



The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

ANNUAL
Report
2020

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Mission Statement

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

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

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

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

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

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



Company Information

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

Notice of 70th Annual General Meeting

Notice is hereby given that the 70th Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore on on 28th day of October 2020 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual audited financial statements of the Company for the year ended June 30, 2020 together with the Directors' and Auditors' Report thereon.
2. To appoint auditors and fix their remuneration.

By order of the Board

Place: Lahore
Dated: October 07, 2020

(IMRAN ZAFAR)
Company Secretary

NOTES:

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

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

Mobile / WhatsApp: 0300 8657997

E-mail: imran@nationalsilk.com

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

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

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

3. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a materially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
5. The financial statements for the year ended June 30, 2020 shall be uploaded on Company's website on or before October 07, 2020.
6. Members are requested to send copies of their computerized National Identity Cards to the company's independent Share Registrar M/s. Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
7. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

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

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

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

A. For Attending the Meeting

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

B. For appointing Proxies

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

Chairmans' Review Report

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

For the financial year ended June 30, 2020, 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, 2020

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 2020.

Operating Results:	2020	2019
	-----R u p e e s-----	
Gross profit	32,884,758	71,055,219
Selling, administrative and operating expenses	71,053,616	40,033,743
(Loss)/Profit for the year before taxation	(43,080,022)	30,645,589
Taxation	3,827,099	(13,231,578)
(Loss)/Profit after taxation	(46,907,121)	17,414,011
Earning per share	(3.02)	1.12

The company recorded sale of Rs.802,728,536/- in its financial statement during the year as compared to Rs.930,936,979 during the last year showing decrease in sale 14%. This decrease in sales and loss for the year is mainly attributed due to the closure of production during the lockdowns announced by Government of Punjab from March 23, 2020 on account of COVID-19 Pandemic and decision of the Honorable Supreme Court of Pakistan in the matter of Gas Infrastructure Development Cess in favor of the Government on August 13, 2020. The effect of this decision has appropriately accounted for as GIDC charges in other operating expenses Rs.28,493,012/-.

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

Future Outlook and Challenges:

Economy of Pakistan is now set on the path of recovery with the threat of COVID-19 expected to reduce in the coming days. The measures taken by State Bank of Pakistan (SBP) has also helped companies weaken the storm and played a significant role in the revival of the economy. The management of the Company is working hard to optimize the cost levels and finding new avenues of revenue generation in all segments of the company to maximize benefit to the shareholders.

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

Dividend:

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

Debt Obligation:

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

Contribution to National Exchequer:

Being a responsible citizen, your company made a contribution of Rs.32.500 million to National Exchequer in form of income tax, sales tax, custom duties and excise as compare to Rs.23.380 million during the last year.

Human Resource Management and Employee Relationship:

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

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

The company encourages and promotes all employees to participate in sports and various extracurricular activities.

Corporate and Social Responsibility:

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

Internal Financial Controls

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

Statutory Auditors of the company:

The present auditor M/s. Amin Mudassar and Company Chartered Accountants, retire and being eligible, have offered themselves for re-appointment. The Audit Committee of the Board has also recommended their re-appointment as Auditors of the company for the year ending June 30, 2021.

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.17.55 and rose as high as Rs.31.00 and close at Rs.20.25 as on June 30, 2020.

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, 2020 have been adopted by the company and have been duly complied with:

Code of Conduct

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

Relation with stakeholders

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

- These financial statement, prepared by the management of the company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- The company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented. The system is being continuously monitored by internal audit and through other such monitoring procedure. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring in improvement in the system.

- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of the corporate governance, as listed in the listing regulations.
- Key operating and financial data for the last six years in summarized form is annexed.
- Information about taxes and levies is given in the notes to the financial statements.
- The value of investments and bank balances in respect of staff retirement benefits: Provident Fund Rs.16,063,303/-
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 10 times during the year and attendance of the respective Directors was as under:

Directors	No. of meetings attended
Sh. Faisal Tauheed	10
Sh. Kashif Tauheed	10
Mrs. Samira Faisal	10
Mrs. Tahira Kashif	10
Mr. Shehzad Ihsan	10
Mrs. Sadia Kamran	8
Mrs. Amna Kamran	8

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

Board Audit Committee

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

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

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

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

Human Resource and Remuneration Committee:

In compliance with the requirements of code of corporate governance, the Board of Directors has established this committee comprising three members (including Chairman) two of whom are non executive directors and one is independent director. Detailed terms of reference of the Committee were duly communicated to the members by the Board.

Composition of Board

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

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

Remuneration Policy of Non-Executive Directors

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

Remuneration Package of Chief Executive and Directors

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

Financial Statements

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

The financial statements of the company have been duly audited by the auditors of the company. Amin Mudassar and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30th June 2020 and clean review report on Statement of Code of Corporate Governance and their reports are attached with the financial statements. No material changes in contingencies and commitments, effecting the financial position of your company, have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Related Party transaction and Transfer Pricing

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

Directors' Training Programs:

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

Pattern of Shareholding:

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

Trading by Directors etc:

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

Appreciation

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

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

LAHORE: October 07, 2020



Sh. Faisal Tauheed Puri
Chief Executive

On behalf of the Board



Sh. Kashif Tauheed
Director

Statement of Compliance

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

For the year ended June 30, 2020

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

- The total number of directors are seven as per the following:
 - Male 3
 - Female 4

- The Composition of Board is as follows:

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

The Board was reconstituted on June 30, 2020 for a term of three years.

- The directors have confirmed that none of them is serving as a director on more than seven 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. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 (the “Act”) and the regulations.
- 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 the Regulations.
- Out of the seven Directors the following five directors have obtained a certificate of Directors Training Program;

Sh. Faisal Tauheed
Sh. Kashif Tauheed
Mr. Shehzad Ehsan
Mrs. Samira Faisal
Mrs. Tahira Kashif

The remaining two directors Mrs. Amna Kamran and Mrs. Sadia Kamran will undertake the Director Training Program with in stipulated time.
- The Board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

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

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

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

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

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

Lahore: October 07, 2020



Sh. Kashif Tauheed
Director



Sh. Faisal Tauheed Puri
Chief Executive Officer

Independent Auditor's Review Report

To the Members of The National Silk And Rayon Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **The National Silk And Rayon Mills Limited** for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.

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

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

Faisalabad:
October 07, 2020

CHARTERED ACCOUNTANTS

Independent Auditor's Report

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

Opinion

We have audited the annexed financial statements of **The National Silk And Rayon Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2020 and of the loss, the 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.

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(i)	<p>Revenue recognition <i>(Refer to note 24 to the financial statements)</i> The Company generates revenue from dyeing and embroidery of fabric to domestic as well as export customers. The company recognized revenue from domestic customers amounting Rs.802.73 million. We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company and because of the potential risk that revenue is recognized without transferring the control.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We obtained an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue;• We assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards; We compared, on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the appropriate accounting

S. No.	Key audit matter(s)	How the matter was addressed in our audit
(ii)	<p>Revaluation of Land</p> <p><i>(Refer to note 5 and note 15 to the financial statements)</i></p> <p>During the year, the Company revalued its item of property, plant and equipment (i.e. freehold land) based on the valuation carried out by an independent external expert engaged by the management. Consequent to revaluation, additional surplus amounting Rs.80.25 million has been recognized in the financial statements and the balance of revaluation surplus on Freehold Land at the year end stood at Rs.561.53 million.</p> <p>We have identified valuation of item of property, plant and equipment as key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgements in determining its valuation.</p>	<p>Our audit procedures inter-alia included the followings:</p> <ul style="list-style-type: none"> • period; • We inspected credit notes issued to record sales returns subsequent to year end, if any; and <p>We obtained an understanding of the nature of the revenue contracts entered into by the Company, tested a sample of sales orders/contracts to confirm the compliance of the requirements of the applicable reporting standards.</p>

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 Ghulam Mudassar.

