IN BOARD OF DIRECTORS

Subsequent to the period end, Dewan Zia-Ur-Rehman Farooqui, has resigned from the Board of Directors of

the Company. Dewan Zia, in his capacity as the Chief Executive Officer of the Company for over a decade, has made commendable contributions towards setting forth the operational and diversification strategy of the Company. The management takes this opportunity to place on record its humble gratitude towards Dewan Zia for his efforts and contributions as the Patron-in-Chief/ Chief Executive Officer of the Company, and wish him all the success in his future endeavors.

The other change in the Board of Directors of the Company, also subsequent to the year end, were the resignations of Dewan Ghulam Mustafa Khalid and Dewan Muhammad Ayub Khalid, casual vacancies for which were duly filled-up by the Board of Directors of the Company.

### Debt Reprofitting Exercise

At present, the freshly reconstituted Board of Directors of the Company is challenged with continuing of both the smooth and efficient operations of the Company. The primary, and critical uphill tasks at hand for the new management are to manage the alarming shortfall in the working capital and related financing lines available to the Company, while, conversely ensuring the continued availability of the raw materials for the smooth operations of the Company, reduction in receivables and inventory levels, efficient plant operations and right sizing of human resources. To this end, the management contemplates a financial restructuring plan, which envisages some financial relief and an efficient working capital management in the Company, including the management of inventory on a fairly reasonable, prudent and analytical basis. The management believes that the fruits of these endeavors shall Insha-Allah bear in the form of improved results in the coming years. The planned financial restructuring shall allow the Company some breathing space to bring the operational efficiency of the Company back in order, and is also intended to reduce the burden of high financial cost in the Company

Subsequent to the year end, the Company has entered into an arrangement with the lenders for the restructuring / reprofiling of its existing liabilities. An agreement for Exchangeable Term Finance Certificates (ETFCs) amounting to Rs. 2,000 million is in the process of being finalized with a consortium of banks.



The facility is being provided to meet the shortfall in the working capital requirements of the Company.

The Company has been facing problems due to depressed polyester sale and now constrain in adequate supply of raw materials to plant. Polyester market (local/ international) has now improved substantially due to short fall in the present cotton crop. Hectic efforts of our market team have earned huge quantity of local/ international orders. Due to short supply of raw material to the plant, the Company is not able to supply desired polyester to our customers. Management of the Company is confident that with the induction of funds from the facility, the problem of short supply of raw material to the plant will be addressed and we will be able to meet our future commitments in time.

Furthermore, the management is also planning to reprofile the existing short term liabilities of the Company into Privately Placed Term Finance Certificates (PPTFCs) of Rs. 7,500 million which will help ease the pressure on the cash flows of the Company.

#### CODE OF CORPORATE GOVERNANCE:

The directors of your company are aware of their responsibilities under the Code of Corporate Governance, incorporated in the Listing Regulations of the Stock Exchanges in the country under instructions from Security & Exchange Commission of Pakistan. We are taking all necessary steps to ensure Good Corporate Governance in your company as required by the code.

**As a Part of the compliance of the code, we confirm the following:**

- \* The financial statements, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- \* Proper book of account of the Company have been maintained.
- \* Appropriate accounting policies have been consistently applied.

International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

The system of internal control is sound in design and is being effectively implemented and monitored.

- \* The company has a very sound balance sheet with excellent debt equity ratio and therefore there is no doubt at all about company's ability to continue as a going concern.
- \* There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations.
- \* Significant deviations from last year's operating results have been disclosed in Director's report.
- \* Information regarding outstanding taxes and levies is given in notes to the financial statements.
- \* We have an Audit Committee from amongst the members of the Board of Directors.
- \* We have prepared and circulated a Statement of Ethics and Business Strategy among directors and employees.
- \* The Board of Directors has adopted a Mission Statement and a Statement of Overall Corporate Strategy.
- \* As required the Code of Corporate Governance, we have included the following information in this report:
  - \* Statement of the Board meetings held during the year and attendance by each director.
  - \* Key operating and financial statistics for the six years.





### PATTERN OF SHARE HOLDING

The pattern of shareholdings of the company is attached to this report.

### VOTE OF THANKS

The Board places on record its gratitude to its valued shareholders, Federal and Provincial Government functionaries, banks, financial institutions and customers of Salsabil, whose cooperation, continued support and patronage have enabled the company to achieve the desired results.

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, it recognizes that they are most valuable assets of the Company.

### AUDITORS

The Auditors of the Company, M/s Faruq Ali & Company, Chartered Accountants and M/s Feroze Sharif Tariq & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment under the terms of the code of corporate governance, they have been recommended by the audit committee for re-appointment as auditors until the conclusion of the next annual general meeting.

### CONCLUSION

In conclusion, we bow, beg and pray to **Almighty Allah, Rahman-e-Rahim**, in the name of our beloved prophet, **Muhammad, may peace be upon him**, for continued showering of His Blessings, Guidance, Strength, Health and Prosperity on our Nation, Country, Our Company peace, harmony, brotherhood and unity in true Islamic spirit to the whole of Muslim Ummah, Ammen, Summa-Ameen.

إِنَّ رَبِّي لَسَمِيعُ الدَّعَاءِ (القرآن)  
حقیقت میں میرا رب دعا کا بڑا سننے والا ہے۔

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

*By and under Authority of the Board of Directors*

**Dewan Asim Mushfiq Farooqi**  
Managing Director

Karachi: 8th November, 2007





## FINANCIAL HIGHLIGHTS

Rupees in million

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Turnover	6,052	5,638	6,724	17,972	17,967	18,661	21,122	19,470	16,732	15,021
Less: Govt. Levy & Commission	715	731	918	2,406	2,992	2,942	3,048	2,127	10	10
Sales (Net)	5,337	4,907	5,806	15,566	14,975	15,719	18,074	17,343	16,722	15,011
Gross Profit	639	636	1,061	2,183	2,156	1,438	1,674	1,092	1,030	272
Profit (loss) before Tax	215	207	549	795	468	87	399	15	(101)	(1,154)
Profit (loss) after Tax	215	296	514	631	317	28	327	(128)	(120)	(808)
Gross Assets Employed	7,728	9,785	18,235	18,361	17,967	18,397	19,670	20,565	24,743	23,546
Return on Equity	7.71%	9.99%	10.70%	11.61%	5.51%	0.49%	5.49%	(2.27%)	(1.40%)	(10.36%)
Current assets	3,143	3,089	6,265	6,901	7,096	7,596	9,670	11,350	11,458	11,190
Shareholders Equity	2,788	2,963	4,803	5,434	5,751	5,659	5,963	5,626	8,605	7,797
Long Term Debts & Deferred Liabilities	2,209	4,259	5,307	5,781	5,037	4,472	3,604	3,191	4,654	3,831
Current Liabilities	2,697	2,563	8,124	7,145	7,179	8,266	10,103	11,747	11,485	11,917
Gross Profit Ratio	11.97%	12.96%	18.27%	14.02%	14.40%	9.15%	9.26%	6.30%	6.20%	1.81%
Net Profit Ratio	4.03%	6.03%	8.85%	4.05%	2.12%	0.18%	1.81%	(0.74%)	(0.72%)	(5.38%)
Debt/Equity Ratio	0.79	1.44	1.10	1.06	0.88	0.79	0.60	0.56	0.54	0.49
Current Ratio	1.17	1.21	0.77	0.97	0.99	0.92	0.96	0.97	1.00	0.94
Earning per Share Divided (Percentage)	1.54	1.84	1.82	1.85	0.93	0.08	0.96	(0.35)	(0.33)	(2.21)
-Cash	-	7.50%	-	-	-	-	-	-	-	-
-Stock	15.00%	12.50%	50.00%	12.50%	-	-	7.50%	-	-	-
Production Volume(Tons)	102,506	101,804	193,743	241,732	259,423	235,805	279,291	197,677	186,615	152,764



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2007

This statement is being presented to comply with the code of Corporate Governance as contained in the listing regulations of the Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principals contained in the Code in the following manner:

1. The company encourages representation of Independent non-executive directors. At present, the Board includes five non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a member of stock exchange, has been declared as a defaulter by that Stock Exchange.
4. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the company.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board meet once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
8. The Board arranged an orientation course for its directors during the year to appraise them of their duties and responsibilities.
9. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
10. The directors, report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
11. The Financial Statement of the Company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the Company other than that has already been disclosed in the pattern of shareholder.
13. The company has complied with all the corporate and financial reporting requirements of the code.
14. The Board has formed an audit committee. It comprises three members, two of whom are non-executive directors.





15. The meetings of the audit committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the Code. The terms of reference to the committee have been formed and advised to the committee for compliance.
16. The Board has set-up an effective internal audit function.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other material principals contained in the Code have complied with.

Total Meetings of Board of Director during the year. 5

Name of Director	No. of Meetings Attended
Dewan Zia-ur-Rehman Farooqui	5
Dewan Asim Mushfiq Farooqui	5
Dewan Ghulam Mustafa Khalid	4
Dewan Mohammad Yousuf Farooqui	3
Dewan Abdul Rehman Farooqui	5
Dewan Muhammad Ayub Khalid	3
Dewan Abdullah Ahmed	3

**Dewan Asim Mushfiq Farooqui**  
Managing Director

Date : November 08, 2007  
Place : Karachi



## *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

### REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Dewan Salman Fibre Limited** to comply with the respective Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2007.

