Half Year
Financial Statements
2021-22

The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

Company Information

Board of Directors	Sh. Faisal Tauheed	(Executive Director) Chief Executive
	Sh. Kashif Tauheed	(Executive Director)
	Mrs. Samira Faisal	Non Executive Director
	Mrs. Tahira Kashif	Non Executive Director
	Sh Mustafa Faisal Tauheed	Non Executive Director
	Mr. Muhammad Arif	Independent Director
	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	Riaz Ahmad 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.	

Directors' Report

The Board Directors of your company are pleased to present Condensed Interim Financial Statements of the company for the half year ended December 31, 2021.

The financial performance of your Company during the half year ended on December 31, 2021 is as follow:

	Half year ended December 31	
Operating Results	**2021**	**2020**
	RUPEES	
Gross profit	34,257,808	37,843,916
Selling, administrative and operating expenses	-23,529,272	-26,118,313
Profit before taxation	8,177,781	15,238,836
Taxation	-24,866,745	-4,692,898
Profit / (loss) after taxation	-16,688,964	10,545,938
Earning per share	-1.07	0.68

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. 625,092,182/- in its first six months as compared to Rs. 519,353,007/- during the first six months of the last year showing increase in sale 20%. Due to increase in electricity, sui gas and coal expenses, increase in prices of imported and local raw material and currency devaluation, the company was not successful to achieve the required result.

Future Outlook and Challenges:

The management of the Company is working hard to optimize the cost levels and finding new avenues of revenue generation in all segments of the company to maximize benefit to the shareholders.

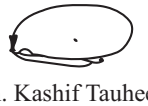
However, we are confident about the future prospects of your Company as the demand of cloth processing has been resilient and is expected to increase further in the years to come. We are also working internally to become more efficient by becoming more cost effective, focusing on energy conservation and expenditure reduction techniques.

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.

On behalf of the Board



LAHORE:
February 28, 2022

Sh. Faisal Tauheed Puri
Chief Executive

Sh. Kashif Tauheed
Director

Auditors' Report

To the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statement of financial position of THE NATIONAL SILK AND RAYON MILLS LIMITED as at 31 December 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year then ended (here-in-after referred to as "condensed interim financial statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended 31 December 2021 and 31 December 2020 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2021.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

The condensed interim financial statements for the half year ended 31 December 2020 and financial statements for the year ended 30 June 2021 were reviewed / audited by another firm of chartered accountants whose review report dated 27 February 2021 and auditor's report dated 06 October 2021, expressed unqualified conclusion / opinion.

The engagement partner on the review resulting in this independent auditor's review report is Liaqat Ali Panwar.

CHARTERED ACCOUNTANTS
Faisalabad:
February 28, 2022
UDIN: RR202110184yCsIgwYEF

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Condensed Interim Statement of Financial Position

AS AT DESEMBER 31, 2021

	Note	Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
20 000 000 (30 June 2021:20 000 000) A - class ordinary shares of Rupees 10 each		200,000,000	200,000,000
400 000 (30 June 2021: 400 000) B - class ordinary shares of Rupees 10 each		4,000,000	4,000,000
		204,000,000	204,000,000
Issued, subscribed and paid up share capital		155,531,740	155,531,740
Reserves			
Capital reserve - surplus on revaluation of freehold land		561,529,091	561,529,091
Revenue reserve - unappropriated profit		117,739,250	134,428,214
Total reserves		679,268,341	695,957,305
TOTAL EQUITY		834,800,081	851,489,045
LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred income tax liability		18,480,670	1,431,700
Deferred liability		-	1,271,309
		18,480,670	2,703,009
CURRENT LIABILITIES			
Trade and other payables		210,386,028	211,282,221
Unclaimed dividend		594,836	594,836
Accrued mark-up		4,192,687	3,520,819
Short term borrowings	3	224,493,298	194,769,004
Current portion of deferred liability		26,786,559	24,730,408
		466,453,408	434,897,288
TOTAL LIABILITIES		484,934,078	437,600,297
CONTINGENCIES AND COMMITMENTS	4		
TOTAL EQUITY AND LIABILITIES		1,319,734,159	1,289,089,342