Faisalabad: October 07, 2020

CHARTERED ACCOUNTANTS

207-208, Hassan Shopping Mall, 20-A Peoples Colony, Faisalabad, Pakistan

A MEMBER FIRM OF IAPA - A GLOBAL ASSOCIATION OF INDEPENDENT ACCOUNTING FIRMS AND GROUPS

The National Silk & Rayon Mills Ltd.

Balance Sheet

AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees	ASSETS	Note	2020 Rupees	2019 Rupees
EQUITY AND LIABILITIES							
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorised share capital	3	204,000,000	204,000,000	Property, plant and equipment	15	811,341,382	728,696,962
Issued, subscribed and paid-up share capital	4	155,531,740	155,531,740	Long term deposits and prepayments	16	21,657,546	21,107,546
Capital reserve				Long term advances		6,529,568	4,449,318
Revaluation surplus on freehold land	5	561,529,091	481,279,091			839,528,496	754,253,826
Revenue reserve							
Un-appropriated profit		89,340,841	136,247,962				
		806,401,672	773,058,793				
NON CURRENT LIABILITIES							
Long term liabilities	6	19,815,750	-				
Deferred liabilities	7	2,581,331	7,405,016				
		22,397,081	7,405,016				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables	8	192,397,634	226,340,018	Stores, spares and loose tools	17	17,511,553	18,378,549
Payable to provident fund		532,954	382,990	Stock in trade	18	91,255,594	125,604,899
Deposits, accrued liabilities and advances	9	46,826,421	28,703,533	Trade debts	19	130,309,139	88,808,870
Unclaimed dividend		594,836	594,836	Loans and advances	20	714,928	1,221,607
Accrued interest and markup	10	1,205,729	1,184,939	Trade deposits, prepayments and other receivables	21	39,374,292	28,026,581
Loan from banking companies	11	37,946,109	36,824,625	Accrued interest	22	10,886	6,590
Loan from related parties	12	60,350,706	50,400,706	Due from government	22	29,719,697	97,485,396
Provision for taxation	13	-	-	Cash and bank balances	23	20,228,557	11,109,138
		339,854,389	344,431,647			329,124,646	370,641,630
CONTINGENCIES AND COMMITMENTS	14	1,168,653,142	1,124,895,456			1,168,653,142	1,124,895,456

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Profit and Loss Account

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales- net	24	802,728,536	930,936,979
Cost of sales	25	769,843,778	859,881,760
Gross profit		32,884,758	71,055,219
Distribution cost	26	430,000	227,204
Administrative expenses	27	39,016,882	37,756,333
Other operating expenses	28	31,606,734	2,050,206
		71,053,616	40,033,743
		(38,168,858)	31,021,476
Other income	29	1,760,216	3,094,661
		(36,408,642)	34,116,137
Finance cost	30	6,671,380	3,470,548
(Loss) / profit before taxation		(43,080,022)	30,645,589
Taxation	31	3,827,099	13,231,578
(Loss) / profit after taxation		(46,907,121)	17,414,011
Earnings per share - basic and diluted	32	(3.02)	1.12

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2020

	2020 Rupees	2019 Rupees
(Loss) / profit after taxation	(46,907,121)	17,414,011
Items that will not be reclassified to profit or loss		
Revaluation surplus on freehold land	80,250,000	-
Items that may be reclassified to profit or loss		
Other comprehensive income -net of taxation	-	-
	80,250,000	-
Total comprehensive income for the year-net of tax	33,342,879	17,414,011

The annexed notes from 1 to 44 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	A	34,897,706	55,074,366
Taxes paid		(17,913,923)	(19,952,530)
Finance cost paid		(5,847,370)	(2,546,016)
Gratuity paid		(2,123,759)	(4,274,206)
Net cash generated from operating activities		9,012,654	28,301,614
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(28,207,966)	(54,350,932)
Profit on bank deposits		57,747	113,725
Long term advances		(2,080,250)	(1,000,000)
Long term deposits and prepayments		(550,000)	(256,315)
Sale proceeds from disposal of fixed assets		-	1,300,000
Net cash used in investing activities		(30,780,469)	(54,193,522)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan received from / repaid to directors		9,950,000	(23,742,946)
Long term liabilities		19,815,750	-
Net cash generated from / (used in) financing activities		29,765,750	(23,742,946)
Net increase / (decrease) in cash and cash equivalents		7,997,935	(49,634,854)
Cash and cash equivalents at the beginning of the year		(25,715,487)	23,919,367
Cash and cash equivalents at the end of the year	B	(17,717,552)	(25,715,487)

The annexed notes from 1 to 44 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, 2020

	Note	2020 Rupees	2019 Rupees
A - CASH GENERATED FROM OPERATIONS			
Profit before taxation		(43,080,022)	30,645,589
Adjustment of non cash and other items:			
Depreciation	15.1	25,813,546	23,183,051
Gain on disposal of fixed asset		-	(526,733)
Provision for doubtful debt		(3,113,722)	(3,244)
Profit on bank deposit		(62,043)	(113,274)
Finance cost		5,868,160	3,158,117
		28,505,941	25,697,917
Cash flows before working capital changes		(14,574,081)	56,343,506
EFFECT ON CASH FLOWS OF WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spares and loose tools		866,996	(12,804,431)
Stocks in trade		34,349,305	(75,435,749)
Trade debts		(38,386,547)	(27,456,278)
Loan and advances		506,679	3,172,928
Trade deposit and short term prepayments		(2,084,572)	4,967,977
Due from government		67,765,699	(24,826,590)
Increase / (decrease) in current liabilities			
Trade and other payables		(31,818,625)	136,110,940
Payable to provident fund		149,964	15,706
Deposits, accrued liabilities and advances		18,122,888	(5,013,643)
		49,471,787	(1,269,140)
		34,897,706	55,074,366
B - CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	20,228,557	11,109,138
Short term borrowings	11	(37,946,109)	(36,824,625)
		(17,717,552)	(25,715,487)

The annexed notes from 1 to 44 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, 2020

	REVENUE RESERVES	CAPITAL RESERVES	TOTAL	
	UN- APPROPRIATED PROFIT	REVALUATION SURPLUS ON LAND		
----- R u p e e s -----				
Balance as at July 01, 2018	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	-	-	-	-
Total comprehensive income	-	17,414,011	-	17,414,011
Balance as at June 30, 2019	155,531,740	136,247,962	481,279,091	773,058,793
Loss for the year	-	(46,907,121)	-	(46,907,121)
Other comprehensive income	-	-	80,250,000	80,250,000
Total comprehensive income	-	(46,907,121)	80,250,000	33,342,879
Balance as at June 30, 2020	155,531,740	89,340,841	561,529,091	806,401,672

The annexed notes from 1 to 44 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, 2020

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
- vi Provision for doubtful debts

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

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

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except the following:

IFRS 16, 'Leases': this standard has been notified by the Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the previous guidance in IAS 17, 'Leases' and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, there is no impact 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, 2020

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, 2020. 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, 2020 are set out below.