*Faruq Ali & Company*  
 Chartered Accountants

*Feroze Sharif Tariq & Company*  
 Chartered Accountants

Karachi: 8th November, 2007





## *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

We have audited the annexed balance sheet of **DEWAN SALMAN FIBRE LIMITED** as at June 30, 2007 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2007 and of the Loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

*Faruq Ali & Company*  
 Chartered Accountants

*Feroze Sharif Tariq & Company*  
 Chartered Accountants

Karachi: 8th November, 2007



## BALANCE SHEET AS AT JUNE 30, 2007

	Notes	2007 (Rupees in '000)	2006
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHARE CAPITAL AND RESERVES</u></b>			
Authorized Capital			
630,000,000 (2006: 630,000,000) Ordinary shares of Rs. 10 each		6,300,000	6,300,000
90,000,000 (2006: 90,000,000) Preference shares of Rs. 10 each		900,000	900,000
		<u>7,200,000</u>	<u>7,200,000</u>
Issued, subscribed and paid-up capital	3	3,663,211	3,663,211
Reserves	4	1,048,337	1,557,223
		<u>4,711,548</u>	<u>5,220,434</u>
<b><u>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</u></b>	5	3,085,111	3,384,511
<b><u>NON CURRENT LIABILITIES</u></b>			
Long Term Loans	6	2,129,947	2,537,460
Liability against assets subject to finance lease	7	116,121	153,100
Deferred Liabilities	8	1,585,908	1,963,087
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	9	4,936,036	4,885,536
Markup accrued		228,243	204,462
Short term borrowings	10	5,190,310	5,048,154
Current portions of:			
Long Term Loans	6	968,364	777,205
Liability against assets subject to finance lease	7	38,750	34,182
Provision for taxation		555,461	535,845
		<u>11,917,164</u>	<u>11,485,384</u>
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>	11	--	--
		<u>23,545,799</u>	<u>24,743,976</u>





	Notes	2007 (Rupees in '000)	2006
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	12	12,050,679	13,007,054
Long-term Investments and advances	13	277,218	252,161
Long-term Deposit against leased assets		11,148	11,148
Long-term Prepayments	14	34,071	38,330
(Negative) Goodwill	15	(17,337)	(23,116)
<b>CURRENT ASSETS</b>			
Stores and Spares	16	1,076,033	1,119,456
Stock-in-Trade	17	6,634,546	6,843,976
Trade Debts - Considered good	18	2,407,652	1,938,021
Advances - considered good	19	21,364	26,810
Short Term Deposits and Prepayments	20	168,429	103,952
Other Receivables- Considered good	21	342,529	814,928
Advance Income tax		384,125	317,086
Cash and Bank Balances	22	155,342	294,170
		11,190,020	11,458,399
		<b>23,545,799</b>	<b>24,743,976</b>

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

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the company is presently out of the country, therefore these financial statements have been signed by two Directors of the company duly authorized by the Board of Directors.

**Dewan Asim Mushfiq Farooqui**  
Managing Director

**Dewan Abdul Rehman Farooqui**  
Director



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2007

	Notes	2007 (Rupees in '000)	2006
Sales	23	15,021,483	16,732,600
Commission		10,338	9,876
Net Sales		15,011,145	16,722,724
Cost of Sales	24	14,739,078	15,692,100
Gross profit		272,067	1,030,624
Distribution Cost	25	191,573	247,971
Administration Expenses	26	139,680	179,010
Less Amortization of Negative Goodwill		(5,779)	(5,779)
		325,474	421,202
Operating Profit / (Loss)		(53,407)	609,422
Finance Cost	27	1,130,350	650,062
Other (income) / loss	28	(29,935)	60,567
Workers' Profit Participation Fund	9.1	--	--
		1,100,415	710,629
(Loss) before taxation		(1,153,822)	(101,207)
Taxation			
Current		75,253	83,614
Prior		(39,381)	--
Deferred		(381,639)	(65,296)
		(345,767)	18,318
(Loss) after taxation		(808,055)	(119,525)
(Loss) per share - Basic (Rupees)	29.1	(2.21)	(0.33)
(Loss) per share - Diluted (Rupees)	29.2	(2.11)	(0.29)

*Appropriations have been reflected in the statement of changes in equity.*

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

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Managing Director

**Dewan Abdul Rehman Farooqui**  
Director





## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2007

	2007	2006
	(Rupees in '000)	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(1,153,822)	(101,207)
Adjustments for:		
Depreciation	1,237,493	935,500
Amortization of negative goodwill & prepayments	(1,521)	(1,521)
Provision for gratuity	45,932	35,693
Gain on Sale of Fixed Assets	(845)	(1,411)
Financial charges	1,130,350	650,062
	1,257,587	1,517,116
Movement in working capital (Note - A)	257,445	(1,075,010)
Cash generated from operations	1,515,032	442,106
Payments for:		
Staff gratuity	(41,472)	(46,841)
Financial charges	1,106,569	(574,079)
Tax	(83,294)	(24,354)
	(1,231,335)	(645,274)
Net cash generated in operating activities	283,697	(203,168)
<b>Cash Flow from Investing Activities</b>		
Payment for capital expenditure	(284,270)	(143,298)
Long term Deposits	--	(11,148)
Long term Investments and advances	(25,288)	(161,762)
Sale proceeds of fixed assets sold	3,997	61,244
Net cash used in investing activities	(305,561)	(254,964)
<b>Cash Flow from Financing Activities</b>		
Long term loans -net	(216,354)	(50,640)
Repayment of Redeemable capital	(10,355)	(8,808)
Repayment of lease liability	(32,411)	(7,082)
Short term finances	640,637	430,725
Net cash outflow from financing activities	381,517	364,195
<b>Net Increase / (decrease) in cash and cash equivalents</b>	359,653	(93,937)
<b>Cash and cash equivalents at 01 July</b>	(3,043,259)	(2,949,322)
<b>Cash and cash equivalents at 30 June</b> (Note - B)	(2,683,606)	(3,043,259)

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

Statement under section 241(2) of the Companies Ordinance, 1984

The Chief Executive of the company is presently out of the country, therefore these financial statements have been signed by two Directors of the company duly authorized by the Board of Directors.

**Dewan Asim Mushfiq Farooqui**  
Managing Director

**Dewan Abdul Rehman Farooqui**  
Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2007

**Note - A****MOVEMENT IN WORKING CAPITAL**

	2007	2006
	(Rupees in '000)	
<i>(Increase) / decrease in current assets</i>		
Stores and spares	43,423	(175,840)
Stock-in-trade	209,430	49,497
Trade Debts	(469,631)	(352,769)
Advances	5,446	(26,398)
Short term deposits and prepayments	(64,477)	40,238
Other receivables	472,399	322,504
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	60,855	(932,242)
	257,445	(1,075,010)

**Note - B****CASH AND CASH EQUIVALENTS****Cash and cash equivalents include:**

Cash and bank balances	155,342	294,170
Short term finances:		
-Short term running finances	(2,767,737)	3,318,686
-Book Overdraft	(71,211)	18,743
	(2,838,948)	(3,337,429)
	(2,683,606)	(3,043,259)

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

**Statement under section 241(2) of the Companies Ordinance, 1984**

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**Dewan Asim Mushfiq Farooqui**  
Managing Director

**Dewan Abdul Rehman Farooqui**  
Director





## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2007

	Issued, subscribed and paid-up capital	Reserve for proposed issue of bonus shares	General Reserve	Unrealized gain / (loss) due to change in fair value of investment	Unappropriated Profit	Total
Amount in Rs. '000'						
Balance as on July 01, 2005	3,663,211	--	350,000	(1,671)	1,268,071	5,279,611
(Loss) for the year	--	--	--	--	(119,525)	(119,525)
Transfer from Surplus on revaluation of property, plant and equipment – net of tax	--	--	--	--	57,219	57,219
Surplus due to change in fair value of investment	--	--	--	3,129	--	3,129
Balance as at 30 June 2006	3,663,211	--	350,000	1,458	1,205,765	5,220,434
(Loss) for the year	--	--	--	--	(808,055)	(808,055)
Transfer from Surplus on revaluation of property, plant and equipment – net of tax	--	--	--	--	299,400	299,400
Deficit due to change in fair value of investment	--	--	--	(231)	--	(231)
Balance as at 30 June 2007	3,663,211	--	350,000	1,227	697,110	4,711,548

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

**Statement under section 241(2) of the Companies Ordinance, 1984**

The Chief Executive of the company is presently out of the country, therefore these financial statements have been signed by two Directors of the company duly authorized by the Board of Directors.

**Dewan Asim Mushfiq Farooqui**  
Managing Director

**Dewan Abdul Rehman Farooqui**  
Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2007

### 1 THE COMPANY AND ITS OPERATION

The Company is incorporated in Pakistan and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in manufacture and sale of polyester, acrylic fibre and tow products.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These financial statements have been prepared under the historical cost convention except revalued assets which are stated at revalued amounts and certain exchange elements referred to in note 2.13 have been incorporated in the cost of relevant assets.

