CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS		
EXECUTIVE DIRECTOR	:	DEWAN MUHAMMAD YOUSUF FAROOQUI CEO & CHAIRMAN BOARD OF DIRECTORS
NON-EXECUTIVE DIRECTORS		DEWAN ABDUL REHMAN FAROOQUI DEWAN ABDUL BAQI FAROOQUI MR. HAROON IQBAL MANSUR-UL-HAQUE MR. ISHTIAQ AHMED
INDEPENDENT DIRECTOR	:	MR. AZIZ-UL-HAQUE
AUDIT COMMITTEE	:	MR. AZIZ-UL-HAQUE - CHAIRMAN HAROON IQBAL - MEMBER MR. MANSUR-UL-HAQUE - MEMBER
HUMAN RESOURCE & REMUNERATION COMMITTEE	:	MR. HAROON IQBAL - CHAIRMAN DEWAN MUHAMMAD YOUSUF FAROOQUI - MEMBER MR. MANSUR-UL-HAQUE - MEMBER
CHIEF FINANCIAL OFFICER	:	ZAFAR ASIM
COMPANY SECRETARY	:	SYED MUHAMMAD SALAHUDDIN
AUDITORS	:	FARUQ ALI & CO. CHARTERED ACCOUNTANTS
	:	FEROZE SHARIF TARIQ & CO. CHARTERED ACCOUNTANTS
LEGAL ADVISORS	:	KHALID ANWER & COMPANY - ADVOCATES
TAX ADVISORS	:	SHARIF & COMPANY - ADVOCATES
FACTORY OFFICE	:	PLOT NO 1, DEWAN FAROOQUE INDUSTRIAL PARK, HATTAR, DISTRICT HARIPUR (K.P.K.)
HEAD OFFICE	:	FINANCE & TRADE CENTRE BLOCK-A, 8TH FLOOR, SHAHRAH-E-FAISAL, KARACHI.
REGISTERED OFFICE	:	DEWAN CENTRE, 58 MAIN MARGALLA ROAD F-7/2 ISLAMABAD
SHARE REGISTRAR/ TRANSFER AGENTS	:	**BMF CONSULTANTS PAKISTAN (PRIVATE) LIMITED** ANUM ESTATE BUILDING, ROOM NO. 310 & 311, 3RD FLOOR, 49, DARUL AMAN SOCIETY, MAIN SHAHRAH-E-FAISAL, ADJACENT TO BALOCH COLONY BRIDGE, KARACHI, PAKISTAN.
BANKERS	:	AL BARAKA ISLAMIC INVESTMENT BANK LIMITED ALLIED BANK LIMITED ASKARI BANK LIMITED BANK ALFALAH LIMITED BANK OF KHYBER LIMITED BANK OF PUNJAB LIMITED FAYSAL BANK LIMITED HABIB BANK LIMITED HABIB METROPOLITAN BANK LIMITED HONG KONG & SHANGHAI BANKING CORPORATION KASB BANK LIMITED MEEZAN BANK LIMITED SUMMIT BANK LIMITED MCB BANK LIMITED NATIONAL BANK OF PAKISTAN LIMITED NIB BANK LIMITED STANDARD CHARTERED BANK LIMITED (PAKISTAN) SILK 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 TWENTY FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty Fourth Annual General Meeting of **Dewan Salman Fibre Limited** ("***DSFL***" or "***the Company***") will be held on **Thursday, October 31, 2013, at 12:00 noon.** at Dewan Centre, House No. 58, Margallah Road, F-7/2, Islamabad, Pakistan; to transact the following businesses upon recitation from Holy Qur'aan and other religious recitals:

1. To confirm the minutes of the preceding General Meeting of the Company held on Thursday, September 26, 2013;

2. To receive, consider, approve and adopt the annual audited financial statements of the Company for the year ended June 30, 2013, togetherwith 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

Syed Muhammad Salahuddin
Company Secretary

Dated: October 04, 2013
Place : Karachi.

NOTES:

1. The Share Transfer Books of the Company will remain closed for the period from October 24, 2013 to October 31, 2013 (both days inclusive).

2. Members are requested to immediately notify change in their addresses, if any, at our Shares Registrar Transfer Agent BMF Consultants Pakistan (Private) Limited, located at Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, adjacent to Baloch Colony Bridge, Karachi, Pakistan.

3. 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.

4. 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 (CNIC), 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 CNIC numbers shall be mentioned on the form, shall witness the proxy.

iii) Attested copies of CNIC or passport of the beneficial owners and proxy shall be furnished alongwith the proxy form.

iv) The proxy shall produce his/her original CNIC 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

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

The Board of Directors of your company takes pleasure in presenting the Twenty Fourth annual report of the company together with the audited financial statements with notes there on for the year ending June 30, 2013.

Despite of our best efforts, manufacturing operation of the country's largest polyester and only acrylic manufacturing plant could not be started. It is unfortunate that due to closure of Dewan Salman Fibre Limited (DSFL), short fall in the demand of polyester fibre and acrylic fibre is met through import of these commodities. This not only results in spending of huge foreign exchange but also deprives people to earn honorable livings.

Management of your company has made various proposals for the restructuring of the company which are under consideration of the financial institutions and we hope that the process should be completed very soon.

OPERATING AND FINANCIAL RESULTS

During the year under review, your company recorded turnover of Rs.Nil (2012 Rs.183.757 million.) There is gross loss amounting to Rs.778.965 million.(900.982 million 2012)

We humbly and gratefully bow our heads before Almighty Allah, and pray for his blessings for early revival of our company during this difficult period.

INDUSTRY OVERVIEW

With the expansion in one of our competitors' capacity, the demand and supply gap has been filled to a certain extent but we still believe that DSFL has the role to play as the downstream industry want DSFL to re-enter into the market due to its professional and accommodative approach towards the customers. We are hopeful that it can be made viable once your company's operations would restart and will make inroads into the market in a short span of time In-sha-Aallah. Millions of dollars are still being spent on the import of Polyester which can be saved with the resumption of DSFL. Since the polyester prices as compared to raw cotton prices are relatively cheaper for the last few years, therefore, the usage of polyester might be increased in the times to come due to its price and availability. It has been reported in our Director's report of 1995-96 and again in the year 2007-2008 various discriminatory measures of the Govt. taken against your company. Discriminatory measures of the Govt. have been contested in the court of law where the matter remained sub-juiced even now.

DSFL is the one of the largest industrial investments in Khyber Paktoon Khawa and being the largest private sector employer has contributed immensely the people of the area /national economy.

DSFL is still a name to be reckoned with in local and International Market and we are confident that with the availability of fresh working capital lines, we can bring back the glory of Dewan which was part and parcel of its name.

AUDITORS' OBSERVATION

Auditors of the company have qualified their report on certain instances; the para wise comments are given as under:

a) In Para (a) of their report they did not agree with the going concern assumption used in preparation of financial statements accordingly they have given their adverse opinion on the financial statements. The management is in process of negotiation with the bankers and is confident that the outcome will be positive. The justifications regarding preparation of financial statements on going concern assumption are more fully explained in note 2 to the financial statement.

b) The company has not made provision of mark-up amounting to Rs. 1.914 billion (up to June 30, 2012 Rs. 8.652 billion) on its mark-up bearing liabilities. The management has approached its bankers/financial institutions for restructuring of its long-term and short-term obligations. The management is confident that the company's restructuring proposals will be accepted by the bankers/financial institutions. Therefore the company has not made any provision for mark-up.

c) Para (c) of the report relates to valuation and classification of investment in Dewan Petroleum (Pvt.) Ltd. using the equity method as required under International Accounting Standard 28 'Investment in associates' which the company has classified as held for sale. The auditors are of the view that since the shareholders' approval sought by the company in extra ordinary general meeting held on June 23, 2008 stands expired during the year therefore the investment should be valued using equity method. Investment has been classified as held for sale upon management's intention to sell the same within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the company, although the shareholders' approval has been expired but the management will seek further shareholder's approval before disposal of the same.

d) Para (d) of the report relates to Trade debts amounting to Rs. 2.955 billion are stagnant, not being recovered, against which a provision of Rs. 796.507 million has been made so for. Since these trade debts are doubtful of recovery therefore the provision should be made there against. Had provision been made, loss for the period would have been further higher by 2.159 billion.

Management of your company is making utmost efforts to recover these debts, and we received certain payment from debtors further, we believe that there, Will be more positive response from debtors in next years and will take our position accordingly.

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.

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 Stock Exchanges in the country under instructions from Security & Exchange Commission of Pakistan. We are taking all necessary steps to ensure Good Corporate Government in your company as required by the code. None of the Directors, CEO, CFO, Company Secretary, their spouses and minor children have traded in the shares of the Company.