2.6.1 Taxation

Current

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

Deferred

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

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

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

2.6.2 Defined Contribution Plan

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

2.6.3 Foreign Currency Translations

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

2.6.4 Trade and Other Payables

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

2.6.5 Dividends

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

2.6.6 Contingencies and Commitments

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

2.6.7 Provisions

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

2.6.8 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation 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 statement of profit or loss.

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

2.6.9 Intangible assets

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

2.6.10 Capital Work in Progress

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

2.6.11 Stores, Spares and Loose Tools

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

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

2.6.12 Stocks in Trade

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

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

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

2.6.13 Trade debts and other receivables

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

2.6.14 Cash and Cash Equivalents

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

2.6.15 Financial Instruments

Financial Assets

a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash 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 the statement of profit or loss.

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

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

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

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

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

Financial Liabilities

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

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

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

2.6.16 Offsetting of financial assets and financial liabilities

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

2.6.17 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets.

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

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

(b) Non-Financial assets

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

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

2.6.18 Revenue Recognition:

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

2.6.19 Borrowing Cost

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

2.6.20 Basic and diluted earnings per share

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

2.6.21 Segment reporting

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

2.6.22 RELATED PARTY TRANSACTIONS

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

2.6.23 Impact of COVID - 19

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has effected the revenue volumes of the Company due to closure of business activities during the lock down period. During the year, the revenues have been decreased as compared to prior year and the company has faced net operational losses due to decrease in revenues, GIDC expense accounted for during the year and insignificant change in operational fixed costs. The management had analyzed the events as these are indicative of conditions for a review of recoverable amounts of assets and viability of operations of the Company. Consequently, the management of the company concluded that there is no change in recoverable amounts of Company's assets at the reporting date. Further, as per relaxation given by Authorities, the Company has resumed its operations with effect from May 20, 2020 with all precautionary measures to prevent the pandemic spread. Further, the management evaluates going concern assumption used for the preparation of financial statements. However, as per the management assessment, there is no significant impact on the above. The management is fully confident that the Company's operations would remain viable for foreseeable future.

	Note	2020 Rupees	2019 Rupees
3 AUTHORIZED SHARE CAPITAL			
20,000,000 (2019: 20,000,000) A - Class Ordinary shares of Rs. 10 each		200,000,000	200,000,000
400,000 (2019: 400,000) B - Class Ordinary shares of Rs. 10 each		4,000,000	4,000,000
		<u>204,000,000</u>	<u>204,000,000</u>
4 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
Issued for Cash			
15,051,267 (2019: 15,051,267) A - Class Ordinary Shares of Rs. 10 each		150,512,670	150,512,670
320,100 (2019: 320,100) B - Class Ordinary Shares of Rs. 10 each		3,201,000	3,201,000
Issued as Bonus Shares		153,713,670	153,713,670
181,807 (2019: 181,807) Ordinary Shares of Rs. 10 each		1,818,070	1,818,070
		<u>155,531,740</u>	<u>155,531,740</u>

5 REVALUATION SURPLUS ON FREEHOLD LAND

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

	Note	2020 Rupees	2019 Rupees
6 LONG TERM LIABILITIES			
Payable to SNGPL	6.1	19,815,750	

6.1 This represents non-current portion of Gas infrastructure Development Cess (GIDC) payable to Sui Northern Gas Pipelines Limited (SNGPL). The company has accounted for GIDC payable in consequent of decision dated 13 August 2020 of Supreme Court of Pakistan in favour of SNGPL. Now the unpaid amount of GIDC is payable in 24 equal monthly installments starting from August 01, 2020. Accordingly, the related non-current portion has been classified under non-current liabilities as at June 30, 2020.

	Note	2020 Rupees	2019 Rupees
7 DEFERRED LIABILITIES			
Deferred taxation	7.1	2,581,331	7,405,016
		2,581,331	7,405,016
7.1 Deferred Taxation This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		12,342,741	15,785,633
		12,342,741	15,785,633
Deferred tax asset on deductible temporary differences arising in respect of:			
Deferred debits arising in respect of staff gratuity		(295,822)	(671,946)
Deferred debits arising in respect of provisions		(30,253)	(448)
Turnover tax available for carry forward		(1,376,345)	(12,847,039)
Deferred tax asset not recognised on turnover tax		(8,058,990)	5,138,816
		(9,761,410)	(8,380,617)
		2,581,331	7,405,016
Balance as at July 01,		7,405,016	3,790,430
Add: Charge / (Reversal) during the year to:			
Profit and loss account		(4,823,685)	3,614,586
Other comprehensive income		-	-
		(4,823,685)	3,614,586
		2,581,331	7,405,016
8 TRADE AND OTHER PAYABLES			
Trade creditors		143,919,278	113,012,632
Letter of credit and other payable		45,324,335	106,407,008
Tax deducted at source payable		192,093	181,388
Staff gratuity payable	8.1	2,744,137	4,867,896
Workers' welfare fund		217,791	217,791
Workers' (Profit) Participation Fund	8.2	-	1,653,303
		192,397,634	226,340,018
8.1 Staff gratuity payable			
Balance as at July 01,		4,867,896	9,142,102
Charge to profit or loss account		-	-
		4,867,896	9,142,102
Less: Payments made during the year		(2,123,759)	(4,274,206)
		2,744,137	4,867,896
8.2 Workers' (Profit) Participation Fund			
Balance as at July 01,		1,653,303	1,927,635
Add: Interest charged for the year		191,881	202,402
		1,845,184	2,130,037
Less: Payments made during the Year		1,845,184	2,101,122
		-	28,915
Allocation for the year		-	1,624,388
		-	1,653,303
9 DEPOSITS, ACCRUED LIABILITIES AND ADVANCES			
Accrued expenses	9.1	35,606,749	23,039,051
Advance from customers		11,219,672	5,664,482
		46,826,421	28,703,533
9.1 This includes payable to Sui Northern Gas Pipeline on account of GIDC amounting Rs. 17,266,021 million as referred in note 6.1.			
10 ACCRUED INTEREST AND MARK UP	Note	2020 Rupees	2019 Rupees
Mark up on short term finances- Secured		1,205,729	1,184,939
11 LOAN FROM BANKING COMPANIES - SECURED			
Cash finance	11.1	29,977,209	29,133,469
Running finance	11.2	7,968,900	7,691,156
		37,946,109	36,824,625

11.1 This facility has been obtained from National Bank of Pakistan with sanctioned limit of Rs. 50.00 million (2019: Rs. 30.00 million) for working capital. This is secured against hypothecation of stock and receivables etc, 1st charge of Rs. 275.00 million by way of hypothecation on present and future current assets of the Company, 1st charge of Rs. 275.00 million on present and future fixed assets of Company, token registered mortgage of Rs. 1.00 million on fixed assets of the Company and personal guarantee of all directors of the Company. This carries markup @ 3 months KIBOR (Average Ask Side) rate + 3.25% per annum (2019: @ 3 months KIBOR (Ask) rate + 3.25% per annum) payable on quarterly basis.

11.2 This facility has been obtained from The Bank of Punjab with sanctioned limit of Rs. 8.00 million (2019: Rs. 8.00 million) for working capital. This is secured against 2nd charge of Rs. 11.2 million over Company's present and future current assets / receivable and fixed assets, mortgage charge over personal properties of two directors and personal guarantees of all directors of the Company. This carries markup @ 3 month KIBOR + 3.25% per annum (2019: @ 3 month KIBOR + 3.25% per annum) payable on quarterly basis.

