

**FIRST QUARTER
FINANCIAL STATEMENTS**

2024-25



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

Manufacturer & Exporter of Quality Textile Products

Company Information

Board of Directors

Sh. Faisal Tauheed	(Executive Director)
Sh. Kashif Tauheed	(Executive Director)
Mrs. Samira Faisal	Non Executive Director
Mrs. Tahira Kashif	Non Executive Director/Chairperson
Sh Mustafa Faisal Tauheed	Non Executive Director
Mr. Imran Ali Safdar	Independent Director
Mr. Shehzad Ehsan	Independent Director

Board Audit Committee

Mr. Shahzad Ehsan	(Chairman)
Sh Mustafa Faisal Tauheed	
Mrs. Tahira Kashif	

Board Human Resource and Remuneration Committee

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

Management Team

Sh. Faisal Tauheed Puri	(Chief Executive)
Qaisar Ali Faheem	(Chief Financial Officer)
Imran Zafar	(Company Secretary)
Hafiz Sultan Nasir	(Internal Auditor)

Auditors

Riaz Ahmad and Company
Chartered Accountants

Bankers

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

Registered Office

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

Factory

Dhuddiwala, Jaranwala Road, Faisalabad.

Share Registrar

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

Legal Advisor

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

Directors' Report

The Board Directors of your company are pleased to present Financial Statement of the company for the quarter ended September 30, 2024.

The financial performance of your Company during the first quarter ended on September 30, 2024 is as follow:

Operating Results	Quarter ended September 30	
	2024	2023
RUPEES		
Gross profit	32,469,876	23,829,719
Selling, administrative and operating expenses	16,310,156	14,317,739
Profit before taxation	16,637,042	9,708,388
Taxation	5,881,385	3,758,466
Profit after taxation	10,755,657	5,949,922
Earning per share	0.69	0.38

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

The company recorded sale of Rs.600,848,926/- in its first quarter as compared to Rs. 416,973,413/- during the first quarter of the last year showing increase in sale 44%.

Future Outlook and Challenges:

Pakistan's economy is experiencing stabilization due to the signing of a new Long Term EFF with the IMF. Inflation and interest rates are decreasing, and other macro indicators are now improving. 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 is expected to increase further in the years to come. We are also working internally to become more efficient by becoming more cost effective, focusing on energy conservation and expenditure reduction techniques.

Appreciation

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

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

On behalf of the Board



Sh. Faisal Tauheed Puri
Chief Executive

LAHORE:
October 30, 2024



Sh. Kashif Tauheed
Director

The National Silk & Rayon Mills Ltd.



The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

[Signature]

CHIEF FINANCIAL OFFICER

Condensed Interim Profit or Loss Account (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		QUARTER ENDED	
		September 30, 2024	September 30, 2023
Note		Rupees	
Revenue from Contracts with Customers	10	600,848,926	416,973,413
Cost against Services Provided		568,379,050	393,143,694
Gross profit		32,469,876	23,829,719
Distribution costs		639,084	377,550
Administrative expenses		15,456,437	13,781,564
Other expenses		214,635	158,625
		16,310,156	14,317,739
		16,159,720	9,511,980
Other income	11	1,048,096	230,684
		17,207,816	9,742,664
Finance costs		570,774	34,276
Profit before Levy & Taxation		16,637,042	9,708,388
Levy		194,407	23,937
Profit before Taxation		16,442,635	9,684,451
Taxation:			
Current		5,820,091	4,145,797
Deferred	6.1	(133,113)	(411,268)
		5,686,978	3,734,529
Profit for the period		10,755,657	5,949,922
Earnings per share- Basic and Diluted		0.69	0.38

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Comprehensive Income (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

THREE MONTH ENDED	
September 30, 2024	September 30, 2023
Rupees	
10,755,657	5,949,922
-	-
10,755,657	5,949,922

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Condensed Interim Cash Flow Statement (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