	Note	Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	831,458,758	834,163,520
Intangible asset		6,223,112	6,927,615
Long term deposits		26,217,046	22,956,046
		863,898,916	864,047,181
CURRENT ASSETS			
Stores, spare parts and loose tools		74,177,287	74,542,993
Stock-in-trade		82,149,599	70,499,255
Trade debts		248,792,664	225,447,951
Loans and advances		892,848	7,287,774
Short term deposits, prepayments and other receivables		559,910	781,497
Advance income tax - net		25,327,431	21,691,445
Sales tax refundable		14,048,989	15,525,876
Short term investment		305,000	305,000
Cash and bank balances		9,581,515	8,960,370
		455,835,243	425,042,161
TOTAL ASSETS		1,319,734,159	1,289,089,342

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Condensed Interim
Statement Profit or Loss (un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	NOTE	Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		---------- RUPEES ----------			
REVENUE		625,092,182	519,353,007	316,611,841	278,413,651
COST OF SALES	6	(590,834,374)	(481,509,091)	(302,159,937)	(257,187,347)
GROSS PROFIT		34,257,808	37,843,916	14,451,904	21,226,304
DISTRIBUTION COST		(1,218,716)	(457,500)	(913,091)	(322,500)
ADMINISTRATIVE EXPENSES		(20,694,999)	(24,537,951)	(10,467,452)	(15,078,134)
OTHER EXPENSES		(1,615,557)	(1,122,862)	(1,211,926)	(811,013)
		(23,529,272)	(26,118,313)	(12,592,469)	(16,211,647)
		10,728,536	11,725,603	1,859,435	5,014,657
OTHER INCOME		3,724,228	5,630,301	3,345,782	1,960,474
PROFIT FROM OPERATIONS		14,452,764	17,355,904	5,205,217	6,975,131
FINANCE COST		(6,274,983)	(2,117,068)	(4,696,431)	(1,024,659)
PROFIT BEFORE TAXATION		8,177,781	15,238,836	508,786	5,950,472
TAXATION		(24,866,745)	(4,692,898)	(22,414,353)	(1,022,342)
(LOSS) / PROFIT AFTER TAXATION		(16,688,964)	10,545,938	(21,905,567)	4,928,130
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)		(1.07)	0.68	(1.41)	0.32

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Condensed Interim Statement of Comprehensive Income (un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RUPEES			
(LOSS) / PROFIT AFTER TAXATION	(16,688,964)	10,545,938	(21,905,567)	4,928,130
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss in subsequent periods	-	-	-	-
Items that may be reclassified to profit or loss in subsequent periods	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(16,688,964)	10,545,938	(21,905,567)	4,928,130

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Condensed Interim Statement of Changes in Equity (un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	SHARE CAPITAL	RESERVES			TOTAL EQUITY
		CAPITAL	REVENUE	Total	
		Surplus on revaluation of freehold land	Unappropriated profit		
	---------- RUPEES ----------				
Balance as at 30 June 2020 - (Audited)	155,531,740	561,529,091	89,340,841	650,869,932	806,401,672
Profit for the period	-	-	10,545,938	10,545,938	10,545,938
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	10,545,938	10,545,938	10,545,938
Balance as at 31 December 2020 - (Un-audited)	155,531,740	561,529,091	99,886,779	661,415,870	816,947,610
Profit for the period	-	-	34,541,435	34,541,435	34,541,435
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	34,541,435	34,541,435	34,541,435
Balance as at 30 June 2021 - (Audited)	155,531,740	561,529,091	134,428,214	695,957,305	851,489,045
Loss for the period	-	-	(16,688,964)	(16,688,964)	(16,688,964)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	(16,688,964)	(16,688,964)	(16,688,964)
Balance as at 31 December 2021 - (Un-audited)	155,531,740	561,529,091	117,739,250	679,268,341	834,800,081

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Condensed Interim
Statement of Cash Flow (un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Half Year Ended	
		31 December 2021	31 December 2020
		RUPEES	RUPEES
Cash flows from operating activities			
Cash used in operations	7	(146,814)	(15,067,716)
Finance cost paid		(4,673,037)	(2,333,605)
Income tax paid		(11,453,761)	(6,327,725)
Net increase in long term deposits		(3,261,000)	-
Net cash used in operating activities		(19,534,612)	(23,729,046)
Cash flows from investing activities			
Capital expenditure on property, plant, equipment		(13,221,540)	(10,102,742)
Proceeds from sale of property, plant and equipment		3,625,000	4,320,000
Profit on deposit accounts received		28,003	37,752
Net cash used in investing activities		(9,568,537)	(5,744,990)
Cash flows from financing activities			
Short term borrowings - net		29,724,294	18,840,323
Net cash from financing activities		29,724,294	18,840,323
Net increase / (decrease) in cash and cash equivalents		621,145	(10,633,713)
Cash and cash equivalents at the beginning of the period		8,960,370	19,923,557
Cash and cash equivalents at the end of the period		9,581,515	9,289,844

