



SERVICE FABRICS LIMITED

SERF/Corp/PSX

August 25, 2021

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road - Karachi - 74000

Auditor's Certificate on receipt of subscription money from Directors and Substantial Shareholder against proposed Right Issue of Shares

Dear Sir,

In continuation to our letter SERF/Corp/PSX, dated August 23, 2021, we are pleased to attach the Certificate issued by the external auditors of the Company (M/s Crowe Hussain Chaudhury & Co.) bearing No. P/20763/21 dated August 24, 2021, confirming funds received from the directors and substantial shareholder of the Company amounting to Rs. 339,476,700/- (which is 14.5% of total right offer) against 1486% right shares.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Thanking You,
for Service Fabrics Limited


Farzand Ali
Company Secretary

Encls: As Above

CC: The Director/HOD, Surveillance, Supervision and Enforcement, SMD, SECP-ISD
The Executive Director, Corporate Supervision Department, SECP-ISD

August 24, 2021

Ref. No. P/20763/21

Mr. Farzand Ali
Company Secretary
Service Fabrics Limited
10-N, Model Town Extension,
Lahore.

Dear Sir,

AUDITOR'S CERTIFICATE ON RECEIPT OF SUBSCRIPTION MONEY FROM DIRECTORS AND SUBSTANTIAL SHAREHOLDERS AGAINST PROPOSED RIGHT ISSUE OF SHARES

We have been requested by the management of Service Fabrics Limited (the Company) to provide a certificate on receipt of subscription money from the following directors and substantial shareholders of the Company against proposed right issue of shares:

1. Aftab Ahmad Chaudhary
2. Masroor Ahmad Khan
3. Atique Ahmad Khan
4. Hafiz Farooq Ahmad
5. Maleeha Humayun Bangash
6. Usman Hassan
7. Hafiz Imran Lateef
8. Silvat Akhtar

Scope of Certificate

This certificate is to be issued to certify the receipt of subscription money received from directors and substantial shareholders of the Company and is being issued by us for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The management of the Company is responsible for making compliance with requirements of relevant laws and regulations; receiving money from shareholders; maintaining proper books of accounts and seeking appropriate approvals from competent authorities.

Practicing Auditor's Responsibility

Our responsibility is to certify that the full amount of subscription money has been received in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to the procedures as mentioned below:

- a) Obtained and reviewed copy of extracts of resolution of the Board of Directors of the Company approving issue of right shares;
- b) Reviewed the approval letter from PSX for issuance of right shares;
- c) Obtained and reviewed the undertakings for issuance of right shares made by the directors and substantial shareholder(s)
- d) Obtained copy of bank statements provided by the Bankers to the right issue to trace the receipt of subscription money amounting to Rs. 339,476,700 in the following accounts maintained with:
 - Al Baraka Bank Limited (A/c No. 0123543889028) receiving an amount of Rs. 520,100
 - Faysal Bank Limited (A/c No.3192390000001812) receiving an amount of Rs. 74,300
 - JS Bank Limited (A/c No.0001845061) receiving an amount of Rs. 743,000
 - Bank Alfalah Limited (A/c No. 55025001398925) receiving an amount of Rs. 338,139,300

Certificate

Based on the procedures mentioned above, we certify that an amount of Rs. 339,476,700 has been received in relation to the proposed issue of right shares, as approved in the Board of Directors' meeting held on July 16, 2021. The amount has been received during the period from August 17, 2021 to August 20, 2021.

Sr No.	Name	Shares held before issuance of rights	Right shares entitlements	Right shares subscribed	Amount of Subscription Money Received (PKR)	Date of Receipts
1	Aftab Ahmad Chaudhary	5,000	74,300	74,300	743,000	August 20, 2021
2	Masroor Ahmad Khan	1,000	14,860	14,860	148,600	August 20, 2021
3	Atique Ahmad Khan	1,000	14,860	14,860	148,600	August 20, 2021
4	Hafiz Farooq Ahmad	1,000	14,860	14,860	148,600	August 20, 2021
5	Usman Hassan	500	7,430	7,430	74,300	August 17, 2021
6	Maleeha Humayun Bangash	500	7,430	7,430	74,300	August 17, 2021
7	Hafiz Imran Lateef	500	7,430	7,430	74,300	August 20, 2021
8	Silvat Akhtar	2,275,000	33,806,500	33,806,500	338,065,000	August 20, 2021
Total		2,284,500	33,947,670	33,947,670	339,476,700	

Restriction on use and distribution

This certificate is issued in the capacity of statutory auditors of the Company on request of the management for onward submission to PSX and shall not be distributed or submitted to any other party without our prior consent. This certificate is not to be presented as a testimony in any court of law.

Yours truly,



Crowe Hussain Chaudhury & Co.
Chartered Accountants
Lahore.