#### 2.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirement of such directives take precedence.

#### Standards, Interpretations and amendments to published approved accounting standards

##### Amendments to published standards effective in 2006

IAS 19 (Amendment) - Employee Benefits, is mandatory for the company's accounting period beginning on or after January 01, 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. The company does not intend to adopt the alternative approach for recognition of actuarial gains and losses. Adoption of this amendment only impacts the format and extent of disclosures presented in note 8 to the financial statements.

##### International financial reporting standards or interpretations not yet effective but relevant

The following new standards and amendments of approved accounting standards are only effective for accounting periods beginning on or after July 01, 2007;

- IAS – 1 Presentation of financials – amendments relating to capital disclosures
- IAS – 41 Agriculture
- IFRS – 2 Share based payment
- IFRS – 3 Business combinations
- IFRS – 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS – 6 Exploration for and Evaluation of Mineral Resources

In addition, interpretations in relation to certain IFRSs have been issued by the International Accounting Standards Board (IASB) that are not yet effective.

The Company expects that the adoption of the above standards, amendments and interpretations will have no impact on the company's financial statements in the period of initial application other than increased disclosures.





The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- I) Staff retirement benefits
- ii) Income taxes
- iii) Revaluation of property, plant and equipment
- Iv) Estimation of residual values and useful lives of property, plant and equipment.

### 2.3 Staff retirement benefits

The Company operates unfunded gratuity scheme covering all employees eligible to the benefit. Provisions are based on actuarial recommendations. Actuarial valuations are carried out using the projected unit credit method as required by International Accounting Standard 19 "Employee Benefits". The unrecognized actuarial gains or losses at each valuation date are amortized over the average remaining working lives of the employees in excess of 10% of the present value of the defined benefit obligation.

The transitional liability arising out of change in accounting policy is recognized over a period of five years on straight line basis.

### 2.4 Taxation

#### *Current*

Provision for current taxation is based on current rates of tax after taking into account tax credits and rebates available, if any.

#### *Deferred*

Deferred tax is recognized on all major timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

### 2.5 Trade and other payables

Short term liabilities for trade and other payables are carried at cost which is the fair value of consideration to be paid for goods and services.

### 2.6 Property, plant and equipment and depreciation

#### *Owned:*

Operating assets except freehold and leasehold land are stated at cost or revalued/ adjusted amounts less accumulated depreciation. Freehold and leasehold land are stated at cost or revalued /adjusted amounts and capital work-in-progress is stated at cost. Cost of certain property, plant and equipment and capital work in progress comprises of historical cost, exchange differences referred to in note 2.13, cost of exchange risk cover in respect of foreign currency loans obtained for acquisition of property, plant and equipment upto the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken for specific projects.



Depreciation on additions is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis.

An amount equal to the incremental depreciation charged on revalued property, plant and equipment is transferred from surplus on revaluation of property, plant and equipment to retained earnings.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and Losses on disposal of Assets are taken to Profit and Loss Account.

**Leased:**

Assets subject to finance lease are initially recorded at lower of the present value of minimum lease payments under the lease agreements and the fair value of leased assets. The related obligation under the finance lease less financial charges allocated to future periods are shown as liability.

Depreciation charge is based on the reducing balance method at the rates specified in Note 12. Depreciation on additions is charged from the month of acquisition or transfer of assets from capital work in progress on proportionate basis.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains and Losses on disposal of Assets are taken to Profit and Loss Account.

## 2.7 Borrowing costs

Borrowings costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

## 2.8 Investments

Investments are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair values (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. In case of investments in foreign currencies, fair values dominated in foreign currencies are reported using the exchange rates that existed when the values were determined. Gains and losses on remeasurement to fair value are recognized directly in equity through the statement of changes in equity.

## 2.9 Negative goodwill

The amount of negative goodwill representing excess of fair value of net assets acquired over acquisition cost is recognized as income over the remaining weighted average useful life of the plant and machinery, transferred from DFL with effect from 01 July 2001.

## 2.10 Stores and spares

These are valued at average cost except for those in transit, which are valued at cost.



### 2.11 Stock-in-trade

Raw and packing materials except for those in transit are valued at lower of average cost and net realizable value.

Work-in-process is valued at material cost only. Conversion costs are not included as these are not significant.

Finished goods are valued at lower of cost, which includes prime cost and appropriate portion of production overheads, and net realizable value.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred to make the sale.

### 2.12 Trade debts

Trade debts originated by the company are recognized and carried at original invoice amount less an allowance for any uncollectible amounts, if any. An estimate for doubtful debt is made when collection of full amount is no longer probable. Bad debts are written off as incurred.

### 2.13 Foreign currency translation

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of transaction.

Assets and liabilities in foreign currencies are translated into Rupees at exchange rates approximating those prevailing at the balance sheet date except where forward exchange contracts have been entered into for repayment of liabilities, in which case the rates contracted for are used.

In respect of foreign currency loans obtained for acquisition of property, plant and equipment, exchange differences on principal amount are included in the cost of relevant assets over the period of these loans.

All other exchange differences are taken to profit and loss account.

### 2.14 Transactions with related parties

All transactions with related parties are priced on an arm's length basis using Comparable Uncontrolled Price Method.

### 2.15 Revenue recognition

Sales are recorded on dispatch of goods to customers. Profit/mark-up on deposits and investments are accounted for when it becomes receivable.

### 2.16 Provisions

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### 2.17 Cash and cash equivalent

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances, net of short term running finances.





## 2.18 Financial instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

Financial instruments carried on the balance sheet include investments, receivables, cash and bank balances, creditors, borrowings and other payables. The particular recognition method adopted are disclosed in the individual policy statements associated with each item.

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

## 2.19 Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

## 3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2007	2006		2007 (Rupees in '000)	2006 (Rupees in '000)
65,000,000	65,000,000	ordinary shares of Rs. 10 each fully paid in cash	650,000	650,000
267,849,938	267,849,938	ordinary shares of Rs. 10 each issued as bonus shares	2,678,499	2,678,499
1,215,345	1,215,345	ordinary shares of Rs. 10 each issued against conversion of convertible bonds	12,154	12,154
32,255,800	32,255,800	ordinary shares of Rs. 10 each issued in exchange for 96,767,400 shares of Rs.10 each of Dhan Fibres Limited	322,558	322,558
<u>366,321,083</u>	<u>366,321,083</u>		<u>3,663,211</u>	<u>3,663,211</u>

3.1 156,433,140 (2006: 157,922,949) shares were held by associated companies.

## 4 RESERVES

### Revenue reserves:

General Reserves	350,000	350,000
Unrealized (loss) / gain due to change in fair value of investment	1,227	1,458
Unappropriated profit	697,110	1,205,765
	<u>1,048,337</u>	<u>1,557,223</u>



2007                      2006  
(Rupees in '000)

### 5 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

Opening balance	3,384,511	346,822
Add: Revaluation carried out during the year	--	4,551,123
	<u>3,384,511</u>	<u>4,897,945</u>
Less: Related deferred tax liability	--	1,456,215
	<u>3,384,511</u>	<u>3,441,730</u>
Less : Transferred to un-appropriated profit in respect of incremental depreciation for the year - net of tax	(299,400)	(57,219)
Balance as on 30 June	<u>3,085,111</u>	<u>3,384,511</u>

The following fixed assets of the Company were revalued on June 30, 2006. The revaluation was carried out by independent valuer M/s Iqbal A Nanjee & Co. Valuation Consultants and Surveyors. The surplus arising from revaluation is Rs.5,555.133 million.

Particulars	W.D.V. of assets before revaluation	Revalued amount	Revaluation Surplus
(Rupees in thousands)			
<b>PSF Units</b>			
Freehold Land	41,673	66,450	24,777
Leasehold Land	2,269	368,000	365,731
Factory Building	850,816	916,388	65,572
Non-Factory Building	157,749	497,204	339,455
Plant and Machinery	3,775,021	7,863,807	4,088,786
<b>Acrylic Unit</b>			
Factory Building	192,700	361,260	168,560
Non-Factory Building	2,028	3,803	1,775
Plant and Machinery	1,907,733	2,408,210	500,477
	<u>6,929,989</u>	<u>12,485,122</u>	<u>5,555,133</u>

The closing balance of surplus on revaluation of property, plant and equipment is not available for distribution to shareholders.



## 6 LONG TERM LOANS

					2007	2006
					(Rupees in '000)	
<b>From Bank and Financial Institutions-secured</b>						
Financier	Installments	Repayment	Mark-up rate	Note		
Pak Kuwait Investment Company (Pvt.) Limited	Half Yearly	2001-2007	3% over 6 months T-bill rate	6.1	12,727	38,182
Syndicate of banks	Half Yearly	2003-2008	3.75% over 6 months T-bill rate	6.2	416,667	833,333
International Finance Corporation (IFC) FCY-LOAN	Half Yearly	2005-2011	6.9% p.a.	6.3	1,208,000	1,508,750
International Finance Corporation (IFC) FCY-LOAN	Upon Maturity	2010	5% p.a.	6.4	241,600	241,400
Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd.	Quarterly	2009	3% over six months KIBOR	6.5	66,667	100,000
National Bank of Pakistan	Quarterly	2011	2% over three months KIBOR	6.6	500,000	500,000
Allied Bank Limited	Monthly	2010	3.25% over three months KIBOR	6.7	560,000	--
<b>From Related parties-unsecured</b>						
Director - unsecured, interest free					92,650	93,000
					<u>3,098,311</u>	<u>3,314,665</u>
Less: Current portion -shown under current liabilities					968,364	777,205
					<u>2,129,947</u>	<u>2,537,460</u>

6.1 This loan is obtained to finance the Acrylic Fibre & Tow Project of the company and are secured by way of first pari passu charge on all the present and future movable and immovable assets of the company excluding stocks and book debts.