		THREE MONTH ENDED	
		September 30, 2024	September 30, 2023
	Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Generated from Operations	A	89,396,182	14,401,063
Taxes Paid		(7,470,708)	(7,074,201)
Finance cost paid		(372,783)	(374,658)
Long term deposits and prepayments		-	-
Gratuity paid		-	-
Net cash used in operating activities		81,552,692	6,952,204
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(23,729,460)	-
Sale proceeds from fixed assets		-	-
Net cash used in investing activities		(23,729,460)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		(50,075,189)	(31,071,080)
Net cash (used in) / generated from financing activities		(50,075,189)	(31,071,080)
Net increase in cash and cash equivalents		7,748,043	(24,118,875)
Cash and Cash Equivalents at the Beginning of the Period		32,256,762	94,400,337
Cash and Cash Equivalents at the End of the Period	B	40,004,805	70,281,462

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Cash Flow Statement (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

THREE MONTH ENDED	
September 30, 2024	September 30, 2023
Rupees	
16,637,042	9,708,388
7,154,903	7,120,209
-	-
570,774	34,276
7,725,677	7,154,485
24,362,718	16,862,873
6,968,335	(14,573,016)
38,139,985	(15,365,752)
1,693,236	951,541
446,236	(78,694)
36,999,917	(1,000,000)
(310,420)	37,415
(18,903,825)	27,566,696
65,033,464	(2,461,810)
89,396,182	14,401,063
40,004,805	70,281,461
40,004,805	70,281,461

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	SHARE CAPITAL	REVENUE RESERVE UNAPPROPRIA TED PROFIT	SUB TOTAL	CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND	TOTAL
	-----R u p e e s-----				
Balance as at June 30, 2023- Audited	155,531,740	125,746,948	281,278,688	1,123,279,091	1,404,557,779
Profit for the three months ended September 30, 2023	-	5,949,922	5,949,922	-	5,949,922
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	5,949,922	5,949,922	-	5,949,922
Balance as at September 30, 2023- Un-audited	<u>155,531,740</u>	<u>131,696,870</u>	<u>287,228,610</u>	<u>1,123,279,091</u>	<u>1,410,507,701</u>
Balance as at June 30, 2024- Audited	155,531,740	192,050,483	347,582,223	1,123,279,091	1,470,861,314
Profit for the three months ended September 30, 2024	-	10,755,657	10,755,657	-	10,755,657
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income	-	10,755,657	10,755,657	-	10,755,657
Balance as at September 30, 2024- Un-audited	<u>155,531,740</u>	<u>202,806,140</u>	<u>358,337,880</u>	<u>1,123,279,091</u>	<u>1,481,616,971</u>

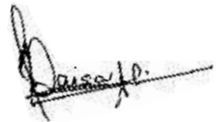
The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Notes to the Condensed Interim Financial Information (un-audited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1 THE COMPANY AND NATURE OF ITS BUSINESS

The Company is a Public Limited Company, incorporated in Pakistan on June 27, 1950 under the Companies Act, 1913 (Now Companies Act, 2017). The Company is quoted on Pakistan Stock Exchange Limited. 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 at Dhuddiwala, Jaranwala Road, Faisalabad in the province of Punjab. The principal activity of the company is dyeing, bleaching, finishing and embroidery of fabrics.

2 BASIS OF PREPARATION

2.1 Statement Of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2024.

2.3 Critical Accounting Estimates And Judgments

Judgments and estimates made by the management in the preparation of the condensed interim financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the financial statements for the year ended June 30, 2024 except those stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Standards and amendments to published accounting and reporting standards which were effective during the three months ended September 30, 2024

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There is a new standard an interpretation and certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2024. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

