

# ANNUAL REPORT



2019

***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

<b>Board of Directors</b>	Sh. Faisal Tauheed Sh. Kashif Tauheed Mrs. Samira Faisal Mrs. Tahira Kashif Mrs. Sadia Kamran Mrs. Amna Kamran Mr. Shehzad Ehsan	(Executive Director) -do- Non Executive Director -do- -do- Non Executive Director/Chairman Independent Director
<b>Board Audit Committee</b>	Mr. Shehzad Ehsan Mrs. Amna Kamran Mrs. Sadia Kamran	(Chairman)
<b>Board Human Resource and Remuneration Committee</b>	Mr. Shehzad Ehsan Mrs. Amna Kamran Mrs. Sadia Kamran	(Chairman)
<b>Management Team</b>	Sh. Faisal Tauheed Puri Muhammad Islam Haider Imran Zafar Qaiser Ali Faheem	(Chief Executive) (Chief Financial Officer) (Company Secretary) (Internal Auditor)
<b>Auditors</b>	Amin Mudassar and Company Chartered Accountants	
<b>Bankers</b>	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	
<b>Registered Office</b>	House No. 8/3, Aziz Avenue, Canal Road, Gulberg V, Lahore.	
<b>Factory</b>	Dhuddiwala, Jaranwala Road, Faisalabad.	
<b>Share Registrar</b>	Corplink (pvt.) Ltd. Share Registrar & Corporate Consultants Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel: 035916714, 35916719, 035839182 Fax: 92-42-35869037	
<b>Legal Advisor</b>	Sahibzada Muhammad Arif Advocate High Court, Chamber No.52, District Courts, Faisalabad.	

# Notice of 69<sup>th</sup> Annual General Meeting

Notice is hereby given that the Sixty ninth 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 28<sup>th</sup> day of October 2019 at 4.00 p.m. to transact the following business:

## ORDINARY BUSINESS:

1. To read and confirm minutes of the Sixty Eighth Annual General Meeting of the shareholders of the Company held on October 27, 2018.
2. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2019 together with the Directors' and Auditors' Report thereon.
3. To appoint auditors for the year ending June 30, 2020 and fix their remuneration. The present auditors M/s Amin Mudassar & Co., Chartered Accountants, retire and offer themselves for re-appointment.

By order of the Board

Place: Lahore  
Dated: October 07, 2019

(IMRAN ZAFAR)  
Company Secretary

## NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2019 to October 28, 2019 (both days inclusive).
2. 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.
3. The financial statements for the year ended June 30, 2019 shall be uploaded on Company's website on or before October 07, 2019.
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.
6. Members are requested to submit declaration for zakat on the required format and to advise change in address, if any.
7. Members are requested to send copies of their computerized National Identity Cards to the company's independent Share Registrar M/s. CORPLING (PVT) LIMITED, Wings Arcade, 1-K, Commercial, Model Town, Lahore.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1, of 2000 dated 26<sup>th</sup> 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.

**Consent for Video Conference Facility:**

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.

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 on standard request form which is available at the Company website i.e. [www.nationalsilk.com](http://www.nationalsilk.com). Please ensure that your 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 the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.

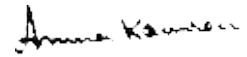
# Chairmans' Review Report

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.

For the financial year ended June 30, 2019, 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.

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.



Amna Kamran  
Chairman

LAHORE: October 07, 2019

# 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 2019.

<b>Operating Results:</b>	<b>2019</b>	<b>2018</b>
	-----R u p e e s-----	
Profit for the year before taxation	30,645,589	36,256,902
Taxation	(13,231,578)	4,686,023
Profit after taxation	17,414,011	40,942,925
Earning per share	1.12	2.63

Despite the challenges faced by the Company due to increase in fuel and power and raw material rates, your company has successfully maintained the growth momentum. During the year net sales were Rs. 930.94 million as compared to Rs. 857.47 million in the previous year, showing the increase of 8.56%. Profit before taxation reduced by 15.48% and Profit after taxation reduced by 57.46%.

## **Future Outlook and Challenges:**

The company anticipates that the changing economic and political environment in the country will cause further increase in commodity prices and devaluation of the rupee. Subsequent to the year end, the rupee has further devalued. The pressure on margins will further increase due to imposition of duties and levies.

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.

## **Dividend:**

The Board of Director's have not recommended dividend for the year ended June 30, 2019, to conserve cash for future growth and expansion.

## **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.23.380 million to National Exchequer in form of income tax, sales tax, custom duties and excise as compare to Rs.25.250 million during the previous 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. During the year one persons was selected through random balloting and sent to perform Holy Hajj at the expense of the Company. Medical facilities

for workers and first aid are also provided to the employees. There is a Mosque at plant for preying 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.

### **Statutory Auditors of the company:**

The present auditors 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, 2020.

### **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.23.50 and rose as high as Rs.24.67 and close at Rs.24.15 as on June 30, 2019.

### **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, 2019 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.

### **Relations 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. 11,268,755/-**

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 09 times during the year and attendance of the respective Directors was as under: institutions.

Directors	No. of meetings attended
Sh. Faisal Tauheed	09
Sh. Kashif Tauheed	09
Mrs. Samira Faisal	09
Mrs. Tahira Kashif	09
Mr. Shehzad Ehsan	09
Mrs. Sadia Kamran	07
Mrs. Amna Kamran	08

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

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

## Terms of Reference.

The terms of reference of the Audit Committee are:-

- a) Determination of appropriate measures to safeguard the Company's assets;
- b) Review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
  - a) Major judgmental areas;
  - b) Significant adjustments resulting from ;the audit;
  - c) Going concern assumption;
  - d) Any changes in accounting policies and practices;
  - e) Compliance with applicable accounting standards;
  - f) Compliance with these regulations and other statutory and regulatory requirements; and
  - g) All related party transactions.
- c) Review the preliminary announcements of results prior to the external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and managements response thereto;
- f) Ensuring coordination between the internal and external auditors of the company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately place within the company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit report;

- k) Instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirement;
- m) Monitoring compliance with the these regulations and identification of significant violations thereof;
- n) Review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) Recommend to the board of directors the appointment of external auditors, their removal, audit fee, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the board of directors.

#### **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 one is independent director. Detailed terms of reference of the Committee were duly communicated to the members by the Board.

#### **Terms of Reference.**

The terms of reference of the Audit Committee are:-

- a) Recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management).
- b) Undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant.
- c) Recommending human resource management policies to the board;
- d) Recommending to the board the selection, evaluation, development, compensation of chief operating officer, chief financial officer, company secretary and head of internal audit;
- e) Consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to the chief executive office or chief operating officer;
- f) Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and statement shall be made by them as to whether they have any other connection with the company;

#### **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 30<sup>th</sup> June 2019 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:**

Two directors of the Company Sh. Faisal Tauheed and Sh. Kashif Tauheed has acquired the certification under Director Training Program from Institute of Chartered Accountants of Pakistan. Three directors of the Company 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.

On behalf of the Board



**Sh. Faisal Tauheed Puri**  
Chief Executive



**Sh. Kashif Tauheed**  
Director

LAHORE: October 07, 2019

# Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulation, 2017

For the year ended June 30, 2019

The company has complied with the requirements of the Regulation 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:

<b>Independent Director</b>	Mr. Shehzad Ehsan
<b>Other non-executive directors</b>	Mrs. Samira Faisal
	Mrs. Tahira Kashif
	Mrs. Amna Kamran
	Mrs. Sadia Kamran
<b>Executive Directors</b>	Sh. Faisal Tauheed
	Sh. Kashif Tauheed

The independent directors meet the criteria of independence under clause I (b) of the CCG.

- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.
- 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.
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 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 Act and these regulations.
- 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.
- The board of directors has formal policy and transparent procedures for remuneration of director in accordance with the Act and these Regulations.
- The board arranged orientation course for its directors as and when needed to apprise them of their duties and responsibilities. Five directors undertook the Directors training program and obtained the certificate of Participants by institute of Chartered Accountants of Pakistan and institute of Cost and Management Accountants.
- CFO and CEO duly endorsed the financial statements before approval of the board.
- No new appointments of CFO, Company Secretary and head of internal Audit were made during the year. CFO, Company Secretary and head of Internal Audit possess the requisite qualification and experience.