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

The Attendance by each of Director was as follows:

Attendance of Directors	TOTAL
Dewan Muhammad Yousuf Farooqui	3
Dewan Asim Mushfiq Farooqui	1
Dewan Abdullah Ahmed	0
Dewan Abdul Baqi Farooqui	3
Mr. Haroon Iqbal	5
Mr. Mansur-ul-Haque	3
Mr. Aziz-ul-Haque	5
Dewan Abdul Rehman Farooqui	2
Mr. Ishtiaq Ahmad	1
Syed Muhammad Anwar	1

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

By and under Authority of the Board of Directors

Dewan Muhammad Yousuf Farooqui

Chief Executive/Chairman Board of Directors

Dated: October 04, 2013
Place : Karachi.

FINANCIAL HIGHLIGHTS

Rupees in million

	2008	2009	2010	2011	2012	2013
Turnover	10,762	4,171	137	137	184	-
Less: Govt. Levy & Commission	16	2	-	-	-	-
Sales (Net)	10,746	4,169	137	137	184	-
Gross Profit / (loss)	(2,491)	(4,037)	(1,272)	(1,003)	(901)	(779)
Profit (loss) before Tax	(4,989)	(6,364)	(1,647)	(1,395)	(1,631)	(1,248)
Profit (loss) after Tax	(4,898)	(6,234)	(1,530)	(1,269)	(1,518)	(1,147)
Gross Assets Employed	21,473	16,219	15,343	13,984	12,478	11,341
Return on Equity	(169.12%)	(186.87%)	(35.49%)	(22.66%)	(21.26%)	(13.86%)
Current assets	10,068	6,324	5,173	4,743	4,059	3,641
Shareholders Equity	2,896	(3,336)	(4,311)	(5,600)	(7,141)	(8,277)
Long Term Debts & Deferred Liabilities	3,142	2,543	1,951	1,667	1,626	1,534
Current Liabilities	15,435	17,012	17,703	17,918	17,993	18,084
Gross Profit Ratio	(23.18%)	(96.81%)	(928.47%)	(732.12%)	(489.67%)	-
Net Profit Ratio	(45.58%)	(149.51%)	(1116.79%)	(926.28%)	(825.00%)	-
Debt/Equity Ratio	1.08	(0.76)	0.45	(0.30)	(0.23)	(0.19)
Current Ratio	0.65	0.36	0.29	0.26	0.23	0.20
Earning per Share	(13.37)	(17.02)	(4.18)	(3.46)	(4.14)	(3.13)
Divided (Percentage)						
-Cash	-	-	-	-	-	-
-Stock	-	-	-	-	-	-
Production Volume(Tons)	85,595	25,808	-	-	-	-

STATEMENT OF COMPLIANCE
WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2013

The statement is being presented to comply with the Code of Corporate Governance (“CCG”) contained in Regulation No 35 of listing regulation of Karachi, Lahore and Islamabad 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 principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non executive directors and directors representing minority interests on its Board of Directors. At present the board includes One Independent Director, four Non-Executive Directors and two Executive Directors of the Company.

2. The condition of maximum number of seven directorships to be held by a director in listed companies as per clause ii of the CCG will be applicable after election of next Board of Directors of the 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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the board during this period.

5. The company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. 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.

7. All the powers of the board have been duly exercised and decisions on material transactions including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the board/shareholders.

8. The meetings of the board were presided over by the Chairman and, in his absence, by the director elected by the board for this purpose and the board met at least 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.

9. In accordance with the criteria specified on clause (xi) of CCG, some directors are exempted from the requirement of directors' training program and rest of the Directors to be trained within specified time.

10. There was no change in the position of CFO, Company Secretary and Head of Internal Audit during the year. The Directors report for this have prepared in compliance with the requirement of the CCG and fully describes the salient matters required to be disclosed.

11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

12. The director, CEO and executives do not hold any interest in the shares of the company other than the disclosed in the pattern of shareholding.

13. The company has complied with all the corporate and financial reporting requirements of CCG.

14. The board has formed an Audit Committee. It comprises three members of whom one is independent director who is also chairman and two members are non-executive directors.

15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

16. The board has formed an HR and Remuneration Committee. It comprises of three members of whom two are non-executive directors and the chairman of the committee is a non-executive director.

17. The board has set up an effective internal audit function. The staffs are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, 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 Accountants (IFAC) guidelines on code of ethics are adopted by the ICAP.

19. 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.

20. The closed period, prior to the announcement of interim/final results, and business decisions, which may materially effect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

21. Material / price sensitive information has been disseminated among all market participants at once through stock exchange(s).

22. We confirm that all the other material principles enshrined in the CCG have been complied with.

Dewan M. Yousuf Farooqui

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Dated: October 04, 2013
Place : Karachi.

Feroze Sharif Tariq & Co.
CHARTERED ACCOUNTANTS
4 / N / 4, BLOCK-6, P.E.C.H. 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** ('the Company') to comply with the Listing Regulations of the respective 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 are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

Further, listing regulations of respective stock exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transaction which are not executed at arm's length price recording proper justifications for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken at arm's length price or not.

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, 2013.

During the year under consideration a minimum of one director was required to acquire certification under directors' training program, which has not been complied with. (Point reference 9 of the statement).

Feroze Sharif Tariq & Co.

Chartered Accountants
(Muhammad Ghalib)

Faruq Ali & Co.

Chartered Accountants
(Muhammad Faisal Nini)

Karachi: October 04, 2013

Feroze Sharif Tariq & Co.
CHARTERED ACCOUNTANTS
4 / N / 4, BLOCK-6, P.E.C.H. 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, 2013 and the related profit and loss account, statement of comprehensive income, 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) The financial statements of the company for the year ended June 30, 2013 reflect loss after taxation of Rs.1.147 billion and as of that date it has accumulated losses of Rs.14.559 billion which resulted in net capital deficiency of Rs.10.528 billion and its current liabilities exceeded its current assets by Rs.14.443 billion and total assets by Rs.6.743 billion. The operations of the company are closed since December 2008 due to working capital constraints. Furthermore, the company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and short term finance facilities have expired and not been renewed by banks. Following course, certain lenders have gone into litigation for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions lead us to believe that the going concern assumption used in preparation of these financial statements is inappropriate; consequently the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

b) The company has not made provision of markup for the period amounting to Rs. 1.914 billion (up to June 30, 2012: Rs.8.652 billion) (refer note 28.1) on account of restructuring proposal offered to the lenders as described in note 2 to the financial statements. Non-provisioning of markup is based on management's hope that the restructuring proposal will be accepted by lenders in the proposed manner. In our opinion, since the proposal has not been accepted by the lenders so far and the lenders, instead of accepting the restructuring proposal, have preferred filing suits against the company, therefore the provision of markup should be made in these financial statements. Had the provision of markup been made in the financial statements, the loss after taxation for the year would have been higher by Rs.1.914 billion and markup payable would have been higher and shareholders' equity would have been lower by Rs.10.566 billion.

c) Investment in associate Dewan Petroleum (Private) Limited is disclosed as non-current assets held for sale (refer note 23 to the financial statements) although the resolution for the permission to sale the same has been expired during prior financial year. This investment is to be shown / valued at equity method as prescribed in International Accounting Standard 28 'Investment in associates'. We are unable to quantify the effect of the same as latest audited accounts of Dewan Petroleum (Private) Limited were not made available.

d) Trade debts amounting to Rs.2.955 billion are stagnant, not being recovered, against which a provision of Rs.796.507 million has been made so far. Since these trade debts are doubtful of recovery therefore the provision should be made there against. Had the provision been made, loss for the year would have been further higher by 2.159 billion.

e) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

f) 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

   iiii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

g) in our opinion and to the best of our information and according to the explanations given to us, because of significance of matters discussed in para (a), further coupled with the effects of matter discussed in Para (b) to (d) above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the company's affairs as at June 30, 2013 and of the Loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and

h) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Feroze Sharif Tariq & Co.

