

ANNUAL REPORT 2023



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

Manufacturer & Exporter of Quality Textile Products

Table of Contents

Mission Statement	02
Company Information	03
Notice of Meeting	04
Chairpersons' Review Report	06
Directors' Report	07
Statement of Compliance with the Code of Corporate Governance	11
Review Report to the Members	13
Auditors' Report to the members	14
Statement of Financial Position	17
Statement of Profit & Loss	18
Statement of Comprehensive Income	19
Statement of Cash Flow	20
Statement of Changes in Equity	21
Notes to the Financial Statements	22
Pattern of Share Holding	45
Summary of Last Six Years Financial Results	47
Director's Report Urdu	50
Proxy Form	



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 Sh Mustafa Faisal Tauheed Mr. Muhammad Arif Mr. Shehzad Ehsan	(Executive Director) -do- Non Executive Director Non Executive Director/Chairman Non Executive Director Independent Director Independent Director
Board Audit Committee	Mr. Shahzad Ehsan Sh Mustafa Faisal Tauheed Mrs. Tahira Kashif	(Chairman)
Board Human Resource and Remuneration Committee	Mr. Shehzad Ehsan Mrs. Samira Faisal Mrs. Tahira Kashif	(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	Riaz Ahmad and Company Chartered Accountants	
Bankers	National Bank of Pakistan The Bank of Punjab Bank Alfalah Limited Habib Metropolitan Bank Limited Askari Bank Limited Bank Al-Habib Limited MCB Limited Meezan Bank Limited	
Registered Office	House No. 8/3, Aziz Avenue, Canal Road, Gulberg V, Lahore.	
Factory	Dhuddiwala, Jaranwala Road, Faisalabad.	
Share Registrar	Corplink (pvt.) Ltd. Share Registrar & Corporate Consultants Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel: 035916714, 35916719, 035839182 Fax: 92-42-35869037	
Legal Advisor	Sahibzada Muhammad Arif Advocate High Court, Chamber No.52, District Courts, Faisalabad.	

Notice of 73rd Annual General Meeting

Notice is hereby given that the 73rd Annual General Meeting of the Shareholders of The National Silk & Rayon Mills Limited (the "Company") will be held on Saturday, 28th of October 2023 at 3.00 p.m. at Ewan-e-Noor Event Complex, 10-Civic Centre, Johar Town, LDA Office, Lahore 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, 2023 together with Chairman's Review Report, Directors' Report and Auditors' Report thereon.
2. To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors, M/s. Riaz Ahmad and Company, Chartered Accountants, who, being eligible, have offered themselves for re-appointment.

Place: Lahore
Dated: October 06, 2023

(IMRANZAFAR)
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 22, 2023 to October 28, 2023 (both days inclusive).
2. 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 7 days 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, 2023 shall be uploaded on Company's website on or before October 06, 2023.
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.

Chairpersons' Review Report

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

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

For the financial year ended June 30, 2023, the Board's overall performance and effectiveness has been assessed as satisfactory. Improvement is an ongoing process leading to action plans. The overall assessment as satisfactory is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

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

Future Outlook

Pakistan's economy is facing various challenges with PKR devaluation, political uncertainty, elevated inflation and slowdown of economic growth. In line with above, the textile sector in Pakistan is facing numerous challenges, including reduced global demand, high inflation, a costly business environment, reduced cotton yields, expensive imports, inadequate raw materials, currency fluctuations, and high government taxation. The recent resumption of the IMF program has boosted prospects and guaranteed that external financing needs will be met. This, together with expected private and official inflows should continue to keep Pakistan's external position relatively stable. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability, and advancing structural reforms while maintaining social cohesion. Company believes that the fundamental attributes of business operations – sustainability and leadership – have attained more relevance than ever before. This was achieved on the back of the Company's ability to deliver efficient and accessible mobility solutions to the present and future generations

Acknowledgment

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

LAHORE: October 06, 2023



Tahira Kashif
Chairperson

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 2023.

Operating Results:	2023	2022
	-----R u p e e s-----	
Gross profit	53,487,008	111,683,928
Selling, administrative and operating expenses	56,952,718	51,066,035
(Loss)/Profit for the year before taxation	(3,633,273)	52,867,484
Taxation	(19,299,463)	(38,616,014)
(Loss)/Profit after taxation	(22,932,736)	14,251,470
(Loss)/Earning per share	(1.47)	0.92

Performance Scorecard

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

The company's net turnover during the period under review remained Rs. 1,758,081,798/- (2022: 1,302,943,379) showing increase of 35%, although during the period input costs remained high as the rupee weakened further against the US Dollar, Import restrictions along with rise in Interest rates, energy and commodity prices.

Dividend:

The Board of Director's have not recommended dividend for the year ended June 30, 2023 keeping in view liquidity position of the company and high interest rate scenario.

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.348.15 million to National Exchequer in form of income tax, sales tax, custom duties and excise as compare to Rs.220.30 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. Riaz Ahmad 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, 2024.

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.15.31 and rose as high as Rs.25.98 and close at Rs.16.02 as on June 30, 2023.