12. The board has formed committees comprising of members given below:

<b>Audit Committee</b>	Mr. Shehzad Ehsan - Chairman
	Mrs. Amna Kamran- Member
	Mrs. Sadia Kamran - Member

Mr. Shehzad Ehsan has graduate degree in commerce and has ample financial experience.

<b>HR and Remuneration Committee</b>	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:

<b>Audit Committee</b>	4 quarterly meetings
<b>HR and Remuneration Committee</b>	1 annual meeting.

15. The board has set up an effective internal audit function which was duly reviewed and ratified by the Audit Committee and approved by the Board of Directors of the Company.

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 ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

On behalf of the Board



**Sh. Faisal Tauheed Puri**  
Chief Executive Officer

Lahore: October 07, 2019

# 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, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **The National Silk And Rayon Mills Limited** for the year ended June 30, 2019 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirements of the Regulations was observed which is not stated in Statement of Compliance:

- i- No member of the audit committee qualifies as "financially literate".

Based on our review, except for the above instance of non-compliance, 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, 2019.

Lahore:  
October 07, 2019

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 & Rayon Mills Limited**, which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other 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, statement of profit or loss and other 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, 2018 and of the profit and other 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.

Following are the Key audit matter(s):

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	<p><b>Revenue recognition</b> <i>(Refer to note 2.5.1 and 23 to the financial statements)</i></p> <p>The Company generates revenue from dyeing, bleaching, finishing and embroidery of fabric to domestic as well as export customers. Sales to domestic and export customers represent 99.82% and 0.18% of the total sales respectively.</p> <p>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 transactions may not being recognized in the appropriate period and risk of misapplication of the new accounting standard IFRS 15 Revenue from Contracts with Customers.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>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;</li><li>We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards;</li><li>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;</li></ul> <p>We inspected credit notes issued to record sales returns subsequent to year end, if any;</p> <p>We reviewed management's IFRS 15 assessment to verify the reasonableness, accuracy and completeness of the impact on the financial statements of the Company; and</p> <p>We obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales contracts to confirm our understanding and assessed whether or not management's application of IFRS 15 requirements was in accordance with the standard.</p>

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(ii)	<p><b>Capitalization of Property, Plant and Equipment</b> (Refer to note 14 to the financial statements)</p> <p>The company has made significant capital expenditure of Rs.54.35 million during the year.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year.</p>	<p>Our audit procedures inter-alia included the followings:</p> <ul style="list-style-type: none"> <li>• Understanding the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>• Testing, on sample basis, the costs incurred on project with supporting documentation and contracts;</li> <li>• Assessing the nature of costs incurred on property, plant and equipment through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy and applicable accounting standards;</li> <li>• Inspecting supporting documents for the date of capitalization when the assets were ready for its intended use to assess whether depreciation commenced and further capitalization of costs ceased from that date; and</li> <li>• Assessing the useful life assigned by management including testing the calculation of related depreciation expense.</li> </ul>
(iii)	<p><b>Stock-in-trade</b> (Refer to note 17 to the financial statements)</p> <p>Inventory forms a significant part of the Company's assets.</p> <p>We identified the stock in trade as key audit matter as it directly affects the profitability of the Company.</p>	<p>Our audit procedures inter-alia included the followings:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of internal controls over purchases and valuation of stock in trade and tested, on a sample basis, their design, implementation and operating effectiveness;</li> <li>• We conducted stock count of stock at the year end;</li> <li>• We compared on a sample basis specific purchases with underlying supporting documents/ agreements, if any;</li> <li>• We compared calculations of the allocation of directly attributable costs with the underlying supporting documents;</li> <li>• We obtained an understanding of management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work-in-process and costs necessary to make the sale and their basis; and</li> <li>• We compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value inventory in accordance with applicable accounting and reporting standards.</li> </ul>

#### **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.

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 Muhammad Daoud.

Lahore: October 07, 2019

CHARTERED ACCOUNTANTS

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

# Balance Sheet

AS AT JUNE 30, 2019

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

	2019 Rupees	2018 Rupees	ASSETS	Note	2019 Rupees	2018 Rupees
<b>EQUITY AND LIABILITIES</b>						
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON CURRENT ASSETS</b>			
Authorised share capital	204,000,000	204,000,000	Property, plant and equipment	14	728,696,962	698,302,348
Issued, subscribed and paid-up share capital	155,531,740	155,531,740	Long term deposits and prepayments	15	21,107,546	20,851,231
Unappropriated profit	136,247,962	118,833,951			749,804,508	719,153,579
Revaluation surplus on land	481,279,091	481,279,091				
	773,058,793	755,644,782				
<b>NON CURRENT LIABILITIES</b>						
Deferred liabilities	7,405,016	3,790,430				
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Trade and other payables	226,340,018	94,503,284	Stores, spares and loose tools	16	16,585,288	3,780,857
Payable to provident fund	382,990	367,284	Stock in trade	17	127,398,160	51,962,411
Deposits, accrued liabilities and advances	28,703,533	33,717,176	Trade debts	18	88,808,870	61,349,349
Unclaimed dividend	594,836	594,836	Loans and advances	19	5,670,925	7,843,853
Accrued interest and markup	1,184,939	572,838	Trade deposits, short term prepayments and current account balances with statutory authorities	20	28,026,581	22,659,019
Loan from banking companies	36,824,625	520,089	Accrued interest	21	6,590	7,041
Loan from related parties	50,400,706	74,143,652	Due from government	21	97,485,396	72,658,806
Provision for taxation	-	-	Cash and bank balances	22	11,109,138	24,439,456
	344,431,647	204,419,159			375,090,948	244,700,792
<b>CONTINGENCIES AND COMMITMENTS</b>						
	-	-				
	1,124,895,456	963,854,371			1,124,895,456	963,854,371

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Sales- net	23	930,936,979	857,472,765
Cost of sales	24	859,881,760	779,718,708
<b>Gross profit</b>		71,055,219	77,754,057
Distribution cost	25	227,204	235,337
Administrative expenses	26	37,756,333	37,291,612
Other operating expenses	27	2,050,206	2,295,803
		40,033,743	39,822,752
		31,021,476	37,931,305
Other income	28	3,094,661	2,164,376
		34,116,137	40,095,681
Finance cost	29	3,470,548	3,838,779
<b>Profit before taxation</b>		30,645,589	36,256,902
<b>Taxation</b>	30	(13,231,578)	4,686,023
<b>Profit after taxation</b>		17,414,011	40,942,925
<b>Earnings per share - basic and diluted</b>	31	1.12	2.63

The annexed notes from 1 to 43 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2019

	2019 Rupees	2018 Rupees
Profit after taxation	17,414,011	40,942,925
<b>Items that will not be reclassified to profit or loss</b>	-	-
<b>Items that will be reclassified to profit or loss</b>	-	-
Other comprehensive income -net of taxation	-	-
<b>Total comprehensive income for the year-net of tax</b>	<u>17,414,011</u>	<u>40,942,925</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



**CHIEF EXECUTIVE**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**

# Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	<b>A</b>	54,074,366	76,650,633
Taxes paid		(19,952,530)	(13,227,441)
Finance cost paid		(2,546,016)	(3,163,053)
Gratuity paid		(4,274,206)	(4,913,677)
<b>Net cash flows from operating activities</b>		<b>27,301,614</b>	<b>55,346,462</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(54,350,932)	(4,763,217)
Profit on bank deposits		113,725	22,993
Long term deposits and prepayments		(256,315)	-
Sale proceeds from disposal of fixed assets		1,300,000	-
<b>Net cash flows from investing activities</b>		<b>(53,193,522)</b>	<b>(4,740,224)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan from directors (repaid)/received		(23,742,946)	16,800,000
Dividend paid during the year		-	(11,578,871)
<b>Net cash flows from financing activities</b>		<b>(23,742,946)</b>	<b>5,221,129</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(49,634,854)</b>	<b>55,827,367</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>23,919,367</b>	<b>(31,908,000)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>B</b>	<b>(25,715,487)</b>	<b>23,919,367</b>

The annexed notes from 1 to 43 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, 2019