Chartered Accountants
(Muhammad Ghalib)

Chartered Accountants
(Muhammad Faisal Nini)

Karachi: October 04, 2013

BALANCE SHEET
AS AT JUNE 30, 2013

	Notes	2013	2012
		(Rupees in '000)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
630,000,000 (2012: 630,000,000) Ordinary shares of Rs. 10/- each		6,300,000	6,300,000
90,000,000 (2012: 90,000,000) Preference shares of Rs. 10/- each		900,000	900,000
		7,200,000	7,200,000
Issued, subscribed and paid-up capital	4	3,663,211	3,663,211
Reserves	5	(14,191,601)	(13,244,527)
		(10,528,390)	(9,581,316)
Surplus on revaluation of property, plant and equipment	6	2,251,240	2,440,566
NON CURRENT LIABILITIES			
Long term loans	7	362,134	357,879
Deferred liabilities	8	1,172,276	1,267,694
CURRENT LIABILITIES			
Trade and other payables	9	7,557,193	7,562,988
Short term borrowings	10	7,153,055	7,153,055
Overdue portion of long term loans	7	3,142,824	3,046,224
Overdue portion of liability against assets subject to finance lease	11	69,724	69,724
Provision for taxation		160,864	160,864
		18,083,660	17,992,855
CONTINGENCIES AND COMMITMENTS	12	--	--
		11,340,920	12,477,678

	Notes	2013	2012
		(Rupees in '000)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	13	7,309,950	8,034,341
Long term investments	14	158,569	148,332
Long term prepayments	15	8,520	12,778
CURRENT ASSETS			
Stores and spares	16	1,021,719	1,037,396
Stock in trade	17	176,743	176,743
Trade debts	18	2,158,899	2,555,987
Advances - Considered good	19	37,089	36,873
Short term deposits and prepayments	20	161,858	162,330
Other receivables - Considered good	21	76,393	75,643
Cash and bank balances	22	8,180	14,255
		3,640,881	4,059,227
Non current assets held for sale	23	223,000	223,000
		11,340,920	12,477,678

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

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2013

	Notes	2013	2012
		(Rupees in '000)	
Sales	24	--	183,757
Cost of sales	25	778,965	1,084,739
Gross loss		(778,965)	(900,982)
Operating expenses			
Distribution cost	26	8,827	12,684
Administration expenses	27	53,791	70,488
		62,618	83,172
Operating loss		(841,583)	(984,154)
Finance cost	28	96,346	170,746
Provision for doubtful debts / advances / receivables		295,925	349,657
Provision for obsolescence and slow moving stocks		15,677	127,823
Other (income)	29	(950)	(875)
		406,998	647,351
Loss before taxation		(1,248,581)	(1,631,505)
Taxation			
Current		--	--
Deferred		(101,945)	(113,272)
		(101,945)	(113,272)
Loss after taxation		(1,146,636)	(1,518,233)
Loss per share - Basic (Rupees)	30.1	(3.13)	(4.14)
Loss per share - Diluted (Rupees)	30.2	(2.97)	(3.94)

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

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	(Rupees in '000)	
Net loss after taxation	(1,146,636)	(1,518,233)
Net change in fair value of available-for-sale financial assets	10,237	4,211
Incremental depreciation transferred from		
surplus on revaluation of property, plant and equipment	291,270	323,634
Related deferred tax	(101,945)	(113,272)
	189,325	210,362
Total comprehensive loss transferred to equity	(947,074)	(1,303,660)

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

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2013

		2013	2012
		(Rupees in '000)	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(1,248,581)	(1,631,505)
Adjustments for non cash and other items:			
Depreciation		730,870	812,937
Amortization of prepayments		4,258	4,259
Divident income		(950)	(875)
Provision for gratuity		14,901	44,473
Provision for doubtful debts / advances / receivables		295,925	349,657
Provision for obsolescence and slow moving stocks		15,677	127,823
Finance cost		96,640	170,746
Cash outflow before working capital changes		(91,260)	(122,485)
Movement in working capital	(Note – A)	95,272	195,036
Cash generated from operations		4,012	72,551
Payments for:			
Staff gratuity		(8,375)	(1,479)
Finance cost		(40)	(130)
Taxation		(398)	(885)
		(8,813)	(2,494)
Net cash (outflow) / inflow from operating activities		(4,801)	70,057
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,479)	--
Dividend income received		950	875
Net cash (outflow) / inflow from investing activities		(5,529)	875
CASH FLOW FROM FINANCING ACTIVITIES			
Long term loans - Net		4,255	29,849
Short term borrowings - Net		--	(51,212)
Liabilities against assets subject to finance lease - Net		--	(33,408)
Net cash inflow / (outflow) from financing activities		4,255	(54,771)
Net (decrease) / increase in cash and cash equivalents		(6,075)	16,161
Cash and cash equivalents as at 1st July		(2,958,640)	(2,974,801)
Cash and cash equivalents as at 30th June	(Note – B)	(2,964,715)	(2,958,640)

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

Note - A

Movement in Working Capital

	2013	2012
	(Rupees in '000)	
(Increase) / decrease in current assets		
Stores and spares	--	(6,928)
Stock-in-trade	--	183,444
Trade debts	101,163	23,861
Advances	(216)	(1,825)
Short term deposits and prepayments	472	7,228
Other receivables	(352)	(132)
Increase / (decrease) in current liabilities		
Trade and other payables	(5,795)	(10,612)
	95,272	195,036

Note - B

Cash and Cash Equivalents

Cash and cash equivalents include:

	2013	2012
Cash and bank balances	8,180	14,255
Short term finances:		
- Short term running finances	2,970,019	2,970,019
- Book overdraft	2,876	2,876
	(2,972,895)	(2,972,895)
	(2,964,715)	(2,958,640)

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

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2013

	Issued, subscribed and paid-up capital	General Reserve	Unrealized gain due to changes in fair value of investments	Accumulated Loss	Total
			(Rupees in '000)		
Balance as on July 01, 2011	3,663,211	350,000	2,948	(12,293,815)	(8,277,656)
Total comprehensive loss for the year					
Loss for the year	--	--	--	(1,518,233)	(1,518,233)
Net change in fair value of available-for-sale financial assets	--	--	4,211	--	4,211
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	210,362	210,362
	--	--	4,211	(1,307,871)	(1,303,660)
Balance as at June 30, 2012	3,663,211	350,000	7,159	(13,601,686)	(9,581,316)
Total comprehensive loss for the year					
Loss for the year	--	--	--	(1,146,636)	(1,146,636)
Net change in fair value of available-for-sale financial assets	--	--	10,237	--	10,237
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	--	189,325	189,325
	--	--	10,237	(957,311)	(947,074)
Balance as at June 30, 2013	3,663,211	350,000	17,396	(14,558,997)	(10,528,390)

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

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1 THE COMPANY AND ITS OPERATION

The Company was incorporated in Pakistan on October 04, 1989 and its shares are listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in manufacture and sale of polyester, acrylic fibre and tow products. The registered office of the Company is situated at Dewan Centre, House No. 58, Margalla Road, F-7/2, Islamabad, Pakistan.

2 GOING CONCERN ASSUMPTION

The financial statements for the year ended June 30, 2013 reflect loss after taxation of Rs. 1.147 billion (2012: Rs.1.518 billion) and as of that date it has accumulated losses of Rs.14.559 billion (2012: Rs.13.602 billion) which have resulted in net capital deficiency of Rs.10.528 billion (2012: Rs.9.581 billion) and its current liabilities exceeded its current assets by Rs.14.443 billion (2012: Rs.13.934 billion) and total assets by Rs.6.743 billion (2012: Rs.5.515 billion). The operations of the company are closed since December 2008 due to working capital constraints. Further, the Company has been unable to ensure timely repayments of debts owing to financial institutions due to liquidity problems and short term finance facilities have not been renewed by banks. Following course most of the lenders have gone into litigation for repayment of liabilities through attachment and sale of company's hypothecated / mortgaged properties and certain lenders have also filed winding up petitions. These conditions indicate the existence of material uncertainty, which may cast significant doubt about company's ability to continue as going concern

These financial statements have been prepared on going concern assumption because the above conditions are temporary and would reverse. The management is confident that the outcome will be positive as the company is negotiating re-profiling of the debt with all the lenders and is expected to be closed in near future. Accordingly the company has approached its lenders for the restructuring of its entire debt in the following manner:

a) All the debt obligations of the company be converted into Interest Bearing Long Term Loan in proportion to their respective current exposures;

b) Principal to be repaid in 12 years in equal quarterly installments commencing from the 28th month of the restructuring date;

c) Mark-up payable as on December 31, 2008 to be freezed and paid quarterly over a period of three years commencing after 3 months from the restructuring date;

The management believes that the restructuring proposal presented is workable and would enable the company to service its debts. Therefore, the management is confident that the proposal will be accepted by its lenders. Accordingly, these financial statements have been prepared on a going concern basis.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

These financial statements have been prepared under the historical cost convention except revalued assets which are stated at revalued amounts and certain investments which are carried at revalued amounts.

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.

3.2 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan with the exception of departure of IFRS as mentioned in 28.1 to the financial statements, for which the management concludes that provisioning of markup (note 28.1) would conflict with the objective of financial statements. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provision of and directives issued under the Companies Ordinance, 1984. In case requirement differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

Standards, amendments or interpretations which became effective during the year

There are no amended standards and interpretations that are effective for the first time in the current year that would be expected to have a material impact on the Company.

New / revised accounting standards, amendments to published accounting standards, and interpretation that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2013:

- IAS 19 Employee Benefits (amended 2011) - (effective for annual periods beginning on or after 1 January 2013). The amended IAS 19 includes the amendments that require actuarial gains and losses to be recognised immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit and loss, which currently is allowed under IAS 19; and that the expected return on plan assets recognised in profit and loss is calculated based on the rate used to discount the defined benefit obligation. The amendments would result in recognition of unrecognized actuarial gains of Rs. 2.323 million.