11.3 The facilities for opening letters of credit and export bills negotiation as at June 30, 2020 amounting Rs. 160.00 million (2019: Rs. 179.00 million) of which the amount over utilized at year end was amounting Rs. 26.310 million in respect of National Bank of Pakistan (2019: over utilized Rs. 87.086 million). However, during the year the company has not availed the facility from The Bank of Punjab Limited having limit of Rs. 33 millions in respect of opening letter of credit.

				Note	2020 Rupees	2019 Rupees
12 LOAN FROM RELATED PARTIES						
Loan from Chief Executive and Directors				12.1	60,350,706	50,400,706
12.1 Loan from Chief Executive and Directors						
Sr #	Name	Basis of relationship	Percentage of shareholding		2020 Rupees	2019 Rupees
1	Mr. Faisal Tauheed	Chief Executive Officer	34.56%		18,370,000	9,870,000
2	Mr. Kashif Tauheed	Director	25.85%		19,857,054	18,407,054
3	Mrs. Tahira Kashif	Director	13.26%		22,123,652	22,123,652
					60,350,706	50,400,706

12.2 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.

				Note	2020 Rupees	2019 Rupees
13 PROVISION FOR TAXATION						
Provision for taxation				13.1	-	-
13.1 Movement of provision for taxation						
Balance as at 1st July,					-	-
Less: Adjusted during the year					-	-
					-	-
Add: Provision for the taxation-current					8,650,784	9,616,992
					8,650,784	9,616,992
Less: Tax deducted at source / advance tax					(8,650,784)	(9,616,992)
					-	-

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 Counter guarantees by the bank in respect of guarantees issued in the normal course of business for sum of Rs. 6.55 million (2019: Rs. 6.55 million).

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

14.2 Commitments

13.2.1 Commitments in respect of letters of credit for capital expenditures were amounting Rs. nil (2019: Rs. nil)

13.2.2 Commitments in respect of letters of credit other than for capital expenditures were amounting Rs. 65.05 million (2019: Rs. 7.115 million).

15 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress
15.1
15.2

	2020	2019
	Rupees	Rupees
	784,172,342	701,661,422
	27,169,040	27,035,540
	811,341,382	728,696,962

15.1 Operating Fixed Assets

PARTICULARS	OWNED										TOTAL	
	Land Free-hold		Building on Free-hold Land		Plant and Machinery	Pipeline and Electric Fitting	Office Equipment	Furniture and Fixture	Vehicles	TOTAL		
	Cost	Revaluation Surplus	Sub Total	Factory								Residential
----- R u p e e s -----												
Cost / Revaluation												
Balance as at 01 July, 2018	220,909	481,279,091	481,500,000	22,948,864	104,888	23,053,752	376,659,266	11,241,930	3,510,289	762,740	20,999,422	917,727,399
Additions	-	-	-	-	-	-	48,278,195	-	-	-	6,072,737	54,350,932
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(2,564,640)	(2,564,640)
Balance as at 30 June 2019	220,909	481,279,091	481,500,000	22,948,864	104,888	23,053,752	424,937,461	11,241,930	3,510,289	762,740	24,507,519	969,513,691
Balance as at 01 July, 2019	220,909	481,279,091	481,500,000	22,948,864	104,888	23,053,752	424,937,461	11,241,930	3,510,289	762,740	24,507,519	969,513,691
Additions	-	80,250,000	80,250,000	-	-	-	28,074,466	-	-	-	-	108,324,466
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	220,909	561,529,091	561,750,000	22,948,864	104,888	23,053,752	453,011,927	11,241,930	3,510,289	762,740	24,507,519	1,077,838,157
Depreciation												
Balance as at 01 July, 2018	-	-	-	17,842,602	99,009	17,941,611	205,613,031	8,529,893	1,938,000	705,011	11,735,046	246,460,591
Charge for the year	-	-	-	510,626	294	510,920	19,952,220	271,204	157,229	5,973	2,285,505	23,183,051
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
On disposals/transfers	-	-	-	-	-	-	-	-	-	-	(1,791,373)	(1,791,373)
Balance as at 30 June 2019	-	-	-	18,353,228	99,303	18,452,531	225,565,251	8,801,097	2,095,229	708,984	12,229,178	267,852,269
Balance as at 01 July, 2019	-	-	-	18,353,228	99,303	18,452,531	225,565,251	8,801,097	2,095,229	708,984	12,229,178	267,852,269
Charge for the year	-	-	-	459,564	279	459,843	22,507,070	244,083	141,506	5,376	2,455,668	25,813,546
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	-	-	-	18,812,792	99,582	18,912,374	248,072,321	9,045,180	2,236,735	714,360	14,684,846	293,665,815
Carrying amount-2020	220,909	561,529,091	561,750,000	4,136,072	5,306	4,141,378	204,939,606	2,196,750	1,273,554	48,380	9,822,673	784,172,342
Carrying amount-2019	220,909	481,279,091	481,500,000	4,595,636	5,585	4,601,221	199,372,210	2,440,833	1,415,060	53,756	12,278,341	701,661,422
Rates of Depreciation (p.a)				10%	5%		10%	10%	10%	10%	10%	20%

14.1.1 The company has 80.25 kanals of land situated at Dhuddiwala, Jaranwala Road, Faisalabad. Building comprises of 202,788 square feet covered area situated at the said land.

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

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

Freehold Land	Cost	Accumulated Depreciation	Carrying Value
As at June 30, 2020	220,909	-	220,909
As at June 30, 2019	220,909	-	220,909

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

	2020	2019
Cost of sales	23,232,191	20,864,746
Administrative expenses	2,581,355	2,318,305
	<u>25,813,546</u>	<u>23,183,051</u>

15.2 Capital work in progress

Building	17,525,553	17,470,553
Pipeline and Electric Fitting	9,643,487	9,564,987
	<u>27,169,040</u>	<u>27,035,540</u>

14.2.1 Movement in Building:

Opening balance	17,470,553	17,470,553
Addition	55,000	-
Capitalized	-	-
Closing balance	<u>17,525,553</u>	<u>17,470,553</u>

14.2.2 Movement in Pipeline and Electric Fitting:

Opening balance	9,564,987	9,564,987
Addition	78,500	-
Capitalized	-	-
Closing balance	<u>9,643,487</u>	<u>9,564,987</u>