	Note	2019 Rupees	2018 Rupees
<b>A - CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		30,645,589	36,256,902
<b>Adjustment of non cash and other items:</b>			
Depreciation	14.1	23,183,051	22,222,206
Profit on disposal of fixed assets		(526,733)	-
Provision for doubtful debt		(3,244)	-
Profit on bank deposit		(113,274)	(23,455)
Finance cost		3,158,117	3,017,966
		<u>25,697,917</u>	<u>25,216,717</u>
<b>Cash flows before working capital changes</b>		<b>56,343,506</b>	<b>61,473,619</b>
<b>EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES</b>			
<b>(Increase)/decrease in current assets</b>			
Stores, spares and loose tools		(12,804,431)	(2,424,421)
Stocks in trade		(75,435,749)	(22,368,479)
Trade debts		(27,456,278)	(10,748,554)
Loan and advances		2,172,928	25,447,661
Trade deposit and short term prepayments		4,967,977	(3,552,713)
Due from government		(24,826,590)	54,229,345
<b>Increase/(Decrease) in current liabilities</b>			
Trade and other payables		136,110,940	(17,585,834)
Payable to provident fund		15,706	(43,198)
Deposits, accrued liabilities and advances		(5,013,643)	(7,776,793)
		<u>(2,269,140)</u>	<u>15,177,014</u>
		<u>54,074,366</u>	<u>76,650,633</u>
<b>B - CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	22	11,109,138	24,439,456
Short term borrowings	10	(36,824,625)	(520,089)
		<u>(25,715,487)</u>	<u>23,919,367</u>

The annexed notes from 1 to 43 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, 2019

	SHARE CAPITAL	REVENUE RESERVES	REVALUATI ON SURPLUS ON LAND	TOTAL
		UN- APPROPRIATED PROFIT		
	----- R u p e e s -----			
<b>Balance as at July 01, 2017</b>	155,531,740	89,555,907	481,279,091	726,366,738
Final dividend for the year ended June 30, 2017 subsequent to year end	-	(11,664,881)	-	(11,664,881)
Profit for the year	-	40,942,925	-	40,942,925
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	40,942,925	-	40,942,925
<b>Balance as at June 30, 2018</b>	155,531,740	118,833,951	481,279,091	755,644,782
Profit for the year	-	17,414,011	-	17,414,011
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	17,414,011	-	17,414,011
<b>Balance as at June 30, 2019</b>	155,531,740	136,247,962	481,279,091	773,058,793

The annexed notes from 1 to 43 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, 2019

## 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 House No. 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 Deferred taxation
- v Provision for taxation

## 2.5 NEW STANDARDS, AMENDMENTS TO APPROVED ACCOUNTING STANDARDS AND NEW INTERPRETATIONS

### 2.5.1 Amendments to approved accounting standards and interpretations which are effective during the year ended June 30, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these financial statements.

In addition to the above, the following two new standards have become applicable to the Company effective July 1, 2018:

- IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces IAS 39 incurred loss impairment model. On July 1, 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories (i.e. mainly financial assets previously classified as 'loans and receivables' have now been classified as 'amortised cost').
- IFRS 15 'Revenue from contracts with customers' – This standard introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

The changes laid down by these standards do not have any significant impact on these financial statements of the Company. However, related changes to the accounting policies have been made 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, 2019

There are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company 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, 2018, except for the effects of changes as detailed in note 2.5.1.

### 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.

### 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 income currently.

### 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 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. 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 income 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 note 14.

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 Profit or Loss Account.

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.

#### **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 and other comprehensive income. 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 and packing 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 cash flow 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 flow represents 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 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.

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 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 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:

- 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.
- Mark-up on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.
- 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 income 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.

	Note	2019 Rupees	2018 Rupees
<b>3 AUTHORIZED SHARE CAPITAL</b>			
20,000,000 (2018: 20,000,000) A - Class Ordinary shares of Rs. 10 each		200,000,000	200,000,000
400,000 (2018: 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>
<b>4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
<b>Issued for Cash</b>			
15,051,267 (2018: 15,051,267) A - Class Ordinary Shares of Rs. 10 each		150,512,670	150,512,670
320,100 (2018: 320,100) B - Class Ordinary Shares of Rs. 10 each		3,201,000	3,201,000
<b>Issued as Bonus Shares</b>		153,713,670	153,713,670
181,807 (2018: 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 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 and June 28, 2016. The revaluation exercises had been carried out by an independent valour M/s Material & Design Services (Pvt) Limited, Faisalabad based on market value resulting in surplus of Rs.126,950,000 and Rs. 304,950,000 respectively. Based on the latest revaluation report, the forced sale value of the above said land was amounting Rs. 409.275 million.

6 DEFERRED LIABILITIES	Note	2019 Rupees	2018 Rupees
Deferred taxation	6.1	7,405,016	3,790,430
<b>6.1 Deferred Taxation</b>			
<b>This is composed of the following:</b>			
<b>Deferred tax liability on taxable temporary differences arising in respect of:</b>			
Accelerated tax depreciation		15,785,633	14,647,159
		15,785,633	14,647,159
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>			
Deferred debits arising in respect of staff gratuity		(671,946)	(1,263,184)
Deferred debits arising in respect of provisions		(448)	-
Turnover tax available for carry forward		(12,847,039)	(15,989,242)
Deferred tax asset not recognised on turnover tax		5,138,816	6,395,697
		(8,380,617)	(10,856,729)
		7,405,016	3,790,430
Balance as at July 01,		3,790,430	18,829,828
Add: Charge / (Reversal) during the year to:			
Profit and loss account		3,614,586	(15,039,398)
Other comprehensive income		-	-
		3,614,586	(15,039,398)
		7,405,016	3,790,430
<b>6.2</b>			
The deferred tax assets amounting Rs. 12,847,039 mainly owing to minimum tax, are recognised in these financial statements only to the extent that sufficient taxable profit will be available to utilize the remaining assets i.e. tax credits in the foreseeable future.			
<b>7 TRADE AND OTHER PAYABLES</b>	Note	2019 Rupees	2018 Rupees
Trade creditors		113,012,632	74,572,003
Letter of credit and other payable		106,407,008	7,831,903
Tax deducted at source payable		181,388	521,641
Sales tax payable		-	508,000
Staff gratuity payable	7.1	4,867,896	9,142,102
Workers' welfare fund		217,791	
Workers' (Profit) Participation Fund	7.2	1,653,303	1,927,635
		226,340,018	94,503,284
<b>7.1 Staff gratuity payable</b>			
Balance as at July 01,		9,142,102	14,055,779
Charge to profit or loss account		-	-
		9,142,102	14,055,779
Less: Payments made during the year		(4,274,206)	(4,913,677)
		4,867,896	9,142,102
<b>7.2 Workers' (Profit) Participation Fund</b>			
Balance as at July 01,		1,927,635	1,789,378
Add: Interest charged for the year		202,402	161,044
		2,130,037	1,950,422
Less: Payments made during the Year		2,101,122	1,950,422
		28,915	-
Allocation for the year		1,624,388	1,927,635
		1,653,303	1,927,635
<b>8 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES</b>			
Accrued expenses		23,039,051	15,732,908
Advance from customers		5,664,482	17,984,268
		28,703,533	33,717,176
<b>9 ACCRUED INTEREST AND MARK UP</b>			
Mark up on short term finances- Secured		1,184,939	572,838
<b>10 LOAN FROM BANKING COMPANIES</b>			
Cash finance	10.1	29,133,469	419,732
Running finance	10.2	7,691,156	100,357
		36,824,625	520,089

**10.1** This facility has been obtained from National Bank of Pakistan with sanctioned limit of Rs. 30.00 million (2018: Rs. 30.00 million) for working capital. This is secured against hypothecation of stock and receivables etc, 1st charge of Rs. 175.00 million by way of hypothecation on present and future current assets of the Company, 1st charge of Rs. 175.00 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 (2018: @ 3 months KIBOR(Ask) rate+3.25% per annum) payable on quarterly basis.

**10.2** This facility has been obtained from The Bank of Punjab with sanctioned limit of Rs. 8.00 million (2018: Rs. 8.00 million) for working capital. This is secured against 2nd charge of Rs. 11.200 million over Company's present and future current assets, mortgage charge over fixed assets and personal properties of two directors and personal guarantees of all directors of the Company. This carries markup @ 3 month KIBOR + 3.25% per annum (2018: @ 3 month KIBOR + 3.25% per annum) payable on quarterly basis.