	Note	September 30, 2024 Rupees (Un-audited)	June 30, 2024 Rupees (Audited)
4 AUTHORIZED SHARE CAPITAL			
20,000,000 (June 30, 2024: 20,000,000) A - Class Ordinary shares of Rs. 10 each		200,000,000	200,000,000
400,000 (June 30, 2024: 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>
5 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Issued for Cash			
15,051,267 (June 30, 2024: 15,051,267) A - Class Ordinary Shares of Rs.10 each		150,512,670	150,512,670
320,100 (June 30, 2024: 320,100) B - Class Ordinary Shares of Rs.10 each		3,201,000	3,201,000
		<u>153,713,670</u>	<u>153,713,670</u>
Issued as Bonus Shares			
181,807 (June 30, 2024: 181,807) Ordinary Shares of Rs.10 each		1,818,070	1,818,070
		<u>155,531,740</u>	<u>155,531,740</u>

		September 30, 2024 Rupees (Un-audited)	June 30, 2024 Rupees (Audited)
6 DEFERRED LIABILITIES	Note		
Deferred taxation	6.1	23,817,535	23,950,648
6.1 Deferred Taxation			
This is composed of the following:			
Deferred tax liability on taxable temporary differences arising in respect of:			
Accelerated tax depreciation		30,868,807	31,522,863
		30,868,807	31,522,863
Deferred tax asset on deductible temporary differences arising in respect of:			
Gratuity payable - ceased		(62,851)	(62,851)
Provision for doubtful receivables		(1,856,321)	(2,205,371)
Minimum tax available for carry forward		(5,132,100)	(5,303,993)
		(7,051,272)	(7,572,215)
		23,817,535	23,950,648
Balance as at July 01,		23,950,648	21,067,374
Add: Reversal for the period/ year to			
Statement of profit or loss		(133,113)	2,883,274
Statement of comprehensive income		-	-
		23,817,535	23,950,648
7 SHORT TERM BORROWINGS			
Secured			
Cash finance	7.1	7,730,049	47,693,900
Letter of Credits Payable		50,123,626	56,734,964
		57,853,675	104,428,864
Others - unsecured			
From other related parties	7.2	12,556,688	16,056,688
		70,410,363	120,485,552
7.1 There is no major change in the terms and conditions of the loan from banking companies as disclosed in the annual audited financial statements of the company as at and for the year ended June 30, 2024.			
7.2 From other related parties			
This represents loan received from following related parties:			
Mr. Sheikh Kashif Tauheed (Director)		12,556,688	16,056,688
		12,556,688	16,056,688
8 CONTINGENCIES AND COMMITMENTS			
8.1 Contingencies			
- There is no change in status of contingencies as disclosed in note 14 to the audited annual financial statements of the Company for the year ended June 30, 2024.			
8.2 Commitments			
- Commitments in respect of letters of credit for capital expenditures were amounting Rs. 24.40 million (June 30, 2024: Rs. 52.271 million).			
- Commitments in respect of letters of credit other than for capital expenditures were amounting Rs. 24.68 million (June 30, 2024: Rs.28.152million).			
		September 30, 2024 Rupees (Un-audited)	June 30, 2024 Rupees (Audited)
9 PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	9.1	1,355,134,667	1,361,937,318
Capital work in progress	9.2	27,875,690	4,146,230
		1,383,010,357	1,366,083,548
9.1 OPERATING FIXED ASSETS			
Opening book value		1,361,937,318	1,366,046,875
Add: Additions during the period / year-cost		-	24,234,517
Less: Disposal during the period / year-book value		-	-
		1,361,937,318	1,390,281,392
Less: Depreciation charged for the period / year		(6,802,651)	(28,344,074)
		1,355,134,667	1,361,937,318
9.2 CAPITAL WORK IN PROGRESS			
Plant & Machinery		27,875,690	4,146,230
		27,875,690	4,146,230

10 SALES

QUARTER ENDED	
September 30, 2024	September 30, 2023
-----Rupees-----	
Processing receipts	492,022,019
Less: Sales tax	(75,048,606)
600,848,926	416,973,413