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

CHIEF EXECUTIVE **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Selected Notes to the Condensed Interim Financial Statement (un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1. THE COMPANY AND ITS ACTIVITIES

The National Silk and Rayon Mills Limited (the Company) is a public limited company incorporated in Pakistan on 27 June 1950 under the Companies Act, 1913 (Now Companies Act, 2017), and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at H-8/3, Aziz Avenue, Canal Road, Gulberg V, Lahore, Punjab. The head office and production unit are situated at Dhuddiwala, Jaranwala Road, Faisalabad, Punjab. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabric.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

a) Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

ii) These condensed interim financial statements do not include all the information and disclosures as required for annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2021.

iii) These condensed interim financial statements are un-audited, however, have been subjected to limited scope review by the auditors and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and section 237 of the Companies Act, 2017.

iv) All financial information is presented in Pak Rupees and has been rounded off to the nearest Rupee.

b) Accounting policies

The accounting policies and methods of computations used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended 30 June 2021.

2.2 Critical accounting estimates, judgments and financial risk management

In preparing these condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the annual financial statements of the Company for the year ended 30 June 2021.

		Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
3.	**SHORT TERM BORROWINGS**		
	From banking companies - secured		
	Cash finance	49,988,442	49,612,319
	Running finance	7,992,450	7,976,045
	Other short term finances	60,611,700	61,829,934
		118,592,592	119,418,298
	Others - unsecured		
	From related parties (Note 3.1)	105,900,706	75,350,706
		224,493,298	194,769,004
3.1	**From related parties**		
	Loan from Mr. Faisal Tauheed, Chief Executive Officer	46,920,000	23,370,000
	Loan from Mr. Kashif Tauheed, Director	29,857,054	29,857,054
	Loan from Mrs. Tahira Kashif, Director	29,123,652	22,123,652
		105,900,706	75,350,706

4. CONTINGENCIES AND COMMITMENTS

a) Contingencies

i) Guarantee of Rupees 6.550 million (30 June 2021: Rupees 6.550 million) is given by the bank of the Company to Faisalabad Electric Supply Company Limited (FESCO) against electricity connection.

ii) Sui Northern Gas Pipelines Limited (SNGPL) raised a demand amounting to Rupees 39.805 million against recovery of gas pilferage from the Company, which was reduced to Rupees 26.618 million by Review Committee of SNGPL on 24 May 2012. The Company filed appeal before Oil and Gas Regulatory Authority (OGRA) on 08 October 2012 against the decision of Review Committee. Joint Executive Director, OGRA decided the case in favour of the Company on 21 January 2013. However, SNGPL filed appeal to OGRA for review against the decision of Joint Executive Director, OGRA. OGRA then decided the case against the Company on 28 May 2014. Thereafter the Company filed appeal before Lahore High Court, Lahore on 12 September 2014. Lahore High Court, Lahore set aside the order of OGRA and ordered that the case should be reviewed again. In the meantime, the Company deposited in parts, the full amount demanded by SNGPL. Afterwards, SNGPL filed an appeal before OGRA which was decided in favour of the Company. For implementation of decision of OGRA regarding recovery of aforesaid amount deposited under protest, the Company filed an appeal before Islamabad High Court, Islamabad. Islamabad High Court, Islamabad issued order for implementation of decision of OGRA. In response of this, the amount deposited under protest by the Company was adjusted through SNGPL's monthly bills of gas consumed by the Company. Subsequent to the reporting date, the Company received hearing notice from OGRA regarding the review petition filed by SNGPL against the decision of OGRA. The hearing was conducted on 17 February 2022 and decision of OGRA is awaited. In the view of management, the OGRA's decision will be in favour of the Company, and therefore no contingent liability can be arisen.

b) Commitments

i) Contracts for capital expenditure are of Rupees Nil (30 June 2021: Rupees 1.01 million).

ii) Letters of credit other than for capital expenditure are of Rupees 14.871 million (30 June 2021: Rupees 61.92 million).