**10.3** The facilities for opening letters of credit and export bills negotiation as at June 30, 2019 amounting Rs.179.00 million (2018: Rs.179.00 million) of which the amount over utilized at year end was amounting Rs.87.086 million (2018: under utilized Rs.27.622 million).

The company has not availed available FBP&N facility limit of Rs. 5 million during the year.

<b>11 LOAN FROM RELATED PARTIES</b>				<b>2019</b>	<b>2018</b>	
<b>(unsecured and interest free)</b>				<b>Rupees</b>	<b>Rupees</b>	
<b>Note</b>						
Loan from Chief Executive and Directors				<b>11.1</b>	50,400,706	74,143,652
<b>11.1 Loan from Chief Executive and Directors</b>						
<b>Sr #</b>	<b>Name</b>	<b>Basis of relationship</b>	<b>Percentage of shareholding</b>	<b>2019</b>	<b>2018</b>	
				<b>Rupees</b>	<b>Rupees</b>	
1	Mr. Faisal Tauheed	Chief Executive Officer	34.56%	9,870,000	17,360,000	
2	Mr. Kashif Tauheed	Director	25.85%	18,407,054	34,660,000	
3	Mrs. Tahira Kashif	Director	13.26%	22,123,652	22,123,652	
				<b>50,400,706</b>	<b>74,143,652</b>	

**11.2** This represents interest free and unsecured loan obtained from Chief Executive and Directors of the company to meet the working capital requirements of the Company. It is being utilized for the said purpose and is payable on demand.

<b>12 PROVISION FOR TAXATION</b>		<b>2019</b>	<b>2018</b>
		<b>Rupees</b>	<b>Rupees</b>
Balance as at 1st July,		-	-
Less: Adjusted during the year		-	-
Add: Provision for the taxation-current		9,616,992	12,362,541
Less: Tax deducted at source / advance tax		(9,616,992)	(12,362,541)
		<b>-</b>	<b>-</b>

### **13 CONTINGENCIES AND COMMITMENTS**

#### **13.1 Contingencies**

**13.1.1** Counter guarantees by the bank in respect of guarantees issued in the normal course of business for sum of Rs.6.55 million (2018: Rs. 6.55 million).

**13.1.2** 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. The Company had deposited Rs.28.178 million with SNGPL under protest as referred to note No.19 to the financial statements. 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. Pervious 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.

#### **13.2 Commitments**

**13.2.1** Commitments in respect of letters of credit for capital expenditures were amounting Rs. 10.994 million (2018: Rs.nil)

**13.2.2** Commitments in respect of letters of credit other than for capital expenditures were amounting Rs.7.115 million (2018: Rs. 33.683 million).



- 14.3 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 and June 28, 2016. The revaluation exercises have been carried out by an independent valuer M/s Material & Design Services (Pvt) Limited, Faisalabad based on market value. Had there been no revaluation of Freehold Land, the carrying amount of the Land as at June 30, 2019 would have been as follows:

Particulars	Cost Rupees	Accumulated Depreciation	Carrying Value
Freehold Land	220,909	-	220,909
<b>As at June 30, 2019</b>	<b>220,909</b>	<b>-</b>	<b>220,909</b>
<b>As at June 30, 2018</b>	<b>220,909</b>	<b>-</b>	<b>220,909</b>

	Note	2019 Rupees	2018 Rupees
<b>15 LONG TERM DEPOSITS AND PREPAYMENTS</b>			
Security deposits		21,107,546	20,851,231
<b>16 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		587,349	26,719
Spares		3,005,425	3,754,138
Coal		12,992,514	-
		16,585,288	3,780,857
<b>17 STOCK IN TRADE</b>			
Raw material		123,293,259	48,014,832
Packing material		1,793,261	1,424,204
Work in process - Cost of processing done on third party orders		1,254,800	1,357,600
Finished goods - Cost of processing done on third party orders		1,056,840	1,165,775
		127,398,160	51,962,411

17.1 These stocks are hypothecated with banks as security against short term finances as indicated in note 10.

	Note	2019 Rupees	2018 Rupees
<b>18 TRADE DEBTS</b>			
<b>Local - Unsecured and considered good by the management</b>			
Considered good		88,808,870	61,349,349
Considered doubtful		3,244	-
		88,812,114	61,349,349
Less: Provision for doubtful debts		(3,244)	-
		88,808,870	61,349,349
<b>19 LOANS AND ADVANCES</b>			
<b>(Unsecured but considered good)</b>			
<b>Advances to:</b>			
Suppliers of goods		4,937,688	4,097,508
Employees		373,917	76,438
Others	19.1	359,320	3,669,907
		5,670,925	7,843,853

19.1 This represents amount deposited with SNGPL amounting Rs. nil (2018: Rs. 3.669 million) referred to note no.13.1.2 to the financial statements.

	Note	2019 Rupees	2018 Rupees
<b>20 TRADE DEPOSITS , SHORT TERM PREPAYMENTS AND CURRENT ACCOUNT BALANCES WITH STATUTORY AUTHORITIES</b>			
Short term prepayments		517,145	498,851
Immature letters of credit- secured	20.1	565,927	5,552,198
Tax deducted at source		26,943,509	16,607,970
		28,026,581	22,659,019

20.1 These comprise of opening charges, bank charges and partial payments of cost of documents.

	Note	2019 Rupees	2018 Rupees
<b>21 DUE FROM GOVERNMENT</b>			
Sales tax refundable		97,485,396	72,658,806

21.1 During the year Company has received sales tax refund amounting Rs. 31.851 million (2018: Rs. 100.75 million).

	Note	2019 Rupees	2018 Rupees
<b>22 CASH AND BANK BALANCES</b>			
Cash in hand		255,319	102,865
Cash with banks in:			
Current accounts		10,548,819	24,031,591
Deposit accounts	22.1	305,000	305,000
		10,853,819	24,336,591
		11,109,138	24,439,456
<b>22.1</b> These are Term Deposit Receipts (TDR) held under lien by National Bank of Pakistan as margin against guarantees issued to Sui Northern Gas Pipe Lines Limited and carry mark up @ 5.10% per annum (2018: @ 4.50% per annum).			
<b>23 SALES -net</b>	Note	2019 Rupees	2018 Rupees
<b>Gross:</b>			
Exports sales		1,760,052	-
Less: Sea freight		(66,850)	-
		1,693,202	-
Processing receipts		930,050,670	861,395,760
Others		2,673,188	-
		932,723,858	861,395,760
		934,417,060	861,395,760
Less: sales tax		(3,480,081)	(3,922,995)
		930,936,979	857,472,765
<b>24 COST OF SALES</b>			
Raw material consumed	24.1	389,609,577	331,992,254
Salaries, wages and benefits	24.2	71,386,784	69,241,417
Fuel and power		354,224,736	334,460,485
Packing material consumed		14,469,221	11,577,098
Stores and spares consumed		6,380,399	7,642,235
Oil and greases consumed		1,941,767	1,887,461
Repair and maintenance		792,795	3,601,148
Depreciation	14.1	20,864,746	19,999,985
		859,670,025	780,402,083
<b>Work in process</b>			
Opening stock		1,357,600	1,030,860
Closing stock		(1,254,800)	(1,357,600)
		102,800	(326,740)
		859,772,825	780,075,343
<b>Finished goods</b>			
Opening stock		1,165,775	809,140
Closing stock		(1,056,840)	(1,165,775)
		108,935	(356,635)
		859,881,760	779,718,708
<b>24.1 Raw Material Consumed</b>			
Balance as at July 01,		48,014,832	26,964,629
Purchases during the year		464,888,004	353,042,457
Available for consumption		512,902,836	380,007,086
Less: Balance as at June 30,		123,293,259	48,014,832
		389,609,577	331,992,254
<b>24.2</b> Salaries, wages and benefits include Rs.1,711,089 (2018:Rs.1,902,382) in respect of provident fund.			
<b>25 DISTRIBUTION COSTS</b>	Note	2019 Rupees	2018 Rupees
Salaries and benefits		209,704	205,337
Advertisement and sales promotion expenses		17,500	30,000
		227,204	235,337