11 OTHER INCOME

Income from financial assets

Profit on bank deposits/Short Term Investments	694,351	65,299
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Income from non financial assets

Gain on disposal of fixed assets	-	-
Sale of scrap	431,396	201,770
Less: Sales tax	(77,651)	(36,385)
353,745	165,385	
Profit on sale of vehicles	-	-

1,048,096	230,684
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12 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties have been disclosed in the relevant notes to the financial statements, except that:

Loan received from Director- Mr. Sheikh Kashif Tauheed	(3,500,000)	17,928,688
Remuneration to Chief Executive- Mr. Faisal Tauheed	1,500,000	1,500,000
Remuneration to Director- Mr. Sheikh Kashif Tauheed	1,500,000	1,500,000

13 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

14 DATE OF AUTHORISATION

The condensed interim financial statements were authorised for issued on October 30, 2024 by the Board of Directors of the Company .

15 FIGURES

Figures in these condensed interim financial statements have been rounded off to the nearest of rupee.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

ڈائریکٹرز کی جائزہ رپورٹ

آپ کی کمپنی کے بورڈ ڈائریکٹرز 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کا مالی بیان پیش کرنے پر خوش ہیں۔
30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے دوران آپ کی کمپنی کی مالی کارکردگی درج ذیل ہے:

آپریٹنگ نتائج

30 ستمبر کو ختم ہونے والی سہ ماہی

2023	2024	مالیاتی کارکردگی
RUPEES		
23,829,719	32,469,876	خالص نفع
14,317,739	16,310,156	فروخت، انتظامی اور آپریٹنگ اخراجات
9,708,388	16,637,042	منافع قبل از ٹیکس
3,758,466	5,881,385	ٹیکسیشن
5,949,922	10,755,657	منافع (نقصان) بعد از ٹیکس
0.38	0.69	فی آمدنی حصص

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

کمپنی نے اپنی پہلی سہ ماہی میں /- Rs.600,848,926 کی فروخت ریکارڈ کی جبکہ گزشتہ سال کی پہلی سہ ماہی کے دوران /- Rs.416,973,413 فروخت میں 44 فیصد اضافہ ظاہر کیا گیا۔

مستقبل کا آؤٹ لک اور چیلنجز:

آئی ایم ایف کے ساتھ نئے لانگ ٹرم ای ایف ایف پر دستخط کی وجہ سے پاکستان کی معیشت استحکام کا سامنا کر رہی ہے۔ افراط زر اور شرح سود کم ہو رہی ہے، اور دیگر میکرو انڈیکس زاب بہتر ہو رہے ہیں۔ کمپنی کی انتظامیہ لاگت کی سطح کو بہتر بنانے اور حصص یافتگان کو زیادہ سے زیادہ فائدہ پہنچانے کے لیے کمپنی کے تمام حصصوں میں آمدنی پیدا کرنے کی نئی راہیں تلاش کرنے کے لیے سخت محنت کر رہی ہے۔ تاہم، ہمیں آپ کی کمپنی کے مستقبل کے امکانات کے بارے میں یقین ہے کیونکہ آنے والے سالوں میں کپڑوں کی پروسیسنگ کی مانگ میں مزید اضافہ متوقع ہے۔ ہم توانائی کے تحفظ اور اخراجات میں کمی کی تکنیکوں پر توجہ مرکوز کرتے ہوئے زیادہ لاگت سے موثر بننے کے لیے اندرونی طور پر بھی کام کر رہے ہیں۔

تعریف

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

ہم اپنے سپلائرز، شیئرز، ہولڈرز، بینکرز اور مالیاتی اداروں سے ملنے والی حوصلہ افزائی اور حمایت کے لیے بھی شکریہ ادا کرتے ہیں۔

شیخ فیصل توحید

چیف ایگزیکٹو

شیخ کاشف توحید

ڈائریکٹر

لاہور:

30 اکتوبر 2024



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