



Annual Report 2021

***The National Silk
& Rayon Mills Ltd.***

Manufacturer & Exporter of Quality Textile Products

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Mission Statement

We Shall provide unparalleled service and best value to our customers through dedicated, responsive and cost effective supply chain.

We are to provide quality products by strict adherence to international standards and best practices through collaboration with leading global companies in markets we serve.

We shall strive to maximize our shareholders value through sustained profitable growth.

We shall enhance existing employee productivity, hire, retain and develop best talent and provide them a competitive environment to excel and grow.

We will aggressively focus on increasing our market penetration by exploring new channels.

We shall continue to set new trends through innovative marketing and manufacturing.



Company Information

Board of Directors

Sh. Faisal Tauheed	(Executive Director)
Sh. Kashif Tauheed	-do-
Mrs. Samira Faisal	Non Executive Director
Mrs. Tahira Kashif	-do-
Sh Mustafa Faisal Tauheed	-do-
Mr. Muhammad Arif	Non Executive Director/Chairman
Mr. Shehzad Ehsan	Independent Director

Board Audit Committee

Mr. Muhammad Arif	(Chairman)
Sh Mustafa Faisal Tauheed	
Mrs. Tahira Kashif	

Board Human Resource and Remuneration Committee

Mr. Shehzad Ehsan	(Chairman)
Mrs. Sumaira Faisal	
Mrs. Tahira Kashif	

Management Team

Sh. Faisal Tauheed Puri	(Chief Executive)
Muhammad Islam Haider	(Chief Financial Officer)
Imran Zafar	(Company Secretary)
Qaiser Ali Faheem	(Internal Auditor)

Auditors

Amin Mudassar and Company
Chartered Accountants

Bankers

National Bank of Pakistan
The Bank of Punjab
Bank Alfalah Limited
Habib Metropolitan Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
MCB Limited
Meezan Bank Limited

Registered Office

House No. 8/3, Aziz Avenue,
Canal Road, Gulberg V, Lahore.

Factory

Dhuddiwala, Jaranwala Road, Faisalabad.

Share Registrar

Corplink (pvt.) Ltd.
Share Registrar & Corporate Consultants
Wings Arcade, 1-K Commercial, Model Town, Lahore.
Tel: 035916714, 35916719, 035839182 Fax: 92-42-35869037

Legal Advisor

Sahibzada Muhammad Arif
Advocate High Court,
Chamber No.52, District Courts,
Faisalabad.

The Board was reconstituted on June 30, 2020 and subsequently Mr. Muhammad Arif appointed as independent director on resignation of Mrs. Amna Kamran and Sh. Mustafa Faisal Tauheed appointed director on resignation of Mrs. Sadia Kamran.

Notice of 71st Annual General Meeting

Notice is hereby given that the 71st Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore on on 28th day of October 2021 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2021 together with the Directors' and Auditors' Report thereon.
2. To appoint auditors and fix their remuneration.

By order of the Board

Place: Lahore
Dated: October 06, 2021

(IMRAN ZAFAR)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive).
2. In light of the threat by the evolving coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan vide Circular No. 5 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the shareholders.

The shareholders who are interested to attend the AGM through Video Conference, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 24 hours before the time of AGM.

Mobile / WhatsApp: 0300 8657997

E-mail: imran@nationalsilk.com

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, Cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices.

In view of the above the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

3. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a materially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
5. The financial statements for the year ended June 30, 2021 shall be uploaded on Company's website on or before October 06, 2021.
6. Members are requested to send copies of their computerized National Identity Cards to the company's independent Share Registrar M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
7. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

8. Pursuant to SECP Circular No.10 of 2014 dated May 21, 2014, if company receives consent from members holding aggregate 10% or more shareholding residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

In order to vote through e-voting and avail video conference facility, please fill the requisite form and submit to Company within time frame mentioned in form.

9. Pursuant to Notification vide SRO 787 (1) / 2014 of September 08, 2014, SECP has directed to facilitate the members of the company receiving Annual Financial Statement and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statement and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further it is responsibility of the member to timely update the Share Registrar if any change in the registered e-mail address.
10. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1, of 2000 dated 26th January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulation, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the meeting.
- b. In case of Corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, address and CNIC number shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
- e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with the proxy form to the company.

Chairmans' Review Report

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of The National Silk and Rayon Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

The Company remains committed to deliver on its long term objectives of sustainable growth and value creation. This being achieved through continued focus on operational excellence

For the financial year ended June 30, 2021, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

The Board of Directors of the Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions.

Future Outlook

The COVID-19 pandemic has had a significant impact on the domestic as well as the global economy. The country has dealt reasonably well with the aftermath but maintaining the positive momentum remains critical in the immediate term. On the growth front, risks remain due to the emergence of a third, more virulent wave of COVID-19 even though the vaccine roll-out has begun. Inflation may continue to remain elevated. The path of domestic energy prices and international commodity prices may have an important bearing on the inflation trajectory. The resumption of the IMF program has boosted prospects and guaranteed that external financing needs will be comfortably met. This, together with expected private and official inflows should continue to keep Pakistan's external position stable. On the other hand, austerity measures under IMF program may limit Government's ability to expand fiscal support and spending. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability, and advancing structural reforms while maintaining social cohesion. As the economic activity normalizes and effects of the pandemic subside, the country is projected to experience a broad-based recovery. The Company believes that the fundamental attributes of business operations – sustainability and leadership – have attained more relevance than ever before. While the pandemic shook the world, the Company successfully steered through the uncertain times and adopted the new "normal" with emphasis on health & safety yet ensuring business continuity. This was achieved on the back of the Company's ability to deliver efficient and accessible mobility solutions to the present and future generations

Acknowledgment

On behalf of the Board of Directors, I would like to express my special gratitude to all the shareholders for their continued support and encouragement. I would also like to place on record the appreciation for the commendable services rendered by the employees of the Company. I also acknowledge the dedication and commitment of my fellow directors during this year and thank our CEO and his Team for their concerted efforts, focused approach and professional commitment.

LAHORE: October 06, 2021

Tahira Kashif
Chairman

Directors' Report

The Board Directors of The National Silk and Rayon Mills Limited is pleased to present to you the Annual Report along with the Company's Audited Financial Statement for the year ended 30 June 2021.

Operating Results:	2021	2020
-----R u p e e s-----		
Gross profit	102,083,657	32,884,758
Selling, administrative and operating expenses	49,400,337	71,053,616
Profit/(Loss) for the year before taxation	56,491,860	(43,080,022)
Taxation	11,404,487	3,827,099
Profit/(Loss) after taxation	45,087,373	(46,907,121)
Earning per share	2.90	(3.02)

Performance Scorecard

The Company remains committed to deliver on its long-term objective of sustainable growth and value creation. This is being achieved through continued focus on operational excellence, product portfolio diversification, cost reduction and a strong capital structure.

The company recorded sale of Rs.1,087,044,667/- in its financial statement during the year as compared to Rs.802,728,536/- during the last year showing increase in sale 35% . Last year due to the closure of production during the lockdowns announced by Government of Punjab from March 23, 2020 on account of COVID-19 Pandemic, the sale of company was reduced, which has been recovered in this year.

Input costs were up during the year as the rupee weakened further against the US Dollar. The Company also made alternate sourcing arrangements to overcome shortage of some imported materials due to COVID-19 in order to keep production going.

Dividend:

The Board of Director's have not recommended dividend for the year ended June 30, 2020.

Debt Obligation:

By the grace of Almighty Allah, despite so many challenges, the Company contains to meet its financial commitments and debt obligation on time.

Contribution to National Exchequer:

Being a responsible citizen, your company made a contribution of Rs.187.67 million to National Exchequer in form of income tax, sales tax, custom duties and excise as compare to Rs.136.53 million during the last year.

Human Resource Management and Employee Relationship:

We strongly believe that our people are our most valuable and essential assets. The Company's policy to retain its people is the best and unmatched. To continue our legacy of being unparalleled leaders, we put efforts to inspire top talent at all levels & aspire to be a destination of choice. The Company strives to develop its existing employees by keeping them motivated and engaged. Our HR department uses various tools to identify high potential employees and arranges various trainings to further groom them. With the enthusiastic team of high caliber professionals, the management is confident to get the business flourished more within the local as well as international markets. We continue to have a strong focus on structured development of our processes to fulfill our business needs through clearly defined authority matrices, policies procedures and systems. Reward and recognition will continue to be tied to transparent performance management systems and procedures.

The purpose of employee engagement and welfare activities is to keep employees engaged and motivated. These activities also serve to inspire and develop our people. The Company has permanent welfare strategy for its employees. Medical facilities for workers and first aid are also provided to the employees. There is a Mosque at plant for pray and to learn teaching of Religion. The company encourages and promotes all employees to participate in sports and various extracurricular activities.

Corporate and Social Responsibility:

Company is fully cognizant of its responsibility towards society and welfare. The company took several initiatives to meet its Corporate Social Responsibility and continued with reasonable financial support for the welfare of its employees, their families, the local community and society at large.

Internal Financial Controls

The directors are aware of their responsibility with respect to internal financial controls. Through discussions with management and auditors (both internal and external), they confirm that adequate controls have been implemented by the Company.

Statutory Auditors of the company:

The present auditor M/s. Amin Mudassar and Company Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Audit Committee of the Board has also recommended their re-appointment as Auditors of the company for the year ending June 30, 2022.

Staff retirement benefits

The Company operates a funded contributory provident fund scheme for its employees and contributions based on salaries of the employees, are made to the fund on monthly basis.

Share Price Trend

During the year under review minimum price of share of Rs.10/- each fell up to Rs.19.03 and rose as high as Rs.27.48 and close at Rs.25.17 as on June 30, 2021.

Approval of Vision, Mission and Corporate Strategy by the Board

Pursuant to the Listed Companies (Code of Corporate Governance) Regulation 2017, the Board of Directors has carefully reviewed and approved the Vision, Mission and Corporate Strategy of the Company. It comprehensively states the ideology with which Company was incorporated. We ensure that our Vision and Mission set the direction for our overall corporate strategy. The entire organization is connected and driven by the purpose and it serves the decision making criterion on our day to day business.

Whistle Blowing Policy

Pursuant to the Listed Companies (Code of Corporate Governance) Regulation 2017, Company is committed to achieve high standards of integrity, ethical value and accountability. Accordingly, whistle blowing policy of the Company is approved by the Board of Directors and placed on the website of the company.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set out by Pakistan Stock Exchange in its Listing Regulations relevant for the year ended June 30, 2021 have been adopted by the company and have been duly complied with:

Code of Conduct

The board has adopted the Code of Conduct. All employees are informed of this Code and are required to observe these rules of conduct in relation to customers, suppliers and regulators.

Relation with stakeholders

We are committed to establish mutually beneficial relations with our suppliers, customers and business partners.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the Companies Act 2017 and the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting framework:

- These financial statement, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented. The system is being

continuously monitored by internal audit and through other such monitoring procedure. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring in improvement in the system.

- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the corporate governance, as listed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.
- The value of investments and bank balances in respect of staff retirement benefits: Provident Fund Rs.17,977,712/-
The value of investment includes accrued profit.
- There have been no material changes and commitments affecting the financial position which have occurred between the end of financial year and the date of annual report.
- The principal risks faced by the Company include tough competition, Rupee devaluation, increasing gas prices and energy costs etc.
- The Company's production has no negative impact on the environment as our plant and operations re complying with international and national environmental standards.
- There are no changes that have occurred during the financial year concerning the nature of the business of the company or any other company in which the company has interest.
- The company has no policy for fixing remuneration package for Non-Executive and Independent Directors as they are not entitled for any remuneration.
- There are no outstanding statutory payments due on account of taxes, levies and charges except as those disclosed in these financial statements.

Board of Director's Meetings:

The Board convened 9 times during the year and attendance of the respective Directors was as under:

Directors	No. of meetings attended
Sh. Faisal Tauheed	9
Sh. Kashif Tauheed	9
Mrs. Samira Faisal	9
Mrs. Tahira Kashif	9
Mr. Shehzad Ihsan	9
Mrs. Sadia Kamran	7
Mrs. Amna Kamran	8

Leave of absence was granted to the Directors who could not attend the Board meetings.

Board Audit Committee

An audit committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. The audit committee has its terms of reference which were determined by the Board of Directors in accordance with the guidelines provided in the listing regulations and code of corporate governance.

The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors as considered appropriate. The Chief Financial Officer regularly attends the Board Audit Committee meeting by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

The audit committee comprises of two non-executive directors and one independent director who is also a Chairman. During the year four (4) meetings of the audit committee were held. The attendance of each member is given hereunder:

Names	No. of meetings attended
Mr. Shehzad Ehsan	4
Mrs. Amna Kamran	4
Mrs. Sadia Kamran	4

Human Resource and Remuneration Committee:

In compliance with the requirements of code of corporate governance, the Board of Directors has established this committee comprising three members (including Chairman)' two of whom are non executive directors and two is independent director.

Detailed terms of reference of the Committee were duly communicated to the members by the Board.

Composition of Board

The board consists of 3 male and 4 female directors with following composition:

Independent direct	1
Other non-executive directors	4
Executive director	2
Total number of directors	7

Remuneration Policy of Non-Executive Directors

The fee of the Non-Executive and independent Directors for attending the Board and Committee meeting of the Company is determined by the Board from time to time.

Remuneration Package of Chief Executive and Directors

Remuneration package of Chief Executive and director is disclosed in Notes to the financial statement.

Financial Statements

As required under the listing regulations of stock exchanges the Chief Executive Officer and Chief Financial Officer present the financial statements, duly endorsed under their respective signatures, for consideration and approval of the board of directors and the board, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

The financial statements of the company have been duly audited by the auditors of the company. Amin Mudassar and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2021 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements. No material changes in contingencies and commitments, effecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Related Party transaction and Transfer Pricing

It is the policy of the company to ensure that all transactions entered with related parties must be at arm's length. The company has fully complied with the best practices of the transfer pricing as contained in the listing regulation of stock exchanges in Pakistan.

Directors' Training Programs:

The directors of the Company Sh. Faisal Tauheed and Sh. Kashif Tauheed acquired the certification under Director Training Program from Institute of Chartered Accountants of Pakistan and Mr. Shehzad Ehsan, Mrs. Samira Faisal and Mrs. Tahira Kashif acquired the certification from Institute of Cost and Management Accountants.

Pattern of Shareholding:

The pattern of shareholding in the prescribed form is annexed which also includes the information required under Code of Corporate Governance.

Trading by Directors etc:

No Share traded by directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouse and minor children during the year.

Appreciation

We would like to thank all of our staff members for the way they have responded to challenges of the year. Their hard work and commitment is greatly appreciated and is reflected in these results.

We are also thankful for the encouragement and support which we received from our suppliers, shareholders, bankers and financial institutions financial institutions.

On behalf of the Board



Sh. Faisal Tauheed Puri
Chief Executive



Sh. Kashif Tauheed
Director

LAHORE: October 06, 2021

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulation, 2019

For the year ended June 30, 2021

The company has complied with the requirements of the Listing Companies (Code of Corporate Governance) Regulation 2019 (The “Regulations”) in the following manners: -

1. The total number of directors are seven as per the following:

a. Male	3
b. Female	4

2. The Composition of Board is as follows:

Independent Director	Mr. Shehzad Ehsan
Non-executive directors	Mrs. Samira Faisal
	Mrs. Tahira Kashif
	Mrs. Amna Kamran
	Mrs. Sadia Kamran
Executive Directors	Sh. Faisal Tauheed
	Sh. Kashif Tauheed

The Board was reconstituted on June 30, 2020 and subsequently Mr. Muhammad Arif appointed as independent director on resignation of Mrs. Amna Kamran and Sh. Mustafa Faisal Tauheed appointed director on resignation of Mrs. Sadia Kamran.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. 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.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 (the “Act”) and the regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The board of directors has formal policy and transparent procedures for remuneration of director in accordance with the Act and the Regulations.
9. Out of the seven Directors the following five directors have obtained a certificate of Directors Training Program;
- Sh. Faisal Tauheed
Sh. Kashif Tauheed
Mr. Shehzad Ehsan
Mrs. Samira Faisal
Mrs. Tahira Kashif
- The remaining two directors will undertake the Director Training Program with in stipulated time.
10. The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:

Audit Committee	Mr. Shehzad Ehsan - Chairman
	Mrs. Amna Kamran- Member
	Mrs. Sadia Kamran - Member

HR and Remuneration Committee	Mr. Shehzad Ehsan - Chairman
	Mrs. Amna Kamran- Member
	Mrs. Sadia Kamran – Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:

Audit Committee	4 quarterly meetings
HR and Remuneration Committee	1 annual meeting.

15. The Board has set up an effective internal audit function.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit oversight Board of Pakistan , that they and all their partners are in compliance with International Federation of Accountants(IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act , the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirement of regulations 3, 6 [excluding(1)], 7, 8, 27 [excluding 1 (iii)] of the Regulations have been complied with.

Lahore: October 06, 2021



Sh. Kashif Tauheed
Director



Sh. Faisal Tauheed Puri
Chief Executive Officer

Independent Auditor's Review Report

To the Members of The National Silk And Rayon Mills Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **The National Silk And Rayon Mills Limited** for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the 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 of Directors' 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.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

Further, we highlight below instances of non-compliances with the requirement of the Regulations as reflected in the paragraph reference wherein it is stated in the Statement of Compliance:

Para No.	Description
I) 18	Composition of the Board having at least two or one third members of the Board, as independent directors
ii) 18	Composition of the Audit Committee having at least one member of the Audit Committee as "financially literate"

Faisalabad:
October 06, 2021

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the members of The National Silk And Rayon Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **The National Silk And Rayon Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, the total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	Revenue recognition <i>(Refer to note 26 to the financial statements)</i> The Company generates revenue from dyeing and embroidery of fabric to domestic as well as export customers. The company recognized revenue from domestic customers amounting Rs.1,087.04 million. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue is recognized without transferring the control.	Our audit procedures included the following: <ul style="list-style-type: none">• We obtained an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue;• We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;• We compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting period;• We inspected credit notes issued to record sales returns subsequent to year end, if any; and• We obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales orders/contracts to confirm the compliance of the requirements of the applicable reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

-3-

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Ghulam Mudassar.

Faisalabad: October 06, 2021

CHARTERED ACCOUNTANTS

Balance Sheet

AS AT JUNE 30, 2021

EQUITY AND LIABILITIES		Note	2021 Rupees	2020 Rupees	ASSETS	Note	2021 Rupees	2020 Rupees
SHARE CAPITAL AND RESERVES					NON CURRENT ASSETS			
Authorised share capital		3	204,000,000	204,000,000	Property, plant and equipment	15	831,599,418	811,341,382
Issued, subscribed and paid-up share capital		4	155,531,740	155,531,740	Intangible asset	16	6,927,615	-
Capital reserve					Long term deposits and prepayments	17	22,956,046	21,657,546
Revaluation surplus on freehold land		5	561,529,091	561,529,091	Long term advances	18	2,564,102	6,529,568
Revenue reserve							864,047,181	839,528,496
Un-appropriated profit			134,428,214	89,340,841				
			851,489,045	806,401,672				
NON CURRENT LIABILITIES								
Long term liabilities		6	1,271,309	19,815,750				
Deferred liabilities		7	1,431,700	2,581,331				
			2,703,009	22,397,081				
CURRENT LIABILITIES					CURRENT ASSETS			
Trade and other payables		8	212,299,627	192,397,634	Stores, spares and loose tools	19	73,450,320	17,511,553
Payable to provident fund			713,876	532,954	Stock in trade	20	66,015,703	91,255,594
Deposits, accrued liabilities and advances		9	86,935,741	46,826,421	Trade debts	21	225,447,951	130,309,139
Unclaimed dividend			594,836	594,836	Loans and advances	22	7,287,774	714,928
Accrued interest and markup		10	1,414,138	1,205,729	Trade deposits, prepayments and other receivables	23	28,048,950	39,374,292
Loans from banking companies		11	57,588,364	37,946,109	Accrued interest		217	10,886
Loans from related parties		12	75,350,706	60,350,706	Due from government	24	15,525,876	29,719,697
Provision for taxation		13	-	-	Cash and bank balances	25	9,265,370	20,228,557
			434,897,288	339,854,389			425,042,161	329,124,646
CONTINGENCIES AND COMMITMENTS		14	-	-				
			1,289,089,342	1,168,653,142			1,289,089,342	1,168,653,142

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Sales- net	26	1,087,044,667	802,728,536
Cost of sales	27	984,961,010	769,843,778
Gross profit		102,083,657	32,884,758
Distribution cost	28	1,222,500	430,000
Administrative expenses	29	41,809,488	39,016,882
Other operating expenses	30	6,368,349	31,606,734
		49,400,337	71,053,616
		52,683,320	(38,168,858)
Other income	31	11,303,641	1,760,216
		63,986,961	(36,408,642)
Finance cost	32	7,495,101	6,671,380
Profit / (loss) before taxation		56,491,860	(43,080,022)
Taxation	33	11,404,487	3,827,099
Profit / (loss) after taxation		45,087,373	(46,907,121)
Earnings per share - basic and diluted	34	2.90	(3.02)

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2021

	2021 Rupees	2020 Rupees
Profit / (loss) after taxation	45,087,373	(46,907,121)
Items that will not be reclassified to profit or loss		
Revaluation surplus on freehold land	-	80,250,000
Items that may be reclassified to profit or loss	-	-
Other comprehensive income -net of taxation	-	80,250,000
Total comprehensive income for the year-net of tax	45,087,373	33,342,879

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	A	16,772,120	54,713,456
Income tax refunded / (paid) - net		1,961,085	(17,913,923)
Finance cost paid		(6,504,964)	(5,847,370)
Gratuity paid		(1,666,953)	(2,123,759)
Net cash generated from operating activities		10,561,288	28,828,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(49,043,040)	(28,207,966)
Profit on bank deposits		68,491	57,747
Long term advances		(3,079,566)	(2,080,250)
Long term deposits and prepayments		(1,298,500)	(550,000)
Sale proceeds from disposal of fixed assets		4,320,000	-
Net cash used in investing activities		(49,032,615)	(30,780,469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received from / repaid to directors		15,000,000	9,950,000
GIDC paid		(7,134,115)	-
Net cash generated from / (used in) financing activities		7,865,885	9,950,000
Net increase / (decrease) in cash and cash equivalents		(30,605,442)	7,997,935
Cash and cash equivalents at the beginning of the year		(17,717,552)	(25,715,487)
Cash and cash equivalents at the end of the year	B	(48,322,994)	(17,717,552)