26 ADMINISTRATIVE EXPENSES	Note	2019 Rupees	2018 Rupees
Directors' remuneration		12,000,000	11,200,000
Staff salaries and benefits	26.1	8,147,086	8,417,359
Rent, rates and taxes		318,002	329,689
Traveling and conveyance		428,710	554,200
Electricity		870,668	1,132,362
Water and sewerage expense		2,953,633	2,892,229
Communication expenses		743,928	891,644
Printing and stationery		744,828	895,914
Repair and maintenance		2,570,290	1,237,675
Vehicle running and maintenance		1,934,871	1,452,271
Fees and subscriptions		1,442,991	991,389
Legal and professional charges		186,659	454,000
Auditors' remuneration	26.2	771,814	675,675
Newspapers and periodicals		7,751	10,316
Entertainment		368,195	565,767
Insurance		1,057,590	1,047,606
Zakat deducted at source		72,998	13,265
Depreciation	14.1	2,318,305	2,222,221
Miscellaneous		818,014	2,308,030
		<u>37,756,333</u>	<u>37,291,612</u>
<b>26.1</b> Staff salaries and benefits includes Rs. 526,830 (2018: Rs.549,588) in respect provident fund.			
<b>26.2 Auditors' remuneration</b>			
The audit fee and remuneration for other services included in the financial statements is as follows:			
<b>Amin, Mudassar &amp; Co.</b>	Note	2019 Rupees	2018 Rupees
<b>Chartered Accountant</b>			
Statutory audit		690,780	598,500
Half yearly review		81,034	77,175
Out of pocket expenses		-	-
		<u>771,814</u>	<u>675,675</u>
<b>27 OTHER OPERATING EXPENSES</b>			
Workers' (Profit) Participation Fund		1,624,388	1,927,635
Provision for doubtful debt		3,244	-
Workers' welfare fund		217,791	368,168
Exchange loss		204,783	-
		<u>2,050,206</u>	<u>2,295,803</u>
<b>28 OTHER INCOME</b>			
<b>Income from financial assets:</b>			
Profit on bank deposits		113,274	23,455
Return on security deposit		155,315	-
<b>Income from non-financial assets:</b>			
Sale of scrap		2,297,000	2,137,500
Balance written back - net		2,339	3,421
Gain on disposal of fixed asset		526,733	-
		<u>3,094,661</u>	<u>2,164,376</u>
<b>29 FINANCE COST</b>			
Markup on:			
Short term borrowings		2,955,715	2,856,922
Interest on Workers' (Profit) Participation Fund		202,402	161,044
Bank charges and commission		312,431	820,813
		<u>3,470,548</u>	<u>3,838,779</u>
<b>30 TAXATION</b>			
Income tax			
- Current	12	9,616,992	12,362,541
- Prior		-	(2,009,166)
Deferred	6.1	9,616,992	10,353,375
		3,614,586	(15,039,398)
		<u>13,231,578</u>	<u>(4,686,023)</u>

30.1 Income tax assessments of the company have been finalized up to the Tax Year 2018 on the basis of income tax return filed as the company did not receive any correspondence from Income Tax Department.

	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>
30.2 Profit before taxation	30,645,589	36,256,902
Tax at applicable rate 29%	-	10,877,071
Tax effect of income taxable at lower rates	-	(1,212,634)
Tax effect of non-deductible expenses	-	448,466
Tax effect of credits available	-	(469,629)
Tax effect of undistributed profits	-	2,719,268
Tax effect of prior years	-	(2,009,166)
Tax effect of temporary differences	-	(15,039,398)
	<u>-</u>	<u>(4,686,023)</u>

No numeric tax rate reconciliation is presented for the current year as the company is either liable to pay tax under final tax regime or minimum tax u/s 113 of Income Tax Ordinance, 2001.

### 31 EARNINGS PER SHARE- BASIC AND DILUTED

	<b>2019</b>	<b>2018</b>
Profit for the year-Rupees	17,414,011	40,942,925
Weighted average number of ordinary shares outstanding during the year-Numbers	15,553,174	15,553,174
Earnings per share -Rupees	1.12	2.63

### 32 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

32.1 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:

	<b>CHIEF EXECUTIVE</b>		<b>DIRECTOR</b>		<b>EXECUTIVE</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Basic salary	5,500,000	5,100,000	5,500,000	5,100,000	-	-
Re-imbursable expenses	500,000	500,000	500,000	500,000	-	-
	<u>6,000,000</u>	<u>4,300,000</u>	<u>6,000,000</u>	<u>4,300,000</u>	<u>-</u>	<u>-</u>
No. of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

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

32.3 No remuneration is paid to any other director.

### 33 FINANCIAL INSTRUMENTS BY CATEGORY

#### Financial assets and financial liabilities

##### Financial assets at amortised cost

	<b>2019</b>	<b>2018</b>
	<b>Rupees</b>	<b>Rupees</b>
Long term deposits and prepayments	21,107,546	20,851,231
Trade debts	88,808,870	61,349,349
Accrued interest	6,590	7,041
Due from government	97,485,396	72,658,806
Cash and bank balances	11,109,138	24,439,456
	<u>218,517,540</u>	<u>179,305,883</u>

##### Financial liabilities at amortized cost

Trade and other payables	226,340,018	94,054,529
Payable to provident fund	382,990	367,284
Deposits, accrued liabilities and advances	23,039,051	16,181,663
Unclaimed dividend	594,836	594,836
Accrued interest and markup	1,184,939	572,838
Loan from banking companies	36,824,625	520,089
Loan from related parties	50,400,706	74,143,652
	<u>338,767,165</u>	<u>186,434,891</u>

### 34 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:

#### 34.1 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:

	2019 Rupees	2018 Rupees
Long term deposits	21,107,546	20,851,231
Trade debts	88,808,870	61,349,349
Due from government	97,485,396	72,658,806
Interest accrued	6,590	7,041
Bank balances	10,853,819	24,336,591
	<u>218,262,221</u>	<u>179,203,018</u>

Geographically there is no concentration of credit risk.

#### Credit Quality of Financial Assets

Foreign trade debts are secured against confirmed letter of credit. 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:

	2019 Rupees	2018 Rupees
Up to 1 month	76,567,299	48,624,076
1 to 6 months	5,134,119	12,725,273
More than 6 months	7,107,452	-
	<u>88,808,870</u>	<u>61,349,349</u>

Cash at banks	Rating		Rating Agency	2019 -----Rupees-----	2018
	Short Term	Long Term			
Habib Bank Limited	A-1+	AAA	JCR-VIS	632,158	14,701
National Bank Limited	A-1+	AAA	PACRA	425,001	8,874,339
Mcb Bank Limited	A-1+	AAA	PACRA	3,023	10,678
Bank Al Habib Limited	A-1+	AA+	PACRA	322,670	890,843
Askari Bank Limited	A-1+	AA+	PACRA	49,489	67,702
The Bank Of Punjab	A1+	AA	PACRA	1,253,213	461,433
Bank Islami Pakistan Limited	A-1	A+	PACRA	7,058	6,928
Bank Alfiah Limited	A-1+	AA+	PACRA	2,627,422	11,335,423
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	47,275	463,659
Meezan Bank Limited	A-1+	AA+	JCR-VIS	1,975,747	1,796,602
Allied Bank Limited	A-1+	AAA	PACRA	628,548	362,314
Summit Bank Limited	* Not available	* Not available	JCR-VIS	505,669	50,969
United Bank Limited	A-1+	AAA	JCR-VIS	2,376,546	1,000
				<u>10,853,819</u>	<u>24,336,591</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.