6.2 These represents term loans obtained from syndicate of commercial banks and are secured by way of first pari passu hypothecation charge on all the present and future property, plant and equipment of the company.





- 6.3 This represents US Dollars 30 million term loan obtained from IFC to finance the setting up specialty fibre project and repayment of high cost loans. This is secured by way of hypothecation charge on all the present and future property, plant and equipment of the company.
- 6.4 This represents the financing of US Dollars 4 million obtained under the "Convertible C Loan Agreement" dated June 16, 2003 from IFC to finance the setting up specialty fibre project and repayment of high cost loans. This is secured by way of first ranking security interests in all assets and rehis subject to the security documents.
- A commitment fee shall be paid to IFC @ 0.5 % per annum beginning on the date of this agreement until the date of disbursement on the basis of a 360-days year and the actual number of days in the relevant period.

This loan shall repay the entire outstanding amount of the C Loan on the fourteenth Interest payment date @ 5% per annum from the date of execution of this agreement i.e., February 24, 2004 unless prior to the fourteenth interest payment date, subject to any prior conversion of all or part of the C Loan pursuant to the conversion option. "The conversion option may be exercised by IFC one or several times, each time by delivering a notice of conversion. IFC shall subscribe for the conversion shares at the conversion price and shall pay by setting off with the C Loan. The conversion period commencing on the second anniversary of the date of this agreement and ending on the date when all amounts of whatsoever nature, outstanding has been paid to the entire satisfaction of IFC.

According to agreement the basic conversion price is Rs. 20/- per share. The conversion price per share obtained by applying the formula " to multiply the basic conversion price with initial number of share divided by number of issued, subscribed, paid up shares as of the settlement date." and the conversion shares calculated by applying the formula "the part of the C Loan to be converted into US / Pak Rs official rate as of the settlement date divided by conversion price per share".

There is further extension of convertible C Loan agreement with the acceptance of US 1 million dated May 14, 2004 with all the terms and conditions of the said agreement remains unchanged.

- 6.5 This represents loan for the purpose of working capital requirements and is secured by way of first pari passu hypothecation charge over fixed assets with 25% margin.
- 6.6 This represents term finance facility for the purpose of restructuring of the balance sheet of the company and is secured by way of ranking charge over fixed assets with 25% margin and first pari passu hypothecation charge over all future stocks and receivables.
- 6.7 This represents term finance facility for the purpose of retiring present running finance & FADB outstanding and is secured by way of first pari pasu charge over fixed assets with 25% margin.

## 7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2007		2006	
	Minimum Lease Payments	Present Value of minimum lease payments	Minimum Lease Payments	Present Value of minimum lease payments
	(Rupees in '000)			
Less than one year	56,395	38,750	55,881	34,182
One to five years	137,805	116,121	191,515	153,100
Total minimum lease payments	194,200	154,871	247,396	187,282
Less: Financial charges allocated to the future period	39,329	--	60,114	--
Present value of minimum lease payments	154,871	154,871	187,282	187,282
Less: Transferred to current maturity	38,750	38,750	34,182	34,182
	<b>116,121</b>	<b>116,121</b>	<b>153,100</b>	<b>153,100</b>



	2007	2006
	(Rupees in '000)	
<b>8.2 Deferred taxation</b>		
Credit/ (debit) balances arising in respect of:		
- Accelerated tax depreciation allowance	465,274	448,643
- Debits arising in respect of certain provisions/ liabilities	(40,793)	(42,512)
- Debits arising due to losses and available tax credits	(628,097)	(185,707)
Deferred tax (asset) / liability	(203,616)	220,424
Deferred tax asset not recognized	203,616	--
	-	220,424
Deferred tax liability in respect of:		
- Revaluation net of related depreciation	1,450,940	1,612,155
	<b>1,450,940</b>	<b>1,832,579</b>

## 9 TRADE AND OTHER PAYABLES

Trade Creditors	4,810,223	4,771,935
Accrued expenses	116,129	93,405
Unclaimed TFCs redemption warrants	7,949	18,304
Others	1,735	1,892
	<b>4,936,036</b>	<b>4,885,536</b>

## 10 SHORT TERM BORROWINGS

From banks and financial institutions - secured		
Demand Finance	300,000	250,000
Morabaha Finance	401,862	355,475
Short Term Loans	1,649,500	1,105,250
Short Term Running Finance - secured	2,767,737	3,318,686
Temporary book overdraft - unsecured	71,211	18,743
	<b>5,190,310</b>	<b>5,048,154</b>

The facilities for various loans and finances under mark-up arrangements available from various banks amount to Rs. 5,504 million (2006: Rs. 5,252 million) and carry mark up ranging from 12% to 14.50% per annum. (2006: 10% to 12.50%). These facilities are secured by hypothecation of the Company's stock-in-trade and book debts and are generally for a period of one year renewable at the end of the period



## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

- a) Guarantees given by the commercial banks on behalf of the company amounted to Rs.681 million (2006: Rs. 521 million)

### 11.2 Commitments

- a) In respect of letter of credits other than for capital expenditures amounts to Rs. 306.959 million (2006: Rs. 312.063 million)

## 12 PROPERTY PLANT AND EQUIPMENT

2007  
2006  
(Rupees in '000)

Operating fixed assets	12.1	11,632,996	12,641,314
Capital work in progress	12.5	417,683	365,740
		<u>12,050,679</u>	<u>13,007,054</u>

### 12.1 Operating fixed assets

Particulars	Cost / Revaluation				Rate	Depreciation			Book Value	
	As at 01 July 2006	Addition / Transfers / (deletion)	Revaluation	As at 30 June 2007		As at 01 July 2006	Charge for the period / Adjustment	As at 30 June 2007	As at 30 June 2007	
	(Rupees in '000)					(Rupees in '000)				
<b>PSF - Units</b>										
Freehold Land	66,450	-	-	66,450	--	-	-	-	-	66,450
Leasehold Land	368,000	-	-	368,000	--	-	-	-	-	368,000
Islamabad office	131,690	8,693	-	140,383	10%	57,152	7,677	64,829	75,554	826,847
Factory building	1,481,262	9,046	-	1,490,308	10%	572,510	90,951	663,461	826,847	826,847
Non factory building	874,974	-	-	874,974	10%	381,917	49,529	431,446	443,528	443,528
Tank terminal	16,453	-	-	16,453	10%	12,247	643	12,890	3,563	3,563
Plant and machinery	14,469,517	1,242	-	14,470,759	10%	6,671,182	779,844	7,451,026	7,019,733	7,019,733
<b>Vehicles</b>	229,704	33,178 (10,919)	-	251,963	20%	162,475	12,065 (7,821)	166,719	85,244	85,244
<b>Furniture and fixtures</b>	78,607	967	-	79,574	10%	38,624	4,065	42,689	36,885	36,885
<b>Office equipment</b>	131,248	684 (102)	-	131,830	10%	64,266	6,691 (48)	70,909	60,921	60,921
<b>Leased Assets</b>										
<b>Plant &amp; Machinery (Generator)</b>	-	178,517	-	178,517	-	-	10,413	10,413	168,104	168,104
2007	17,847,905	232,327 (11,021)	-	18,069,211	-	7,960,373	961,878 (7,869)	8,914,382	9,154,829	9,154,829
2006	14,008,896	31,683 (72,985)	3,880,311	17,847,905	-	7,274,041	699,484 (13,152)	7,960,373	9,887,532	9,887,532
<b>Acrylic Unit</b>										
Factory Building	527,833	-	-	527,833	10%	169,583	35,825	205,408	322,425	322,425
Non-Factory Building	5,555	-	-	5,555	10%	1,784	377	2,161	3,394	3,394
Plant & Machinery	4,055,118	-	-	4,055,118	10%	1,666,975	238,815	1,905,790	2,149,328	2,149,328
Vehicles	9,025	-	-	9,025	20%	6,659	473	7,132	1,893	1,893
Furniture & Fixtures	890	-	-	890	10%	398	49	447	443	443
Office Equipment	1,370	-	-	1,370	10%	610	76	686	684	684
2007	4,599,791	-	-	4,599,791	-	1,846,009	275,615	2,121,624	2,478,167	2,478,167
2006	3,928,979	-	670,812	4,599,791	-	1,609,993	236,016	1,846,009	2,753,782	2,753,782
<b>TOTAL 2007</b>	<b>22,447,696</b>	<b>232,327</b> <b>(11,021)</b>	<b>-</b>	<b>22,669,002</b>		<b>9,806,382</b>	<b>1,237,493</b> <b>(7,869)</b>	<b>11,036,006</b>	<b>11,632,996</b>	<b>11,632,996</b>
<b>TOTAL -2006</b>	<b>17,937,875</b>	<b>31,683</b> <b>(72,985)</b>	<b>4,551,123</b>	<b>22,447,696</b>		<b>8,884,034</b>	<b>935,500</b> <b>(13,152)</b>	<b>9,806,382</b>	<b>12,641,314</b>	<b>12,641,314</b>