	Note	2020 Rupees	2019 Rupees
16 LONG TERM DEPOSITS AND PREPAYMENTS			
Considered good - unsecured and interest-free			
Security deposits		21,657,546	21,107,546
		<u>21,657,546</u>	<u>21,107,546</u>
17 STORES, SPARES AND LOOSE TOOLS			
Stores		1,041,355	587,349
Spares		952,592	3,005,425
Packing material		921,568	1,793,261
Coal		14,596,038	12,992,514
		<u>17,511,553</u>	<u>18,378,549</u>
18 STOCK IN TRADE			
Raw material		89,388,914	123,293,259
Work in process - Cost of processing done on third party orders		1,055,680	1,254,800
Finished goods - Cost of processing done on third party orders		811,000	1,056,840
		<u>91,255,594</u>	<u>125,604,899</u>
18.1	These stocks are hypothecated with banks as security against short term finances as indicated in note 10.		
	Note	2020 Rupees	2019 Rupees
19 TRADE DEBTS			
Debtors - Unsecured	19.1	<u>130,309,139</u>	<u>88,808,870</u>
Considered good		130,309,139	88,808,870
Considered doubtful		3,113,722	3,244
		<u>133,422,861</u>	<u>88,812,114</u>
Less: Provision for doubtful debts	19.2	<u>(3,113,722)</u>	<u>(3,244)</u>
		<u>130,309,139</u>	<u>88,808,870</u>
19.1	Trade debtors other than those against which provision has been made are considered good by the management.		
	Note	2020 Rupees	2019 Rupees
19.2 Provision for doubtful debts			
Balance as at 1st July,		3,244	-
Add: Provision during the year		3,113,722	3,244
Less: Written off during the year		(3,244)	-
		<u>3,113,722</u>	<u>3,244</u>
20 LOANS AND ADVANCES			
(Unsecured but considered good)			
Advances to:			
Suppliers		145,181	488,370
Employees	20.1	569,747	373,917
Others		-	359,320
		<u>714,928</u>	<u>1,221,607</u>
20.1	Advances to employees are provided to meet business expenses and are settled as and when the expenses are incurred.		
	Note	2020 Rupees	2019 Rupees
21 TRADE DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Short term prepayments		650,015	517,145
Immature letters of credit- secured	21.1	2,517,629	565,927
Tax deducted at source		36,206,648	26,943,509
		<u>39,374,292</u>	<u>28,026,581</u>
21.1	These comprise of opening charges, bank charges and partial payments of cost of documents.		
22 DUE FROM GOVERNMENT			
Sales tax refundable		29,719,697	97,485,396
		<u>29,719,697</u>	<u>97,485,396</u>
22.1	During the year, the Company has received sales tax refund amounting Rs. 67.799 million (2019: Rs. 31.851 million).		

23 CASH AND BANK BALANCES		Note	2020 Rupees	2019 Rupees
Cash in hand			1,371,688	255,319
Cash with banks in:				
Current accounts			18,551,869	10,548,819
Deposit accounts		23.1	305,000	305,000
			18,856,869	10,853,819
			20,228,557	11,109,138
23.1 This represents Term Deposit Receipts (TDR) and these carry mark up @ 9.00% per annum (2019: @ 5.10% per annum).				
24 SALES -net		Note	2020 Rupees	2019 Rupees
Gross:				
Exports sales			-	1,760,052
Less: Sea freight			-	(66,850)
			-	1,693,202
Processing receipts			936,817,202	930,050,670
Others			2,437,380	2,673,188
			939,254,582	932,723,858
			939,254,582	934,417,060
Less: sales tax			(136,526,046)	(3,480,081)
			802,728,536	930,936,979
25 COST OF SALES				
Raw material consumed		25.1	384,477,053	389,609,577
Salaries, wages and benefits		25.2	67,221,351	71,386,784
Fuel and power			269,152,934	354,224,736
Packing material consumed			12,216,473	14,469,221
Stores and spares consumed			9,523,839	6,380,399
Oil and greases consumed			2,783,859	1,941,767
Repair and maintenance			791,118	792,795
Depreciation		15.1	23,232,191	20,864,746
			769,398,818	859,670,025
Work in process				
Opening stock			1,254,800	1,357,600
Closing stock		18	(1,055,680)	(1,254,800)
			199,120	102,800
			769,597,938	859,772,825
Finished goods				
Opening stock			1,056,840	1,165,775
Closing stock		18	(811,000)	(1,056,840)
			245,840	108,935
			769,843,778	859,881,760
25.1 Raw Material Consumed				
Balance as at July 01,			123,293,259	48,014,832
Purchases during the year			350,572,708	464,888,004
Available for consumption			473,865,967	512,902,836
Less: Balance as at June 30,		18	89,388,914	123,293,259
			384,477,053	389,609,577
25.2 Salaries, wages and benefits include Rs. 2,222,468 (2019: Rs.1,711,089) in respect of provident fund.				
26 DISTRIBUTION COSTS			2020 Rupees	2019 Rupees
Salaries and benefits			430,000	209,704
Advertisement and sales promotion expenses			-	17,500
			430,000	227,204

	Note	2020 Rupees	2019 Rupees
27 ADMINISTRATIVE EXPENSES			
Directors' remuneration		12,000,000	12,000,000
Staff salaries and benefits	27.1	11,625,072	8,147,086
Rent, rates and taxes		351,033	318,002
Traveling and conveyance		345,570	428,710
Electricity		1,452,292	870,668
Water and sewerage expense		3,093,987	2,953,633
Communication expenses		656,793	743,928
Printing and stationery		528,620	744,828
Repair and maintenance		166,153	2,570,290
Vehicle running and maintenance		1,801,183	1,934,871
Fees and subscriptions		691,711	1,442,991
Legal and professional charges		225,420	186,659
Auditor's remuneration	27.2	792,000	771,814
Newspapers and periodicals		8,257	7,751
Entertainment		473,223	368,195
Insurance		906,356	1,057,590
Zakat deducted at source		8,859	72,998
Depreciation	15.1	2,581,355	2,318,305
Miscellaneous		1,308,998	818,014
		<u>39,016,882</u>	<u>37,756,333</u>
27.1	Staff salaries and benefits includes Rs. 736,365 (2019: Rs. 526,830) in respect provident fund.		
27.2 Auditors' remuneration			
	The audit fee and remuneration for other services included in the financial statements is as follows:		
Amin, Mudassar & Co.			
Chartered Accountant	Note	2020 Rupees	2019 Rupees
Statutory audit		700,000	690,780
Half yearly review		92,000	81,034
		<u>792,000</u>	<u>771,814</u>
28 OTHER OPERATING EXPENSES			
Workers' (Profit) Participation Fund		-	1,624,388
GIDC charges		28,493,012	-
Provision for doubtful debt		3,113,722	3,244
Workers' welfare fund		-	217,791
Exchange loss		-	204,783
		<u>31,606,734</u>	<u>2,050,206</u>
29 OTHER INCOME			
Income from financial assets:			
Profit on bank deposits		62,043	113,274
Return on security deposit		-	155,315
Income from non-financial assets:			
Sale of scrap	29.1	1,690,960	2,297,000
Balance written back		7,213	2,339
Gain on disposal of fixed asset		-	526,733
		<u>1,760,216</u>	<u>3,094,661</u>
29.1 Sale of scrap			
Gross Sale		2,029,152	2,756,400
Less: Sales tax		(338,192)	(459,400)
		<u>1,690,960</u>	<u>2,297,000</u>
30 FINANCE COST			
Markup on:			
Short term borrowings		5,676,279	2,955,715
Interest on Workers' (Profit) Participation Fund		191,881	202,402
Bank charges and commission		803,220	312,431
		<u>6,671,380</u>	<u>3,470,548</u>

31 TAXATION	Note	2020	2019
		Rupees	Rupees
Income tax			
- Current	13	8,650,784	9,616,992
- Prior		-	-
		8,650,784	9,616,992
Deferred	7.1	(4,823,685)	3,614,586
		3,827,099	13,231,578

- 31.1 Income tax assessments of the company have been finalized up to the Tax Year 2019 on the basis of income tax return filed as the company did not receive any correspondence from Income Tax Department.
- 31.2 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.

31.3 Previous year, the deferred tax asset amounting Rs. 5.14 million mainly owing to minimum tax had not been recognised being prudent.