### 34.2 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:

	2019			
	Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year
	R	u	p	e e s
Trade and other payables	226,340,018	226,340,018	226,340,018	-
Payable to provident fund	382,990	382,990	382,990	-
Deposits and accrued liabilities	23,039,051	23,039,051	23,039,051	-
Unclaimed dividend	594,836	594,836	594,836	-
Accrued interest and markup	1,184,939	1,184,939	1,184,939	-
Loan from banking companies	36,824,625	36,824,625	36,824,625	-
Loan from related parties	50,400,706	50,400,706	50,400,706	-
	<u>338,767,165</u>	<u>338,767,165</u>	<u>338,767,165</u>	<u>-</u>
	2018			
	Carrying Amount	Contractual Cash Flows	Maturity upto one year	Maturity after one year
	R	u	p	e e s
Trade and other payables	94,503,284	94,503,284	94,503,284	-
Payable to provident fund	367,284	367,284	367,284	-
Deposits and accrued liabilities	15,732,908	15,732,908	15,732,908	-
Unclaimed dividend	594,836	594,836	594,836	-
Accrued interest and markup	572,838	572,838	572,838	-
Loan from banking companies	520,089	520,089	520,089	-
Loan from related parties	74,143,652	74,143,652	74,143,652	-
	<u>186,434,891</u>	<u>186,434,891</u>	<u>186,434,891</u>	<u>-</u>

### 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.

### 34.3 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.

### 34.3.1 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 company's exposure to currency risk as at the reporting date is as follows:

	2019		2018	
	Rupees	U.S.,\$ & Euro	Rupees	U.S.,Chf \$ & Euro
Letter of credit and other payable	106,237,940	638,137	7,766,903	58,342
	<u>106,237,940</u>	<u>638,137</u>	<u>7,766,903</u>	<u>58,342</u>

The following significant exchange rates have been applied:

	Reporting date rate	
	2019	2018
U.S. Dollar to Rupee	164.5	121.60
EURO to Rupee	186.99	141.57
CHF Dollar to Rupee	-	122.32

### Sensitivity analysis

At June 30, 2019, if Rupee had strengthened / weakened by 10% against U.S. Dollar/Euro with all other variables held constant, profit before taxation for the year would have been higher / (lower) by the amount shown below mainly as a result of foreign exchange gain / (loss) on translation of denominated financial liabilities and financial assets.

### Effect on profit before taxation for the year:

	2019	2018
U.S. Dollar/Euro to Rupee	---- R u p e e s ---- <u>10,623,794</u>	<u>776,690</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets and liabilities of the Company.

### Foreign Currency Risk Management

Foreign currency risk arises mainly due to fluctuation in foreign exchange rates. The Company also has transactional currency exposure. Such exposure arises from sales and purchases of certain materials by the company in currencies other than rupees. In appropriate cases, the management takes out forward contracts to mitigate risk where it is necessary.

### 34.3.2 Interest Rate Risk

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 decreased profit by Rs. 365,196 (2018: decreased profit by Rs. 2,151). 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.

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

### 34.3.3 Price Risk

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

### 34.4 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.

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.

**34.4.1** Certain categories of operating fixed assets (freehold) land are carried at revalued amounts (level 2 measurement) determined by a professional surveyor based on their assessment of the market values as disclosed in note 14 to these financial statements.

### 34.5 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.

	2019 --- R u p e e s ---	2018
Total borrowings	87,225,331	74,663,741
Total equity	773,058,793	755,644,782
	860,284,124	830,308,523
	10.14%	8.99%

#### Gearing ratio

### 35 VARIATION OF SHAREHOLDERS RIGHTS

Shareholder of B-class shares will not participate in dividends unless a minimum 10 % of dividend 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.

### 36 PLANT CAPACITY AND ACTUAL PRODUCTION

	2019	2018
<b>Cloth Processing</b>		
Rated capacity (meters)	57,600,000	57,600,000
Actual processing (meters)	33,678,496	33,102,772
Percentage	<b>58.47%</b>	<b>57.47%</b>
<b>Embroidery Processing</b>		
Rated capacity (meters)	8,115,643	7,377,857
Actual processing (meters)	5,742,497	6,095,284
Percentage of utilization of rated capacity	<b>70.76%</b>	<b>82.62%</b>
No. of working days	313	313

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

### 37 PROVIDENT FUND RELATED DISCLOSURE

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

	Unaudited	
	2019 --- R u p e e s ---	2018
Size of the fund-Total assets	11,268,755	7,828,220
Cost of investment made	10,885,765	7,460,936
Percentage of investment made	97%	95%
Fair value of investment	10,885,765	3,190,152.00

**37.1** The breakup of fair value of investment is:

	2019		2018	
	Rupees	% age	Rupees	% age
Musharaka Saving Account	10,885,765	100	7,460,936	100

**37.2** 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.

**37.3** During the year, the Company has made contribution amounting Rs. 2,237,920 to the provident fund trust and Rs. nil (2018: Rs. 2,451,970) in respect of profit on unpaid balance.

### 38 OPERATING SEGMENT

38.1 These financial statements have been prepared on the basis of a single reportable segment.

38.2 All non-current assets of the company as at June 30, 2019 are located in Pakistan.

### 39 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:

	2019 Rupees	2018 Rupees
Loan received from Mr. Faisal Tauheed, Chief Executive of the company	4,810,000	3,500,000
Loan received from Mrs. Tahira Kashif, Director of the company	-	10,700,000
Loan received from Mr. Kashif Tauheed, Director of the company	4,820,000	2,600,000
Loan repaid to Mr. Faisal Tauheed, Chief Executive of the company	12,300,000	-
Loan repaid to Mr.Kashif Tauheed, Director of the company	21,072,946	-

### 40 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2019 (-----N u m b e r-----)	2018
Average number of employees during the year	362	345
Number of employees as at June 30,	378	342

### 41 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue on October 07, 2019 by the board of directors of the company.

### 42 CORRESPONDING FIGURES

Corresponding figures have been rearranged/reclassified wherever needed for the purpose of better presentation, however, there were no material rearrangements except as mentioned below:

Reclassification from statement of financial position	Reclassification to statement of financial position	Rupees
Deposits, Accrued Liabilities And Advances	Trade and other payables	448,755

### 43 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, 2019

Number of Shareholder			From	To	Shares Held		
Physical	CDC	Total			Physical	CDC	Total
213	139	351	1	100	9,349	2,645	11,994
101	47	147	101	500	25,631	16,791	42,422
28	18	46	501	1,000	20,495	16,078	36,573
20	15	38	1,001	5,000	40,312	28,582	68,894
1	1	2	5,001	10,000	9,680	6,100	15,780
1	1	2	10,001	15,000	10,900	18,549	29,449
-	-	-	25,001	35,000	-	-	-
1	1	2	40,001	45,000	40,776	41,000	81,776
-	1	1	50,001	55,000	-	53,100	53,100
2		2	100,001	110,000	211,698		211,698
1		1	200,001	250,000	233,055		233,055
3		3	300,001	350,000	1,050,000		1,050,000
1		1	1,450,001	1,500,000	1,479,144		1,479,144
1		1	2,000,001	2,100,000	2,061,639		2,061,639
1		1	2,300,001	2,400,000	2,304,588		2,304,588
-	2	2	2,400,001	2,500,000	-	5,000,000	5,000,000
1		1	2,800,001	2,900,000	2,873,062		2,873,062
375	225	600			10,370,329	5,182,845	15,553,174

## Categories of Shareholders

### 1. Directors, Chief Executives, their spouse and minor children

	Number	Number of Shareholders	Percentage Shares Held
i Sh. Faisal Tauheed Puri	1	5,373,062	34.55
ii Sh. Kashif Tauheed Puri	1	4,020,144	25.85
iii Sh. Tauheed Ellahi Puri	1	107,500	0.69
iv Mst. Shahida Tauheed	1	115,098	0.74
v Mst. Saima Shahid	1	350,000	2.25
vi Mst. Amna Kamran	1	350,000	2.25
vii Mst. Sadia Kamran	1	350,000	2.25
viii Mst. Samira Faisal	1	2,304,588	14.82
ix Mst. Tahira Kashif	1	2,061,639	13.26
xi Mr. Shehzad Ehsan	1	2,500	0.02
xii Sh. Mustafa Tauheed	1	40,776	0.26
xii Sh. Mahad Kashif	1	233,055	1.5
	12	15,308,362	98.44

### 2. Executives

### 3. Associated Companies, Undertaking & Related Parties

### 4. Investment Corporation of Pakistan

### 5. Mutual Funds

### 6. Banks, NBFCs, DFIs, Takaful, Pension Funds

### 7. Insurance Companies

### 8. Joint Stock Companies, Corporate Bodies, Trust etc.

### 9. General Public

### 10. Others

## GRAND TOTAL

	-	-	-
	-	-	-
	1	900	0.01
	-	-	-
	-	-	-
	1	59,200	0.38
	5	5,000	0.03
	577	179,592	1.15
	4	120	-
	600	15,553,174	100