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, 2023 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.26,961,810/-
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 4 times during the year and attendance of the respective Directors was as under:

Directors	No. of meetings attended
Sh. Faisal Tauheed	4
Sh. Kashif Tauheed	4
Mrs. Samira Faisal	4
Mrs. Tahira Kashif	4
Mr. Shahzad Ihsan	4
Sh. Mustafa Faisal Tauheed	4
Mr. Muhammad Arif	4

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. Shahzad Ehsan	4
Sh. Mustafa Faisal Tauheed	4
Mrs. Tahira Kashif	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 5 male and 2 female directors with following composition:

Independent director	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. Riaz Ahmad and Company, Chartered Accountants. Auditors have issued clean audit report on financial statements for the year ended 30 June 2023 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 06, 2023



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, 2023

The National Silk and Rayon Mills Limited (the company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (the “Regulations”) in the following manner:

1. The total number of directors are Seven (7) as per the following:

- a. Male: Five
- b. Female: Two

2. The composition of Board is as follows:

Independent Director	Mr. Shahzad Ehsan
Non-executive directors	Sh. Mustafa Faisal Tauheed
	Mr. Muhammad Arif
	Mrs. Samira Faisal
	Mrs. Tahira Kashif
Executive Directors	Sh. Faisal Tauheed
	Sh. Kashif Tauheed

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has already arranged Director's Training program for the following:

Name Mr. Faisal Tauheed	Category Executive Director
Name Mr. Kashif Tauheed	Category Executive Director
Mrs. Samaira Tauheed	Non-Executive Director
Mrs. Tahira Kashif	Non-Executive Director
Mr. Shahzad Ehsan	Independent Director

10. The Board has approved appointment of 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. 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:

a) Audit Committee

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

b) HR and Remuneration Committee

Mr. Shahzad Ehsan
Mrs. Tahira Kashif
Mrs. Samira Faisal

(Chairman)
(Member)
(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:

- a) Audit Committee: Four meetings during the financial year ended June 30, 2023.
b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2023.

15. The board has set up an effective internal audit function which comprises the persons who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the 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 the 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, these 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 other requirements of the Regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with, except for the requirements of regulation 6, against which compliance will be made in due course;

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation for Non-compliance	Reg. No.
1	Nomination Committee: The Board may constitute a separate committee, designated as the Nomination Committee (NC) of such number and class of directors, as it may deem appropriate in its circumstances.	Currently the Board has not constituted a separate NC and the functions are being performed by the HR committee.	29(1)
2	Risk Management Committee: The Board may constitute the Risk Management Committee (RMC), of such number and class of directors, as it may deem appropriate in its circumstances, to carry out review of effectiveness of risk management procedures and present a report to the Board.	Currently the Board has not constituted the RMC and the Company's Risk Manager performs the requisite functions and apprises the Board accordingly.	30(1)
3	Directors' training and training of head of department It is encouraged that by 30 June 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. Companies are also encouraged to arrange training for; at least one head of department every year under the Directors' Training program from July 2022.	The Non-Executive Director Sheikh Mustafa Faisal Tauheed and the Independent director Mr. Muhammad Arif did not attend the directors' training program due to tight schedule. However, company is arranging directors' training program as early as possible. The company will arrange the training program of one head of department under the Directors' Training program in the next financial year.	19(1)(III) 19(3)(II)
4	Disclosure of significant policies on website The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's committees on its website and key elements of the directors' remuneration policy.	The Company will upload the required policies and terms of references to comply these requirements soon.	35

For and on behalf of the Board of Directors

Lahore: October 06, 2023

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, 2023 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, 2023.

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

Sr. No.	Paragraph reference	Description
---------	---------------------	-------------

- | | | |
|-----|----|---|
| (i) | 18 | There is one independent director on the Board of Directors of the Company. We have been explained that the Board is deliberating on this matter. |
|-----|----|---|

Faisalabad: October 06, 2023
UDIN: CR202310184MQbaWVYXo



RIAZ AHMAD & COMPANY
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 30 June 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of the loss, 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 Matters

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</p> <p>The Company recognized revenue of Rupees 1,758.082 million for the year ended 30 June 2023.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>For further information on revenue recognition, refer to the following:</p> <ul style="list-style-type: none"> - Summary of significant accounting policies, Revenue from contracts with customers (Note 2.18 to the financial statements). - Revenue from contracts with customers (Note 18 to the financial statements). 	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue. • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents. • We compared a sample of revenue transactions recorded around the yearend with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. • We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'. • We also considered the appropriateness of disclosures in the financial statements.

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

Management is responsible for the other information. The other information comprises 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 Liaqat Ali Panwar.

Faisalabad: October 06, 2023
UDIN Number: AR2023101848pc5QINfk



RIAZ AHMAD & COMPANY
Chartered Accountants

Statement of Profit or Loss

FOR THE YEAR ENDED JUNE 30, 2023

		RUPEES	RUPEES
REVENUE FROM CONTRACTS WITH CUSTOMERS	18	1,758,081,798	1,302,943,379
COST AGAINST SERVICES PROVIDED	19	(1,704,594,790)	(1,191,259,451)
GROSS PROFIT		53,487,008	111,683,928
DISTRIBUTION COST	20	(1,344,455)	(2,328,020)
ADMINISTRATIVE EXPENSES	21	(50,605,163)	(43,362,478)
OTHER EXPENSES	22	(5,003,100)	(5,375,537)
		(56,952,718)	(51,066,035)
		(3,465,710)	60,617,893
OTHER INCOME	23	8,619,550	5,023,992
PROFIT FROM OPERATIONS		5,153,840	65,641,885
FINANCE COST	24	(8,787,113)	(12,774,401)
(LOSS) / PROFIT BEFORE TAXATION		(3,633,273)	52,867,484
TAXATION	25	(19,299,463)	(38,616,014)
(LOSS) / PROFIT AFTER TAXATION		(22,932,736)	14,251,470
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED (RUPEES)	26	(1.47)	0.92

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

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER

Statement of Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2023

	2023 RUPEES	2022 RUPEES
(LOSS) / PROFIT AFTER TAXATION	(22,932,736)	14,251,470
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified subsequently to profit or loss		
Surplus on revaluation of freehold land	561,750,000	-
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	561,750,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	538,817,264	14,251,470