12.2 The depreciation charge for the year has been allocated as follows :

	2007			2006		
	PSF - Units	Acrylic Unit	Total	PSF - Units	Acrylic Unit	Total
	(Rupees in '000)			(Rupees in '000)		
Cost of Sales	957,068	274,237	1,231,305	695,987	234,836	930,823
Administrative	4,810	1,378	6,188	3,497	1,180	4,677
	<b>961,878</b>	<b>275,615</b>	<b>1,237,493</b>	<b>699,484</b>	<b>236,016</b>	<b>935,500</b>

12.3 The following assets were disposed of during the year :

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceed	Mode of disposal	Particulars of buyers
<b>Vehicles</b>						
(Rupees in '000)						
Honda Civic	651	617	34	322	Negotiation	Mr Sajid Mehmood Malik
Kia Classic	589	331	258	265	Negotiation	Mr Sajid Mehmood Malik
Kia Classic	529	367	162	115	Negotiation	Mr Sajid Mehmood Malik
Kia Classic	479	362	117	195	Negotiation	Mr Sajid Mehmood Malik
Kia Classic	475	330	145	165	Negotiation	Mr Sajid Mehmood Malik
Honda Civic	548	411	136	407	Negotiation	Mr Sajid Mehmood Malik
Kia Classic	475	327	148	180	Negotiation	Mr Shahzad Sarfraz
Santro Plus	399	281	118	80	Negotiation	Mr Sohail motiwala
Kia Classic	475	335	140	95	Negotiation	Mr Muhammad Ilyas
Kia Classic	475	335	140	95	Negotiation	Mr Rashis Sheikh
Santro GS	385	271	114	77	Negotiation	Mr Hafeez Ahmad
Kia Spectra	759	444	315	228	Negotiation	Mr Shafat Hussain
Suzuki Bolan	375	338	36	113	Negotiation	Mr Adam Ibrahim
Santro Club	519	220	299	245	Negotiation	Umair Naeem
Kia Spectra	849	618	231	275	Negotiation	Ch. Ashraf
Kia Spectra	849	618	231	250	Negotiation	Ch. Ashraf
Santro Plus	399	291	109	200	Negotiation	Ch. Ashraf
Santro Plus	453	355	98	155	Negotiation	Ch. Ashraf
Santro Plus	389	305	84	190	Negotiation	Ch. Ashraf
Kia Classic	395	309	86	175	Negotiation	Ch. Ashraf
Santro Plus	453	355	98	155	Negotiation	Ch. Ashraf
<b>Office Equipment</b>						
Laptop	102	48	54	15	Negotiation	Mansha Brothers
	<b>11,021</b>	<b>7,869</b>	<b>3,152</b>	<b>3,997</b>		

12.4 Capital work in progress

2007  
2006  
(Rupees in '000)

Plant and machinery

- Owned
- Leased

331,299	171,376
86,384	194,364
<b>417,683</b>	<b>365,740</b>

12.5 Additions to property, plant and equipment include borrowing cost amounting to Rs. Nil (2006: Rs. 11.973 million) capitalized during the year relating to the specific borrowings.



12.6 Had there been no revaluation the carrying amounts of revalued assets as at June 30, 2007 would have been as follows :

Particulars	2007	2006
(Rupees in thousands)		
<b>PSF Units</b>		
Freehold Land	41,673	41,673
Leasehold Land	2,269	2,269
Factory Building	773,958	843,727
Non-Factory Building	140,323	156,431
Plant and Machinery	4,527,802	4,259,051
<b>Acrylic Unit</b>		
Factory Building	171,985	191,095
Non-Factory Building	1,810	2,010
Plant and Machinery	1,702,653	1,891,836
	<b>7,362,473</b>	<b>7,388,092</b>

### 13 LONG TERM INVESTMENTS AND ADVANCE

Investment in listed securities

Meezan Balance Fund

(500,000 certificates of Rs.10/- each)

Pakistan Strategic Allocation Fund

(2,204,000 certificates of Rs.10/- each)

Surplus due to change in fair value of investment

Investment in non-listed securities

Global Securities (Pvt) Limited

(495,000 shares of Rs. 10/- each at a premium of Rs.40.92/- per share)

Equity investment against 49% of 40% indirect working interest in Safed Koh Exploration Block held by REPL:

(1,781,867 ordinary shares of US\$ 1 each)

Equity investment in Dewan Petroleum (Pvt) Limited.

(12,000,000 shares of Rs.10/- each at a premium of Rs.8.583/- per share)

Shares application money - Dewan Petroleum (Pvt.) Ltd 13.1

Advances against cash calls

2007 2006

(Rupees in '000)

5,000	5,000
22,040	22,040
27,040	27,040
1,227	1,458
28,267	28,498
25,205	--
--	106,310
223,000	--
746	--
--	117,353
223,746	223,663
<b>277,218</b>	<b>252,161</b>



- 13.1 REPL has transferred its entire 40% working interest in Safed Koh Block to Dewan Petroleum (Private) Limited (DPL) (an associated company of DSFL). By virtue of the Company's ownership of 49% of 40% indirect working interest in Safed Koh Block through REPL, the Company has acquired 12 million ordinary shares of Rs.10/- each of the DPL ( 33.33% of DPL equity) in lieu of its equity investment and advance against cash calls under authority of the special resolution passed under section 208 of The Companies Ordinance, 1984 in Extra Ordinary General Meeting held on August 30, 2006
- 13.2 This represents the amounts paid against the committed investment of Rs.97.0 Million to retain its proportionate shares in DPL equity under terms of a Financial arrangement concluded between International Finance Corporation (IFC) and DPL. This commitment was made under authority of the special resolution passed in Extra Ordinary General Meeting held on August 30, 2006.

2007                      2006  
(Rupees in '000)

#### 14 LONG TERM PREPAYMENTS

34,071                      38,330

The company has entered in to a long term terminal services agreement with Engro Vopak Terminal Limited (EVTL) to receive Acrylonitrile (ACN), basic raw material for Unit III from ships, store this chemical and make it available for delivery to the company. The company has constructed the dedicated facilities on behalf of EVTL to be exclusively used for providing services to the Company. This represents all cost and expenses incurred for constructing dedicated facilities by the Company and will be considered advance payment of fixed price element for dedicated facilities for 15 years by the company to EVTL. The charge applicable to the current year has been taken to the Profit and Loss Account.

#### 15 (NEGATIVE) GOODWILL

Opening Balance	(23,116)	(28,895)
Less: Amortized during the period	5,779	5,779
	<u>(17,337)</u>	<u>(23,116)</u>

On 30 June 2000, the company acquired 67.8% of voting shares of Dhan Fibres Limited (DFL), at a total cost of Rs. 4,200,000,000/-. On 27 October 2000, the Honorable Lahore High Court, Rawalpindi Bench approved the scheme of arrangement for amalgamation of DFL with the Company to take effect from 30 June 2000. Accordingly transfer of identifiable assets and liabilities of DFL as at 30 June 2000 at their respective book values and the goodwill, which represented the excess of acquisition cost over the book value of net assets transferred from DFL, were recorded in the books of the Company.

Subsequent to the acquisition of and merger of DFL, the Company appointed an independent valuation consultant Iqbal A Nanjee & Co. to determine the fair value of plant & machinery of DFL transferred to the Company. As a result of valuation of plant & machinery of DFL, the fair value was increased by Rs. 900 million over the book value as at 30 June 2000. Accordingly, Rs. 842.210 million has been adjusted in the financial statements against the Goodwill and balance amount of Rs. 57.790 million has been recognized as Negative Goodwill and shown as deduction from the assets of the Company. The negative goodwill will be recognized as income as per Note 2.9 to these financial statements.