### Shareholders more than 5% shareholding

i Sh. Faisal Tauheed Puri	1	5,373,062	34.55
ii Sh. Kashif Tauheed Puri	1	4,020,144	25.85
iii Mrs. Samira Faisal	1	2,304,588	14.82
iv Mrs. Tahira Kashif	1	2,061,639	13.26

# Summary of Last Six Years Financial Results

Description	2019	2018	2017	2016	2015	2014
Turnover	930,936,979	857,472,765	821,570,202	709,705,001	671,950,183	588,619,243
Gross Profit	71,055,219	77,754,057	67,252,322	63,450,193	59,396,192	49,380,110
Operating Profit (Loss)	34,116,137	40,095,681	38,312,400	38,907,013	37,638,441	26,343,892
Profit/(Loss) before taxation	30,645,589	36,256,902	33,857,415	32,803,364	28,542,683	21,632,410
Profit/(Loss) after taxation	17,414,011	40,942,925	16,372,696	34,599,550	13,024,443	8,980,538
<b>Balance Sheet</b>						
Shareholders equity	15,553,174	155,531,740	155,531,740	155,531,740	155,531,740	155,531,740
Unappropriated profit/(loss)	136,247,962	118,833,951	89,555,907	73,183,211	38,561,081	25,021,743
Surplus on revaluation of fixed assets	481,279,091	481,279,091	481,279,091	481,279,091	176,329,091	176,329,091
Tangible fixed assets	728,696,962	698,302,348	715,761,336	716,605,630	387,258,041	355,486,469
Net Current Assets	375,090,948	244,700,792	262,947,912	250,254,755	170,593,735	217,382,847
Earning per share before tax	1.97	2.34	2.18	2.11		
Earning per share after tax Share break-up value	1.12	2.63	1.05	2.22	0.84	3.88
<b>Significant Ratios:</b>						
Gross Profit %	7.63	9.07	8.19	8.94	8.84	8.39
Operating profit to sales	3.66	4.68	4.66	5.48	5.60	4.48
Profit before tax to sales	3.29	4.23	4.12	4.62	4.25	3.68
Profit after tax to sales	1.87	4.77	1.99	4.88	1.94	1.53
Return on equity	11.20	26.32	10.53	22.25	8.37	5.77
Current Ratio	1.09	1.20	1.03	0.99	1.10	1.34

(س) بورڈ آف ڈائریکٹرز کو بیرونی آڈیٹرز کی تقرری، ان کو ہٹانے، آڈٹ فیس، اور آڈٹ اور اس کے مالیاتی بیانات کے علاوہ بیرونی آڈیٹرز کی جانب سے کمپنی کیلئے انجام دی جانے والی کسی بھی جائز خدمت کی فراہمی کی سفارش کرنا۔

(ش) کسی بھی دیگر مسئلے یا معاملے پر غور کرنا جو بورڈ آف ڈائریکٹرز کی جانب سے تفویض کیا گیا ہو۔

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 چیئر مین 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۔

شرائط و ضوابط۔ کمیٹی کی شرائط و ضوابط یہ ہیں۔

(الف) ڈائریکٹرز (ایگزیکٹو اور غیر ایگزیکٹو دونوں اور انتظامیہ کے سینئر اراکین) کا معاوضہ طے کرنے کیلئے ایک پالیسی فریم ورک پر غور و غوض اور اس کی منظوری کیلئے بورڈ کو سفارشات پیش کرنا۔

(ب) براہ راست یا بیرونی آزاد کنسلٹنٹ (consultant) کے ساتھ مل کر مجموعی طور پر بورڈ کی اور اس کی کمیٹیوں کی کارکردگی کی جانچ کے لئے سالانہ بنیاد پر ایک باقاعدہ لائحہ عمل اپنانا

(ج) بورڈ کو افرادی قوت سے متعلق انتظامی پالیسیوں پر سفارشات پیش کرنا۔

(د) بورڈ کو چیف آپریٹنگ آفیسر، چیف فنانس آفیسر، چیئر مین، سیکرٹری اور داخلی آڈٹ کے سربراہ کے انتخابات، جانچ، ترقی، معاوضے (بشمول ریٹائرمنٹ پر ادائیگیوں) سے متعلق سفارشات پیش کرنا۔

(ه) چیف ایگزیکٹو آفیسر یا چیف آپریٹنگ آفیسر کو براہ راست جواب دہ کلیدی انتظامی عہد داروں سے متعلق ایسے امور پر، جن کی چیف ایگزیکٹو آفیسر، غور کرنا اور ان کی منظوری دینا۔

(و) جہاں بھی (HR & R) کنسلٹنٹ حضرات مقرر کئے گئے ہیں، کمیٹی ان کی اسناد دیکھے گی اور ان سے ایک بیان لے گی کہ آیا ان کا کمپنی کے ساتھ کوئی اور تعلق ہے۔

ڈائریکٹروں کی لئے تربیتی پروگرام

شیخ فیصل توحید اور شیخ کاشف توحید ڈائریکٹرز نے ٹریننگ ICAP سے پروگرام پہلے ہی 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 برطابق 30 جون 2018 مطلوبہ زیر تحت کمپنیز آرڈیننس 1984 اور کوڈ آف کارپوریٹ گورننس رپورٹ ہذا پیش کی جا رہی ہے۔

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

اظہار تشکر

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



شیخ کاشف توحید  
ڈائریکٹر

شیخ فیصل توحید  
چیف ایگزیکٹو

اکتوبر، 2019

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۔  
دوران سال آڈٹ کمیٹی کے چار (4) منعقد کئے گئے۔ ان اجلاسوں میں ممبران کی حاضری درج ذیل ہے:

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

آڈٹ کمیٹی کے اجلاسوں میں شرکت نہ کرنے والے ممبران کی رخصت منظور کر لی گئی تھی۔  
شرائط و ضوابط۔ آڈٹ کمیٹی کی شرائط و ضوابط یہ ہیں۔

(الف) کمپنی کے اثاثہ جات کی حفاظت کیلئے موڈوں اقدامات کا عزم۔

(ب) بورڈ آف ڈائریکٹرز کی منظوری سے قبل، کمپنی کے سالانہ اور عبوری مالیاتی بیانات کا جائزہ جس میں درج ذیل پر توجہ دی

(i) فیصلہ سازی کے بڑے شعبے۔

(ii) آڈٹ کے نتیجے میں قبل ذکر ترمیمی اقدامات۔

(iii) منافع بخش ادارے کا تصور۔

(iv) اکاؤنٹنگ پالیسیوں اور طرز عمل میں کسی قسم کی تبدیلیاں۔

(v) قابل اطلاق مالیاتی معیارات پر عمل درآمد

(vi) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) قواعد 2017 اور دیگر قانونی اور ریگولیٹری تقاضوں پر عمل درآمد۔

(vii) متعلقہ (Related) پارٹیوں سے لین دین کے تمام معاملات۔

(ج) نتائج کے ابتدائی اعلانات کا کمپنی سے باہر ترسیل اور اشاعت سے قبل جائزہ۔

(د) بیرونی آڈٹ کو سہولت فراہم کرنا اور بیرونی آڈیٹرز کے ساتھ عبور اور حتمی آڈٹ سے اٹھنے والے اہم اعتراضات اور کسی بھی ایسے معاملے پر جو آڈیٹرز جاگرتا چاہتے ہوں (انتظامیہ کی غیر موجودگی میں جہاں ضروری ہو) تبادلہ خیال کرنا۔

(ه) بیرونی آڈیٹرز کی جاری کردہ انتظامیہ کے نام خط اور اس پر انتظامیہ کے جواب کا جائزہ۔

(و) کمپنی کے داخلی اور بیرونی آڈیٹرز کے درمیان ہم آہنگی کو یقینی بنانا۔

(ز) داخلی آڈٹ پلان، رپورٹنگ کے ڈھانچے اور طریقہ جات کے دائرہ کار اور دائرہ عمل کا جائزہ لینا، اور اس بات کو یقینی بنانا کہ داخلی آڈٹ کے کام کے لئے کافی وسائل موجود ہیں اور انہیں کمپنی کے اندر موزوں طور پر فراہم کیا گیا ہے۔