- IAS 27 Separate Financial Statements (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 27 (2011) supersedes IAS 27 (2008). Three new standards IFRS 10-Consolidated Financial Statements, IFRS 11- Joint Arrangements and IFRS 12- Disclosure of Interest in Other Entities dealing with IAS 27 would be applicable effective 1 January 2013. IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. The amendments have no impact on financial statements of the Company.

- IAS 28 Investments in Associates and Joint Ventures (2011) - (effective for annual periods beginning on or after 1 January 2013). IAS 28 (2011) supersedes IAS 28 (2008). IAS 28 (2011) makes the amendments to apply IFRS 5 to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture. The amendments have no impact on financial statements of the Company.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) - (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off’ and that some gross settlement systems may be considered equivalent to net settlement.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7) - (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.

Annual Improvements 2009–2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following five standards, with consequential amendments to other standards and interpretations.

- IAS 1 Presentation of Financial Statements is amended to clarify that only one comparative period - which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is material to statement of financial position.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories. The amendments have no impact on financial statements of the Company.

- IAS 32 Financial Instruments: Presentation - is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IAS 34 Interim Financial Reporting is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments. IAS 34 now requires the disclosure of a measure of total assets and liabilities for a particular reportable segment. In addition, such disclosure is only required when the amount is regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

- IFRIC 20 - Stripping cost in the production phase of a surface mining (effective for annual periods beginning on or after 1 January 2013). The interpretation requires production stripping cost in a surface mine to be capitalized if certain criteria are met. The amendments have no impact on financial statements of the Company.

- IFRIC 21- Levies an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- IAS 39 Financial Instruments: Recognition and Measurement- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) (effective for annual periods beginning on or after 1 January 2014). The narrow-scope amendments will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

3.3 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.

Since the company's operations are closed therefore the employees are considered on long leave, the provision for gratuity is based on assumption that fifty percent of the employees will re-join when the company will resume its operations.

3.4 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.

3.5 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.

3.6 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 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 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 13. 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.

3.7 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.

3.8 Investments

Available for sale:

Investments classified as available for sale 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 the 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 comprehensive income.

3.9 Stores and spares

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

3.10 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.

3.11 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.

3.12 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.

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

3.13 Transactions with related parties

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

3.14 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.

3.15 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.

3.16 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.

3.17 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.

3.18 Non current assets held for sale

Non current assets classified as held for sale are measured at the lower of their carrying amounts and fair value less cost to sell.

3.19 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.

4 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2013	2012		2013 (Rupees in '000)	2012 (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
366,321,083	366,321,083		3,663,211	3,663,211

4.1 156,433,140 (2012: 156,433,140) shares were held by associated companies.

		2013	2012
		(Rupees in '000)	
5	**RESERVES**		
	Revenue reserves:		
	General reserves	350,000	350,000
	Unrealized gain due to changes in fair value of investments	17,396	7,159
	Accumulated loss	(14,558,997)	(13,601,686)
		(14,191,601)	(13,244,527)
6	**SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**		
	Opening balance	2,440,566	2,650,928
	Less : Transferred to accumulated loss in respect of incremental depreciation for the year - Net of tax	(189,326)	(210,362)
	Balance as on 30 June	2,251,240	2,440,566

The following fixed assets of the Company were revalued on June 25, 2010. The revaluation was carried out by independent valuer M/s. Asif Associates (Private) Limited (Muqadams, Evaluators & Custom Agents). Bases of revaluation are as follows:

Land

Valuation of land is determined by obtaining key market data from property brokers, dealers and estate agents to ascertain the asking and selling prices of the property of the same nature in the immediate neighborhood and adjoining areas.

Building

Revalued amount of building ahs been determined by reference to present depreciated replacement values after taking into consideration covered area and type of construction, age of civil and ancillary structures, physical conditions and level of preventive maintenance carried out by the Company.

Plant and Machinery

Revalued amount of plant and machinery has been determined by reference to present depreciated replacement values after taking into consideration the existence, level of maintenance and assessment of value of the machinery on the basis of its present conditions. Since the plant is not operational therefore assessment is carefully made to establish if the machinery can be put into operation after routine maintenance. Assessed value is determined through a computation of the remaining useful life of the assets with the present market value.

The revaluation has resulted in increase in surplus and corresponding carrying amounts of property, plant and equipment by Rs.732.864 million.

Particulars	W.D.V. of assets before Revaluation	Revalued amount	Revaluation Surplus
		(Rupees in '000)	
PSF Units			
Leasehold land	368,000	524,800	156,800
Factory building	657,909	910,515	252,606
Non-factory building	323,030	421,085	98,055
Plant and machinery	5,385,208	5,393,000	7,792
Acrylic Unit			
Factory building	237,237	350,600	113,363
Non-factory building	2,484	3,100	616
Plant and machinery	1,581,368	1,685,000	103,632
	8,555,236	9,288,100	732,864

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

7 LONG TERM LOANS

Financier	Installments payable	Repayment period	Mark-up rate	Note	2013	2012
					(Rupees in '000)	
From Bank and Financial Institutions - Secured						
Syndicate of banks	Half Yearly	2003-2008	3.75% over 6 months T-bill rate	7.1	58,333	58,333
International Finance Corporation (IFC) FCY-LOAN	Half Yearly	2005-2011	6.9% p.a.	7.2	1,679,600	1,601,400
International Finance Corporation (IFC) FCY-LOAN	Annual	2010	5% p.a.	7.3	395,200	376,800
Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd.	Quarterly	2009	3% over six months KIBOR	7.4	49,000	49,000
National Bank of Pakistan	Quarterly	2011	2% over three months KIBOR	7.5	500,000	500,000
Allied Bank Limited	Monthly	2010	3.25% over three months KIBOR	7.6	460,691	460,691
From Related parties						
Directors - Unsecured, interest free					362,134	357,879
					3,504,958	3,404,103
Less: Overdue portion - Shown under current liabilities					3,142,824	3,046,224
					362,134	357,879

7.1 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.

7.2 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.

7.3 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 acceptation of US 1 million dated May 14, 2004 with all the terms and conditions of the said agreement remains unchanged.

7.4 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.

7.5 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.

7.6 This represents term finance facility for the purpose of retiring present running finance & FADB outstanding and is secured by way of first pari passu charge over fixed assets with 25% margin.

	Note	2013	2012
		(Rupees in '000)	
8 DEFERRED LIABILITIES			
Deferred liability for staff gratuity	8.1	254,775	248,249
Deferred taxation	8.2	917,501	1,019,445
		1,172,276	1,267,694

		Note	2013	2012
			(Rupees in '000)	
8.1	**Provision for staff gratuity**			
	Opening Balance		248,249	205,255
	Less: Payments during the year		8,375	1,479
			239,874	203,776
	Add: Provision for the year	8.1.1	14,901	44,473
		8.1.2	254,775	248,249

		Note	2013	2012
8.1.1	**Charge for the year**			
	Current service cost		12,570	25,794
	Interest cost		29,661	18,679
	Curtailment or settlements (gain)	8.1.1.1	(27,330)	--
		8.1.1.2	14,901	44,473

8.1.1.1 The company has made gratuity settlements for a number of members during the year based on their gratuity benefits accrued up to the date of going on leave, which resulted in settlement gain because of the release of liability held against those employees for the period after the date of going on leave. The said gain has been recognized immediately during the year as per requirements of IAS - 19.

		2013	2012
8.1.1.2	**Allocation of charge for the year**		
	Cost of sales	12,406	35,578
	Distribution cost	--	2,223
	Administrative expenses	2,495	6,672
		14,901	44,473

		2013	2012
8.1.2	**Balance sheet reconciliation**		
	Present value of defined benefit obligations	241,518	247,173
	Payable to outgoing members	10,934	8,980
	Unrecognised actuarial gain / (loss)	2,323	(7,904)
		254,775	248,249
	Principal actuarial assumption		
	Expected rate of increase in salaries	9% p.a.	11% p.a.
	Discount factor used	10% p.a.	12% p.a.
	Average expected remaining working life times of employees	10 years	13 years

	Note	2013	2012
		(Rupees in '000)	
8.2 Deferred taxation			
Liability / (asset) balances arising in respect of:			
Accelerated tax depreciation		534,395	558,343
Finance lease transactions		6,865	10,339
Provisions and others		(594,311)	(482,966)
Accumulated tax losses and available tax credits		(5,090,922)	(4,404,438)
Deferred tax (asset)		(5,143,973)	(4,318,722)
Deferred tax asset not recognized		5,143,973	4,318,722
		--	--
Deferred tax liability in respect of:			
- Revaluation net of related depreciation		917,501	1,019,445
		917,501	1,019,445

9 TRADE AND OTHER PAYABLES

	Note	2013	2012
Trade creditors	9.1	5,511,269	5,523,033
Markup accrued		1,813,578	1,813,578
Accrued expenses		204,630	198,384
Unclaimed TFCs redemption warrants		2,228	2,228
Others	9.2	25,488	25,765
		7,557,193	7,562,988

9.1 This mainly represent amount payable to banks in respect of overdue letter of credits.

9.2 Others include Rs.20.943 million (2012: Rs.20.943 million) payable to Dewan Farooq Motors Limited (an associated company).