	2007	2006
	(Rupees in '000)	
<b>16 STORES AND SPARES</b>		
Consumable stores	994,956	996,354
Packing material	17,721	17,833
Chemicals	12,531	9,770
Fuel, oil and lubricants	50,825	95,499
	<b>1,076,033</b>	<b>1,119,456</b>
<b>17 STOCK IN TRADE</b>		
Raw materials	776,085	1,506,891
Work-in-process	183,482	198,744
Finished goods	4,040,861	3,851,580
Stock in transit	1,375,532	1,199,870
Waste	258,586	86,891
	<b>6,634,546</b>	<b>6,843,976</b>
<b>18 TRADE DEBTS – Considered good</b>		
Trade debts include Rs.874.325 million (2006: Rs.348.246 million) due from associated companies, Dewan Khalid Textile Mills Limited, Dewan Mushtaq Textile Mills Limited and Dewan Textile Mills Limited.		
<b>19 ADVANCES – Considered good</b>		
Against Expenses	21,364	23,201
To Contractors	-	3,609
	<b>21,364</b>	<b>26,810</b>
<b>20 SHORT TERM DEPOSITS AND PREPAYMENTS</b>		
Deposits	1,476	1,521
Margin	165,520	100,760
Pre-Payments	1,433	1,671
	<b>168,429</b>	<b>103,952</b>
<b>21 OTHER RECEIVABLES – Considered good</b>		
Sales tax	125,042	259,858
Duty drawback receivable	92,596	92,596
Duties refundable	81,783	113,789
Receivable from suppliers	-	191,070
Insurance claim receivable	15,785	136,779
Others	27,323	20,836
	<b>342,529</b>	<b>814,928</b>
<b>22 CASH AND BANK BALANCES</b>		
Cash in hand	2,160	15,166
Cash at bank:		
- Current account	146,893	264,644
- Foreign currency current accounts	-	14,360
- Foreign currency deposits	6,289	--
	<b>155,342</b>	<b>294,170</b>



## 23 OPERATING RESULTS

		Amount in Rs. 000					
	Note	PSF Unit	Acrylic Unit	2007 Total	PSF Unit	Acrylic Unit	2006 Total
Sales							
Fiber - Local		12,029,788	1,725,478	13,755,266	13,388,929	2,045,900	15,434,829
Fiber - Export		672,354	408,960	1,081,314	555,581	603,404	1,158,985
Waste		131,100	53,803	184,903	138,786	--	138,786
		<u>12,833,242</u>	<u>2,188,241</u>	<u>15,021,483</u>	<u>14,083,296</u>	<u>2,649,304</u>	<u>16,732,600</u>
Commission and discount		2,099	8,239	10,338	5,565	4,311	9,876
Net Sales		<u>12,831,143</u>	<u>2,180,002</u>	<u>15,011,145</u>	<u>14,077,731</u>	<u>2,644,993</u>	<u>16,722,724</u>
Cost of sales	24	<u>12,714,983</u>	<u>2,024,095</u>	<u>14,739,078</u>	<u>13,071,896</u>	<u>2,620,204</u>	<u>15,692,100</u>
Gross Profit		<u>116,160</u>	<u>155,907</u>	<u>272,067</u>	<u>1,005,835</u>	<u>24,789</u>	<u>1,030,624</u>
Distribution cost	25	<u>137,777</u>	<u>53,796</u>	<u>191,573</u>	<u>186,317</u>	<u>61,654</u>	<u>247,971</u>
Administrative Expenses	26	<u>116,767</u>	<u>22,913</u>	<u>139,680</u>	<u>156,340</u>	<u>22,670</u>	<u>179,010</u>
Amortization of negative goodwill		<u>(5,779)</u>	<u>--</u>	<u>(5,779)</u>	<u>(5,779)</u>	<u>--</u>	<u>(5,779)</u>
		<u>248,765</u>	<u>76,709</u>	<u>325,474</u>	<u>336,878</u>	<u>84,324</u>	<u>421,202</u>
Operating profit /(loss)		<u>(132,605)</u>	<u>79,198</u>	<u>(53,407)</u>	<u>668,957</u>	<u>(59,535)</u>	<u>609,422</u>
Finance cost	27	<u>940,503</u>	<u>189,847</u>	<u>1,130,350</u>	<u>583,534</u>	<u>66,528</u>	<u>650,062</u>
Other (income) / loss	28	<u>(29,935)</u>	<u>--</u>	<u>(29,935)</u>	<u>60,567</u>	<u>--</u>	<u>60,567</u>
		<u>910,568</u>	<u>189,847</u>	<u>1,100,415</u>	<u>644,101</u>	<u>66,528</u>	<u>710,629</u>
(Loss) / Profit before W.P.P.F and taxation		<u><u>(1,043,173)</u></u>	<u><u>(110,649)</u></u>	<u><u>(1,153,822)</u></u>	<u><u>24,856</u></u>	<u><u>(126,063)</u></u>	<u><u>(101,207)</u></u>



## 24 COST OF SALES

Amount in Rs. 000

	Note	PSF Unit	Acrylic Unit	2007 Total	PSF Unit	Acrylic Unit	2006 Total
Raw material consumed							
Opening stock		1,091,116	415,775	1,506,891	955,037	411,894	1,366,931
Purchases		9,292,669	1,834,659	11,127,328	11,094,471	1,873,593	12,968,064
		10,383,785	2,250,434	12,634,219	12,049,508	2,285,487	14,334,995
Closing stock		(461,139)	(314,946)	(776,085)	(1,091,116)	(415,775)	(1,506,891)
		9,922,646	1,935,488	11,858,134	10,958,392	1,869,712	12,828,104
Salaries, wages and benefits		328,435	63,003	391,438	314,871	51,413	366,284
Electricity, fuel and power		842,632	349,248	1,191,880	1,441,174	147,554	1,588,728
Packing material consumed		92,333	12,929	105,262	111,319	14,333	125,652
Stores and spares		101,440	26,819	128,259	109,232	19,164	128,396
Insurance		127,802	14,880	142,682	57,894	5,927	63,821
Depreciation	12.2	957,068	274,237	1,231,305	695,987	234,836	930,823
Repairs and maintenance		2,807	327	3,134	10,567	571	11,138
Vehicle running expenses		12,920	1,504	14,424	11,954	1,736	13,690
Traveling expenses		4,652	2,288	6,940	11,368	140	11,508
General expenses		9,631	1,703	11,334	8,617	1,687	10,304
Opening stock of work-in-process		159,143	39,601	198,744	222,991	40,171	263,162
Closing stock of work-in-process		(135,169)	(48,313)	(183,482)	(159,143)	(39,601)	(198,744)
Cost of goods manufactured		12,426,340	2,673,714	15,100,054	13,795,223	2,347,643	16,142,866
Opening stock of finished goods		3,362,715	575,756	3,938,471	3,154,018	848,317	4,002,335
Tariff protection		--	--	--	(197,142)	--	(197,142)
Stock loss due to fire		--	--	--	(317,488)	--	(317,488)
Closing stock of finished goods		(3,074,072)	(1,225,375)	(4,299,447)	(3,362,715)	(575,756)	(3,938,471)
		<u>12,714,983</u>	<u>2,024,095</u>	<u>14,739,078</u>	<u>13,071,896</u>	<u>2,620,204</u>	<u>15,692,100</u>





## 25 DISTRIBUTION COST

Amount in Rs. 000

	PSF Unit	Acrylic Unit	2007 Total	PSF Unit	Acrylic Unit	2006 Total
Salaries and benefits	20,697	3,529	24,226	20,786	2,491	23,277
Advertisement	217	37		984	118	1,102
Outward freight and handling	67,933	14,994	82,927	106,890	12,812	119,702
Export freight & others	48,930	35,236	84,166	57,657	46,233	103,890
	<b>137,777</b>	<b>53,796</b>	<b>191,573</b>	<b>186,317</b>	<b>61,654</b>	<b>247,971</b>

## 26 ADMINISTRATIVE EXPENSES

Amount in Rs. 000

Note	PSF Unit	Acrylic Unit	2007 Total	PSF Unit	Acrylic Unit	2006 Total	
Salaries and benefits	63,020	11,655	74,675	56,547	6,892	63,439	
Entertainment	3,317	566	3,883	4,252	509	4,761	
Communication	5,918	1,010	6,928	8,660	1,053	9,713	
Depreciation	12.2	4,810	1,378	6,188	3,497	4,677	
Vehicle running expenses	10,326	1,761	12,087	13,960	1,929	15,889	
Legal and professional	5,444	928	6,372	13,070	1,561	14,631	
Printing and stationary	1,316	224	1,540	2,920	350	3,270	
Electricity, fuel and power	4,404	751	5,155	6,862	1,422	8,284	
Repair and maintenance	2,881	2,026	4,907	767	1,290	2,057	
Insurance	5,779	985	6,764	7,469	895	8,364	
Traveling expenses	2,029	346	2,375	7,907	2,185	10,092	
Auditors' remuneration	26.1	726	124	850	774	76	850
Donation	26.2	2,635	449	3,084	12,586	1,558	14,144
General expenses	4,162	710	4,872	17,069	1,770	18,839	
	<b>116,767</b>	<b>22,913</b>	<b>139,680</b>	<b>156,340</b>	<b>22,670</b>	<b>179,010</b>	

## 26.1 Auditor's remuneration

Amount in Rs. 000

	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2007	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2006
Annual Audit Fee	225	225	450	225	225	450
Fee for Half yearly review	100	100	200	100	100	200
Other Certifications	50	50	100	50	50	100
Out of pocket	50	50	100	50	50	100
	<b>425</b>	<b>425</b>	<b>850</b>	<b>425</b>	<b>425</b>	<b>850</b>

## 26.2 Donation

- None of the directors or their spouse has any interest in the donee fund.
- The amount represents Company's donation towards activities undertaken by it for the rehabilitation of earthquake victims as follows:



	2007 (Rupees in '000)	2006
- Total Amount spent	-	42,058
Less: Contribution from		
- Chief Executive	-	10,000
- International Finance Corporation	-	17,914
	-	27,914
- Company's contribution	-	14,144

## 27 FINANCE COST

	Amount in Rs. 000					
	PSF Unit	Acrylic Unit	2007 Total	PSF Unit	Acrylic Unit	2006 Total
Interest on long term loan	251,596	--	251,596	245,168	1,787	246,955
Financial charges on leased assets	22,027	--	22,027	--	--	--
Mark-up on Short term finances	640,387	189,847	830,234	328,742	64,741	393,483
Exchange loss	26,493	--	26,493	9,624	--	9,624
	<u>940,503</u>	<u>189,847</u>	<u>1,130,350</u>	<u>583,534</u>	<u>66,528</u>	<u>650,062</u>

## 28 OTHER (LOSS) / INCOME

Gain on disposal of fixed assets	845	1,411
Dividend income from financial assets	29,090	5,510
Loss on insurance claim	28.1	(67,488)
	<u>29,935</u>	<u>(60,567)</u>

28.1 This represents loss on settlement of insurance claim on account of fire broke out during the year due to short circuiting of WAPDA power supply line which resulted into burnout of some stocks and fixed assets of the company.