(ح) فراڈ، بدعنوانی، اور اختیارات کے نام جائزہ استعمال کی سرگرمیوں کی اندرونی تفتیش کے اہم نتائج اور ان پر انتظامیہ کے رد عمل پر غور۔

(ط) اس بات کو یقینی بنانا کہ داخلی کنٹرول کے نظام بشمول مالیاتی اور آپریشنل کنٹرولز، خریداروں اور فروختی بروقت اور موزوں ریکارڈنگ کا اکاؤنٹنگ نظام، وصولیاں اور ادائیگیاں، اثاثہ جات اور واجبات رپورٹنگ کا ڈھانچہ موزوں اور موثر ہے۔

(ی) بورڈ آف ڈائریکٹرز کی توثیق اور داخلی آڈٹ رپورٹس سے قبل داخلی کنٹرول کے نظاموں کے بارے میں کمپنی کے بیان کا جائزہ۔

(ک) چیف ایگزیکٹو آفیسر کے مشاورت سے خصوصی منصوبوں، مالی اسٹیڈیز کی اہمیت یا بورڈ آف ڈائریکٹرز کی جانب سے نشاندہی کردہ کسی بھی دیگر معاملے پر تفتیش شروع کرنا اور کسی بھی معاملے کی بیرونی آڈیٹرز یا کسی دیگر بیرونی ادارے کو ترسیل۔

(ل) متعلقہ قانونی تقاضوں پر عمل درآمد کا عزم۔

(م) لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) قواعد 2017 پر عمل درآمد کی نگرانی اور ان کی نمایاں خلاف ورزیوں کی نشاندہی۔

(ن) مالیاتی یا دیگر امور میں اصل یا مکمل غلطیوں کے بارے میں، اگر کوئی تحفظات ہیں تو انہیں رازداری میں آڈٹ کمیٹی کو رپورٹ کرنے کے لئے عملی اور انتظامیہ کے لئے کئے گئے انتظامات کا جائزہ اور ان کے ازالے اور اس میں کمی کے لئے اقدامات شروع کرنے کی سفارش کرنا۔

موجودہ آڈیٹرز ایس ایم ڈی ایڈیٹرز کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائرڈ 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 آڈیٹرز برائے کمپنی آڈیٹرز برائے کمپنی برائے مالی سال 30 جون 2020 کی تعیناتی کیلئے سفارش کی گئی ہے اور بورڈ کی جانب سے بھی آڈٹ کمیٹی کی سفارش کی توثیق کر دی گئی ہے۔

کارپوریٹ اور مالیاتی رپورٹ کا دائرہ کار

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 پاسداری 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 معنی 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 ٹیک کی کوئی گنجائش موجود نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو ٹیکنگ کی بنیاد پر آئیندہ 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 ورکر کو پراویڈنٹ فنڈ کا اجراء کیا ہے۔ ماہانہ کنٹری بیوشن دونوں مالکان اور ملازمین فنڈ میں ڈالتے ہیں۔ کمپنی کا کنٹری بیوشن اس کے نفع نقصان کا ونٹ کو چارج کر دیا جاتا ہے۔ جمع شدہ فنڈ Rs. 11,268,755 بیک میں انوسٹ کیا ہے۔
- کمپنی کے ڈے 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 ڈائریکٹرز کے اجلاس

بورڈ کی جانب سے دوران سال 109 اجلاس منعقد کئے گئے، ان اجلاسوں میں متعلقہ ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

اجلاس میں حاضری	ڈائریکٹرز
09	شیخ فیصل توحید
09	شیخ کاشف توحید
09	مسز سمیرا فیصل
09	مسز طاہرہ کاشف
09	شہزاد احسان
07	مسز سعدیہ کامران
08	مسز آمنہ کامران

اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹروں کی رخصت منظور کر دی گئی تھی۔

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

# ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت کے ساتھ آپ کی کمپنی کی 69 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات اور آڈیٹروں کی رپورٹ بابت 30 جون 2019 آپ کی خدمت میں پیش کر رہے ہیں۔

2018	2019	آپریٹنگ نتائج
36,256,902	30,645,589	منافع قبل از ٹیکس
4,686,023	(13,231,578)	ٹیکس
40,942,925	17,414,011	منافع بعد از ٹیکس
2.63	1.12	منافع فی حصص

انرجی اور خام مال کی قیمتوں میں اضافہ کے چیلنجز کے باوجود آپ کی کمپنی نے گروتھ موڈ میں برقرار رکھنے میں کامیاب ہوئی ہے۔ سال کے دوران کمپنی کی سیل 930.94 ملین ہے۔ جبکہ پچھلے سال کمپنی کی سیل 857.47 ملین تھی۔ اس طرح سیل میں 8.56% اضافہ ہوا ہے۔ منافع قبل از ٹیکس 15.48% اور منافع بعد از ٹیکس میں 57.46% کمی ہوئی ہے۔ مستقبل کے چیلنجز

کمپنی کو اندازہ ہے کہ ملک کو معاشی اور سیاسی حالات کے پیش نظر قیمتوں میں اضافہ ہوگا اور ملکی کرنسی پر پریشر آئے گی۔ حال ہی میں ملکی روپے میں کمی آئی ہے اور منافع میں کمی کا پریشر ہوگا۔ ہمیں پورا یقین ہے کہ کمپنی کا مستقبل روشن ہے اور متوقع ہے کہ کپڑے کی پروسیسنگ اور ایمبرائڈری کی ڈیمانڈ میں اضافہ ہوگا ہم اپنی لاگت کو مزید کنٹرول کرنے کی کوشش کر رہے ہیں۔ تاکہ مستقبل میں ہمیں زیادہ سے زیادہ منافع کمائیں۔

## ڈیویڈنڈ

ڈائریکٹرز نے مالی سال 30 جون 2019 کو ڈیویڈنڈ دینے کی سفارش کی ہے تاکہ مستقبل میں ترقی اور توسیع کیلئے کمپنی کو محفوظ کیا جائے۔

## قومی خزانے میں کنٹری بوشن

آپ کی کمپنی نے ذمہ داری محسوس کرتے ہوئے قومی خزانے میں سیلز ٹیکس، انکم ٹیکس، کسٹم ڈیوٹی کی مدد میں 23.380 ملین ادا کیے ہیں جبکہ 25.50 ملین جمع کروائے تھے۔

## انسانی وسائل کی مینجمنٹ اور ملازمین کے ساتھ رشتہ

انتظامیہ کا پختہ پلین ہے کہ ہمارے ملازمین ہمارا سب سے قیمتی اور ضروری اثا یہ ہیں۔ ملازمین کو برقرار رکھنے کی پالیسی سب سے بہترین اور نئے نظریہ ہے۔ اپنے قائدانہ مقام کو برقرار رکھنے کے لیے ہم سر 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 نکھار کے لیے مختلف تربیتیں فراہم کرتا ہے۔ انتظامیہ اپنے اعلیٰ صلاحیت کے پروفیشنل کی پُر جوش جماعت کے ساتھ پُر اعتماد ہے کہ اللہ کی رحمت سے ہمارا کاروبار ملکی اور بین الاقوامی منڈیوں میں مزید پھلے 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 نظام 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۔ سال کے دوران 1 ملازم کو کمپنی کے خرچہ پر جج بھیجا گیا۔ میڈیکل کی سہولت اور فرسٹ ایڈ کی سہولت و مرکز کو مہیا کی جاتی ہے۔ ورکرز کی عبادت کیلئے مسجد بنائی گئی ہے۔ ورکرز کیلئے کھیلوں کی سہولت میسر ہے اور کرکٹ ٹورنامنٹ منعقد کیئے جاتے ہیں۔

## 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۔

# 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

(شیئر کی تعداد)

رجسٹر کا فولیو نمبر

اور ری ای سی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر،

یا

کو کمپنی کے 69 واں سالانہ عام اجلاس جو سوموار، 28 اکتوبر 2019 کو سہ پہر 4 بجے ایوان نور ایونٹ 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، ریوینیوٹکٹ 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 Sixty ninth 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 Monday 28th day of October 2019 at 4.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2019

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.

# ANNUAL REPORT | 2019



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

Manufacturer & Exporter of Quality Textile Products

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