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



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Statement of Cash Flow

FOR THE YEAR ENDED JUNE 30, 2023

	NOTE	2023 RUPEES	2022 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	247,237,381	67,425,628
Finance cost paid		(9,980,740)	(13,095,632)
Income tax paid		(40,691,881)	(26,950,761)
Net increase in long term deposits		-	(3,261,000)
Workers' profit participation fund paid		(2,867,038)	(3,249,000)
Net cash generated from operating activities		193,697,722	20,869,235
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(17,367,576)	(20,218,865)
Proceeds from disposal of property, plant and equipment		11,300,000	4,625,000
Profit received on saving account / term deposit receipt		281,714	101,373
Net cash used in investing activities		(5,785,862)	(15,492,492)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		(104,484,816)	(3,363,820)
Net cash used in financing activities		(104,484,816)	(3,363,820)
NET INCREASE IN CASH AND CASH EQUIVALENTS		83,427,044	2,012,923
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10,973,293	8,960,370
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 17)		94,400,337	10,973,293

The annexed notes 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, 2023

ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	RESERVES			TOTAL EQUITY
	CAPITAL	REVENUE	Total	
	Surplus on revaluation of freehold land	Unappropriated profit		

----- RUPEES -----

Balance as at 01 July 2021	155,531,740	561,529,091	134,428,214	695,957,305	851,489,045
Profit for the year	-	-	14,251,470	14,251,470	14,251,470
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	14,251,470	14,251,470	14,251,470
Balance as at 30 June 2022	155,531,740	561,529,091	148,679,684	710,208,775	865,740,515
Loss for the year	-	-	(22,932,736)	(22,932,736)	(22,932,736)
Other comprehensive income for the year	-	561,750,000	-	561,750,000	561,750,000
Total comprehensive income for the year	-	561,750,000	(22,932,736)	538,817,264	538,817,264
Balance as at 30 June 2023	155,531,740	1,123,279,091	125,746,948	1,249,026,039	1,404,557,779

The annexed notes 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, 2023

1. THE COMPANY AND ITS OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) 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 (IFRSs) 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 IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

b) Accounting convention

These financial statements have been prepared under the historical cost convention, except as otherwise stated in respective accounting policies.

c) Critical accounting estimates and judgements

The preparation of financial statements in conformity with the approved accounting and reporting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, results of which form the basis of making judgements about the carrying values of assets and liabilities that are apparent from other sources. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

The estimate for revalued amount of freehold land is based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendation also includes estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets including intangible asset for possible impairment on an annual basis. If such indication exists, asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment along with intangible asset with a corresponding effect on the depreciation / amortization charge and impairment.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Inventories

Inventory write-down is made based on current market conditions and historical experiences. It could change significantly as a result of change in market conditions.

Income tax

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past.

Revenue from contracts with customers

When recognizing revenue in relation to the services of processing / embroidery to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer after the services provided, as this is deemed to be the time that the customer obtains control of the promised goods after the required services and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgment. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on the judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the reporting date.

d) Amendments to published approved accounting standards that is effective in current year and are relevant to the Company

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'.
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments, relevant to the Company.

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognized in prior period and are not expected to significantly affect the current or future periods.

e) Amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2022 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 July 2023 or later periods:

Classification of liabilities as current or non-current (Amendments to IAS 1 'Presentation of Financial Statements') effective for the annual period beginning on or after 01 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 01 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 01 January 2024.

On 25 May 2023, the IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 01 January 2024.

The above amendments and improvements are likely to have no significant impact on the financial statements.

g) Standards and amendments to approved published accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 July 2023 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Employees retirement benefit

The Company operates an employees' provident fund for all its permanent employees effective from 01 July 2016 by replacing unfunded gratuity scheme which was ceased earlier. Equal monthly contributions are made to the fund both by the Company and the employees at the rate of 8.33% percent of the basic salary. The Company's contributions to the Fund are charged to the statement of profit or loss.

2.3 Provisions

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

2.4 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividend is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.5 Taxation

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.6 Property, plant and equipment

a) Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Cost of operating fixed assets consists of historical cost and other directly attributable cost, of bringing the assets to working condition.

Increases in the carrying amounts arising on revaluation of freehold land are recognized in other comprehensive income and accumulated in revaluation surplus in shareholders' equity. To the extent that increase reverses a decrease previously recognized in the statement of profit or loss, the increase is first recognized in the statement of profit or loss. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to the statement of profit or loss.

Valuations are performed frequently enough to ensure that the fair value of the revalued asset does not differ materially from its carrying amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the statement of profit or loss during the period in which these are incurred.

b) Depreciation

Depreciation on operating fixed assets is charged to the statement of profit or loss applying the reducing balance method so as to write off the cost / depreciable amount of the assets over their estimated useful lives at the rates given in Note 10.1. The Company charges the depreciation on additions from the month when the asset is available for use and on deletions upto the month preceding the month of disposal. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

d) Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss, if any. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

2.7 Intangible assets

Computer software acquired by the Company is stated at cost less accumulated amortization and any identified impairment loss. Software's costs are only capitalized when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortized applying the straight line method at the rates stated in Note 11 to these financial statements.

Amortization is charged to the statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible asset is amortized over its estimated useful life at the rate of 20% per annum.

The Company assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in the statement of profit or loss. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

2.8 Inventories

Stores and spares parts except for items in transit, are stated at lower of cost and net realizable value. Usable stores and spare parts are valued principally at moving average cost, while items considered obsolete are carried at nil value upto the reporting date. Items in transit are valued at cost comprising invoice amount plus other charges paid thereon accumulated upto the reporting date.

Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

2.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which asset's carrying amount exceeds its recoverable amount. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. Reversals of the impairment losses are restricted 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 impairment losses had not been recognized. An impairment loss or reversal of impairment loss is recognized in the statement of profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.11 Financial Instruments

i) Recognition, classification and measurement of financial instruments

Financial assets

a) Classification

The Company classifies its financial assets at amortized cost. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments at amortized cost. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Financial liabilities

Classification and measurement

Financial liabilities are classified as measured at amortized cost. These are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii) Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

At each reporting date, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

iii) De-recognition of financial assets and financial liabilities

a) Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets which is created or retained by the Company is recognized as a separate asset or liability.

b) Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired.

iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there is a legal enforceable right to offset and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.12 Borrowings

Borrowings are recognized initially at fair value and are subsequently stated at amortized cost. Any difference between the proceeds and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

2.13 Share capital

Ordinary shares of various classes are classified as equity and recognized at their face value. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction, net of tax.