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
A - CASH GENERATED FROM OPERATIONS			
Profit before taxation		56,491,860	(43,080,022)
Adjustment of non cash and other items:			
Depreciation	15.1	27,564,865	25,813,546
Amortization		117,417	-
Gain on disposal of fixed asset		(3,099,862)	-
Provision for doubtful debt		(2,205,791)	(3,113,722)
(Reversal) / provision of GIDC		(3,945,939)	37,081,772
Profit on bank deposit		(57,822)	(62,043)
Finance cost		6,713,373	5,868,160
		25,086,241	65,587,713
Cash flows before working capital changes		81,578,101	22,507,691
EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(55,938,767)	866,996
Stocks in trade		25,239,891	34,349,305
Trade debts		(92,933,021)	(38,386,547)
Loan and advances		(6,572,846)	506,679
Trade deposit and short term prepayments		(3,189,861)	(2,084,572)
Due from government		14,193,821	67,765,699
Increase / (decrease) in current liabilities			
Trade and other payables		21,568,946	(31,818,625)
Payable to provident fund		180,922	149,964
Deposits, accrued liabilities and advances		32,644,934	856,866
		(64,805,981)	32,205,765
		16,772,120	54,713,456
B - CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	9,265,370	20,228,557
Short term borrowings	11	(57,588,364)	(37,946,109)
		(48,322,994)	(17,717,552)

The annexed notes from 1 to 46 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2021

	SHARE CAPITAL	REVENUE RESERVE UN- APPROPRIATED PROFIT	SUB TOTAL	CAPITAL RESERVE REVALUATION SURPLUS ON LAND	TOTAL
	----- R u p e e s -----				
Balance as at July 01, 2019	155,531,740	136,247,962	291,779,702	481,279,091	773,058,793
Loss for the year	-	(46,907,121)	(46,907,121)	-	(46,907,121)
Other comprehensive income	-	-	-	80,250,000	80,250,000
Total comprehensive loss	-	(46,907,121)	(46,907,121)	80,250,000	33,342,879
Balance as at June 30, 2020	155,531,740	89,340,841	244,872,581	561,529,091	806,401,672
Profit for the year	-	45,087,373	45,087,373	-	45,087,373
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	45,087,373	45,087,373	-	45,087,373
Balance as at June 30, 2021	155,531,740	134,428,214	289,959,954	561,529,091	851,489,045

The annexed notes from 1 to 46 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2021

1 STATUS AND NATURE OF BUSINESS

The Company is a Public Limited Company, incorporated in Pakistan on June 27, 1950 under the repealed Companies Act, 1913. The Company is quoted on Pakistan Stock Exchange. The registered office of the Company is situated at H-8/3, Aziz Avenue, Canal road, Gulberg V, Lahore. The factory is located Dhuddiwala, Jaranwala Road, Faisalabad in the province of Punjab. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabric.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 ACCOUNTING CONVENTION

These financial statements have been prepared under the historical cost convention except as stated hereafter in the relevant accounting policies. Further accrual basis of accounting is followed in the preparation of these financial statements except for cash flow information.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

2.4 JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

- i Surplus on revaluation of freehold land
- ii Contingencies
- iii Estimated useful life of operating assets
- iv Estimated useful life of intangible assets
- v Deferred taxation
- vi Provision for taxation
- vii Provision for doubtful debts

2.5 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW

2.5.1 Standards, amendments and interpretations to existing standards that are effective in current year

There were certain amendments to accounting and reporting standards which became effective for the company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

2.5.2 New standards, amendments to approved accounting standards and interpretations that are effective for the Company's accounting periods beginning on or after July 1, 2021

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the company's financial statements and operations and, therefore, have not been disclosed in these financial statements.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2021 are set out below.

2.6.1 Taxation

Current

Company's export sales fall under final tax regime under Section 154 of the Income Tax Ordinance, 2001. Charge for current taxation other than export is based on taxable income at the current rates of taxation after taking into account tax credits, brought forward losses, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

Deferred

The company accounts for deferred taxation using the liability method on all timing differences which are considered reversible in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax is calculated at the rates expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the reporting date.

2.6.2 Defined Contribution Plan

The Company has ceased the unfunded Gratuity Scheme and introduced defined contribution plan i.e. "Provident Fund" for all its permanent employees effective from July 01, 2016. Equal monthly contribution are made both by the Company and employees at the rate of 8.33 % of the gross salary and the same is charged to the statement of profit or loss.

2.6.3 Foreign Currency Translations

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translation are included in the statement of profit or loss.

2.6.4 Trade and Other Payables

Liabilities for trade creditors and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the company.

2.6.5 Dividends

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

2.6.6 Contingencies and Commitments

Capital commitments and contingencies, unless those are actual liabilities, are not incorporated in the financial statements.

2.6.7 Provisions

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

2.6.8 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss except freehold land and capital work-in-progress. Freehold land is stated at revalued amount and capital work-in-progress is stated at cost consisting of expenditure incurred in respect of fixed assets in the course of their construction and installation less any impairment. Cost of certain plant and machinery consists of historical cost and exchange fluctuations on foreign currency loans utilized for acquisition thereof. Borrowing costs pertaining to erection / construction period are capitalized as part of the historical cost.

Depreciation is charged to profit or loss applying reducing balance method to write-off the cost, capitalized exchange fluctuations and borrowing costs over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets. Rates of depreciation are stated in relevant note to these financial statements.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an assets' fair value less costs to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets' revised carrying amount over its estimated useful life.

Gains/losses on disposal of fixed assets are taken to statement of profit or loss.

Minor repairs and maintenance are charged to income, as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, other than those kept as stand by, are retired.

2.6.9 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprise purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

2.6.10 Capital Work in Progress

Capital work in progress is stated at cost less any identified impairment loss. Items are transferred to operating fixed assets as and when they are available for use.

2.6.11 Stores, Spares and Loose Tools

Useable stores and spares are valued principally at moving average cost, these are valued at lower of weighted average cost and net realizable value, except items in transit, which are stated at cost. Provision for slow moving, damaged and obsolete items are charged to the statement of profit or loss. Value of items is reviewed at each statement of financial position date to record provision for any slow moving items, damaged and obsolete items.

Net realizable value signifies the selling price in the ordinary course of business less estimated cost necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

2.6.12 Stocks in Trade

Stock in trade is valued at the lower of cost and estimated net realizable value. Cost is determined as follows:

- Cost of raw material is based on weighted average cost.
- Cost in relation to work-in-process and finished goods represents the annual average manufacturing cost which consists of prime cost and appropriate production overheads.

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to be incurred for its sale.

2.6.13 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

2.6.14 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in statement of cash flows statement comprise of cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term running finances under mark up arrangements.

2.6.15 Financial Instruments

Financial Assets

a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in the statement of profit or loss.

b) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

2.6.16 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.6.17 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities, bank balances and other receivables for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in the statement of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

(b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.6.18 Revenue Recognition:

- (a) Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.
- (b) Mark-up on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.
- (c) Dividend income is recognized when the right to receive such payment is established.

2.6.19 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the statement of profit or loss in the period of incurrence.

2.6.20 Basic and diluted earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

2.6.21 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated. The Company's reportable business segments comprise of Dyeing and Embroidery. Transactions among the business segments are recorded at arm's length prices using admissible valuation methods (if any). Inter segment sales and purchases are eliminated from the total (if any).

2.6.22 RELATED PARTY

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with comparable uncontrolled price method except reason disclosed in relevant note to the financial statements, if any. Transactions with related parties have been disclosed in the relevant notes to the financial statements.

	Note	2021 Rupees	2020 Rupees
3 AUTHORIZED SHARE CAPITAL			
20,000,000 (2020: 20,000,000) A - Class Ordinary shares of Rs. 10 each		200,000,000	200,000,000
400,000 (2020: 400,000) B - Class Ordinary shares of Rs. 10 each		4,000,000	4,000,000
		<u>204,000,000</u>	<u>204,000,000</u>
4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
Issued for Cash			
15,051,267 (2020: 15,051,267) A - Class Ordinary Shares of Rs. 10 each		150,512,670	150,512,670
320,100 (2020: 320,100) B - Class Ordinary Shares of Rs. 10 each		3,201,000	3,201,000
		<u>153,713,670</u>	<u>153,713,670</u>
Issued as Bonus Shares			
181,807 (2020: 181,807) Ordinary Shares of Rs. 10 each		1,818,070	1,818,070
		<u>155,531,740</u>	<u>155,531,740</u>

5 REVALUATION SURPLUS ON FREEHOLD LAND

The Company had revalued its freehold Land during the year 2000. The revaluation exercise was carried-out by M/s Iqbal Malik and company, Surveyors-Assessors Consultants, Multan resulting in surplus of Rs.49,379,091 over book value. This has been credited to surplus on revaluation of fixed assets. Thereafter, the company again revalued its freehold Land on June 27, 2012, June 28, 2016 and April 01, 2020. The revaluation exercises had been carried out by an independent valuer M/s Material & Design Services (Pvt) Limited, Faisalabad based on market value resulting in surplus of Rs.126,950,000, Rs. 304,950,000 and Rs. 80,250,000 respectively. Based on the latest revaluation report, the forced sale value of the above said land was amounting Rs. 477.488 million.

	Note	2021 Rupees	2020 Rupees
6 LONG TERM LIABILITIES			
Payable to SNGPL	6.1	<u>1,271,309</u>	<u>19,815,750</u>
6.1 This represents non-current portion of Gas infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). The company has accounted for GIDC payable in consequent of decision dated 13 August 2020 of Supreme Court of Pakistan in favour of SNGPL. Unpaid amount of GIDC is payable in 24 equal monthly installments starting from August 01, 2020. Accordingly, the related non-current portion has been classified under non-current liabilities and has been presented at amortization cost using effective rate for current year. However, the Company challenged the levy of GIDC till 2015 before the Hon'ble Lahore High Court, Lahore on ground that GIDC is not recoverable from the company under section 8 of the relevant Act. In February 2021, the Hon'ble Court granted interim relief against the payment of installments. On June 17, 2021 Hon'ble Court issued an order and restrained to SNGPL to recover GIDC till the fulfilment all requirement for recovery of aforesaid levy.			