32 EARNINGS PER SHARE- BASIC AND DILUTED	2020	2019
(Loss) / profit for the year-Rupees	(46,907,121)	17,414,011
Weighted average number of ordinary shares outstanding during the year-Numbers	15,553,174	15,553,174
Earnings per share -Rupees	(3.02)	1.12

33 REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVE	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Basic salary	5,500,000	5,500,000	5,500,000	5,500,000	1,277,500	-
Re-imbursable expenses	500,000	500,000	500,000	500,000	-	-
	6,000,000	6,000,000	6,000,000	6,000,000	-	-
No. of persons	1	1	1	1	1	1

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

33.3 No remuneration is paid to any other director.

34 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets and financial liabilities

As at June 30, 2020			As at June 30, 2019		
At Amortised Cost	At fair value through profit and loss	TOTAL	At Amortised Cost	At fair value through profit and loss	TOTAL

R u p e e s

Financial assets

Long term deposits and prepayments	21,657,546	-	21,657,546	21,107,546	-	21,107,546
Trade debts	130,309,139	-	130,309,139	88,808,870	-	88,808,870
Accrued interest	10,886	-	10,886	6,590	-	6,590
Cash and bank balances	20,228,557	-	20,228,557	11,109,138	-	11,109,138
	172,206,128	-	172,206,128	121,032,144	-	121,032,144

Financial liabilities

Trade and other payables	192,397,634	-	192,397,634	226,340,018	-	226,340,018
Payable to provident fund	532,954	-	532,954	382,990	-	382,990
Accrued expenses	18,340,728	-	18,340,728	23,039,051	-	23,039,051
Unclaimed dividend	594,836	-	594,836	594,836	-	594,836
Accrued interest and markup	1,205,729	-	1,205,729	1,184,939	-	1,184,939
Loan from banking companies	37,946,109	-	37,946,109	36,824,625	-	36,824,625
Loan from related parties	60,350,706	-	60,350,706	50,400,706	-	50,400,706
	311,368,696	-	311,368,696	338,767,165	-	338,767,165

35 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:

35.1 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:

	2020 Rupees	2019 Rupees
Long term deposits	21,657,546	21,107,546
Trade debts	130,309,139	88,808,870
Interest accrued	10,886	6,590
Bank balances	18,856,869	10,853,819
	<u>170,834,440</u>	<u>120,776,825</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:

	2020		2019	
	Gross	Doubtful	Gross	Doubtful
	-----Rupees-----			
Up to 1 month	121,082,291	-	76,567,299	-
1 to 6 months	9,226,848	-	5,134,119	-
More than 6 months	3,113,722	3,113,722	7,107,452	-
	<u>133,422,861</u>	<u>3,113,722</u>	<u>88,808,870</u>	<u>-</u>

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

Cash at banks	Rating		Rating Agency	2020	2019
	Short Term	Long Term		-----Rupees-----	
Habib Bank Limited	A-1+	AAA	JCR-VIS	64,321	632,158
National Bank Limited	A-1+	AAA	PACRA	488,507	425,001
MCB Bank Limited	A-1+	AAA	PACRA	9,524,654	3,023
Bank Al Habib Limited	A-1+	AA+	PACRA	1,018,916	322,670
Askari Bank Limited	A-1+	AA+	PACRA	6,664	49,489
The Bank Of Punjab	A-1+	AA	PACRA	55,859	1,253,213
Bank Islami Pakistan Limited	A-1	A-1+	PACRA	7,058	7,058
Bank Alfah Limited	A-1+	AA+	PACRA	3,127,335	2,627,422
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	141,220	47,275
Meezan Bank Limited	A-1+	AA+	JCR-VIS	3,125,750	1,975,747
Allied Bank Limited	A-1+	AAA	PACRA	940,677	628,548
Summit Bank Limited	* Not available	* Not available		10,065	505,669
United Bank Limited	A-1+	AAA	JCR-VIS	345,843	2,376,546
				<u>18,856,869</u>	<u>10,853,819</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.

35.2 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:

2020				
Carrying Amount	Contractual Cash Flows	Maturity up to one year	Maturity after one year	
R u p e e s				
Trade and other payables	192,397,634	192,397,634	192,397,634	-
Payable to provident fund	532,954	532,954	532,954	-
Accrued expenses	35,606,749	35,606,749	35,606,749	-
Unclaimed dividend	594,836	594,836	594,836	-
Accrued interest and markup	1,205,729	1,205,729	1,205,729	-
Loan from banking companies	37,946,109	37,946,109	37,946,109	-
Loan from related parties	60,350,706	60,350,706	60,350,706	-
	<u>328,634,717</u>	<u>328,634,717</u>	<u>328,634,717</u>	<u>-</u>
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	-
Accrued expenses	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>

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.

35.3 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.

35.3.1 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. However, A company do not have exposure to currency risk as at the reporting.

35.3.2 Interest Rate Risk

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

a) Cash flow sensitivity analysis for variable rate instruments

The Company is exposed to interest rate risk in respect of its variable rate instruments. A 100 basis points increase in variable interest rates would have increase / (decrease) profit by Rs. 376,411 (2019: increase / (decrease) profit by Rs. 365,196). A 100 basis points decrease in variable interest rate would have had an equal but opposite impact on profit. This sensitivity analysis is based on assumption that all variables, with the exception of interest rates, remain unchanged.

b) Cash flow sensitivity analysis for fixed rate instruments

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

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

35.3.3 Price Risk

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

35.4 Fair value of financial instruments

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

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

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

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

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

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

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

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

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

35.5 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.

	2020	2019
	--- R u p e e s ---	
Total borrowings	98,296,815	87,225,331
Total equity	806,401,672	773,058,793
	<u>904,698,487</u>	<u>860,284,124</u>
Gearing ratio	<u>10.87%</u>	<u>10.14%</u>

36 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.

37 PLANT CAPACITY AND ACTUAL PRODUCTION

Cloth Processing

	2020	2019
Rated capacity (meters)	60,000,000	57,600,000
Actual processing (meters)	25,537,644	33,678,496
Percentage	42.56%	58.47%

Embroidery Processing

Rated capacity (meters)	8,361,571	8,115,643
Actual processing (meters)	3,011,573	5,742,497
Percentage of utilization of rated capacity	36.02%	70.76%
No. of working days	262	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.

38 PROVIDENT FUND RELATED DISCLOSURE

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

	Unaudited	
	2020 --- R u p e e s ---	2019
Size of the fund-Total assets	16,063,304	11,268,755
Cost of investment made	15,527,466	10,885,765
Percentage of investment made	97%	97%
Fair value of investment	15,527,466	10,885,765

38.1 The breakup of fair value of investment is:

	2020		2019	
	Rupees	% age	Rupees	% age
Musharaka Saving Account	15,527,466	100	10,885,765	100

38.2 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.