2.14 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that these are intended to compensate.

2.15 Trade debts and other receivables

Trade debts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses.

Other receivables are recognized at amortized cost, less any allowance for expected credit losses.

2.16 Trade and other payables

Liabilities for trade and other amounts payable are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

2.17 Functional and presentation currency along with foreign currency transactions and translation

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. Figures are rounded off to the nearest Rupee. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the reporting date. Transactions in foreign currencies are translated into Pak Rupees at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are charged or credited to statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Pak Rupees at exchange rates prevailing at the date of transaction.

2.18 Revenue from contracts with customers

i) Revenue recognition

Rendering of services

The Company provides dyeing and embroidery services to local customers. These services are sold separately and the Company's contract with the customers for services constitutes a single performance obligation. Revenue from a contract to provide services is recognized at point in time, generally at the time of dispatch.

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods after providing services to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Contract liabilities

Contract liability is the obligation of the Company to transfer goods after providing services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is received. Contract liabilities are recognized as revenue when the Company accomplishes its performance obligations under the contract.

2.19 Earnings per share

The Company presents Earnings Per Share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

2.20 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.21 Contingent liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of past events whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liabilities are not recognized, only disclosed, unless the possibility of a future outflow of resources is considered remote. In the event that the outflow of resources associated with a contingent liability is assessed as probable, and if the size of the outflow can be reliably estimated, a provision is recognized in the financial statements.

2.22 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.

Due to separate nature of both segments' operations, there are no transactions among the business segments.

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2023 (NUMBER OF SHARES)	2022		2023 RUPEES	2022 RUPEES
15,051,267	15,051,267	A - Class Ordinary shares of Rupees 10 each fully paid in cash	150,512,670	150,512,670
320,100	320,100	B - Class Ordinary shares of Rupees 10 each fully paid in cash (Note 3.1)	3,201,000	3,201,000
181,807	181,807	A - Class Ordinary shares of Rupees 10 each issued as fully paid bonus shares	1,818,070	1,818,070
<u>15,553,174</u>	<u>15,553,174</u>		<u>155,531,740</u>	<u>155,531,740</u>

- 3.1 Shareholders 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.

4. CAPITAL RESERVE - SURPLUS ON REVALUATION OF FREEHOLD LAND

	2023 RUPEES	2022 RUPEES
Balance as on 01 July	561,529,091	561,529,091
Add: Increase in surplus on revaluation (Note 4.1)	561,750,000	-
	<u>1,123,279,091</u>	<u>561,529,091</u>

- 4.1 Revaluation of freehold land of the Company was carried out on 22 June 2023 by an independent valuer, Messrs Materials and Design Services (Private) Limited applying current market rates. Previously revaluations were carried out by independent valuers on 01 April 2020, 28 June 2016, 27 June 2012 and during the year 2000.

5. DEFERRED INCOME TAX LIABILITY

Taxable temporary difference on

	2023 RUPEES	2022 RUPEES
Accelerated tax depreciation	32,425,778	34,286,787

Deductible temporary differences on

Gratuity payable - ceased	(62,851)	(188,396)
Provision for doubtful receivables	(1,505,864)	(676,160)
Provision for GIDC	(7,861,821)	(7,848,433)
Minimum tax and unused tax losses	(1,927,868)	(1,817,906)
	<u>(11,358,404)</u>	<u>(10,530,895)</u>
	<u>21,067,374</u>	<u>23,755,892</u>

5.1 Movement in the deferred income tax liability balance is as follows:

	2023 RUPEES	2022 RUPEES
As on 01 July	23,755,892	1,431,700
Add / (less):		
- difference in tax and accounting bases of operating fixed assets	(1,861,009)	26,087,250
- gratuity payable - ceased	125,545	(113,174)
- provision for doubtful receivables	(829,704)	(328,746)
- provision for GIDC	(13,388)	(7,848,433)
- minimum tax and unused tax losses	(109,962)	4,527,295
Charged to the statement of profit or loss (Note 25)	(2,688,518)	22,324,192
As at 30 June	<u>21,067,374</u>	<u>23,755,892</u>

	2023 RUPEES	2022 RUPEES
6. TRADE AND OTHER PAYABLES		
Creditors	381,027,366	206,449,389
Accrued liabilities	43,484,142	38,915,805
Contract liabilities - unsecured	27,525,728	22,017,528
Payable to Employees' Provident Fund Trust	732,053	698,273
Income tax deducted at source	2,933,080	478,962
Gratuity payable - ceased	216,727	649,641
Sales tax payable	7,094,191	2,908,612
Workers' profit participation fund (Note 6.1)	-	2,525,750
Workers' welfare fund (Note 6.2)	2,275,900	2,275,900
	465,289,187	276,919,860
6.1 Workers' profit participation fund		
Balance as on 01 July	2,525,750	3,032,721
Add: Provision for the year	-	2,525,750
Add: Interest for the year (Note 24)	341,288	216,279
	2,867,038	5,774,750
Less: Payments made during the year	2,867,038	3,249,000
Balance as on 30 June	-	2,525,750
6.1.1		
Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized by the Company till the date of allocation to workers.		
6.2 Workers' welfare fund		
Balance as on 01 July	2,275,900	1,129,837
Add: Provision for the year	-	1,146,063
Balance as on 30 June	2,275,900	2,275,900
7. SHORT TERM BORROWINGS		
From banking company - secured		
Cash finances and other short term finances (Note 7.1)	86,920,368	85,504,478
Others - unsecured		
From other related parties (Note 7.2)	-	105,900,706
	86,920,368	191,405,184
7.1		
These finances having limit of Rupees 180 million (2022: Rupees 180 million) are availed from National Bank of Pakistan. Rates of mark-up was ranging from 18.41% to 25.54% (2022: 10.05% to 15.20%) per annum during the year on outstanding balances. These are secured against first charge of Rupees 275 million on present and future fixed assets (land and building) of the Company and hypothecation charge of same amount on present and future assets, token registered mortgage of Rupees 1 million on fixed assets with security margin along with personal guarantees of all directors of the Company. This facility will be expired on 31 December 2023.		