		Un-audited 31 December 2021 RUPEES	Audited 30 June 2021 RUPEES
5.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating fixed assets (Note 5.1)	821,859,758	831,599,418
	Capital work-in-progress (Note 5.2)	9,599,000	2,564,102
		831,458,758	834,163,520
5.1	**Operating fixed assets**		
	Opening book value	831,599,418	784,172,342
	Add: Cost of additions during the period / year (Note 5.1.1)	6,186,642	76,212,080
		837,786,060	860,384,422
	Less: Book value of deletions during the period / year - vehicles	1,727,313	1,220,139
		836,058,747	859,164,283
	Less: Depreciation charged during the period / year	14,198,989	27,564,865
		821,859,758	831,599,418
5.1.1	**Cost of additions during the period / year**		
	Building on freehold land - factory	-	18,057,283
	Plant and machinery	5,976,582	39,813,004
	Pipeline and electric fitting	-	9,643,487
	Vehicles	210,060	8,698,306
		6,186,642	76,212,080
5.2	**Capital work-in-progress**		
	Advance against purchase of vehicle	9,599,000	2,564,102

		(Un-audited)			
		Half year ended		Quarter ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RUPEES			
6.	**COST OF SALES**				
	Dyes and chemicals consumed	211,138,342	157,542,546	113,125,258	85,719,390
	Salaries, wages and other benefits	54,009,717	46,140,661	29,095,698	22,421,216
	Fuel and power	261,464,625	195,463,492	125,677,755	97,894,511
	Packing materials consumed	7,278,162	8,993,528	4,318,084	7,000,000
	Yarn consumed	39,457,933	55,861,635	20,537,948	34,216,646
	Stores, spare parts and loose tools consumed	2,688,311	3,241,847	2,125,521	3,049,670
	Oil and greases consumed	1,825,569	3,165,496	842,965	2,500,000
	Repair and maintenance	192,625	304,775	43,985	142,317
	Depreciation	12,779,090	10,795,111	6,392,723	4,243,597
		590,834,374	481,509,091	302,159,937	257,187,347

	(Un-audited)	
	Half year ended	
	31 December 2021	31 December 2020
	RUPEES	RUPEES
7. CASH USED IN OPERATIONS		
Profit before taxation	8,177,781	15,238,836
Adjustments for non-cash charges and other items:		
Depreciation	14,198,989	11,994,568
Amortization	704,503	-
Gain on sale of property, plant and equipment	(1,897,687)	(3,237,079)
Reversal of allowance for expected credit losses	(504,055)	(126,147)
Profit on deposit accounts	(36,252)	(34,509)
Provision for doubtful loans and advances	50,357	-
Unwinding of GIDC payable	784,842	-
Finance cost	6,274,983	2,117,068
Working capital changes (Note 7.1)	(27,900,275)	(41,020,453)
	(146,814)	(15,067,716)
7.1 Working capital changes		
Decrease / (increase) in current assets:		
Stores, spare parts and loose tools	365,706	(3,979,133)
Stock-in-trade	(11,650,344)	(26,081,322)
Trade debts	(22,840,658)	(38,944,556)
Loans and advances	6,344,569	(10,104,455)
Short term deposits, prepayments and other receivables	229,836	(79,181)
Sales tax refundable	1,476,887	6,503,477
	(26,074,004)	(72,685,170)
(Decrease) / increase in trade and other payables	(1,826,271)	31,664,717
	(27,900,275)	(41,020,453)

8. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise other related parties and key management personnel. Detail of transactions and balances with related parties is as follows:

	(Un-audited)			
	Half year ended		Quarter ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
i) Transactions	---------- RUPEES ----------			
Other related parties				
Loan obtained from Mr. Faisal Tauheed, Chief Executive Officer	23,550,000	-	23,550,000	-
Loan obtained from Mrs. Tahira Kashif, Director	7,000,000	-	7,000,000	-
Company's contribution to Employees' Provident Fund Trust	2,073,920	1,900,064	1,018,215	966,795
Remuneration paid to Chief Executive Officer, director and executives	7,340,000	6,795,000	3,420,000	3,397,500

	Un-audited 31 December 2021	Audited 30 June 2021
ii) Period end balances	RUPEES	RUPEES
Other related parties		
Short term borrowings	105,900,706	75,350,706
Trade and other payables	339,591	713,876