10 SHORT TERM BORROWINGS

	2013	2012
From banks and financial institutions - Secured		
- Morabaha Finance	621,530	621,530
- Short Term Loans	3,558,630	3,558,630
Short Term Running Finance - Secured	2,970,019	2,970,019
Temporary book overdraft - Unsecured	2,876	2,876
	7,153,055	7,153,055

- The facilities for various loans and finances under mark-up arrangements available from various banks amount to Rs.8.766 billion (2012: Rs.8.766 billion) and carry mark up ranging from 1% to 4% (2012: 1% to 4%) over one to six months KIBOR. 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. These facilities have not been renewed by the banks, however, the renewal would take place at the finalization of the financial restructuring process.

11 OVERDUE PORTION OF LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

- The Company entered into lease agreements with various leasing companies to acquire gas generators to reduce the power costs. The rentals under these lease agreements are payable quarterly up to the period ending June 2011. Mark up rate ranging from 13.71% to 14.38% (2012: 13.71% to 14.38% per annum) have been used as discounting factors. The cost of operating and maintaining the leased assets will be borne by the company. The Company intends to exercise its option to purchase the leased assets at its aggregate residual value of Rs.9.788 upon the completion of the respective lease periods.

12 CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

(a) In respect of liabilities towards banks / financial institutions disclosed in note 7, 9, 10 and 11 to the financial statements, most of banks / financial institutions have filed suits in Honorable High Court of Sindh at Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The aggregate suits amount is Rs. 22.317 billion, out of total suits amount four of the banks having suit to the extent of Rs. 2.435 billion has also filed winding up petition u/s 305 of the Companies Ordinance, 1984. Since the company is in dispute with banks / financial institutions therefore the estimated financial effect of litigations is not being disclosed, as it may have adverse affect on company's position in the suits.

The management has disputed the claim and is strongly contesting the cases. The management has filed counter claims alleging that the banks claims are highly exaggerated as they have charged markup on markup and other levies higher than the rate of markup agreed and other charges in violation of State Bank of Pakistan rules and all other applicable laws of Pakistan. The management is hopeful that the decision will be in favor of the company and the base less suits shall be rejected by the concerned courts. Since all the cases are pending before Honorable Courts therefore the ultimate outcome cannot be established at this stage. Since the banks / financial institutions are in litigation with the company, therefore balance confirmations have not been received therefrom.

(b) The Company is defendant in a legal proceeding initiated by certain transporters for an aggregate amount of Rs.31.127 million (being pending bill of Rs.27.127 million and Rs.4.00 million as delayed payment charges) which is pending before Hon'able Lahore High Court (Rawalpindi Bench), the outcome of which cannot be established at this stage. The management, based on the strength of its case and the advice of its lawyers, believes that no additional liability will arise out of these proceedings; hence no provision for delayed payment charges has been made in these financial statements.

(c) Guarantees given by the commercial banks on behalf of the company amounted to Rs.78.30 million (2012: Rs.78.30 million).

	Note	2013	2012
		(Rupees in '000)	
13 PROPERTY PLANT AND EQUIPMENT			
Operating fixed assets - At cost less accumulated depreciation	13.1	7,167,137	7,891,528
Capital work in progress	13.3	142,813	142,813
		7,309,950	8,034,341

13.1 Operating fixed assets - At cost less accumulated depreciation

Particulars	2013							
	Cost / Revaluation			Depreciation			Book Value	
	As at 01 July 2012	Addition	As at 30 June 2013	As at 01 July 2012	Charge for the year	As at 30 June 2013	As at 30 June 2013	Rate
	(Rupees in '000)							
PSF - Units								
Freehold land	88,950	6,479	95,429	--	--	--	95,429	--
Leasehold land	524,800	--	524,800	--	--	--	524,800	--
Islamabad office	140,383	--	140,383	95,769	4,461	100,230	40,153	10%
Factory building	1,800,324	--	1,800,324	1,071,906	72,842	1,144,748	655,576	10%
Non factory building	973,029	--	973,029	631,584	34,145	665,729	307,300	10%
Tank terminal	16,453	--	16,453	14,380	207	14,587	1,866	10%
Plant and machinery	14,750,117	--	14,750,117	10,418,448	433,167	10,851,615	3,898,502	10%
Vehicles	170,727	--	170,727	140,047	6,136	146,183	24,544	20%
Furniture and fixtures	80,027	--	80,027	57,951	2,208	60,159	19,868	10%
Office equipment	136,542	--	136,542	97,502	3,904	101,406	35,136	10%
Leased Assets								
Plant and machinery (Generator)	178,517	--	178,517	79,253	9,926	89,179	89,338	10%
2013	18,859,869	6,479	18,866,348	12,606,840	566,996	13,173,836	5,692,512	
Acrylic Unit								
Factory building	641,196	--	641,196	359,589	28,161	387,750	253,446	10%
Non-factory building	6,171	--	6,171	3,668	250	3,918	2,253	10%
Plant and machinery	4,158,750	--	4,158,750	2,805,273	135,348	2,940,621	1,218,129	10%
Vehicles	3,604	--	3,604	3,358	49	3,407	197	20%
Furniture and fixtures	890	--	890	628	26	654	236	10%
Office equipment	1,370	--	1,370	966	40	1,006	364	10%
2013	4,811,981		4,811,981	3,173,482	163,874	3,337,356	1,474,625	
TOTAL – 2013	23,671,850	6,479	23,678,329	15,780,322	730,870	16,511,192	7,167,137	

Particulars	2012							
	Cost / Revaluation			Depreciation			Book Value	
	As at 01 July 2011	Addition	As at 30 June 2012	As at 01 July 2011	Charge for the year	As at 30 June 2012	As at 30 June 2012	Rate
	(Rupees in '000)							
PSF - Units								
Freehold land	88,950	--	88,950	--	--	--	88,950	--
Leasehold land	524,800	--	524,800	--	--	--	524,800	--
Islamabad office	140,383	--	140,383	90,812	4,957	95,769	44,614	10%
Factory building	1,800,324	--	1,800,324	990,971	80,935	1,071,906	728,418	10%
Non factory building	973,029	--	973,029	593,646	37,938	631,584	341,445	10%
Tank terminal	16,453	--	16,453	14,150	230	14,380	2,073	10%
Plant and machinery	14,750,117	--	14,750,117	9,937,151	481,297	10,418,448	4,331,669	10%
Vehicles	170,727	--	170,727	132,377	7,670	140,047	30,680	20%
Furniture and fixtures	80,027	--	80,027	55,498	2,453	57,951	22,076	10%
Office equipment	136,542	--	136,542	93,164	4,338	97,502	39,040	10%
Leased Assets								
Plant and machinery (Generator)	178,517	--	178,517	68,224	11,029	79,253	99,264	10%
2012	18,859,869	--	18,859,869	11,975,993	630,847	12,606,840	6,253,029	
Acrylic Unit								
Factory building	641,196	--	641,196	328,299	31,290	359,589	281,607	10%
Non-factory building	6,171	--	6,171	3,390	278	3,668	2,503	10%
Plant and machinery	4,158,750	--	4,158,750	2,654,887	150,386	2,805,273	1,353,477	10%
Vehicles	3,604	--	3,604	3,296	62	3,358	246	20%
Office equipment	1,370	--	1,370	921	45	966	404	10%
2012	4,811,981	--	4,811,981	2,991,392	182,090	3,173,482	1,638,499	
TOTAL – 2012	23,671,850	--	23,671,850	14,967,385	812,937	15,780,322	7,891,528	

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

	2013			2012		
	PSF - Units	Acrylic Unit	Total	PSF - Units	Acrylic Unit	Total
	(Rupees in '000)			(Rupees in '000)		
Cost of sales	564,161	163,055	727,216	627,693	181,180	808,873
Administrative expenses	2,835	819	3,654	3,154	910	4,064
	566,996	163,874	730,870	630,847	182,090	812,937

13.3 Capital work in progress

	2013	2012
	(Rupees in '000)	
Capital work in progress	142,813	142,813
Plant and machinery		
- Owned	56,429	56,429
- Leased	86,384	86,384
	142,813	142,813

13.4 Had there been no revaluation the carrying amounts of revalued assets as at June 30, 2013 would have been as follows :

PSF Units		
Freehold land	70,652	64,173
Leasehold land	2,268	2,268
Factory building	441,833	490,926
Non-factory building	75,270	83,634
Plant and machinery	2,198,604	2,442,894
Acrylic Unit		
Factory building	91,476	101,640
Non-factory building	965	1,072
Plant and machinery	905,627	1,006,252
	3,786,695	4,192,858

		Note	2013	2012
			(Rupees in '000)	
14	**LONG TERM INVESTMENTS**			
	Investment in listed securities			
	Meezan Balance Fund			
	(500,000 certificates of Rs.10/- each)		5,000	5,000
	Pakistan Strategic Allocation Fund			
	(2,568,612 certificates (2012: 2,311,276 certificates) of Rs.10/- each)		22,040	22,040
			27,040	27,040
	Accumulated gain / (impairment)		8,578	(1,659)
			35,618	25,381
	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		25,205	25,205
	Equity investment in Dewan Petroleum (Pvt) Limited			
	12,000,000 (2012: 12,000,000) shares of Rs.10/-			
	each at a premium of Rs.8.583/- per share	14.1	223,000	223,000
	Shares application money - Dewan Petroleum (Pvt.) Ltd	14.2	97,746	97,746
			320,746	320,746
	Less: Transferred to non-current assets held for sale	23	(223,000)	(223,000)
			158,569	148,332

14.1 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.