38.3 During the year, the Company has made contribution amounting Rs. 2,958,834 to the provident fund.

39 OPERATING SEGMENT

39.1 Reconciliation of reportable segment operational profit / (loss)

	Dyeing		Embroidery		TOTAL	
	2020	2019	2020	2019	2020	2019
Sales- net	689,072,973	752,441,585	113,655,563	178,495,394	802,728,536	930,936,979
Cost of sales	643,686,034	700,160,211	126,157,744	159,721,549	769,843,778	859,881,760
	45,386,939	52,281,374	(12,502,181)	18,773,845	32,884,758	71,055,219
Distribution cost	365,500	193,123	64,500	34,081	430,000	227,204
Administrative expenses	34,548,755	30,205,066	4,468,126	7,551,267	39,016,882	37,756,333
Other operating expenses	27,572,507	1,640,165	4,034,227	410,041	31,606,734	2,050,206
	62,486,762	32,038,355	8,566,853	7,995,388	71,053,615	40,033,743
Profit before taxation and unallocated income and expenses	(17,099,823)	20,243,019	(21,069,034)	10,778,457	(38,168,858)	31,021,476
Other income					1,760,216	3,094,661
Finance cost					6,671,380	3,470,548
Operating (loss) / profit					(43,080,022)	30,645,589

39.2 Reconciliation of reportable segment assets and liabilities

	Dyeing		Embroidery		TOTAL	
	2020	2019	2020	2019	2020	2019
Total assets for reportable segments	864,892,998	865,724,065	185,524,670	95,765,215	1,050,417,668	961,489,280
Unallocated assets:						
Long term deposits and prepayments					21,657,546	21,107,546
Long term advances					6,529,568	4449318
Loans and advances					714,928	1,221,607
Trade deposits, prepayments and other receivables					39,374,292	28,026,581
Accrued interest					10,886	6,590
Due from government					29,719,697	97,485,396
Cash and bank balances					20,228,557	11,109,138
					1,168,653,142	1,124,895,456

	Dyeing		Embroidery		TOTAL	
	2020	2019	2020	2019	2020	2019
Total liabilities for reportable segments	192,397,634	226,340,018	-	-	192,397,634	226,340,018
Unallocated liabilities:						
Deferred liabilities					2,581,331	7,405,016
Long term liabilities					19,815,750	-
Payable to provident fund					532,954	382,990
Deposits, accrued liabilities and advances					46,826,421	28,703,533
Unclaimed dividend					594,836	594,836
Accrued interest and markup					1,205,729	1,184,939
Loan from banking companies					37,946,109	36,824,625
Loan from related parties					60,350,706	50,400,706
					<u>362,251,470</u>	<u>351,836,663</u>

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

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

40 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:

	2020 Rupees	2019 Rupees
Loan received from Mr. Faisal Tauheed, Chief Executive of the company	17,500,000	4,810,000
Loan received from Mr. Kashif Tauheed, Director of the company	43,450,000	4,820,000
Loan repaid to Mr. Faisal Tauheed, Chief Executive of the company	9,000,000	12,300,000
Loan repaid to Mr. Kashif Tauheed, Director of the company	42,000,000	21,072,946

41 NUMBER OF EMPLOYEES

The detail of number of employees are as follows:

	2020 (-----N u m b e r-----)	2019
Average number of employees during the year	358	362
Number of employees as at June 30,	360	378

42 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorized for issue on October 07, 2020 by the board of directors of the company.

43 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
Loans and advances	Long term advances	4,449,318
Stock in trade	Stores, spares and loose tools	
Packing material	Packing material	1,793,261

44 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, 2020

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

2.1. Pattern of holding of the shares held by the shareholders as at **30-06-2020**

-----Shareholdings-----			
2.2 No. of Shareholders	From	To	Total Shares Held
353	1	100	12,112
146	101	500	42,533
45	501	1,000	35,009
37	1,001	5,000	75,417
2	5,001	10,000	16,680
1	10,001	15,000	10,900
1	15,001	20,000	18,549
2	40,001	45,000	81,776
1	45,001	50,000	47,012
1	100,001	105,000	104,198
1	105,001	110,000	107,500
1	230,001	235,000	233,055
3	345,001	350,000	1,050,000
1	1,475,001	1,480,000	1,479,144
1	2,060,001	2,065,000	2,061,639
1	2,300,001	2,305,000	2,304,588
2	2,495,001	2,500,000	5,000,000
1	2,870,001	2,875,000	2,873,062
600			15,553,174

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

Categories of Shareholding

required under Code of Corporate Governance (CCG)
as at June 30, 2020

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

Summary of Last Six Years Financial Results

Description	2020	2019	2018	2017	2016	2015
Turnover	802,728,536	930,936,979	857,472,765	821,570,202	709,705,001	671,950,183
Gross Profit	32,884,758	71,055,219	77,754,057	67,252,322	63,450,193	59,396,192
Operating Profit (Loss)	(36,408,642)	34,116,137	40,095,681	38,312,400	38,907,013	37,638,441
Profit/(Loss) before taxation	(43,080,022)	30,645,589	36,256,902	33,857,415	32,803,364	28,542,683
Profit/(Loss) after taxation	(46,907,121)	17,414,011	40,942,925	16,372,696	34,599,550	13,024,443
Balance Sheet						
Shareholders equity	155,531,740	15,553,174	155,531,740	155,531,740	155,531,740	155,531,740
Unappropriated profit/(loss)	89,340,841	136,247,962	118,833,951	89,555,907	73,183,211	38,561,081
Surplus on revaluation of fixed assets	561,529,091	481,279,091	481,279,091	481,279,091	481,279,091	176,329,091
Tangible fixed assets	811,341,382	728,696,962	698,302,348	715,761,336	716,605,630	387,258,041
Net Current Assets	329,124,647	375,090,948	244,700,792	262,947,912	250,254,755	170,593,735
Earning per share before tax	(2.76)	1.97	2.34	2.18	2.11	
Earning per share after tax Share break-up value	(3.02)	1.12	2.63	1.05	2.22	0.84
Significant Ratios:						
Gross Profit %	4.10	7.63	9.07	8.19	8.94	8.84
Operating profit to sales	(4.53)	3.66	4.68	4.66	5.48	5.60
Profit before tax to sales	(5.37)	3.29	4.23	4.12	4.62	4.25
Profit after tax to sales	(5.84)	1.87	4.77	1.99	4.88	1.94
Return on equity	(30.15)	11.20	26.32	10.53	22.25	8.37
Current Ratio	0.96	1.09	1.20	1.03	0.99	1.10

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

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 سعدیہ کامران	4

انسانی وسائل و ادا کیوں 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۔

ڈائریکٹروں کی لئے تربیتی پروگرام

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

ترتیب حصص داری

دستاویزات برائے ترتیب حصص داری بمطابق 30 جون 2020 مطلوبہ زیر تحت کمپنیز آرڈیننس 1984 اور کوڈ آف کارپوریٹ گورننس رپورٹ ہذا پیش کی جا رہی ہے۔

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

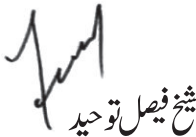
اظہار تشکر

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



شیخ کاشف توحید

ڈائریکٹر



شیخ فیصل توحید

چیئر ایگزیکٹو

اکتوبر 07، 2020

رکھتی ہے۔۔ میڈیکل کی سہولت اور فرسٹ ایڈ کی سہولت و مرکز کو مہیا کی جاتی ہے۔ وکرز کی عبادت کیلئے مسجد بنائی گئی ہے۔ وکرز کیلئے کھیلوں کی سہولت میسر ہے۔

کارپوریٹ معاشرتی ذمہ داری

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

آڈیٹرز

موجودہ آڈیٹرز میسرز امین مدثر اینڈ 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 مالی سال 2021 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 پاسدار کے سلسلے میں ڈائریکٹرز کی انتہائی مسرت کے ساتھ اس بات کا اعلان کرتے ہیں کہ:

- کمپنی کی جانب سے تیار کردہ مالیاتی دستاویزات صحیح انداز سے کمپنی کے معاملات، کاروباری نتائج، نقد قوائم کی ترسیل اور سرمایہ پر مبنی حصص میں کی نمائندگی کرتی ہیں۔
- کمپنی کی جانب سے تمام کھاتوں کو باقاعدہ محفوظ کیا جاتا ہے۔
- مالیاتی دستاویزات کی تیاری میں مستقل بنیادوں پر اکاؤنٹنگ کی مناسب پالیسیوں پر عمل کیا جا رہا ہے اور تمام محاسبی تخمینے قرین قیاس ہیں۔
- پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کرتے ہوئے مالیاتی دستاویزات تیار کی گئی ہیں۔
- کمپنی کے اندرونی کنٹرول سسٹم کو جامع اور مؤثر انداز سے نافذ کیا گیا ہے۔ اور اسکی مستقل بنیادوں پر نگرانی اور اصلاح کی جاتی ہے۔ اندرونی کنٹرول کے نظام کو مزید مضبوط اور مؤثر بنانے کی غرض سے اسکی مستقل مانیٹرنگ کی جاتی رہے گی۔
- اس سلسلے میں کسی بھی قسم کے شک کی کوئی گنجائش موجود نہیں ہے کہ کمپنی اپنی کاروباری سرگرمیوں کو پیچھے کی بنیاد پر آئندہ بھی جاری رکھے گی۔
- کمپنی کے کاروبار اور مالیاتی افعال سے متعلق گزشتہ چھ برسوں کی اہم ترین معلومات کو رپورٹ ہذا میں پیش کیا گیا ہے۔
- کارپوریٹ گورننس کی بہترین روایات جن کی تفصیلات لسٹنگ قواعد میں درج ذیل ہیں کسی بھی قسم کو قابل ذکر و گردانی نہیں کی گئی۔
- کمپنی نے اپنے ورکروں کو براؤڈ کاسٹ فنڈ کالاجرا کیا ہے۔ ماہانہ کٹری بیوٹن دونوں مالکان اور ملازمین فنڈ میں ڈالنے ہیں۔ کمپنی کا کٹری بیوٹن اس کے نفع نقصان اکاؤنٹ کو چارج کر دیا جاتا ہے۔ جمع شدہ فنڈ - 16,063304/ بنک میں انوسٹ کیا ہے۔
- کمپنی کے ذمے ٹیکسوں، ڈیوٹیوں، 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 آڈیٹرز کے اجلاس

بورڈ کی جانب سے دوران سال 10 اجلاس منعقد کئے گئے، ان اجلاسوں میں متعلقہ ڈائریکٹروں کی حاضری ذیل میں پیش کی جا رہی ہے:

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

ڈائریکٹرز کی جائزہ رپورٹ

ہم انتہائی مسرت کے ساتھ آپ کی کمپنی کی 70 ویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات اور آڈیٹروں کی رپورٹ بابت 30 جون 2020 آپ کی خدمت میں پیش کر رہے ہیں۔ مالیاتی کارکردگی

2019	2020	آپریٹنگ نتائج
----- روپے -----		
71,055,219	32,884,758	کل منافع
40,033,743	71,053,616	فروخت، ترسیل اور انتظامی اخراجات
30,645,589	(43,080,022)	نقصان / منافع قبل از ٹیکس
13,231,578	3,827,099	ٹیکس
17,414,011	(46,907,121)	نقصان / منافع بعد از ٹیکس
1.12	(3.02)	نقصان / منافع فی حصص

کمپنی کی سالانہ سیل -/802,728,536 ہے جو پچھلے سال کی سیل 930,936,797 سے 14% کم ہے گورنمنٹ آف پنجاب کے کرونا وائرس کے خطرے کے باعث لاک ڈاؤن اور سپریم کورٹ آف پاکستان نے GIDC کا کس حکومت پاکستان کے حق میں فیصلے کی وجہ سے ہمیں آپریٹنگ اخراجات میں -28,493,012 روپے بڑھے ان وجوہات کی وجہ سے ہمیں اس سال نقصان اٹھانا پڑا۔

مستقبل کے چیلنجز

امید ہے کہ مستقبل میں کرونا کی وبا ختم ہو جائے گی۔ مینجمنٹ اپنی پوری محنت کر رہی ہے۔ تاکہ وہ مطلوبہ آمدنی حاصل کر سکے تاکہ شیئرز ہولڈرز کو فائدہ ہو۔ ہمیں پورا یقین ہے کہ کمپنی کا مستقبل روشن ہے اور متوقع ہے کہ کپڑے کی پروسیسنگ اور ایمبر انڈری 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۔

ڈیوڈنڈ

ڈائریکٹرز نے مالی سال 30 جون 2020 کو ڈیوڈنڈ نہ دینے کی سفارش کی ہے۔

قومی خزانے میں کنٹری بیوشن

آپ کی کمپنی نے ذمہ داری محسوس کرتے ہوئے قومی خزانے میں سیل ٹیکس، آکم ٹیکس، کسٹم ڈیوٹی کی مد میں 32.500 ملین ادا کیے ہیں جبکہ پچھلے سال 23.28 ملین جمع کروائے تھے۔

انسانی وسائل کی مینجمنٹ اور ملازمین کے ساتھ رشتہ

انتظامیہ کا پختہ یقین ہے کہ ہمارے ملازمین ہمارا سب سے قیمتی اور ضروری اثنا ہیں۔ ملازمین کو برقرار رکھنے کی کمپنی کی پالیسی سب سے بہترین اور بنی نظیر ہے۔ اپنے قائدانہ مقام کو برقرار رکھنے کے لیے ہم ہر سطح پر سب سے بلند صلاحیت کی حوصلہ افزائی اور لوگوں کے لیے کمپنی کو سب سے پسندیدہ منزل کی خواہش بنانے کے لیے کوشاں ہیں۔ کمپنی اپنے موجودہ ملازمین کی کارکردگی اور حوصلہ افزائی کے ذریعے ترقی کے لیے کوشاں ہے۔ ہمارا انسانی وسائل کا شعبہ باصلاحیت ملازمین کی نشاندہی کے لیے مختلف ذرائع استعمال کرتا ہے اور ان کے مزید نکھار کے لیے مختلف تربیتی فراہم کرتا ہے۔ انتظامیہ اپنے اعلیٰ صلاحیت کے پروفیشنل کی پرجوش جماعت کے ساتھ پراعتماد 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۔ میڈیکل کی سہولت اور فرسٹ ایڈ کی سہولت ورکرز کو مہیا کی جاتی ہے۔ ورکرز کی عبادت کیلئے مسجد بنائی گئی ہے۔ ورکرز کیلئے کھیلوں کی سہولت میسر ہے۔

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 ریسی ڈی سی فولیو کا آئی ڈی نمبر

اور ذیلی اکاؤنٹ نمبر،

یا

کو کمپنی کے 70 واں سالانہ عام اجلاس جو بدھ، 28 اکتوبر 2020 کو سہ پہر 4 بجے ایوانِ نورا پونٹ کمپلیکس، 10 سوک سنٹر، جوہر ٹاؤن، ایل ڈی اے آفس، لاہور میں منعقد ہوگا، میں میرے / ہمارے لئے اور میری / ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں / کرتے ہیں۔

گواہ: 2

گواہ: 1

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم / نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریپوینٹنگ 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 70th Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited will be held at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore on Wednesday 28th day of October 2020 at 4.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2020

Signature on
Revenue Stamp
of Correct Value

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

Date: _____

NOTE:









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









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ANNUAL Report 2020



The National Silk & Rayon Mills Ltd.

Manufacturer & Exporter of Quality Textile Products

Jaranwala Road, Faisalabad-Pakistan
Tel: 0092 41 8721760-61, Fax: 0092 41 8712216
Email: info@nationalsilk.com - www.nationalsilk.com