	2023 RUPEES	2022 RUPEES
7.2 From other related parties		
Mr. Faisal Tauheed, Chief Executive Officer	-	46,920,000
Mr. Kashif Tauheed, Director	-	29,857,054
Mrs. Tahira Kashif, Director	-	29,123,652
	-	105,900,706

7.2.1 These represented interest free and unsecured loans obtained from Chief Executive Officer and directors of the Company to meet the working capital requirements of the Company. These are fully repaid during the year.

	2023 RUPEES	2022 RUPEES
8. GAS INFRASTRUCTURE DEVELOPMENT CESS (GIDC) PAYABLE		
Balance as on 01 July	27,063,562	26,001,717
Add: Unwinding of discount on GIDC payable (Note 24)	46,167	1,061,845
	27,109,729	27,063,562

8.1 This represents Gas Infrastructure Development Cess (GIDC) which was levied through GIDC Act, 2015. Supreme Court of Pakistan upheld the GIDC Act, 2015 to be constitutional and intra vires. Meanwhile the Company along with other industrial gas consumers has obtained interim relief dated 23 February 2021 from Lahore High Court, Lahore which restrained Sui Northern Gas Pipelines Limited (SNGPL) from recovering GIDC prior to promulgation of GIDC Act, 2015. This liability has been recognized at amortized cost in accordance with IFRS 9 'Financial Instruments'.

9. CONTINGENCIES AND COMMITMENTS

a) Contingencies

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

(ii) Guarantee of Rupees 6.550 million (2022: Rupees 6.550 million) is issued by the Bank of the Company to Faisalabad Electric Supply Company Limited (FESCO) against electricity connection.

b) Commitments

(i) Contracts for capital expenditure are of Rupees Nil (2022: Rupees Nil).

(ii) Commitments other than for capital expenditure are of Rupees 52.750 million (2022: Rupees 46.681 million).

	2023 RUPEES	2022 RUPEES
10. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets (Note 10.1)	1,366,046,875	818,689,017
Capital work-in-progress (Note 10.2)	-	1,472,900
	1,366,046,875	820,161,917

10.1 Operating fixed assets

	Freehold land		Buildings on freehold land		Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Pipeline and electric fitting	Total
	Factory	Residential								
At 30 June 2021	RUPEES									
Cost / revalued amount	561,750,000	41,006,147	104,888	492,824,931	762,740	3,510,289	29,555,955	20,885,418	1,150,400,368	
Accumulated depreciation	-	(20,731,173)	(99,847)	(269,443,164)	(719,198)	(2,364,090)	(15,294,637)	(10,148,841)	(318,800,950)	
Net book value	561,750,000	20,274,974	5,041	223,381,767	43,542	1,146,199	14,261,318	10,736,577	831,599,418	
Year ended 30 June 2022										
Opening net book value	561,750,000	20,274,974	5,041	223,381,767	43,542	1,146,199	14,261,318	10,736,577	831,599,418	
Additions	-	-	-	9,743,985	-	-	11,566,082	-	-	21,310,067
Disposals:										
Cost	-	-	-	(5,024,783)	-	-	(3,220,842)	-	-	(8,245,625)
Accumulated depreciation	-	-	-	2,229,405	-	-	1,493,529	-	-	3,722,934
Depreciation charge	-	(2,027,497)	(252)	(22,799,630)	(4,354)	(114,620)	(3,677,766)	(1,073,658)	(4,522,691)	(29,697,777)
Closing net book value	561,750,000	18,247,477	4,789	207,530,744	39,188	1,031,579	20,422,321	9,662,919	818,689,017	
At 30 June 2022										
Cost / revalued amount	561,750,000	41,006,147	104,888	497,544,133	762,740	3,510,289	37,901,195	20,885,418	1,163,464,810	
Accumulated depreciation	-	(22,758,670)	(100,099)	(290,013,389)	(723,552)	(2,478,710)	(17,478,874)	(11,222,499)	(344,775,793)	
Net book value	561,750,000	18,247,477	4,789	207,530,744	39,188	1,031,579	20,422,321	9,662,919	818,689,017	
Year ended 30 June 2023										
Opening net book value	561,750,000	18,247,477	4,789	207,530,744	39,188	1,031,579	20,422,321	9,662,919	818,689,017	
Additions	-	-	-	1,675,466	-	-	17,165,010	-	-	18,840,476
Effect of surplus on revaluation	561,750,000	-	-	-	-	-	-	-	-	561,750,000
Disposals:										
Cost	-	-	-	-	-	-	(9,827,301)	-	-	(9,827,301)
Accumulated depreciation	-	-	-	-	-	-	5,177,974	-	-	5,177,974
Depreciation charge	-	(1,824,748)	(239)	(20,920,621)	(3,919)	(103,158)	(4,764,314)	(966,292)	(4,649,327)	(28,583,291)
Closing net book value	1,123,500,000	16,422,729	4,550	188,285,589	35,269	928,421	28,173,690	8,696,627	1,366,046,875	
At 30 June 2023										
Cost / revalued amount	1,123,500,000	41,006,147	104,888	499,219,599	762,740	3,510,289	45,238,904	20,885,418	1,734,227,985	
Accumulated depreciation	-	(24,583,418)	(100,338)	(310,934,010)	(727,471)	(2,581,868)	(17,065,214)	(12,188,791)	(368,181,110)	
Net book value	1,123,500,000	16,422,729	4,550	188,285,589	35,269	928,421	28,173,690	8,696,627	1,366,046,875	
Annual rate of depreciation (%)	-	10	5	10	10	10	20	10	10	

10.1.1 Had there been no revaluation the value of freehold land would have been lower by Rupees 1,123.279 million (2022: Rupees 561.529 million). The book value of freehold land on cost basis is Rupees 0.221 million (2022: Rupees 0.221 million).