14.2 This represents the amounts paid against the committed investment of Rs.97.746 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.

		2013	2012
15	**LONG TERM PREPAYMENTS**	8,520	12,778

15.1 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.

		2013	2012
		(Rupees in '000)	
16	**STORES AND SPARES**		
	Consumable stores	1,009,218	1,009,218
	Packing material	12,501	12,501
	Chemicals	51,107	51,107
	Fuel, oil and lubricants	12,288	12,288
		1,085,114	1,085,114
	Less: Provision for obsolescence and slow moving items	(63,395)	(47,718)
		1,021,719	1,037,396
17	**STOCK IN TRADE**		
	Raw materials	308,497	308,497
	Work-in-process	103,879	103,879
	Stock in transit	194,940	194,940
	Waste	19,086	19,086
		626,402	626,402
	Less: Provision for obsolescence and slow moving stocks	(449,659)	(449,659)
		176,743	176,743
18	**TRADE DEBTS**		
	Considered good	2,158,899	2,555,987
	Considered doubtful	796,507	500,582
		2,955,406	3,056,569
	Less: Provision for doubtful debts	(796,507)	(500,582)
		2,158,899	2,555,987

18.1 Trade debts include Rs.122.499 million (2012: Rs.122.499 million) due from Dewan Khalid Textile Mills Limited (associated company).

18.2 Trade debts also include a sum of Rs. 21.673 million (2012: Rs. 21.673 million) receivable from Nazir of High Court of Sindh representing receivable against sales made on account auction of company's stock as per order of court. All the sale proceeds are being deposited by the successful bidder directly with Nazir of High Court. The said amount will be adjusted against liability of bank under litigation upon lifting of all pledged stock.

		2013	2012
19	**ADVANCES - Considered good**		
	Against expenses / employees		
	Considered good	37,089	36,873
	Considered doubtful	49,575	49,575
		86,664	86,448
	Less: Provision for doubtful advances	(49,575)	(49,575)
		37,089	36,873

		2013	2012
		(Rupees in '000)	
20	**SHORT TERM DEPOSITS AND PREPAYMENTS**		
	Deposits	11,548	11,548
	Margin	150,295	150,295
	Prepayments	15	487
		161,858	162,330
21	**OTHER RECEIVABLES - Considered good**		
	Sales tax	65,182	64,830
	Duty drawback receivable	73,872	73,872
	Duties refundable	4,691	4,691
	Insurance claim receivable	14,730	14,730
	Advance income tax	2,037	1,639
		160,512	159,762
	Less: Provision for doubtful receivable	(84,119)	(84,119)
		76,393	75,643
22	**CASH AND BANK BALANCES**		
	Cash in hand	663	442
	Cash at bank:		
	- Current account	1,200	7,790
	- Foreign currency deposits	6,317	6,023
		8,180	14,255
23	**NON CURRENT ASSETS HELD FOR SALE**		
	Equity investment in Dewan Petroleum (Pvt) Limited		
	- 12,000,000 shares of Rs.10/- each at a premium of Rs.8.583/- per share	223,000	223,000

- The above investment has been classified as held for sale upon management's intention to sell the same within next accounting cycle in the manner to be deemed appropriate, equitable, fit and beneficial to the interests of the company. For the purpose special resolution was passed by the shareholders in the Extra Ordinary General Meeting of the Company held on June 23, 2008, which was expired during the preceding financial year, however the management will seek further shareholders' approval before disposal of the same.

24 OPERATING RESULTS

Amount in Rs. '000'

	Note	PSF Unit	Acrylic Unit	2013 Total	PSF Unit	Acrylic Unit (Restated)	2012 Total
Sales							
Fiber - Local		--	--	--	160,343	23,208	183,551
Waste		--	--	--	--	206	206
		--	--	--	160,343	23,414	183,757
Cost of sales	25	607,064	171,901	778,965	855,567	229,172	1,084,739
Gross loss		(607,064)	(171,901)	(778,965)	(695,224)	(205,758)	(900,982)
Distribution cost	26	7,974	853	8,827	11,459	1,225	12,684
Administrative Expenses	27	48,128	5,663	53,791	63,160	7,328	70,488
		56,102	6,516	62,618	74,619	8,553	83,172
Operating loss		(663,166)	(178,417)	(841,583)	(769,843)	(214,311)	(984,154)
Finance cost	28	96,346	--	96,346	170,746	--	170,746
Provision for doubtful debts / advances / receivables		295,925	--	295,925	349,657	--	349,657
Provision for obsolescence and slow moving stocks		15,677	--	15,677	127,823	--	127,823
Other (income)	29	(950)	--	(950)	(875)	--	(875)
		406,998	--	406,998	647,351	--	647,351
Loss before taxation		(1,070,164)	(178,417)	(1,248,581)	(1,417,194)	(214,311)	(1,631,505)

25 COST OF SALES

Amount in Rs. '000'

	Note	PSF Unit	Acrylic Unit	2013 Total	PSF Unit	Acrylic Unit (Restated)	2012 Total
Raw material consumed							
Opening stock		98,766	209,731	308,497	98,766	209,731	308,497
Purchases		--	--	--	--	--	--
		98,766	209,731	308,497	98,766	209,731	308,497
Closing stock		(98,766)	(209,731)	(308,497)	(98,766)	(209,731)	(308,497)
Raw material consumed		--	--	--	--	--	--
Salaries, wages and benefits		31,180	3,334	34,514	65,447	6,998	72,445
Electricity, fuel and power		6,793	726	7,519	8,729	933	9,662
Storage charges of raw material		--	4,259	4,259	--	4,259	4,259
Depreciation	13.2	564,161	163,055	727,216	627,693	181,180	808,873
Repairs and maintenance		1,918	205	2,123	1,838	197	2,035
Vehicle running expenses		1,817	194	2,011	1,794	192	1,986
Rent, rates and taxes		--	--	--	575	61	636
General expenses		1,195	128	1,323	1,264	135	1,399
Opening stock of work-in-process		63,011	40,868	103,879	63,011	40,868	103,879
Closing stock of work-in-process		(63,011)	(40,868)	(103,879)	(63,011)	(40,868)	(103,879)
Cost of goods manufactured		607,064	171,901	778,965	707,340	193,955	901,295
Opening stock of finished goods and waste		19,086	--	19,086	167,313	35,217	202,530
Closing stock of finished goods and waste		(19,086)	--	(19,086)	(19,086)	--	(19,086)
		607,064	171,901	778,965	855,567	229,172	1,084,739

26 DISTRIBUTION COST

Amount in Rs. '000'

	PSF Unit	Acrylic Unit	2013 Total	PSF Unit	Acrylic Unit (Restated)	2012 Total
Salaries and benefits	7,974	853	8,827	11,459	1,225	12,684

27 ADMINISTRATIVE EXPENSES

Amount in Rs. '000'

	Note	PSF Unit	Acrylic Unit	2013 Total	PSF Unit	Acrylic Unit (Restated)	2012 Total
Salaries and benefits		30,058	3,214	33,272	38,685	4,137	42,822
Entertainment		55	6	61	186	20	206
Communication		687	73	760	1,611	172	1,783
Depreciation	13.2	2,835	819	3,654	3,154	910	4,064
Vehicle running expenses		3,243	347	3,590	1,636	175	1,811
Fee and subscription		2,896	310	3,206	3,142	336	3,478
Legal and professional		2,973	318	3,291	8,505	910	9,415
Printing and stationary		743	80	823	500	54	554
Electricity, fuel and power		5	1	6	126	14	140
Repair and maintenance		265	28	293	250	27	277
Rent, rates and taxes		2,680	287	2,967	2,525	270	2,795
Traveling expenses		394	42	436	533	57	590
Auditors' remuneration	27.1	1,220	130	1,350	1,220	130	1,350
General expenses		74	8	82	1,087	116	1,203
		48,128	5,663	53,791	63,160	7,328	70,488

27.1 Auditor's remuneration

Amount in Rs. '000'

	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2013	Feroze Sharif Tariq & Co.	Faruq Ali & Co.	Total 2012
Annual Audit Fee	500	500	1,000	500	500	1,000
Fee for Half yearly review	100	100	200	100	100	200
Other Certifications	50	50	100	50	50	100
Out of pocket	25	25	50	25	25	50
	675	675	1,350	675	675	1,350

28 FINANCE COST

Amount in Rs. '000'

	PSF Unit	Acrylic Unit	2013 Total	PSF Unit	Acrylic Unit	2012 Total
Bank charges	40	--	40	130	--	130
Exchange loss	96,306	--	96,306	170,616	--	170,616
	96,346	--	96,346	170,746	--	170,746

28.1 Company has not made the provision of markup amounting to Rs.1.914 billion (Upto June 30, 2012: Rs.8.652 billion) keeping in view of the financial restructuring proposed to the lenders as disclosed in note 2. Management is hopeful that the restructuring proposal will be accepted by the lenders. Had the provision been made the loss for the year would have been higher by Rs. 1.914 billion and accrued markup would have been higher and shareholders' equity would have been lower by Rs.10.566 billion The said non provisioning is departure from the requirements of IAS-23 'Borrowing Costs".