	Note	2021 Rupees	2020 Rupees
7 DEFERRED LIABILITIES			
Deferred taxation	7.1	<u>1,431,700</u>	<u>2,581,331</u>
7.1 Deferred Taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		8,199,537	12,342,741
Deferred tax asset on deductible temporary differences arising in respect of:			
Deferred debits arising in respect of staff gratuity		(75,222)	(295,822)
Deferred debits arising in respect of provisions		(347,414)	(30,253)
Tax losses available for carry forward		-	(1,376,345)
Minimum tax available for carry forward		(6,345,201)	(8,058,990)
		<u>(6,767,837)</u>	<u>(9,761,410)</u>
		<u>1,431,700</u>	<u>2,581,331</u>

	Note	2021 Rupees	2020 Rupees
Balance as at July 01,		2,581,331	7,405,016
Add: (Reversal) made during the year:			
Profit or loss account	33	(1,149,631)	(4,823,685)
Other comprehensive income		-	-
		(1,149,631)	(4,823,685)
		1,431,700	2,581,331

8 TRADE AND OTHER PAYABLES

Trade creditors		144,948,400	143,919,278
Letters of credit and other payable		61,829,934	45,324,335
Tax deducted at source payable		281,551	192,093
Staff gratuity payable		1,077,184	2,744,137
Workers' welfare fund		-	217,791
Provincial workers' welfare fund		1,129,837	-
Workers' (Profit) Participation Fund	8.1	3,032,721	-
		212,299,627	192,397,634

8.1 Workers' (Profit) Participation Fund

Balance as at July 01,		-	1,653,303
Add: Interest charged for the year		-	191,881
		-	1,845,184
Less: Payments made during the year		-	1,845,184
		-	-
Allocation for the year	30	3,032,721	-
Balance as at June 30,		3,032,721	-

9 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES

Accrued expenses	9.1	74,861,643	35,606,749
Advance from customers		12,074,098	11,219,672
		86,935,741	46,826,421

9.1 This includes payable to Sui Northern Gas Pipeline on account of GIDC amounting Rs. 24,730,408 million (2020: Rs. 17,266,021 million) as referred in note 6.

	Note	2021 Rupees	2020 Rupees
10 ACCRUED INTEREST AND MARK UP			
Mark up on short term finances- Secured		1,414,138	1,205,729
11 LOANS FROM BANKING COMPANIES - SECURED			
Cash finance	11.1	49,612,319	29,977,209
Running finance	11.2	7,976,045	7,968,900
		57,588,364	37,946,109

11.1 This facility has been obtained from National Bank of Pakistan with sanctioned limit of Rs. 50.00 million (2020: Rs. 50.00 million) for working capital. This is secured against hypothecation of stock and receivables etc, 1st charge of Rs. 275.00 million by way of hypothecation on present and future current assets of the Company, 1st charge of Rs. 275.00 million on present and future fixed assets of Company, token registered mortgage of Rs. 1.00 million on fixed assets of the Company and personal guarantee of all directors of the Company. This carries markup @ 3 months KIBOR (Average Ask Side) rate + 3.25% per annum (2020: @ 3 months KIBOR (Ask) rate + 3.25% per annum) payable on quarterly basis.

11.2 This facility has been obtained from The Bank of Punjab with sanctioned limit of Rs. 8.00 million (2020: Rs. 8.00 million) for working capital. This is secured against 2nd charge of Rs. 11.2 million over Company's present and future current assets / receivable and fixed assets, mortgage charge over personal properties of two directors and personal guarantees of all directors of the Company. This carries markup @ 3 month KIBOR + 3.25% per annum (2020: @ 3 month KIBOR + 3.25% per annum) payable on quarterly basis.

11.3 The facilities for opening letters of credit as at June 30, 2021 aggregating amount Rs. 160.00 million (2020: Rs. 160.00 million) of which the amount over utilized at the year end was amounting Rs. 92.577 million in respect of National Bank of Pakistan (2020: over utilized Rs. 26.310 million) and amounting Rs. 10.034 million in respect of Bank of Punjab (2020: Rs. Nil). Further, during the year the company has not availed the facility from Bank of Punjab having limit of Rs. 3 millions in respect of forward booking against import contracts.

				Note	2021 Rupees	2020 Rupees
12 LOANS FROM RELATED PARTIES						
Loans from Chief Executive and Directors				12.1	75,350,706	60,350,706
12.1 Loans from Chief Executive and Directors						
Sr #	Name	Basis of relationship	Percentage of shareholding		2021 Rupees	2020 Rupees
1	Mr. Faisal Tauheed	Chief Executive Officer	34.56%		23,370,000	18,370,000
2	Mr. Kashif Tauheed	Director	25.85%		29,857,054	19,857,054
3	Mrs. Tahira Kashif	Director	13.26%		22,123,652	22,123,652
					75,350,706	60,350,706

12.2 These represent interest free and unsecured loans obtained from Chief Executive and Directors of the company to meet the working capital requirements of the Company. These are being utilized for the said purpose and is payable on demand of lender.

				Note	2021 Rupees	2020 Rupees
13 PROVISION FOR TAXATION						
Provision for taxation				13.1	-	-
13.1 Movement of provision for taxation						
Balance as at 1st July,					-	-
Less: Adjusted during the year					-	-
					-	-
Add: Provision for the taxation-current					12,149,493	8,650,784
					12,149,493	8,650,784
Less: Tax deducted at source / advance tax					(12,149,493)	(8,650,784)
					-	-

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Counter guarantees by the bank in respect of guarantees issued in the normal course of business for sum of Rs.6.55 million (2020: Rs. 6.55 million).

14.1.2 The Sui Northern Gas Pipelines Limited (SNGPL) had raised a demand amounting Rs.39.805 million which has been contested by the Company as unsubstantiated and unjustified. SNGPL had constituted a Review Committee to examine and resolve the matter and bring the facts on record. The aforesaid Committee had decided the case against the Company. The Company had filed appeal to Oil & Gas Regulatory Authority (OGRA). The Joint Executive Director (OGRA) has decided the case in favor of the Company. However, SNGPL has filed appeal to OGRA for review against the decision of Joint Executive Director (OGRA). OGRA has decided the case against the company. The company had filed writ petition against the decision of the OGRA. The Honorable Court had set aside the decision of OGRA. Thereafter, SNGPL had filed appeal with OGRA. OGRA has decided the appeal filed by SNGPL in favour of the Company. The company has filed writ petition before Hon'able Islamabad High Court for implementation of decision of OGRA regarding recovery of aforesaid amount deposited under protest. Previous year, Hon'able Islamabad High Court issued order for implementation of decision of OGRA. The company has also filed criminal original (Contempt of Court) with Hon'able Islamabad High Court, Islamabad which is pending. However, the company has received back full amount Rs.28.178 million (2018: Rs. 24.508) million from SNGPL against the amount deposited under protest through SNGPL's monthly bills of gas consumed by the company.

14.2 Commitments

14.2.1 Commitments in respect of letters of credit for capital expenditures were amounting Rs. nil (2020: Rs. nil)

14.2.2 Commitments in respect of letters of credit other than for capital expenditures were amounting Rs.61.92 million (2020: Rs. 65.05 million).

14.2.3 Commitments in respect of capital expenditures were amounting Rs. 1.01 million (2020: Rs. nil)

15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

	Note	2021 Rupees	2020 Rupees
	15.1	831,599,418	784,172,342
	15.2	-	27,169,040
		<u>831,599,418</u>	<u>811,341,382</u>

15.1 Operating Fixed Assets

PARTICULARS	OWNED											
	Land Free-hold		Building on Free-hold Land			Plant and Machinery	Pipeline and Electric Fitting	Office Equipment	Furniture and Fixture	Vehicles	TOTAL	
	Cost	Revaluation	Sub Total	Factory	Residential							Sub Total
		Surplus										
----- R u p e s -----												
Cost / Revaluation												
Balance as at 01 July, 2019	220,909	481,279,091	481,500,000	22,948,864	104,888	23,053,752	424,937,461	11,241,930	3,510,289	762,740	24,507,519	969,513,691
Additions	-	80,250,000	80,250,000	-	-	-	28,074,466	-	-	-	-	108,324,466
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	220,909	561,529,091	561,750,000	22,948,864	104,888	23,053,752	453,011,927	11,241,930	3,510,289	762,740	24,507,519	1,077,838,157
Balance as at 01 July, 2020	220,909	561,529,091	561,750,000	22,948,864	104,888	23,053,752	453,011,927	11,241,930	3,510,289	762,740	24,507,519	1,077,838,157
Additions	-	-	-	-	-	-	39,813,004	-	-	-	8,698,306	48,511,310
Transfers	-	-	-	18,057,283	-	18,057,283	-	9,643,487	-	-	-	27,700,770
Disposals	-	-	-	-	-	-	-	-	-	-	(3,649,870)	(3,649,870)
Balance as at 30 June 2021	220,909	561,529,091	561,750,000	41,006,147	104,888	41,111,035	492,824,931	20,885,417	3,510,289	762,740	29,555,955	1,150,400,367

Depreciation												
Balance as at 01 July, 2019	-	-	-	18,353,228	99,303	18,452,531	225,565,251	8,801,097	2,095,229	708,984	12,229,178	267,852,269
Charge for the year	-	-	-	459,564	279	459,843	22,507,070	244,083	141,506	5,376	2,455,668	25,813,546
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
On disposals/transfers	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	-	-	-	18,812,792	99,582	18,912,374	248,072,321	9,045,180	2,236,735	714,360	14,684,846	293,665,815
Balance as at 01 July, 2020	-	-	-	18,812,792	99,582	18,912,374	248,072,321	9,045,180	2,236,735	714,360	14,684,846	293,665,815
Charge for the year	-	-	-	1,918,381	265	1,918,646	21,370,843	1,103,661	127,355	4,838	3,039,522	27,564,865
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(2,429,731)	(2,429,731)
Balance as at 30 June 2021	-	-	-	20,731,173	99,847	20,831,020	269,443,164	10,148,841	2,364,090	719,198	15,294,637	318,800,949
Carrying amount-2021	220,909	561,529,091	561,750,000	20,274,974	5,041	20,280,015	223,381,767	10,736,576	1,146,199	43,542	14,261,318	831,599,418
Carrying amount-2020	220,909	561,529,091	561,750,000	4,136,072	5,306	4,141,378	204,939,606	2,196,750	1,273,554	48,380	9,822,673	784,172,342
Rates of Depreciation (p.a)				10%	5%		10%	10%	10%	10%	20%	

15.1.1 The company has 80.25 kanals of land situated at Dhuddiwala, Jaranwala Road, Faisalabad. Building comprises of 214,961 square feet covered area situated at the said land.

15.1.2 The Company had revalued its freehold Land during the year 2000. The revaluation exercise was carried-out by M/s Iqbal Malik and company, Surveyors-Assessors Consultants, Multan on the basis of replacement cost. Thereafter, the company again revalued its freehold Land on June 27, 2012, June 28, 2016 and April 01, 2020. The revaluation exercises have been carried out by an independent valuer M/s Material & Design Services (Pvt) Limited, Faisalabad based on market value.