10.1.2 Forced sale value of freehold land is Rupees 955 million.

10.1.3 Depreciation charge for the year has been allocated as follows:

	2023 RUPEES	2022 RUPEES
Cost against services provided (Note 19)	25,724,962	26,727,999
Administrative expenses (Note 21)	2,858,329	2,969,778
	28,583,291	29,697,777

10.1.4 Particulars of immovable properties (i.e. land and buildings) in the name of the Company are as follows:

Particulars	Location	Area of land		Covered area of buildings Sq. ft.
		Kanals	Sq. ft.	
Manufacturing facility and head office	Dhuddiwala, Jaranwala Road, Faisalabad.	80.25		312 996

	Plant and machinery	Vehicles	Total
	-----RUPEES-----		
10.2 Capital work-in-progress			
At 30 June 2021	-	2,564,102	2,564,102
Add: Additions during the year	11,216,885	9,001,980	20,218,865
Less: Transferred to operating fixed assets during the year	(9,743,985)	(11,566,082)	(21,310,067)
At 30 June 2022	1,472,900	-	1,472,900
Add: Additions during the year	202,566	-	202,566
Less: Transferred to operating fixed assets during the year	(1,675,466)	-	(1,675,466)
At 30 June 2023	-	-	-

	2023 RUPEES	2022 RUPEES
11. INTANGIBLE ASSET		
Computer software		
Net carrying value basis		
Opening net book value	5,518,609	6,927,615
Less: Amortization charge (Note 21)	(1,409,006)	(1,409,006)
Closing net book value	4,109,603	5,518,609
Gross carrying value		
Cost	7,045,032	7,045,032
Accumulated amortization	(2,935,429)	(1,526,423)
Closing net book value	4,109,603	5,518,609
Amortization rate (per annum)	20%	20%
12. STORES AND SPARE PARTS		
Dyes and chemicals (Note 12.1)	50,006,934	50,221,168
Thread, textured / filament yarn (Note 12.2)	14,256,122	21,083,871
Coal	45,047,394	90,153,744
Spare parts	1,896,859	838,094
Packing materials	2,159,328	237,666
Other stores	2,780,244	290,854
	116,146,881	162,825,397

12.1 These include dyes and chemicals in transit amounting to Rupees Nil (2022: Rupees 16.625 million).

12.2 These includes thread, textured / filament yarn in transit amounting to Rupees 9.219 million (2022: Rupees 20 million).

	2023 RUPEES	2022 RUPEES
13. TRADE DEBTS		
Considered good:		
Unsecured - local	324,559,248	305,471,139
Less: Allowance for expected credit losses (Note 13.3)	(5,093,556)	(2,232,507)
	319,465,692	303,238,632

13.1 Revenue is recognized at the time of delivery of goods after providing services, while payment is generally due within 15 to 30 days from issuing invoice.

- 13.2 As at 30 June 2023, trade debts amounting to Rupees 211.368 million (2022: Rupees 199.803 million) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2023 RUPEES	2022 RUPEES
Upto 1 month	105,626,921	70,181,135
1 to 6 months	94,641,976	104,255,372
More than 6 months	11,099,457	25,366,710
	<u>211,368,354</u>	<u>199,803,217</u>

13.3 Allowance for expected credit losses

Balance as on 01 July	2,232,507	4,974,998
Add: Recognized during the year (Note 22)	3,556,100	701,239
	<u>5,788,607</u>	<u>5,676,237</u>
Less: Reversal of allowance for expected credit losses (Note 23)	(695,051)	(3,443,730)
Balance as at 30 June	<u>5,093,556</u>	<u>2,232,507</u>

14. LOANS AND ADVANCES

Considered good:

Employees against expenses	-	1,008,685
Advance to suppliers / service providers	9,630,889	4,145,583
Letters of credit	156,438	213,038
	<u>9,787,327</u>	<u>5,367,306</u>
Less: Provision for doubtful loans and advances	(99,078)	(99,078)
	<u>9,688,249</u>	<u>5,268,228</u>

15. PREPAYMENTS AND OTHER RECEIVABLES

Considered good:

Profit receivable on term deposit receipt / saving account	48,577	13,149
Prepayments	1,035,944	449,569
	<u>1,084,521</u>	<u>462,718</u>

16. SHORT TERM INVESTMENT

This represents term deposit receipt issued by National Bank of Pakistan having maturity period of 6 months with roll over facility. This investment is carried at amortized cost. Rate of profit ranged from 11.86 percent to 13.32 percent (2022: 6.53 percent to 9.69 percent) per annum.

17. CASH AND BANK BALANCES

With banks:

on current accounts	63,486,173	10,007,234
on saving account (Note 17.1)	1,783,904	836,459
	<u>65,270,077</u>	<u>10,843,693</u>
Cash in hand	29,130,260	129,600
	<u>94,400,337</u>	<u>10,973,293</u>

- 17.1 Rate of profit on saving account was ranging from 6.50 percent to 10.00 percent (2022: 2.75 percent to 6.50 percent) per annum.