		2013	2012
		(Rupees in '000)	
29	**OTHER (INCOME)**		
	Dividend income	(950)	(875)
30	**LOSS PER SHARE - Basic and diluted**		
30.1	**Basic loss per share**		
	Net loss for the year	(1,146,636)	(1,518,233)
		Number of shares	
	Weighted average ordinary shares	366,321,083	366,321,083
		Rupees	
	Loss per share - Basic	(3.13)	(4.14)
		(Rupees in '000)	
30.2	**Diluted loss per share**		
	Net loss for the year	(1,146,636)	(1,518,233)
	Dilutive effect - Net of tax	--	--
		(1,146,636)	(1,518,233)
		Number of shares	
	Weighted average ordinary shares	366,321,083	366,321,083
	Dilutive effect	19,760,000	18,840,000
		386,081,083	385,161,083
		Rupees	
	Loss per share - Diluted	(2.97)	(3.94)

31 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company is exposed to the following risks from its use of financial instruments:
- Credit risk
- Liquidity risk
- Market risk

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

31.1 Credit risk

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's credit risk is primary attributable to its receivables and balances with banks.

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2013	2012
	(Rupees in '000)	
Trade debts	2,158,899	2,555,987
Deposits, loans and other receivables	238,236	237,486
Bank balance	7,517	13,813
	2,404,652	2,807,286

The Company manages credit risk of receivables through the monitoring of credit exposures and continuous assessment of credit worthiness of its customers. The company believes that it is not exposed to any major concentration of credit risk as its customers are credit worthy and dealing banks posses good credit ratings.

31.2 Liquidity risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.. At present the company is facing liquidity problems and have been unable to make timely repayment of its liabilities resulting in overdues, further, the short term finance facilities have expired and not been renewed by the lenders. The following are the contractual maturities of the financial liabilities, including estimated markups:

	Carrying Amounts	Contractual Cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
			(Rupees in '000)			
2013						
Financial Liabilities						
Long term loans	3,504,958	3,763,558	3,401,424	--	--	362,134
Lease liabilities	69,724	69,724	69,724	--	--	--
Trade and other payables	7,557,193	7,557,193	7,557,193	--	--	--
Short term borrowings	7,153,055	8,214,857	8,214,857	--	--	--
	18,284,930	19,605,331	19,243,197	--	--	362,134
2012						
Financial Liabilities						
Long term loans	3,404,103	3,706,842	3,348,963	--	--	357,879
Lease liabilities	69,724	78,513	78,513	--	--	--
Trade and other payables	7,562,988	7,562,988	7,562,988		--	--
Short term borrowings	7,153,055	8,214,857	8,214,857	--	--	--
	18,189,870	19,563,200	19,205,321	--	--	357,879

All the financial liabilities of the Company are non derivative financial liabilities. The contractual cash flow relating to the above financial liabilities have been determined on the basis of markup rates effective as at June 30.

31.3 Market Risk

Market risk is a risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of financial instruments. The company is exposed to currency risk and interest rate risk only.

31.3.1 Currency risk

Foreign currency risk arises mainly where receivables and payables exists due to transactions in foreign currencies. The company's financial instruments of the exposed to currency risk were as follows:

	2013	2012
	(Rupees in '000)	
Assets / (liabilities)		
Loan	(2,074,800)	(1,978,200)
Bank balances	6,317	6,023
	(2,068,483)	(1,972,177)
The following significant exchange rate has been applied:		
USD to PKR (Reporting date rate in Rupees)	98.80	94.20
USD to PKR (Average rate in Rupees)	96.88	89.64

Sensitivity analysis
At reporting date if PKR against US Dollar had strengthened by 10% against the US Dollar with all other variables held constant loss / profit for the year would have been lower / higher by the amounts shown below, mainly as a result of foreign exchange gain on translation of foreign currency liabilities.

	2013	2012
Effect on loss	206,848	197,218

The 10% weakening of the PKR against US Dollar would have had an equal but opposite impact on the loss for the year on the basis that all other variables remain constant.

31.3.2 Interest rate risk
Interest rate risk is the risk that the value of financial instrument will fluctuate due to changes in market interest rates. The company's exposure to the risk of changes in interest rates relates primarily to the following:

	2013	2012
Fixed rate instruments at carrying amounts:		
Financial Assets		
Balance with banks	6,317	6,023
Financial liabilities		
Long term loans	2,074,800	1,978,200
Variable rate instruments at carrying amounts:		
Financial liabilities		
Loans	1,068,024	1,068,024
Lease liabilities	69,724	69,724
Short term borrowings	7,150,179	7,150,179
Trade payables (overdue letter of credits)	4,928,112	4,835,409
	13,216,039	13,123,336

The company does not account for any fixed rate financial assets at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments:
Since the company has not made provision for markup on its variable rate instruments therefore cash flow sensitivity analysis is not being given.

31.4 Fair value of the financial instruments
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arms length transaction. The carrying values of financial instruments reflected in these financial statements approximate their fair values.

31.5 Capital risk management
The company's prime objective when managing capital is to safe guard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital

32 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Managerial remuneration	3,960	3,960	2,376	2,376	13,466	23,715	19,802	30,051
Retirement benefits	--	--	--	--	1,746	3,552	1,746	3,552
House rent allowance	1,740	1,740	1,044	1,044	6,060	10,672	8,844	13,456
Utilities	300	300	180	180	1,347	2,371	1,827	2,851
Conveyance	--	--	--	--	76	115	76	115
	6,000	6,000	3,600	3,600	22,695	40,425	32,295	50,025
Number of Persons	1	1	1	1	21	32	23	34

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

33 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 32 to the financial statements. Transaction with related parties other than remuneration and benefits to key management personnel are as under:

	2013	2012
	(Rupees in '000)	
Director:		
Long term loan received	4,255	29,315

34 INFORMATION ABOUT BUSINESS SEGMENTS

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

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

34.3 All non current assets of the company as of June 30, 2013 are located in Pakistan.

35 TAXATION

35.1 Relationship between income tax expense and accounting loss

Accounting loss as per profit and loss account	(1,248,581)	(1,631,505)
Applicable tax rate	35%	35%
Tax on accounting profit / (loss)	(437,003)	(571,027)
Tax effect of accelerated tax depreciation	127,106	134,622
Tax effect of expenses that are not deductible in determining taxable income charged to profit and loss account	111,012	137,122
Tax (refundable) under normal rules	(198,885)	(299,283)
Minimum tax payable under Income Tax Ordinance, 2001	--	--

36 PLANT CAPACITY AND PRODUCTION

	2013		2012	
	Annual Capacity (tons)	Production (tons)	Annual Capacity (tons)	Production (tons)
PSF Units	240,900	--	240,900	--
Acrylic Unit	25,760	--	25,760	--
Total	266,660	--	266,660	--

The operation of the company are closed since December 2008 due to working capital constraints.

37 CORRESPONDING FIGURES

The corresponding figures have been reclassified, restated and rearranged wherever necessary to facilitate comparison, however there was no significant reclassification in these financial statements.

38 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on 04 October ,2013 in accordance with the resolution by the Board of Directors of the Company.

39 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Rupees, which is the Company's functional currency. All financial information presented in Rupees been rounded to nearest thousand.