15.1.3 Had there been no revaluation, the written down value of the revalued asset in the financial position would have been:

Freehold Land	Cost	Accumulated Depreciation	Carrying Value
	-----Rupees-----		
As at June 30, 2021	220,909	-	220,909
As at June 30, 2020	220,909	-	220,909

15.1.4 The depreciation charged for the year has been allocated as follows:

	Note	2021 Rupees	2020 Rupees
Cost of sales	27	26,945,463	23,232,191
Administrative expenses	29	619,402	2,581,355
		27,564,865	25,813,546

15.2 Capital work in progress

Building	15.2.1	-	17,525,553
Pipeline and Electric Fitting	15.2.2	-	9,643,487
		-	27,169,040

15.2.1 Movement in Building:

Opening balance	17,525,553	17,470,553
Addition during the year	531,730	55,000
Transfer during the year	(18,057,283)	-
Closing balance	-	17,525,553

15.2.2 Movement in Pipeline and Electric Fitting:

Opening balance	9,643,487	9,564,987
Addition during the year	-	78,500
Transfer during the year	(9,643,487)	-
Closing balance	-	9,643,487

16 INTANGIBLE ASSET - SOFTWARE

Cost

Opening balance as at July 01,	-	-
Add: Addition during the year	7,045,032	-
Balance as at June 30,	7,045,032	-

Amortization

Opening balance as at July 01,	-	-
Amortization for the year	29 117,417	-
Balance as at June 30,	117,417	-
Net book value as at June 30,	6,927,615	-
Useful life - Years	5	-

17 LONG TERM DEPOSITS AND PREPAYMENTS

Considered good - unsecured and interest-free

Security deposits	21,646,046	20,675,046
Guarantee margin	1,310,000	982,500
	22,956,046	21,657,546

18 LONG TERM ADVANCES

Considered good - unsecured and interest-free

Advance against purchase of:		
Software	-	6,529,568
Vehicle	2,564,102	-
	2,564,102	6,529,568

19 STORES, SPARES AND LOOSE TOOLS

Stores	123,104	1,041,355
Spares	1,063,860	952,592
Packing material	501,449	921,568
Coal	19.1 71,761,907	14,596,038
	73,450,320	17,511,553

19.1 This includes coal in-transit amounting Rs. 34.54 million.

	Note	2021 Rupees	2020 Rupees
20 STOCK IN TRADE			
Raw material		63,784,373	89,388,914
Work in process - Cost of processing done on third party orders		1,210,680	1,055,680
Finished goods - Cost of processing done on third party orders		1,020,650	811,000
		<u>66,015,703</u>	<u>91,255,594</u>
20.1	These stocks are hypothecated with banks as security against short term finances as indicated in note 11.		
21 TRADE DEBTS	Note	2021 Rupees	2020 Rupees
Unsecured			
Considered good	21.1	225,447,951	130,309,139
Considered doubtful		4,974,998	3,113,722
		<u>230,422,949</u>	<u>133,422,861</u>
Less: Provision for doubtful debts	21.2	(4,974,998)	(3,113,722)
		<u>225,447,951</u>	<u>130,309,139</u>
21.1	Trade debtors other than those against which provision has been made are considered good by the management.		
21.2 Provision for doubtful debts	Note	2021 Rupees	2020 Rupees
Balance as at 1st July,		3,113,722	3,244
Add: Provision made during the year	30	2,205,791	3,113,722
Less: Balances written off during the year		(118,972)	(3,244)
Less: Reversal made during the year	31	(225,543)	-
		<u>4,974,998</u>	<u>3,113,722</u>
22 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to:			
Suppliers		284,446	145,181
Employees	22.1	632,554	569,747
Others	22.2	6,370,774	-
		<u>7,287,774</u>	<u>714,928</u>
22.1	Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.		
22.2	This represents amount deposited with collector of customs against clearance of shipment.		
23 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2021 Rupees	2020 Rupees
Short term prepayments		415,784	650,015
Advances against letter of credit - secured		5,576,225	2,136,248
Immature letters of credit- secured	23.1	365,496	381,381
Tax deducted at source		21,691,445	36,206,648
		<u>28,048,950</u>	<u>39,374,292</u>
23.1	These comprise of opening charges, bank charges and partial payments of cost of documents.		
24 DUE FROM GOVERNMENT	Note	2021 Rupees	2020 Rupees
Sales tax refundable	24.1	15,525,876	29,719,697
24.1	During the year, the Company has received sales tax refund amounting Rs. 6.275 million (2020: Rs. 67.799 million).		

		Note	2021 Rupees	2020 Rupees
25 CASH AND BANK BALANCES				
Cash in hand			2,286,288	1,371,688
Cash with banks in:				
Current accounts			5,766,169	15,690,792
Saving account	25.1		907,913	2,861,077
Deposit account	25.2		305,000	305,000
			6,979,082	18,856,869
			9,265,370	20,228,557
25.1 This represents saving account and this carry mark up @ 5.63% per annum (2020: @ 5.72% per annum).				
25.2 This represents Term Deposit Receipts (TDR) and this carry mark up @ 5.07% per annum (2020: @ 9.00% per annum).				
		Note	2021 Rupees	2020 Rupees
26 SALES -net				
Processing receipts			1,274,410,794	936,817,202
Others			308,880	2,437,380
			1,274,719,674	939,254,582
Less: sales tax			(187,675,007)	(136,526,046)
			1,087,044,667	802,728,536
27 COST OF SALES				
Raw material consumed	27.1		465,693,742	384,477,053
Salaries, wages and benefits	27.2		91,538,133	67,221,351
Fuel and power			349,257,711	269,152,934
Packing material consumed			17,993,529	12,216,473
Stores and spares consumed			27,546,535	9,523,839
Oil and greases consumed			5,756,494	2,783,859
Repair and maintenance			594,053	791,118
Depreciation	15.1		26,945,463	23,232,191
			985,325,660	769,398,818
Work in process				
Opening stock			1,055,680	1,254,800
Closing stock	20		(1,210,680)	(1,055,680)
			(155,000)	199,120
			985,170,660	769,597,938
Finished goods				
Opening stock			811,000	1,056,840
Closing stock	20		(1,020,650)	(811,000)
			(209,650)	245,840
			984,961,010	769,843,778
27.1 Raw Material Consumed				
Balance as at July 01,			89,388,914	123,293,259
Purchases during the year			440,089,201	350,572,708
Available for consumption			529,478,115	473,865,967
Less: Balance as at June 30,	20		63,784,373	89,388,914
			465,693,742	384,477,053
27.2 Salaries, wages and benefits include Rs. 3,039,393 (2020: Rs. 2,222,468) in respect of provident fund.				
			2021 Rupees	2020 Rupees
28 DISTRIBUTION COSTS				
Salaries and benefits			1,222,500	430,000

29 ADMINISTRATIVE EXPENSES	Note	2021 Rupees	2020 Rupees
Directors' remuneration		12,000,000	12,000,000
Staff salaries and benefits	29.1	13,176,936	11,625,072
Rent, rates and taxes		291,918	351,033
Traveling and conveyance		463,526	345,570
Electricity		1,619,602	1,452,292
Water and sewerage expense		3,517,434	3,093,987
Communication expenses		711,986	656,793
Printing and stationery		336,685	528,620
Repair and maintenance		191,130	166,153
Vehicle running and maintenance		1,540,321	1,801,183
Fees and subscriptions		480,215	691,711
Legal and professional charges		239,940	225,420
Auditor's remuneration	29.2	865,000	792,000
Newspapers and periodicals		8,265	8,257
Entertainment		437,197	473,223
Insurance		1,056,915	906,356
Zakat deducted at source		7,625	8,859
Amortization	16	117,417	-
Depreciation	15.1	619,402	2,581,355
Other expenses		4,127,974	1,308,998
		41,809,488	39,016,882

29.1 Staff salaries and benefits includes Rs. 915,940 (2020: Rs. 736,365) in respect provident fund.

29.2 Auditor's remuneration

The audit fee and remuneration for other services included in the financial statements is as follows:

Amin, Mudassar & Co. Chartered Accountants	Note	2021 Rupees	2020 Rupees
Statutory audit		770,000	700,000
Half yearly review		95,000	92,000
		865,000	792,000

30 OTHER OPERATING EXPENSES

Workers' (Profit) Participation Fund		3,032,721	-
Provincial worker's welfare fund		1,129,837	-
GIDC charges		-	28,493,012
Provision for doubtful debt	20	2,205,791	3,113,722
		6,368,349	31,606,734

31 OTHER INCOME

Income from financial assets:

Profit on bank deposits		57,822	62,043
-------------------------	--	--------	--------

Income from non-financial assets:

Sale of scrap	31.1	1,663,500	1,690,960
Balance written back		-	7,213
Reversal of provision for doubtful debts	21.2	225,543	-
Exchange gain		2,310,975	-
Gain on disposal of fixed asset		3,099,862	-
Reversal of GIDC payable		3,945,939	-
		11,303,641	1,760,216

31.1 Sale of scrap

Gross sales	1,996,200	2,029,152
Less: Sales tax	(332,700)	(338,192)

32 FINANCE COST

Markup on:			
Short term borrowings		4,606,692	5,676,279
Letters of credit payable		2,106,681	-
Interest on Workers' (Profit) Participation Fund		-	191,881
Bank charges and commission		781,728	803,220
		7,495,101	6,671,380

33 TAXATION	Note	2021 Rupees	2020 Rupees
Income tax			
- Current	13	12,149,493	8,650,784
- Prior		404,625	-
		12,554,118	8,650,784
Deferred	7.1	(1,149,631)	(4,823,685)
		11,404,487	3,827,099

33.1 Income tax assessments of the company have been finalized up to the tax year 2020 on the basis of income tax return filed as the company did not receive any correspondence from Income Tax Department.

33.2 No numeric tax rate reconciliation is presented for the current year as the company is liable to pay either tax under final tax regime or alternate corporate tax regime of Income Tax Ordinance, 2001.

34 EARNINGS PER SHARE- BASIC AND DILUTED	2021	2020
Profit / (loss) for the year-Rupees	45,087,373	(46,907,121)
Weighted average number of ordinary shares outstanding during the year-Numbers	15,553,174	15,553,174
Earnings per share -Rupees	2.90	(3.02)

35 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

35.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, working directors and executive of the company is as follows:

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVE	
	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees	2021 Rupees	2020 Rupees
Basic salary	5,500,000	5,500,000	5,500,000	5,500,000	1,605,000	1,277,500
Re-imbursable expenses	500,000	500,000	500,000	500,000	-	-
Contribution of P.fund	-	-	-	-	133,697	106,416
	6,000,000	6,000,000	6,000,000	6,000,000	1,738,697	1,383,916
No. of persons	1	1	1	1	1	1

35.2 The Chief Executive and Directors are also provided with free use of company maintained cars and residential telephones.

35.3 No remuneration is paid to any other director.

36 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

	As at June 30, 2021			As at June 30, 2020		
	At Amortised Cost	At fair value through profit or loss	TOTAL	At Amortised Cost	At fair value through profit or loss	TOTAL
Financial assets	R u p e e s					
Long term deposits and prepayments	22,956,046	-	22,956,046	21,657,546	-	21,657,546
Trade debts	225,447,951	-	225,447,951	130,309,139	-	130,309,139
Accrued interest	217	-	217	10,886	-	10,886
Cash and bank balances	9,265,370	-	9,265,370	20,228,557	-	20,228,557
	257,669,584	-	257,669,584	172,206,128	-	172,206,128
Financial liabilities	R u p e e s					
Payable to SNGPL	26,001,717	-	26,001,717	37,081,771	-	37,081,771
Trade and other payables	207,855,518	-	207,855,518	191,987,750	-	191,987,750
Payable to provident fund	713,876	-	713,876	532,954	-	532,954
Accrued expenses	50,131,235	-	50,131,235	18,340,728	-	18,340,728
Unclaimed dividend	594,836	-	594,836	594,836	-	594,836
Accrued interest and markup	1,414,138	-	1,414,138	1,205,729	-	1,205,729
Loans from banking companies	57,588,364	-	57,588,364	37,946,109	-	37,946,109
Loan from related parties	75,350,706	-	75,350,706	60,350,706	-	60,350,706
	419,650,390	-	419,650,390	348,040,583	-	348,040,583

37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk and interest rate risk). Financial risk management is carried out under risk policies established and approved by the Board of Directors. The management administers all aspects of risk management involving currency and interest rate risk, and cash management, in accordance with the risk policy.