9. SEGMENT INFORMATION

	Dyeing		Embroidery		Total - Company	
	(Un-audited)		(Un-audited)		(Un-audited)	
	Half year ended		Half year ended		Half year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RUPEES					
Revenue	561,088,840	453,060,668	64,003,342	66,292,339	625,092,182	519,353,007
Cost of sales	(530,824,590)	(415,584,433)	(60,009,784)	(65,924,658)	(590,834,374)	(481,509,091)
Gross profit	30,264,250	37,476,235	3,993,558	367,681	34,257,808	37,843,916
Distribution cost	(1,096,845)	(411,750)	(121,871)	(45,750)	(1,218,716)	(457,500)
Administrative expenses	(18,609,916)	(22,084,156)	(2,085,083)	(2,453,795)	(20,694,999)	(24,537,951)
	(19,706,761)	(22,495,906)	(2,206,954)	(2,499,545)	(21,913,715)	(24,995,451)
taxation and unallocated income and expenses	10,557,489	14,980,329	1,786,604	(2,131,864)	12,344,093	12,848,465
Unallocated income and expenses:						
Other expenses					(1,615,557)	(1,122,862)
Other income					3,724,228	5,630,301
Finance cost					(6,274,983)	(2,117,068)
Taxation					(24,866,745)	(4,692,898)
(Loss) / profit after taxation					(16,688,964)	10,545,938

9.1 Reconciliation of reportable segment assets and liabilities:

	Dyeing		Embroidery		Total - Company	
	(Un-audited)	(Audited)	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	RUPEES					
Total assets for reportable segments	703,035,574	718,103,190	200,885,489	185,817,873	903,921,064	903,921,064
Unallocated assets					415,813,095	385,168,278
Total assets as per condensed interim statement of financial position					1,319,734,159	1,289,089,342

Unallocated to assets represent major portion of property, plant and equipment excluding plant and machinery, intangible asset, long term deposits, loans and advances, deposits, prepayments and other receivables, corporate and tax assets and cash and bank balances.

Total liabilities for reportable segments	141,869,724	150,469,693	11,645	-	141,881,369	150,469,693
Unallocated liabilities					343,052,709	287,130,604
Total liabilities as per condensed interim statement of financial position					484,934,078	437,600,297

Unallocated liabilities represent major portion of trade and other payables, unclaimed dividend, deferred liability, accrued mark-up, short term borrowings and deferred income tax liability.

9.2 The Company earns revenue from dyeing and embriodery services and all customers are situated in Pakistan.

10. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding annual published financial statements of the Company for the year ended 30 June 2021.

11. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	(Un-audited) 31 December 2021	Audited 30 June 2021
	RUPEES	RUPEES
Shariah compliant bank deposits / bank balances		
Bank balances	1,099,272	1,804,924
Loans / advances obtained as per Islamic mode		
Short term borrowings	105,900,706	75,350,706
Contract liabilities - unsecured	11,617,582	12,074,098

Description	Un-audited Half year ended	
	31 December 2021	31 December 2021
	Rupees	Rupees
Revenue earned from shariah compliant business	625,092,182	519,353,007
Profit earned from shariah compliant bank deposits / bank balances	27,786	26,866
Exchange (loss) / gain - net	(1,055,000)	1,485,566
Profit earned or interest paid on any conventional loans		
Profit earned on deposit with bank	8,466	7,643
Mark-up paid on short term borrowings	4,570,049	2,078,018

Relationship with shariah compliant banks

Bank Name	Relationship
BankIslami Pakistan Limited	Bank balances
Meezan Bank Limited	Bank balances
Bank Alfalah Limited	Bank balances

12. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved and authorized for issue on February 28, 2022 by the Board of Directors.

13. CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements have been made except following:

PARTICULARS	RECLASSIFICATION		AMOUNT
	FROM	TO	RUPEES
Payable to Employees' Provident Fund Trust	Face of statement of financial position	Trade and other payables	713,876
Accrued liabilities and contract liabilities	Face of statement of financial position	Trade and other payables	60,098,652
Loans from related parties	Face of statement of financial position	Short term borrowings	75,350,706
Letter of credit payable	Trade and other payables	Short term borrowings	61,829,934
Mark-up on letter of credit payable	Trade and other payables	Short term borrowings	2,106,681
Current portion of deferred liability	Deposits, accrued liabilities and advances	Face of statement of financial position	24,730,408
Capital work-in-progress	Face of statement of financial position	Property, plant and equipment	2,564,102
Accrued interest	Face of statement of financial position	Short term deposits, prepayments and other receivables	217
Coal in transit	Short term deposits, prepayments and other receivables	Stores, spare parts and loose tools	1,092,673
Raw material in transit	Short term deposits, prepayments and other receivables	Stock-in-trade	4,483,552
Advance income tax - net	Short term deposits, prepayments and other receivables	Face of statement of financial position	21,691,445
Term deposit receipt	Cash and bank balances	Short term investment	305,000

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے بورڈ ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی بیانات پیش کرنے پر خوش ہیں۔

31 دسمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے دوران آپ کی کمپنی کی مالی کارکردگی درج ذیل ہے:

آپریٹنگ نتائج

31 دسمبر کو ختم ہونے والی سہ ماہی،

مالیاتی کارکردگی	2021	2020
	RUPEES	
خالص نفع	34,257,808	37,843,916
فروخت، انتظامی اور آپریٹنگ اخراجات	-23,529,272	-26,118,313
منافع قبل از ٹیکس	8,177,781	15,238,836
ٹیکسیشن	-24,866,745	-4,692,898
منافع/(نقصان) بعد از ٹیکس	-16,688,964	10,545,938
فی آمدنی حصص	-1.07	0.68

کمپنی پائیدار ترقی اور قدر کی تخلیق کے اپنے طویل مدتی مقصد کو پورا کرنے کے لیے پرعزم ہے۔ یہ آپریشنل ایکسیلنس، پروڈکٹ پورٹ فولیو میں تنوع، لاگت میں کمی اور مضبوط سرمائے کے ڈھانچے پر مسلسل توجہ کے ذریعے حاصل کیا جا رہا ہے۔

کمپنی نے اپنے پہلے چھ مہینوں میں -/625,092,182 روپے کی فروخت ریکارڈ کی جبکہ -/519,353,007 روپے پچھلے سال کے پہلے چھ مہینوں کے دوران فروخت میں ٪20 اضافہ ظاہر کرتا ہے۔ کرنسی کی قدر میں کمی کے باعث بجلی، سوئی گیس اور کوئلے کے اخراجات میں اضافے، درآمدی اور مقامی خام مال کی قیمتوں میں اضافے کے باعث کمپنی مطلوبہ نتیجہ حاصل کرنے میں کامیاب نہیں ہو سکی۔

مستقبل کا آؤٹ لک اور چیلنجز:

کمپنی کی انتظامیہ لاگت کی سطح کو بہتر بنانے کے لیے سخت محنت کر رہی ہے اور کمپنی کے تمام حصوں میں آمدنی پیدا کرنے کی نئی راہیں تلاش کر رہی ہے تاکہ شیئر ہولڈرز کو زیادہ سے زیادہ فائدہ پہنچایا جا سکے۔

تاہم، ہم آپ کی کمپنی کے مستقبل کے امکانات کے بارے میں پراعتماد ہیں کیونکہ کپڑوں کی پروسیسنگ کی مانگ لچکدار رہی ہے اور آنے والے سالوں میں اس میں مزید اضافہ متوقع ہے۔ ہم توانائی کے تحفظ اور اخراجات میں کمی کی تکنیکوں پر توجہ مرکوز کرتے ہوئے زیادہ لاگت سے موثر بننے کے لیے اندرونی طور پر بھی کام کر رہے ہیں

تعریف

ہم اپنے تمام عملے کے ارکان کا شکریہ ادا کرنا چاہیں گے کہ انہوں نے سال کے چیلنجوں کا جس طرح جواب دیا ہے۔ ان کی محنت اور عزم کو بہت سراہا جاتا ہے اور ان نتائج سے ظاہر ہوتا ہے۔

ہم اپنے سپلائرز، شیئر ہولڈرز، بینکرز اور مالیاتی اداروں سے ملنے والی حوصلہ افزائی اور حمایت کے لیے بھی شکر گزار ہیں۔

شیخ فیصل توحید
چیف ایگزیکٹو

شیخ کاشف توحید
ڈائریکٹر

لاہور:
28 فروری 2022

The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

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