## 29 (LOSS) PER SHARE - Basic and diluted

### 29.1 Basic (loss) per share

Net (loss) for the year	(808,055)	(119,525)
-------------------------	-----------	-----------

#### Number of shares

Average ordinary shares in issue during the year	366,321,083	366,321,083
--	-------------	-------------

#### Rupees

(Loss) per share - Basic	(2.21)	(0.33)
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## 29.2 Diluted (loss) per share

	2007	2006
	(Rupees in '000)	
Net (loss) for the year	(808,055)	(119,525)
Dilutive effect - net of tax	8,014	7,895
	<b>(800,041)</b>	<b>(111,630)</b>
<b>Number of shares</b>		
Average ordinary shares in issue during the year	366,321,083	366,321,083
Dilutive effect	12,080,000	12,877,419
	<b>378,401,083</b>	<b>379,198,502</b>
<b>Rupees</b>		
(Loss) per share - Diluted	(2.11)	(0.29)

## 30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

## 30.1 Interest rate risk exposure

The company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

	Amount in Rs. 000				
	2007				Total
	Interest bearing		Non Interest bearing		
Less than one year	One year to five years	Less than one year	One year to five years		
<b>Financial assets</b>					
Long term Investments and advance	--	--	--	277,218	277,218
Trade debts	--	--	2,407,652	--	2,407,652
Deposits	--	--	166,996	11,148	178,144
Other Receivables- Considered good	--	--	43,108	--	43,108
Cash and bank balances	--	--	155,342	--	155,342
	--	--	2,773,098	288,366	3,061,464
<b>Financial liabilities</b>					
Long term loans	968,364	2,037,297	--	92,650	3,098,311
Liability against assets subject to finance lease	38,750	116,121	--	--	154,871
Trade and Other payables	--	--	4,936,036	--	4,936,036
Markup accrued	--	--	228,243	--	228,243
Short term borrowings	5,119,099	--	71,211	--	5,190,310
	6,126,213	2,153,418	5,235,490	92,650	13,607,771
<b>Net exposure - 2007</b>	<b>(6,126,213)</b>	<b>(2,153,418)</b>	<b>(2,462,392)</b>	<b>195,716</b>	<b>(10,546,307)</b>
Effective interest rates	9% to 15%				





	2006				Amount in Rs. 000	
	Interest bearing		Non Interest bearing			Total
	Less than one year	One year to five years	Less than one year	One year to five years		
<b>Financial assets</b>						
Long term Investments	--	--	--	252,161	252,161	
Trade debts			1,938,021		1,938,021	
Deposits	--	--	102,281	11,148	113,429	
Other Receivables- Considered good	--	--	348,685	--	348,685	
Cash and bank balances	--	--	294,170	--	294,170	
	--	--	2,683,157	263,309	2,946,466	
<b>Financial liabilities</b>						
Long term loans	777,205	2,444,460	--	93,000	3,314,665	
Liability against assets subject to finance lease	34,182	153,100	--	--	187,282	
Trade and Other payables	--	--	4,885,536	--	4,885,536	
Markup accrued	--	--	204,462	--	204,462	
Short term borrowings	5,029,411		18,743		5,048,154	
	5,840,798	2,444,460	5,108,741	93,000	13,640,099	
<b>Net exposure - 2006</b>	<b>(5,840,798)</b>	<b>(2,444,460)</b>	<b>(2,425,584)</b>	<b>170,309</b>	<b>(10,693,633)</b>	
Effective interest rates	5% to 14.90%					

### 30.2 Concentration of credit risk and credit exposures of the financial instruments

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company attempts to control Credit risks by monitoring Credit exposure, limiting transaction with specific customers and continuing assessment of credit worthiness of customers. Financial assets exposed to credit risk amounted to Rs.3,059 million (2006:Rs.2,931) million.

### 30.3 Fair value of the financial instruments

The carrying value of all the financial instruments reflected in the financial statements approximates their fair values.

### 30.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exists due to transactions with foreign undertakings. Payables exposed to foreign currency risks are covered through hedging or by forward foreign exchange contracts, when considered appropriate.

### 30.5 Liquidity risk

Liquidity risk reflects the company's inability of raising funds to meet commitments. Management closely monitors the company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of over all funding mix and avoidance of undue reliance on large individual customers.

### 30.6 Off balance sheet financial instruments

Off balance sheet financial instruments are disclosed in note 11 to the financial statements.



### 31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company was as follows:

	Amount in Rs. 000							
	Chief Executive		Director		Executive		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
Managerial remuneration	3,960	3,960	2,376	2,376	40,703	38,219	47,039	44,555
Retirement benefits	--	--	--	--	3,498	3,331	3,498	3,331
House rent allowance	1,740	1,740	1,044	1,044	16,281	15,288	19,065	18,072
Utilities	300	300	180	180	4,070	3,822	4,550	4,302
Medical	--	--	--	--	2,849	2,675	2,849	2,675
Conveyance	--	--	--	--	3,936	3,822	3,936	3,822
	<b>6,000</b>	<b>6,000</b>	<b>3,600</b>	<b>3,600</b>	<b>71,337</b>	<b>67,157</b>	<b>80,937</b>	<b>76,757</b>
Number of Persons	1	1	1	1	65	67	67	69

The Chief Executive, Directors and certain Executives are provided with free use of Company cars.

### 32 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, directors and key management personnel. Remuneration and benefits to chief executive directors and key management personnel under terms of their employment are disclosed in note 31 to the financial statements. Transaction with related parties other than remuneration and benefits to key management personnel are as under:

	2007	2006
	(Rupees in '000)	
<b>Associated companies</b>		
Sales of goods	800,835	929,480
Purchases of goods	69,696	83,598
Purchase of vehicles	32,978	15,405
<b>Director:</b>		
Long term loan (paid) / received	(350)	93,000

### 33 ALLOCATION OF INCOME AND EXPENSES BETWEEN UNITS

The transaction relating to sales and collection of sales are recorded on the basis of actual sale of PSF and ASF. Conversion costs are allocated on the basis of production, distribution cost and administrative expenses are allocated on the basis of sales value.

**34 TAXATION**

2007                      2006  
(Rupees in '000)

**34.1 Relationship between income tax expense and accounting profit**

Accounting profit as per profit and loss account	(1,153,822)	(101,207)
Applicable tax rate	35%	35%
Tax on accounting profit	(403,838)	(35,422)
Tax effect of accelerated tax depreciation	89,512	(35,767)
Tax effect of export sales subject to tax separately U/s 169	22,305	35,208
Tax effect of expenses that are not deductible in determining taxable income charged to profit and loss account	(12,244)	1,049
Tax (refundable) / payable under normal rules	(304,265)	(34,932)
Minimum tax payable under Income Tax Ordinance, 2001	75,253	83,614

**35 PLANT CAPACITY AND PRODUCTION**

	2007		2006	
	Annual Capacity (tons)	Production (tons)	Annual Capacity (tons)	Production (tons)
PSF Units	240,900	136,833	259,900	169,283
Acrylic Unit	25,760	15,931	25,000	17,332
Total	266,660	152,764	284,900	186,615

**36 CORRESPONDING FIGURES**

Comparative figures have been rearranged and reclassified for the purpose of comparison.

**37 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorized for issue on November 08, 2007 in accordance with the resolution by the Board of Directors of the Company.

**38 GENERAL**

These financial statements are presented in Rupees and figures have been rounded off to the nearest thousand Rupees.

***Statement under section 241(2) of the Companies Ordinance, 1984***

The Chief Executive of the company is presently out of the country, therefore these financial statements have been signed by two Directors of the company duly authorized by the Board of Directors.