The company's exposure to financial risks, the way these risks affect revenues, expenses, assets, liabilities and forecast transactions of the company and the manner in which each of these risks are managed is as follows:

37.1 Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company manages credit risk by limiting significant exposure to any individual customer, by obtaining advance against sale and do not have significant exposure to any individual customer. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2021 Rupees	2020 Rupees
Long term deposits	22,956,046	21,657,546
Trade debts	225,447,951	130,309,139
Interest accrued	217	10,886
Bank balances	6,979,082	18,856,869
	<u>255,383,296</u>	<u>170,834,440</u>

Geographically there is no concentration of credit risk.

Credit Quality of Financial Assets

Foreign trade debts are secured against confirmed letter of credit, if any. The Company has placed funds in financial institutions keeping in view credit ratings. The Company assesses the credit quality of the counter parties as satisfactory. The Company does not hold any collateral as security against any of its financial assets except foreign debtors, if any.

The aging of trade debts at the reporting date was:

	2021		2020	
	Gross	Doubtful	Gross	Doubtful
	-----Rupees-----			
Up to 1 month	128,144,157	-	121,082,291	-
1 to 6 months	98,537,417	1,233,623	9,226,848	-
More than 6 months	3,741,375	3,741,375	3,113,722	3,113,722
	<u>230,422,949</u>	<u>4,974,998</u>	<u>133,422,861</u>	<u>3,113,722</u>

Management believes that other than doubtful balances that are past due are still collectible in full, based on historical payment behaviour and review of financial strength of respective customers.

Cash at banks

	Rating		Rating Agency	2021	2020
	Short Term	Long Term		-----Rupees-----	
Habib Bank Limited	A-1+	AAA	JCR-VIS	219,003	64,321
National Bank Limited	A-1+	AAA	PACRA	1,595,682	488,507
MCB Bank Limited	A-1+	AAA	PACRA	14,536	9,524,654
Bank Al Habib Limited	A-1+	AAA	PACRA	285,884	1,018,916
Askari Bank Limited	A-1+	AA+	PACRA	17,708	6,664
The Bank Of Punjab	A-1+	AA+	PACRA	1,010,139	55,859
Bank Islami Pakistan Limited	A-1	A-1+	PACRA	7,023	7,058
Bank Alfah Limited	A-1+	AA+	PACRA	1,546,490	3,127,335
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	279,418	141,220
Meezan Bank Limited	A-1+	AAA	JCR-VIS	1,033,357	3,125,750
Allied Bank Limited	A-1+	AAA	PACRA	163,392	940,677
Summit Bank Limited	* Not available	* Not available		254	10,065
United Bank Limited	A-1+	AAA	JCR-VIS	806,196	345,843
				<u>6,979,082</u>	<u>18,856,869</u>

* Credit risk on these balances is limited because the banks are under strict regulatory framework of SBP and have statutory reserves with SBP.

Credit Risk Management

In respect of trade receivables, the company does not have significant concentration of credit risk with a single customer. Formal policies and procedures of credit management and administration of receivables are established and executed. In monitoring customer credit risk, the ageing profile of total receivables balances and individually significant balances, along with collection activities are reported to the Board of Directors on a monthly basis. High risk customers are identified and restrictions are placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis of confirmed letters of credit. These actions are also reported to the Board on a monthly basis.

37.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The following are the contractual maturities of financial liabilities including expected interest payments and excluding the impact of netting agreements:

	2021			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	R	u	p	e e s
Payable to SNGPL	26,001,717	27,109,637	24,730,408	1,271,309
Trade and other payables	207,855,518	207,855,518	207,855,518	-
Payable to provident fund	713,876	713,876	713,876	-
Accrued expenses	50,131,235	50,131,235	50,131,235	-
Unclaimed dividend	594,836	594,836	594,836	-
Accrued interest and markup	1,414,138	1,414,138	1,414,138	-
Loan from banking companies	57,588,364	57,588,364	57,588,364	-
Loan from related parties	75,350,706	75,350,706	75,350,706	-
	393,648,673	393,648,673	393,648,673	-

	2020			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	R	u	p	e e s
Payable to SNGPL	37,081,771	37,081,771	17,266,021	19,815,750
Trade and other payables	191,987,750	191,987,750	191,987,750	-
Payable to provident fund	532,954	532,954	532,954	-
Accrued expenses	18,340,728	18,340,728	18,340,728	-
Unclaimed dividend	594,836	594,836	594,836	-
Accrued interest and markup	1,205,729	1,205,729	1,205,729	-
Loan from banking companies	37,946,109	37,946,109	37,946,109	-
Loan from related parties	60,350,706	60,350,706	60,350,706	-
	310,958,812	310,958,812	310,958,812	-

Liquidity Risk Management

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the company ensures that it has sufficient cash on demand to meet expected operational cash flows, including serving of financial obligations. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer. Further, the Company has the support of its sponsors in respect of any liquidity shortfalls.

37.3 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's net profit or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

37.3.1 Currency Risk

The Company is exposed to currency risk in respect of export sales, imports and resulting balances that are denominated in a currency other than functional currency. The net foreign currency risk exposure on reporting date comprises of following currencies as letters of credit payables.

2021			2020		
Currency	F. Currency	Rupees	Currency	F. Currency	Rupees
USD	\$ 395,524.31	62,651,051	USD	\$ 269,466.91	45,324,335
EURO	€ 84,973.19	16,023,395			

The following significant exchange rates have been applied as at reporting date:

Foreign Currency	2021 Rupees	2020 Rupees
USD	158.40	168.20
EURO	188.57	188.99

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 1% against the foreign currencies, i.e. USD and EURO with all other variables held constant, the impact on profit after taxation for the year, higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments, would have been as follows:

	2021 Rupees	2020 Rupees
Letters of credit	786,744	453,243

37.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate exposure arises from short term borrowings from banks and letters of credit payable.

a) Cash flow sensitivity analysis for variable rate instruments

The Company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have decrease profit by Rs. 1,182,054 (2020: increase loss by Rs. 347,800). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

b) Cash flow sensitivity analysis for fixed rate instruments

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

The effective interest / mark-up rates in respect of financial instruments are mentioned in respective notes to the financial statements.

35.3.3 Price Risk

The company is not exposed to any price risk as it does not hold any significant investments exposed to price risk.

37.4 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or periodically repriced.

The assets and liabilities that are measured at fair value on recurring and non-recurring basis have been disclosed in the relevant notes to the financial statements, if any.

International Financial Reporting Standard 13, 'Financial Instruments : Disclosure' requires the company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2) ; and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Currently there are no financial assets or financial liabilities which are measured at their fair value.

- 37.4.1 Certain categories of operating fixed assets (i.e. freehold land) are carried at revalued amounts (level 2 measurement on non recurring basis) determined by a professional surveyor based on their assessment of the market values as disclosed in note 15 to these financial statements.

37.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to remain as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is currently financing majority of its operations through short-term financing in addition to its equity. Total capital is calculated as equity as shown in the statement of financial position plus total debt. Total debts includes loan from banking companies and loan from related parties.

	2021	2020
	--- R u p e e s ---	
Total borrowings	132,939,070	98,296,815
Total equity	851,489,045	806,401,672
	<u>984,428,115</u>	<u>904,698,487</u>
	<u>13.50%</u>	<u>10.87%</u>

Gearing ratio

38 VARIATION OF SHAREHOLDERS RIGHTS

Shareholder of B-class shares will not participate in dividends unless a minimum 10% of dividends is paid to shareholders of A-class shares and will not exercise voting rights except when the management is found to be inefficient and debt servicing by the company becomes unsatisfactory.

39 PLANT CAPACITY AND ACTUAL PRODUCTION

Cloth Processing

Rated capacity (meters)

Actual processing (meters)

Percentage

Embroidery Processing

Rated capacity (meters)

Actual processing (meters)

Percentage of utilization of rated capacity

No. of working days

	2021	2020
Rated capacity (meters)	60,000,000	60,000,000
Actual processing (meters)	29,979,259	25,537,644
Percentage	49.97%	42.56%
Rated capacity (meters)	8,361,571	8,361,571
Actual processing (meters)	3,237,620	3,011,573
Percentage of utilization of rated capacity	38.72%	36.02%
No. of working days	313	262

Under utilization of available capacity is due to different mélange of cloth and stitches per meter of embroidery cloth available for processing, unsustained supply of electricity and sui gas.

40 PROVIDENT FUND RELATED DISCLOSURE

The following information are based on latest un-audited financial statements of the Fund:

	2021	2020
	--- R u p e e s ---	
Size of the fund-Total assets	17,977,712	16,063,304
Cost of investment made	17,245,640	15,527,466
Percentage of investment made	96%	97%
Fair value of investment	17,245,640	15,527,466
40.1 The breakup of fair value of investment is:	2021	2020
Bank balance	Rupees	Rupees
Musharaka Saving Account	9,711,660	15,527,466
Units of investment scheme	7,533,980	-
	<u>17,245,640</u>	<u>15,527,466</u>

40.2 The investments in collection investment scheme, listed equity and listed debt securities out of provident fund have been made in accordance with the provisions of the Section 218 of the Companies Act, 2017 and condition specified there in.