Dewan Muhammad Yousuf Farooqui
Chief Executive/Chairman Board of Directors

Haroon Iqbal
Director

PATTERN OF SHAREHOLDING
THE CODE OF CORPORATE GOVERNANCE
AS AT JUNE 30, 2013

Srl #	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**	4	5,342,917	1.46%
3.	**Directors, CEO, their Spouses & Minor Children**	9	21,408,281	5.84%
4.	**Executives**	-	-	0.00%
5.	**Public Sector Companies & Corporations**	119	45,500,205	12.42%
6.	**Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds**	126	8,283,508	2.26%
7.	**Individuals**	20,934	129,353,033	35.31%
	TOTAL	**21,195**	**366,321,084**	**100.00%**

DETAILS OF CATAGORIES OF SHAREHOLDERS

Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	**Associated Companies**			
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 Textile Mills Limited	1	19,864,518	5.42%
		3	**156,433,140**	**42.70%**
2.	**NIT and ICP**			
2.1	National Bank of Pakistan, Trustee Department NI(U)T Fund	1	2,049,723	0.56%
2.2	National Bank of Pakistan	1	3,289,182	0.90%
2.4	Investment Corporation of Pakistan	1	2,401	0.00%
2.5	National Bank of Pakistan, Trustee Department	1	1,611	0.00%
		4	**5,342,917**	**1.46%**
3.	**Directors, CEO, their Spouses & Minor Children**			
	Directors and CEO			
3.1	Dewan Muhammad Yousuf Farooqui	1	12,523,816	3.42%
3.2	Dewan Asim Mushfiq Farooqui	1	3,061,955	0.84%
3.3	Dewan Abdullah Ahmed Swaleh Farooqui	1	2,587,713	0.71%
3.4	Dewan Abdul Baqi Farooqui	1	2,600,133	0.71%
3.5	Mr. Haroon Iqbal	1	500	0.00%
3.6	Mr. Mansoor ul Haq	1	500	0.00%
3.7	Mr. Aziz ul Haque	1	500	0.00%
		7	**20,775,117**	**5.67%**
	Spouses of Directors and CEO			
3.8	Mrs. Heena Yousuf	1	384,867	0.11%
		1	**384,867**	**0.11%**
	Minor Children of Directors and CEO			
3.9	Miss Yumna Yousuf	1	248,297	0.07%
		1	**248,297**	**0.07%**

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

Srl #	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	M/s Dewan Textile Mills Limited	1	104,288,773	28.47%
2	Mitsubishi Corporation	1	40,349,814	11.01%
3	Dewan Khalid Textile Mills Limited	1	32,279,849	8.81%
4	Dewan Mushtaq Textile Mills Limited	1	19,864,518	5.42%

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.

FORM 34

THE COMPANIES ORDINANCE, 1984

(Section 236(1) and 464)

PATTERN OF SHAREHOLDING

1. Incorporation Number **0020315**

2. Name of the Company **DEWAN SALMAN FIBRE LIMITED**

3. Pattern of holding of the shares held by the Shareholders as at | 3 | 0 | | 0 | 6 | | 2 | 0 | 1 | 3 |

4.

Number of Shareholders	Shareholdings				Total Shares held
5,817	1	-	100	Shares	153,877
7,931	101	-	500	Shares	1,858,457
1,569	501	-	1,000	Shares	1,337,695
3,107	1,001	-	5,000	Shares	8,856,256
1,059	5,001	-	10,000	Shares	8,655,873
351	10,001	-	15,000	Shares	4,549,786
289	15,001	-	20,000	Shares	5,390,119
203	20,001	-	25,000	Shares	4,848,838
113	25,001	-	30,000	Shares	3,206,447
74	30,001	-	35,000	Shares	2,485,051
65	35,001	-	40,000	Shares	2,503,302
47	40,001	-	45,000	Shares	2,038,707
116	45,001	-	50,000	Shares	5,746,329
38	50,001	-	55,000	Shares	1,998,081
21	55,001	-	60,000	Shares	1,229,667
17	60,001	-	65,000	Shares	1,082,029
20	65,001	-	70,000	Shares	1,386,353
31	70,001	-	75,000	Shares	2,305,028
12	75,001	-	80,000	Shares	941,384
14	80,001	-	85,000	Shares	1,164,076
15	85,001	-	90,000	Shares	1,334,887
9	90,001	-	95,000	Shares	844,501
76	95,001	-	100,000	Shares	7,576,203
16	100,001	-	110,000	Shares	1,696,123
13	110,001	-	120,000	Shares	1,501,431
11	120,001	-	130,000	Shares	1,388,750
3	130,001	-	140,000	Shares	411,772
13	140,001	-	150,000	Shares	1,924,982
3	150,001	-	160,000	Shares	461,542
7	160,001	-	170,000	Shares	1,160,405
6	170,001		180,000	Shares	1,061,682
3	180,001	-	190,000	Shares	552,500
25	190,001	-	200,000	Shares	4,991,024
8	200,001	-	210,000	Shares	1,645,400
5	210,001	-	220,000	Shares	1,078,350
5	220,001	-	230,000	Shares	1,128,000
3	230,001	-	240,000	Shares	703,705
6	240,001	-	250,000	Shares	1,492,969
2	250,001	-	260,000	Shares	519,992
2	260,001	-	270,000	Shares	539,000
2	270,001	-	280,000	Shares	546,000
1	280,001	-	290,000	Shares	290,000
10	290,001	-	300,000	Shares	2,996,437
4	300,001	-	310,000	Shares	1,213,075
2	310,001	-	340,000	Shares	668,840
2	340,001	-	350,000	Shares	697,618
3	350,001	-	390,000	Shares	1,154,734
1	390,001	-	400,000	Shares	400,000

2	400,001	-	410,000	Shares	820,000
1	410,001	-	420,000	Shares	415,000
1	420,001	-	440,000	Shares	440,000
1	440,001	-	470,000	Shares	466,500
1	470,001	-	480,000	Shares	477,850
7	480,001	-	500,000	Shares	3,487,544
1	500,001	-	520,000	Shares	518,500
1	520,001	-	600,000	Shares	600,000
1	600,001	-	620,000	Shares	618,500
1	620,001	-	700,000	Shares	700,000
1	700,001	-	710,000	Shares	702,378
1	710,001	-	810,000	Shares	808,000
1	810,001	-	870,000	Shares	869,041
1	870,001	-	900,000	Shares	900,000
1	900,001	-	910,000	Shares	910,000
3	910,001	-	1,000,000	Shares	3,000,000
1	1,000,001	-	1,100,000	Shares	1,100,000
1	1,100,001	-	1,200,000	Shares	1,200,000
1	1,200,001	-	1,400,000	Shares	1,336,500
1	1,400,001	-	1,700,000	Shares	1,621,661
1	1,700,001	-	2,100,000	Shares	2,049,723
1	2,100,001	-	2,200,000	Shares	2,109,634
1	2,200,001	-	2,550,000	Shares	2,500,500
2	2,550,001	-	3,000,000	Shares	5,183,818
1	3,000,001	-	3,050,000	Shares	3,004,965
1	3,050,001	-	3,070,000	Shares	3,059,941
1	3,070,001	-	3,290,000	Shares	3,289,182
1	3,290,001	-	3,520,000	Shares	3,517,802
1	3,520,001	-	4,000,000	Shares	4,000,000
1	4,000,001	-	5,590,000	Shares	5,589,998
1	5,590,001	-	12,525,000	Shares	12,523,816
1	12,525,001	-	19,865,000	Shares	19,864,518
1	19,865,001	-	32,280,000	Shares	32,279,849
1	32,280,001	-	40,350,000	Shares	40,349,814
1	40,350,001	-	104,290,000	Shares	104,288,773
21,195	**TOTAL**				**366,321,084**

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	21,408,281	5.84%
5.2	Associated Companies, undertakings and related parties	156,433,140	42.70%
5.3	NIT and ICP	5,342,917	1.46%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	5,075,263	1.39%
5.5	Insurance Companies	2,146,559	0.59%
5.6	Modarabas and Mutual Funds	1,061,686	0.29%
5.7	Shareholders holding 5%	196,782,954	53.72%
5.8	General Public		
	a. Local	128,631,342	35.11%
	b. Foreign	721,691	0.20%
5.9	Others (Joint Stock Companies, Brokrage Houses, Employees Funds & Trustees)	45,500,205	12.42%

FORM OF PROXY
24TH ANNUAL GENERAL MEETING

IMPORTANT

This form of Proxy duly completed must be deposited at our Shares Registrar Transfer Agent **BMF Consultants Pakistan (Private) Ltd.** Anum Estate Building, Room No. 310 & 311, 3rd Floor, 49, Darul Aman Society, Main Shahrah-e-Faisal, Adjacent Baloch Colony Bridge, Karachi-75350, Pakistan. Not later than 48 hours before the time of holding the meeting 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 24th Annual General Meeting of the Company to be held **Thursday, October 31, 2013, at 12:00 noon.** at Dewan Centre, House No. 58, Margallah Road, F-7/2, Islamabad, Pakistan

Signed this ______________________________ day of ______________________2013.

Affix
Revenue
Stamp
Rs. 5/-

Signature______________________________

Witness: ________________________	Witness: ________________________
Signature	**Signature**
Name: ________________________	Name: ________________________
Address: ________________________	Address: ________________________
________________________	________________________