		2023	2022
		RUPEES	RUPEES
18.	REVENUE FROM CONTRACTS WITH CUSTOMERS		
	Processing income	1,746,122,817	1,294,207,053
	Embroidery income	317,862,604	230,372,387
		<u>2,063,985,421</u>	<u>1,524,579,440</u>
	Less: Sales tax	(305,903,623)	(221,636,061)
		<u><u>1,758,081,798</u></u>	<u><u>1,302,943,379</u></u>
18.1	The Company has recognized revenue of Rupees 20.856 million (2022: Rupees 7.434 million) from amounts included in contract liabilities at the year end.		
19.	COST AGAINST SERVICES PROVIDED	2023	2022
		RUPEES	RUPEES
	Salaries, wages and other benefits (Note 19.1)	134,756,745	112,367,732
	Dyes and chemicals consumed	925,888,950	516,869,845
	Thread, textured / filament yarn consumed	164,968,298	84,910,491
	Fuel and power	414,001,018	423,195,909
	Stores and spare parts consumed	15,477,587	6,900,387
	Oil and greases consumed	4,119,090	2,920,374
	Packing materials consumed	18,726,710	16,805,549
	Repair and maintenance	931,430	561,165
	Depreciation (Note 10.1.3)	25,724,962	26,727,999
		<u>1,704,594,790</u>	<u>1,191,259,451</u>
19.1	Salaries, wages and other benefits include provident fund contribution of Rupees 3.146 million (2022: Rupees 2.808 million) by the Company.		
20.	DISTRIBUTION COST	2023	2022
		RUPEES	RUPEES
	Salaries and other benefits (Note 20.1)	<u>1,344,455</u>	<u>2,328,020</u>
20.1	Salaries and other benefits include provident fund contribution of Rupees 0.116 million (2022: Rupees 0.179 million) by the Company.		
21.	ADMINISTRATIVE EXPENSES	2023	2022
		RUPEES	RUPEES
	Salaries, wages and other benefits (Note 21.1)	17,035,988	14,118,785
	Directors' remuneration	12,000,000	12,000,000
	Rent, rates and taxes	406,194	967,847
	Traveling and conveyance	1,336,979	521,600
	Electricity and water	6,363,366	3,879,570
	Communication expenses	1,198,105	791,349
	Printing and stationery	328,850	533,252
	Software's maintenance	1,190,000	1,381,384
	Vehicles' running	2,608,405	1,477,590
	Fees and subscriptions	870,278	512,240
	Legal and professional	263,504	172,038
	Auditor's remuneration (Note 21.2)	935,000	865,000
	Newspapers and advertisement	72,540	8,406
	Entertainment	275,247	388,208
	Insurance	1,438,051	1,326,600
	Amortization (Note 11)	1,409,006	1,409,006
	Depreciation (Note 10.1.3)	2,858,329	2,969,778
	Others	15,321	39,825
		<u>50,605,163</u>	<u>43,362,478</u>
21.1	Salaries, wages and other benefits include provident fund contribution of Rupees 0.857 million (2022: Rupees 1.110 million) by the Company.		

	2023 RUPEES	2022 RUPEES
21.2 Auditor's remuneration		
Audit fee	825,000	770,000
Half yearly review	110,000	95,000
	935,000	865,000
22. OTHER EXPENSES		
Workers' profit participation fund	-	2,525,750
Workers' welfare fund	-	1,146,063
Allowance for expected credit losses (Note 13.3)	3,556,100	701,239
Provision for doubtful loans and advances	-	99,078
Exchange loss	1,447,000	903,407
	5,003,100	5,375,537
23. OTHER INCOME		
Income from financial assets		
Profit on saving account / term deposit receipt	317,142	114,305
Reversal of allowance for expected credit losses (Note 13.3)	695,051	3,443,730
	1,012,193	3,558,035
Income from non - financial assets		
Sale of scrap	956,684	402,400
Gain on disposal of property, plant and equipment	6,650,673	102,309
Credit balances written back	-	4,914
Others	-	956,334
	7,607,357	1,465,957
	8,619,550	5,023,992
24. FINANCE COST		
Mark-up on short term borrowings	8,210,612	11,233,903
Interest on workers' profit participation fund (Note 6.1)	341,288	216,279
Bank charges and commission	189,046	262,374
Unwinding of discount on GIDC payable (Note 8)	46,167	1,061,845
	8,787,113	12,774,401
25. TAXATION		
Current (Note 25.1)	21,987,981	16,291,822
Deferred tax (income) / expense (Note 5.1)	(2,688,518)	22,324,192
	19,299,463	38,616,014

25.1 Provision for current taxation represents the minimum tax on local sales under the relevant provisions of the Income tax Ordinance, 2001. Moreover tax losses available for carry forward as at 30 June 2023 are of Rupees 0.358 million (2022: Rupees Nil) which will be expired in 2029. Total minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 as at 30 June 2023 is of Rupees 23.812 million (2022: Rupees 1.824 million) out of which deferred income tax asset is created on Rupees 1.824 million.

The minimum tax would expire as follows:

Accounting year to which the minimum tax relates	Amount of minimum tax	Accounting year in which minimum tax will expire
	RUPEES	
2023	21,987,981	2026
2022	6,269	2025
2020	1,817,906	2025
	23,812,156	

25.2 Since there is no accounting profit during the year and tax was charged under section 113 of the Ordinance, therefore, no tax reconciliation is prepared.