40.3 During the year, the Company has made contribution amounting Rs. 3,955,333 to the provident fund.

41 OPERATING SEGMENT

41.1 Reconciliation of reportable segment operational profit / (loss)

	Dyeing		Embroidery		TOTAL	
	2021	2020	2021	2020	2021	2020
Sales- net	929,637,715	689,072,973	157,406,952	113,655,563	1,087,044,667	802,728,536
Cost of sales	743,470,453	643,686,034	241,490,557	126,157,744	984,961,010	769,843,778
	186,167,262	45,386,939	(84,083,605)	(12,502,181)	102,083,657	32,884,758
Distribution cost	1,039,125	365,500	183,375	64,500	1,222,500	430,000
Administrative expenses	35,755,363	34,548,755	6,054,125	4,468,126	41,809,488	39,016,881
Other operating expenses	5,765,600	27,572,507	602,749	4,034,227	6,368,349	31,606,734
	42,560,088	62,486,762	6,840,249	8,566,853	49,400,337	71,053,615
Profit before taxation and expenses	143,607,175	(17,099,823)	(90,923,854)	(21,069,034)	52,683,320	(38,168,858)
Other income					11,303,641	1,760,216
Finance cost					7,495,101	6,671,380
Operating (loss) / profit					<u>56,491,860</u>	<u>(43,080,022)</u>

41.2 Reconciliation of reportable segment assets and liabilities

	Dyeing		Embroidery		TOTAL	
	2021	2020	2021	2020	2021	2020
Total assets for reportable segments	859,115,398	864,892,998	344,325,609	185,524,670	1,203,441,007	1,050,417,668
Unallocated assets:						
Long term deposits and prepayments					22,956,046	21,657,546
Long term advances					2,564,102	6,529,568
Loans and advances					7,287,774	714,928
Trade deposits, prepayments and other receivables					28,048,950	39,374,292
Accrued interest					217	10,886
Due from government					15,525,876	29,719,697
Cash and bank balances					9,265,370	20,228,557
					<u>1,289,089,342</u>	<u>1,168,653,142</u>
	Dyeing		Embroidery		TOTAL	
	2021	2020	2021	2020	2021	2020
Total liabilities for reportable segments	212,299,627	192,397,634	-	-	212,299,627	192,397,634
Unallocated liabilities:						
Deferred liabilities					1,431,700	2,581,331
Long term liabilities					1,271,309	19,815,750
Payable to provident fund					713,876	532,954
Deposits, accrued liabilities and advances					86,935,741	46,826,421
Unclaimed dividend					594,836	594,836
Accrued interest and markup					1,414,138	1,205,729
Loan from banking companies					57,588,364	37,946,109
Loan from related parties					75,350,706	60,350,706
					<u>437,600,297</u>	<u>362,251,470</u>

41.3 Significant non-current assets of the company as at reporting dates are located and operating in Pakistan

41.4 The company has a major share of revenue with Haroon Fabrics (Private) Limited during the year.

42 RELATED PARTY TRANSACTIONS

Balances with related have been disclosed in the relevant notes to the financial statements.

Transactions with related parties are shown in the relevant notes to the financial statements except the followings:

	2021 Rupees	2020 Rupees
Loan received from Mr. Faisal Tauheed, Chief Executive of the company	5,000,000	17,500,000
Loan received from Mr. Kashif Tauheed, Director of the company	20,000,000	43,450,000
Loan repaid to Mr. Faisal Tauheed, Chief Executive of the company	-	9,000,000
Loan repaid to Mr. Kashif Tauheed, Director of the company	10,000,000	42,000,000

43 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

Average number of employees during the year

Number of employees as at June 30,

2021 (-----N u m b e r-----)	2020
360	358
363	360

44 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue on _____ by the board of directors of the company .

45 CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified wherever needed for the purpose of better presentation, however, there were no material rearrangements to report.

46 GENERAL

Figures have been rounded off to the nearest of rupee unless otherwise stated.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Pattern of Shareholding

as at June 30, 2021

1.1 Name of the Company **THE NATIONAL SILK & RAYON MILLS LIMITED**

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2021**

-----Shareholdings-----			
2.2 No. of Shareholders	From	To	Total Shares Held
359	1	100	11,932
140	101	500	39,616
40	501	1,000	30,792
40	1,001	5,000	83,140
2	5,001	10,000	16,680
1	10,001	15,000	10,900
1	15,001	20,000	18,549
3	40,001	45,000	123,879
1	100,001	105,000	104,198
1	105,001	110,000	107,500
1	230,001	235,000	233,055
3	345,001	350,000	1,050,000
1	1,475,001	1,480,000	1,479,144
1	2,060,001	2,065,000	2,061,639
1	2,300,001	2,305,000	2,304,588
2	2,495,001	2,500,000	5,000,000
1	2,870,001	2,875,000	2,873,062
598			15,553,174

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	15,308,362	98.4260%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	900	0.0058%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	20	0.0001%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	13,759,433	88.4670%
2.3.8 General Public		
a. Local	242,142	1.5569%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified)		
Joint Stock Companies	1,750	0.0113%

Categories of Shareholding

required under Code of Corporate Governance (CCG)
as at June 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):		-	-
Mutual Funds (Name Wise Detail)		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	SH. FAISAL TAUHEED	5,373,062	34.5464%
2	SH. KAHSIF TAUHEED	4,020,144	25.8477%
3	MS. AMNA TAUHEED	350,000	2.2503%
4	MS. SAADIA TAUHEED	350,000	2.2503%
5	MST. SAMIRA FAISAL	2,304,588	14.8175%
6	MST. TAHIRA KASHIF	2,061,639	13.2554%
7	MR. SHEHZAD IHSAN	2,500	0.0161%
8	SH. TAUHEED ELAHI PURI	107,500	0.6912%
9	MRS. SHAHIDA TAUHEED	115,098	0.7400%
10	MST. SAIMA TAUHEED	350,000	2.2503%
11	MR. MUSTAFA TAUHEED	40,776	0.2622%
12	MR. MAHAD KASHIF	233,055	1.4984%
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		20	0.0001%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	SH. FAISAL TAUHEED	5,373,062	34.5464%
2	SH. KAHSIF TAUHEED	4,020,144	25.8477%
3	MST. SAMIRA FAISAL	2,304,588	14.8175%
4	MST. TAHIRA KASHIF	2,061,639	13.2554%

Summary of Last Six Years Financial Results

Description	2021	2020	2019	2018	2017	2016
Turnover	1,087,044,667	802,728,536	930,936,979	857,472,765	821,570,202	709,705,001
Gross Profit	102,083,657	32,884,758	71,055,219	77,754,057	67,252,322	63,450,193
Operating Profit (Loss)	63,986,961	(36,408,642)	34,116,137	40,095,681	38,312,400	38,907,013
Profit/(Loss) before taxation	56,491,860	(43,080,022)	30,645,589	36,256,902	33,857,415	32,803,364
Profit/(Loss) after taxation	45,087,373	(46,907,121)	17,414,011	40,942,925	16,372,696	34,599,550
Balance Sheet						
Shareholders equity	155,531,740	155,531,740	15,553,174	155,531,740	155,531,740	155,531,740
Unappropriated profit/(loss)	134,428,214	89,340,841	136,247,962	118,833,951	89,555,907	73,183,211
Surplus on revaluation of fixed assets	561,529,091	561,529,091	481,279,091	481,279,091	481,279,091	481,279,091
Tangible fixed assets	831,599,418	811,341,382	728,696,962	698,302,348	715,761,336	716,605,630
Net Current Assets	425,042,161	329,124,647	375,090,948	244,700,792	262,947,912	250,254,755
Earning per share before tax	3.63	(2.76)	1.97	2.34	2.18	2.11
Earning per share after tax Share break-up value	2.90	(3.02)	1.12	2.63	1.05	2.22
Significant Ratios:						
Gross Profit %	9.39	4.10	7.63	9.07	8.19	8.94
Operating profit to sales	5.89	(4.53)	3.66	4.68	4.66	5.48
Profit before tax to sales	5.20	(5.37)	3.29	4.23	4.12	4.62
Profit after tax to sales	4.15	(5.84)	1.87	4.77	1.99	4.88
Return on equity	28.99	(30.15)	11.20	26.32	10.53	22.25
Current Ratio	0.98	0.96	1.09	1.20	1.03	0.99

ڈائریکٹرز	اجلاس میں حاضری
مسٹر شہزاد احسان	4
مسز آمنہ کامران	4
مسز سعدیہ کامران	4

انسانی وسائل و ادائیگیوں سے متعلق کمیٹی

کوڈ آف کارپوریٹ گورننس کے ضوابط کی پاسداری کرتے ہوئے بورڈ کی جانب سے کمیٹی ہذا کو تشکیل دیا گیا ہے جو کہ تین ممبران پر مشتمل ہے جن میں سے دو ممبران غیر انتظامی ڈائریکٹر ہیں جن میں سے ایک چیئرمین ہے جبکہ تیسرا ممبر ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے ممبران کو ان کے کام کی شرائط سے بذریعہ بورڈ باقاعدہ آگاہ کیا جا چکا ہے۔

ڈائریکٹروں کی لئے تربیتی پروگرام

شیخ فیصل توحید اور شیخ کاشف توحید ڈائریکٹرز نے ٹریننگ ICAP سے پروگرام مکمل کیا ہے۔ تین ڈائریکٹرز مسٹر شہزاد احسان، مسز سمیرا فیصل، اور مسز طاہرہ کاشف نے ICMA سے پروگرام مکمل کیا ہے۔

ترتیب حصص داری

دستاویزات برائے ترتیب حصص داری برطانیہ 30 جون 2021 مطلوبہ زیر تحت کمپنیز آرڈیننس 1984 اور کوڈ آف کارپوریٹ گورننس رپورٹ ہدایت کی جارہی ہے۔

اس سال ڈائریکٹروں، سی ای او، سی ایف او، کمپنی سیکرٹری، اندرونی آڈٹ کے سربراہ اور انکے ازواج یا نابالغ بچوں کی جانب سے دوران سال کمپنی کے حصص میں کوئی خرید و فروخت نہیں ہوئی۔

اظہار تشکر

ہم تمام حصص داران، صارفین، سپلائروں اور ملازمین کی جانب سے بھرپور حمایت کو تسلیم کرتے ہیں اور تہہ دل سے ان کے مشکور ہیں۔

شیخ کاشف توحید
ڈائریکٹر

شیخ فیصل توحید
چیف ایگزیکٹو

اکتوبر 06، 2021

بورڈ ممبران انتہائی مسرت کے ساتھ اس بات کا اعلان کرتے ہیں کہ آپ کی کمپنی کی انتظامیہ بہتر سے بہتر کارپوریٹ گورننس کی خواہاں ہے اور اس ضمن میں بہترین روایات پر عمل پیرا رہنے کیلئے کوشاں ہیں۔
کوڈ آف کارپوریٹ گورننس کی پاسدار کے سلسلے میں ڈائریکٹرز کی انتہائی مسرت کے ساتھ اس بات کا اعلان کرتے ہیں کہ:

- کمپنی کی جانب سے تیار کردہ مالیاتی دستاویزات صحیح انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد رقم کی ترسیل اور سرمایہ پر مبنی حصص میں کی نمائندگی کرتی ہیں۔
- کمپنی کی جانب سے تمام کھاتوں کو باقاعدہ محفوظ کیا جاتا ہے۔
- مالیاتی دستاویزات کی تیاری میں مستقبل بنیادوں پر اکاؤنٹنگ کی مناسب پالیسیوں پر عمل کیا جا رہا ہے اور تمام محاسبی تخمینے قرین قیاس ہیں۔
- پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کرتے ہوئے مالیاتی دستاویزات تیار کی گئی ہیں۔
- کمپنی کے اندرونی کنٹرول سسٹم کو جامع اور مؤثر انداز سے نافذ کیا گیا ہے۔ اور اسکی مستقل بنیادوں پر نگرانی اور اصلاح کی جاتی ہے۔ اندرونی کنٹرول کے نظام کو مزید مضبوط اور مؤثر بنانے کی غرض سے اسکی مستقل مانیٹرنگ کی جاتی رہے گی۔
- اس سلسلے میں کسی بھی قسم کے شک کی کوئی گنجائش موجود نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو پیکجنگ کی بنیاد پر آئندہ بھی جاری رکھے گی۔
- کمپنی کے کاروبار اور مالیاتی افعال سے متعلق گزشتہ چھ برسوں کی اہم ترین معلومات کو رپورٹ ہذا میں پیش کیا گیا ہے۔
- کارپوریٹ گورننس کی بہترین روایات جن کی تفصیلات لسٹنگ قواعد میں درج ذیل ہیں سے کسی بھی قسم کو قابل ذکر و گردانی نہیں کی گئی۔
- کمپنی نے اپنے ورکروں کو پروایڈنٹ فنڈ کا اجراء کیا ہے۔ ماہانہ کنٹری بیوٹن دونوں مالکان اور ملازمین فنڈ میں ڈالتے ہیں۔ کمپنی کا کنٹری بیوٹن اس کے نفع نقصان اکاؤنٹ کو چارج کر دیا جاتا ہے۔ جمع شدہ فنڈ - 17977712/ بنک میں انوسٹ کیا ہے۔
- کمپنی کے ذمے ٹیکسوں، ڈیویڈنڈ، لیویز اور دیگر واجبات میں ان واجبات کے علاوہ اور کوئی واجبات نہیں ہیں جنہیں مالیاتی دستاویزات میں بیان کی جا چکا ہے۔