**Dewan Asim Mushfiq Farooqui**  
Managing Director

**Dewan Abdul Rehman Farooqui**  
Director





## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2007

Srl No.	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	3	156,433,140	42.70
2.	NIT and ICP	2	11,709,759	3.20
3.	Directors, CEO, their Spouses & Minor Children	22	30,833,434	8.42
4.	Executives	-	-	-
5.	Public Sector Companies & Corporations	150	12,020,770	3.28
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	175	62,007,273	16.93
7.	Individuals	22,369	91,440,919	24.96
8.	Others	11	1,875,789	0.51
	<b>TOTAL</b>	<b>22,732</b>	<b>366,321,084</b>	<b>100.00</b>

### DETAILS OF CATAGORIES OF SHAREHOLDERS

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
<b>1.</b>	<b>Associated Companies</b>			
1.1	DEWAN TEXTILE MILLS LIMITED	1	104,288,773	28.47
1.2	DEWAN KHALID TEXTILE MILLS LIMITED	1	32,279,849	8.81
1.3	DEWAN MUSHTAQ MILLS LIMITED	1	19,864,518	5.42
		<b>3</b>	<b>156,433,140</b>	<b>42.70</b>
<b>2.</b>	<b>NIT and ICP</b>			
2.1	INVESTMENT CORPORATION OF PAKISTAN	1	2,301	0.00
2.2	NATIONAL BANK OF PAKISTAN, TRUSTEE DEPTT.	1	11,707,458	3.20
		<b>2</b>	<b>11,709,759</b>	<b>3.20</b>
<b>3.</b>	<b>Directors, CEO, their Spouses &amp; Minor Children</b>			
	<b>Directors and CEO</b>			
3.1	Dewan Zia-Ur-Rehman Farooqui	1	8,594,963	2.35
3.2	Dewan Muhammad Yousuf Farooqui	1	4,884,113	1.33
3.3	Dewan Ghulam Mustafa Khalid	1	2,349,774	0.64
3.4	Dewan Abdul Rehman Farooqui	1	3,169,672	0.87
3.5	Dewan Muhammad Ayub Khalid	1	2,820,474	0.77
3.6	Dewan Asim Mushfiq Farooqui	1	2,982,122	0.81
3.7	Dewan Abdullah Ahmed Swaleh Farooqui	1	2,507,880	0.68
		<b>7</b>	<b>27,308,998</b>	<b>7.45</b>

**Spouses of Directors and CEO**

3.8	Mrs, Najmus Sehar	1	99,313	0.03
3.9	Mrs. Heena Yousuf	1	384,867	0.11
3.10	Mrs. Samina Rehman	1	148,982	0.04
3.11	Mrs. Farnaz Mustafa	1	67,040	0.02
3.12	Mrs. Aneeqa Ayub	1	91,864	0.03
		<b>5</b>	<b>792,066</b>	<b>0.22</b>

**Minor Children of Directors and CEO**

3.13	Miss Yumna Yousuf	1	248,297	0.07
3.14	Mr. Khizer Salman	1	347,618	0.09
3.15	Shuja Ur Rehman Farooqi	1	198,635	0.05
3.16	Mr, Ahmed Khalid Mustafa	1	496,603	0.14
3.17	Mr. Ali Mushtaq Khalid	1	496,603	0.14
3.18	Miss Umaima Khalid	1	111,734	0.03
3.19	Sadiqa Mustafa Khalid	1	111,734	0.03
3.20	Anam Ayub	1	198,635	0.05
3.21	Shaza Ayub	1	198,635	0.05
3.22	Dewan Saud Ayub Kalid	1	323,876	0.09
		<b>10</b>	<b>2,732,370</b>	<b>0.75</b>
		<b>22</b>	<b>30,833,434</b>	<b>8.42</b>

**SHAREHOLDERS HOLDING 10% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY**

Names	Number of Shareholders	Number of Shares held	% of Shareholding
MITSUBISHI CORPORATION	1	40,349,814	11.01
DEWAN TEXTILE MILLS LIMITED	1	104,288,773	28.47

**DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN**

*During the year under review, none of the CEO, CFO, Directors, Company Secretary, their spouses and minor children have traded in the shares of the Company.*



## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2007

Number of Shareholders	Shareholdings		Total Shares held	
5,862	1	-	100	161,872
8,843	101	-	500	2,109,016
2,045	501	-	1,000	1,747,500
3,737	1,001	-	5,000	10,291,672
960	5,001	-	10,000	7,610,990
344	10,001	-	15,000	4,377,027
228	15,001	-	20,000	4,160,212
145	20,001	-	25,000	3,432,856
89	25,001	-	30,000	2,504,960
44	30,001	-	35,000	1,457,695
44	35,001	-	40,000	1,705,935
25	40,001	-	45,000	1,062,769
68	45,001	-	50,000	3,332,872
15	50,001	-	55,000	792,336
13	55,001	-	60,000	763,166
21	60,001	-	65,000	1,316,577
12	65,001	-	70,000	817,862
11	70,001	-	75,000	811,985
5	75,001	-	80,000	389,759
6	80,001	-	85,000	498,526
6	85,001	-	90,000	530,032
8	90,001	-	95,000	737,778
28	95,001	-	100,000	2,798,626
3	100,001	-	105,000	306,344
4	105,001	-	110,000	433,731
9	110,001	-	115,000	1,018,543
2	115,001	-	120,000	235,000
7	120,001	-	125,000	866,162
4	125,001	-	130,000	519,500
1	130,001	-	135,000	134,500
3	135,001	-	140,000	410,395
6	140,001	-	145,000	864,666
4	145,001	-	150,000	598,982
4	150,001	-	155,000	605,803
2	155,001	-	160,000	313,137
1	160,001	-	165,000	162,500
4	165,001	-	170,000	678,531
4	170,001	-	175,000	688,500
4	175,001	-	180,000	713,000
2	185,001	-	190,000	376,000
1	190,001	-	195,000	190,500
11	195,001	-	200,000	2,184,355
1	200,001	-	205,000	203,793
1		-		





Number of Shareholders	Shareholdings		Total Shares held
	205,001		210,000
2	210,001	-	215,000
1	215,001	-	220,000
3	220,001	-	225,000
1	225,001	-	230,000
2	230,001	-	235,000
1	240,001	-	245,000
3	245,001	-	250,000
1	250,001	-	255,000
2	255,001	-	260,000
1	260,001	-	265,000
1	270,001	-	275,000
4	295,001	-	300,000
1	300,001	-	305,000
1	305,001	-	310,000
1	315,001	-	320,000
2	320,001	-	335,000
2	345,001	-	350,000
3	350,001	-	355,000
2	360,001	-	365,000
1	370,001	-	375,000
2	380,001	-	385,000
2	385,001	-	390,000
1	395,001	-	400,000
2	400,001	-	405,000
1	415,001	-	420,000
1	435,001	-	440,000
1	445,001	-	450,000
1	455,001	-	460,000
1	470,001	-	475,000
1	475,001	-	480,000
1	480,001	-	485,000
4	495,001	-	500,000
1	540,001	-	545,000
2	545,001	-	550,000
1	595,001	-	600,000
1	670,001	-	675,000
1	685,001	-	690,000
1	700,001	-	705,000
1	725,001	-	730,000
2	740,001	-	745,000
1	755,001	-	760,000
1	800,001	-	805,000
1	910,001	-	915,000
2	995,001	-	1,000,000
1	1,030,001	-	1,035,000
1	1,290,001	-	1,295,000
1	1,495,001	-	1,500,000
1	1,510,001	-	1,515,000



Number of Shareholders	Shareholdings		Total Shares held
1	1,595,001	-	1,600,000
1	1,885,001	-	1,890,000
1	1,990,001	-	1,995,000
1	2,105,001	-	2,110,000
1	2,195,001	-	2,200,000
1	2,349,001	-	2,350,000
1	2,505,001	-	2,510,000
1	2,515,001	-	2,520,000
1	2,820,001	-	2,825,000
1	2,980,001	-	2,985,000
1	3,165,001	-	3,170,000
1	3,390,001	-	3,395,000
1	3,515,001	-	3,520,000
1	4,485,001	-	4,490,000
1	4,880,001	-	4,885,000
1	5,765,001	-	5,770,000
1	5,940,001	-	5,945,000
1	7,495,001	-	7,500,000
1	8,594,001	-	8,595,000
1	19,860,001	-	19,865,000
1	32,275,001	-	32,280,000
1	40,345,001	-	40,350,000
1	104,285,001	-	104,290,000
<b>22,732</b>		<b>TOTAL</b>	<b>366,321,084</b>

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	30,833,434	8.42%
5.2	Associated Companies, undertakings and related parties	156,433,140	42.70%
5.3	NIT and ICP	11,709,759	3.20%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	14,935,646	4.08%
5.5	Insurance Companies	2,311,072	0.63%
5.6	Modarabas and Mutual Funds	399,834	0.11%
5.7	Shareholders holding 10%	144,638,587	39.48%
5.8	<u>General Public</u>		
	a. Local	91,440,919	24.96%
	b. Foreign	42,094,070	11.49%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	16,163,210	4.41%

**FORM OF PROXY**  
**18th ANNUAL GENERAL MEETING**

**IMPORTANT**

This form of Proxy duly completed must be deposited at the company's Registered office, **Dwan Centre**, 46-Nazim-ud-Din Road, F-7/4, Islamabad not later than 48 hours before the time of holding the meeting during working hours.

A Proxy should also be a member of the Company

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of **DEWAN SALMAN FIBRE LIMITED** and holder of \_\_\_\_\_ Ordinary shares as per Registered Folio No./CDC Participant's ID and Account No \_\_\_\_\_ hereby appoint \_\_\_\_\_ of \_\_\_\_\_ who is also member of **DEWAN SALMAN FIBRE LIMITED** vide Registered Folio No./CDC Participant's ID and Account No. \_\_\_\_\_ my/our proxy to vote for me/our behalf at the 18th Annual General Meeting of the Company to be held on \_\_\_\_\_ Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2007.

Affix  
Revenue  
Stamp  
Rs. 5/-

Signature \_\_\_\_\_

Witness: \_\_\_\_\_

Signature

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Witness: \_\_\_\_\_

Signature

Name: \_\_\_\_\_

Address: \_\_\_\_\_