بورڈ آف آڈیٹر کے اجلاس

بورڈ کی جانب سے دوران سال 9 اجلاس منعقد کئے گئے، ان اجلاسوں میں متعلقہ ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

ڈائریکٹرز	اجلاس میں حاضری
شیخ فیصل توحید	9
شیخ کاشف توحید	9
مسز سمیرا فیصل	9
مسز طاہرہ کاشف	9
شہزاد احسان	9
مسز سعدیہ کامران	7
مسز آمنہ کامران	8

بورڈ آف آڈٹ کمیٹی

کوڈ آف کارپوریٹ گورننس کے نفاذ کے دن سے ہی آڈٹ کمیٹی برائے بورڈ قائم ہے۔ آڈٹ کے کام کی شرائط کو بورڈ کی جانب سے لسٹنگ قواعد اور کوڈ آف گورننس میں مذکور ہدایات کے مطابق طے کیا جا چکا ہے۔ اس کمیٹی کا اجلاس ہر سہ ماہی میں کم از کم ایک مرتبہ منعقد کیا جاتا ہے۔ اور کمیٹی بورڈ کو اپنی ذمہ داریوں کو نبھانے، بنیادی طور پر حصص داران کو مالیاتی اور غیر مالیاتی معلومات فراہم کرنے کے سلسلے میں نظر ثانی کرنے، اندرونی سسٹم کو کنٹرول کرنے اور رسک مینجمنٹ اور آڈٹ کے طریقہ کار پر نظر رکھنے جیسے امور میں معاونت کرتی ہے۔ اس کمیٹی کو اختیارات حاصل ہیں کہ یہ انتظامیہ سے معلومات حاصل کرے اور ضرورت پرنے پر بیرونی آڈیٹروں سے بھی مشورہ کر سکے۔ مدعو کئے جانے پر چیف فنانشل آفیسر بورڈ آڈٹ کمیٹی اجلاسوں میں باقاعدہ شرکت کرتا ہے اور ان اجلاسوں میں محاسبی سے متعلق امور پر بریفنگ بھی دیتا ہے۔ ہر اجلاس کے بعد کمیٹی کا چیئر مین بورڈ کے سامنے رپورٹ پیش کرتا ہے۔ آڈٹ کمیٹی دو غیر انتظامی ڈائریکٹروں اور ایک آزاد ڈائریکٹر پر مشتمل ہے، آزاد ڈائریکٹر بطور چیئر مین بھی خدمات سرانجام دیتے ہیں۔

ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت کے ساتھ آپ کی کمپنی کی 71 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات اور آڈیٹروں کی رپورٹ بابت 30 جون 2021 آپ کی خدمت میں پیش کر رہے ہیں۔ مالیاتی کارکردگی

2020	2021	آپریٹنگ نتائج
----- روپے -----		
32,884,758	102,083,657	کل منافع
71,053,616	49,400,337	فروخت، ترسیل اور انتظامی اخراجات
(43,080,022)	56,491,860	نقصان / منافع قبل از ٹیکس
3,827,099	11,404,487	ٹیکس
(46,907,121)	45,087,373	نقصان / منافع بعد از ٹیکس
(3.02)	2.90	نقصان / منافع فی حصص

کمپنی کی کارکردگی کا سکور کارڈ

کمپنی پائیدار ترقی اور قدر کی تخلیق کے اپنے طویل مدتی مقصد کو پورا کرنے کے لیے پرعزم ہے۔ یہ آپریٹنگ ایکسی لینس، پروڈکٹ پورٹ فولیو تنوع، لاگت میں کمی اور مضبوط سرمایہ دارانہ ڈھانچے پر مسلسل توجہ کے ذریعے حاصل کیا جا رہا ہے۔ کمپنی نے سال کے دوران اپنے مالیاتی بیان میں -1,087,044,667 روپے کی فروخت ریکارڈ کی جبکہ پچھلے سال کے دوران -802,728,536 روپے کی فروخت میں 35 فیصد اضافہ ہوا۔ پچھلے سال حکومت پنجاب کی جانب سے COVID-19 وبائی امراض کی وجہ سے 23 مارچ 2020 سے اعلان کردہ لاگت ڈاؤن کے دوران پیداوار کی بندش کی وجہ سے، کمپنی کی فروخت کم ہو گئی تھی، جو کہ اس سال برآمد ہوئی ہے۔ سال کے دوران ان پٹ کے اخراجات میں اضافہ ہوا کیونکہ روپیہ امریکی ڈالر کے مقابلے میں مزید کمزور ہوا۔ کمپنی نے پیداوار کو جاری رکھنے کے لیے COVID-19 کی وجہ سے کچھ درآمدی مواد کی کمی کو دور کرنے کے لیے متبادل سورسنگ انتظامات بھی کیے۔

ڈیویڈنڈ

ڈائریکٹرز نے مالی سال 30 جون 2021 کو ڈیویڈنڈ نہ دینے کی سفارش کی ہے۔

قومی خزانے میں کنٹری بیوٹن

آپ کی کمپنی نے ذمہ داری مھسوس کرتے ہوئے قومی خزانے میں سیلز ٹیکس، آکس ٹیکس، کسٹم ڈیوٹی کی مد میں 187.67 ملین ادا کیے ہیں جبکہ پچھلے سال 136.53 ملین جمع کروائے تھے۔

انسانی وسائل کی مینجمنٹ اور ملازمین کے ساتھ رشتہ

انتظامیہ کا پختہ یقین ہے کہ ہمارے ملازمین ہمارا سب سے قیمتی اور ضروری اثاثہ ہیں۔ ملازمین کو برقرار رکھنے کی کمپنی کی پالیسی سب سے بہترین اور بے نظیر ہے۔ اپنے قائدانہ مقام کو برقرار رکھنے کے لیے، ہم ہر سطح پر سب سے بلند صلاحیت کی حوصلہ افزائی اور لوگوں کے لیے کمپنی کو سب سے پسندیدہ منزل کی خواہش بنانے کے لیے کوشاں ہیں۔ کمپنی اپنے موجودہ ملازمین کی کارکردگی اور حوصلہ افزائی کے ذریعے ترقی کے لیے کوشاں ہے۔ ہمارا انسانی وسائل کا شعبہ باصلاحیت ملازمین کی نشاندہی کے لیے مختلف ذرائع استعمال کرتا ہے اور ان کے مزید کھار کے لیے مختلف تربیتی فراہم کرتا ہے۔ انتظامیہ اپنے اعلیٰ صلاحیت کے پروفیشنل کی پرجوش جماعت کے ساتھ پُر اعتماد ہے کہ اللہ کی رحمت سے ہمارا کاروبار ملکی اور بین الاقوامی منڈیوں میں مزید پھیلے پھولے گا۔ ہم واضح اختیاراتی قابلیوں، پالیسیوں، طریقوں اور نظاموں کے ذریعے کاروبار کی ضروریات کو پورا کرنے کے لیے ڈھانچے اور طریقوں کی ترقی کے لیے مضبوطی کے ساتھ عمل پیرا ہیں۔ شفاف صلاحیتی انتظام کے نظاموں اور طریقوں کے ساتھ انعام و تسلیم کا عمل جاری و ساری ہے۔

ملازمین کے مصروفیات اور فلاحی سرگرمیوں کا مقصد ان کی رغبت اور ترقی ہے۔ یہ سرگرمیاں ہمارے لوگوں کی ترقی اور حوصلہ افزائی کرتی ہیں۔ کمپنی اپنے ملازمین کے لیے مستقل فلاحی حکمت عملی رکھتی ہے۔ میڈیکل سہولت اور فرسٹ ایڈ کی سہولت ورکرز کو مہیا کی جاتی ہے۔ ورکرز کی عبادت کیلئے مسجد بنائی گئی ہے۔ ورکرز کیلئے کھیلوں کی سہولت میسر ہے۔

کارپوریٹ معاشرتی ذمہ داری

آپ کی کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے کمپنی کیلئے دن رات خدمات سرانجام دینے والے ملازمین، کمپنی کے ارد گرد آباد لوگوں اور مجموعی طور پر پورے معاشرے کے ضمن میں خود پر عائد ہونے والی معاشرتی ذمہ داریوں سے بخوبی آگاہ ہے۔

آڈیٹرز

موجودہ آڈیٹر مسرز امین مدثر اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس رٹائرڈ ہونے جارہے ہیں۔ اور اپنی اہلیت کی بنیاد پر انہوں نے ایک مرتبہ پھر تعیناتی کیلئے کمپنی کو اپنی خدمات پیش کی ہیں۔ کمپنی کے بورڈ کی آڈٹ کمیٹی کی جانب سے بھی ان کی بطور قانونی آڈیٹر برائے کمپنی آڈیٹرز برائے مالی سال 30 جون 2022 کی تعیناتی کیلئے سفارش کی گئی ہے

نمائندگی کا فارم (پراکسی فارم)

میں رہم۔

کے

دی نیشنل سلک اینڈ ریان ملز لمیٹڈ کے رکن اور عام شیئر کے حامل کی حیثیت کے

(شیئرز کی تعداد)

رجسٹر کا فولیو نمبر

اور ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر،

یا کے

کو کمپنی کے 71 واں سالانہ عام اجلاس جو بدھ، 28 اکتوبر 2021 کو سہ پہر 3 بجے ایوانِ نورا پونٹ کمپلیکس، 10 سوک سنٹر، جوہر ٹاؤن، ایل ڈی اے آفس، لاہور میں منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

گواہ: 2

گواہ: 1

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم/نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریونیوٹکٹ اور شہادت ہونا ضروری ہے۔

FORM OF PROXY

Folio No.

--

I/WE _____

Of _____

Being a member of The National Silk & Rayon Mills Limited hereby appoint

(Name)

Of _____

(Another member of the) failing him

(Name)

Of _____

(Another member of the Company) to attend, act and vote for me and on my/our behalf at the 71st Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore on Wednesday 28th day of October 2021 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2021

Signature on Revenue Stamp of Correct Value

(Signature should agree with the specimen
Signature registered with the Company)

Date: _____

NOTE:









Proxy form must be signed across a correct value Revenue Stamp and it should be deposited in the Registered Office of the company not later than 48 hours before time of holding the meeting.









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The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

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Tel: 0092 41 8721760-61, Fax: 0092 41 8712216

Email: info@nationalsilk.com - www.nationalsilk.com