26. **(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED**

There is no dilutive effect on the basic (loss) / earnings per share which is based on:

		2023	2022
(Loss) / profit for the year	(Rupees)	(22,932,736)	14,251,470
Weighted average number of ordinary shares	(Numbers)	15 553 174	15 553 174
(Loss) / earnings per share	(Rupees)	(1.47)	0.92

27. **CASH GENERATED FROM OPERATIONS**

(Loss) / profit before taxation

Adjustments for non-cash charges and other items:

		2023	2022
		RUPEES	RUPEES
(Loss) / profit before taxation		(3,633,273)	52,867,484
Adjustments for non-cash charges and other items:			
Depreciation		28,583,291	29,697,777
Amortization on intangible asset		1,409,006	1,409,006
Gain on disposal of property, plant and equipment		(6,650,673)	(102,309)
Allowance / (reversal of allowance) for expected credit losses - net		2,861,049	(2,742,491)
Provision for doubtful loans and advances		-	99,078
Credit balances written back		-	(4,914)
Provision for workers' profit participation fund		-	2,525,750
Profit on saving account / term deposit receipt		(317,142)	(114,305)
Finance cost		8,787,113	12,774,401
Working capital changes (Note 27.1)		216,198,010	(28,983,849)
		247,237,381	67,425,628

27.1 **Working capital changes**

Decrease / (increase) in current assets:

Stores and spare parts		46,678,516	(17,783,149)
Trade debts		(19,088,109)	(75,048,190)
Loans and advances		(4,420,021)	2,285,964
Prepayments and other receivables		(586,375)	(33,785)
Sales tax refundable		2,718,922	(1,645,601)
		25,302,933	(92,224,761)
Increase in trade and other payables		190,895,077	63,240,912
		216,198,010	(28,983,849)

27.2 Reconciliation of movement of liability to cash flows from financing activities:

	Short term borrowings	
	2023	2022
	RUPEES	RUPEES
Balance as at 01 July	191,405,184	194,769,004
Borrowings repaid - net	(104,484,816)	(3,363,820)
Balance as at 30 June	86,920,368	191,405,184

28. **REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES**

Aggregate amounts charged in the financial statements in respect of remuneration including benefits to the Chief Executive Officer, Director and Executive of the Company are as follows:

DESCRIPTION	2023			2022		
	Chief Executive Officer	Director	Executive	Chief Executive Officer	Director	Executive
	RUPEES					
Managerial remuneration	6,000,000	6,000,000	1,698,000	6,000,000	6,000,000	1,530,000
Medical allowance	-	-	150,000	-	-	150,000
Contribution to provident fund	-	-	153,938	-	-	139,944
	6,000,000	6,000,000	2,001,938	6,000,000	6,000,000	1,819,944
Number of persons	1	1	1	1	1	1

28.1 The Chief Executive Officer and one Director are provided with Company maintained vehicles and residential telephones.

28.2 No remuneration or meeting fee was paid to any other director of the Company.

29. PROVIDENT FUND

As at the reporting date, The National Silk and Rayon Mills Limited - Employees' Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan.

30. NUMBER OF EMPLOYEES	2023	2022
Number of employees as at 30 June	394	379
Average number of employees during the year	396	394

31. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise other related parties and key management personnel. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements are as follows:

Name	Basis of relationship	Nature of transactions	2023 RUPEES	2022 RUPEES
Other related parties				
Mr. Faisal Tauheed	Chief Executive Officer of the Company	Loans (repaid) / obtained	(46,920,000)	23,550,000
Mr. Kashif Tauheed	Director of the Company	Loans repaid	(29,857,054)	-
Mrs. Tahira Kashif	Director of the Company	Loans (repaid) / obtained	(29,123,652)	7,000,000
The National Silk and Rayon Mills Limited - Employees' Provident Fund Trust	Post employment contribution plan	Contribution made	4,119,566	4,097,082

31.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, Director and Executive is disclosed Note 28.

32. PLANT CAPACITY AND ACTUAL PRODUCTION	M/U	2023	2022
Cloth processing			
Rated capacity	Meters	62,504,000	62,504,000
Actual processing	Meters	24,981,049	30,307,784
Percentage of utilization of rated capacity		39.97%	48.49%
Embroidery processing			
Rated capacity	Meters	8,607,500	8,607,500
Actual processing	Meters	2,947,794	3,394,077
Percentage of utilization of rated capacity		34.25%	39.43%
Number of working days		304	318

32.1 REASONS FOR LOW PRODUCTION

Under utilization of available capacity is due to different mélange of cloth and stitches per meter of embroidery cloth available for processing and unsustainable supply of electricity and sui gas. Moreover deterrence in import of materials during the year also reduced the total processing by the Company.

33. SEGMENT INFORMATION

	Dyeing		Embroidery		Total - Company	
	2023	2022	2023	2022	2023	2022
	RUPEES					
Revenue from contracts with customers	1,487,241,153	1,106,127,580	270,840,645	196,815,799	1,758,081,798	1,302,943,379
Cost against services provided	(1,443,254,500)	(1,005,679,463)	(261,340,290)	(185,579,988)	(1,704,594,790)	(1,191,259,451)
Gross profit	43,986,653	100,448,117	9,500,355	11,235,811	53,487,008	111,683,928
Distribution cost	(1,137,335)	(1,976,361)	(207,120)	(351,659)	(1,344,455)	(2,328,020)
Administrative expenses	(42,809,203)	(36,812,369)	(7,795,960)	(6,550,109)	(50,605,163)	(43,362,478)
	(43,946,538)	(38,788,730)	(8,003,080)	(6,901,768)	(51,949,618)	(45,690,498)
Profit before taxation and unallocated income and expenses	40,115	61,659,387	1,497,275	4,334,043	1,537,390	65,993,430
Unallocated income and expenses:						
Other expenses					(5,003,100)	(5,375,537)
Other income					8,619,550	5,023,992
Finance cost					(8,787,113)	(12,774,401)
Taxation					(19,299,463)	(38,616,014)
(Loss) / profit after taxation					(22,932,736)	14,251,470

33.1 Reconciliation of reportable segment assets and liabilities:

	Dyeing		Embroidery		Total - Company	
	2023	2022	2023	2022	2023	2022
	RUPEES					
Total assets for reportable segments	739,196,529	752,103,992	195,635,643	208,761,679	934,832,172	960,865,671
Unallocated assets					1,071,047,483	426,535,642
Total assets as per statement of financial position					2,005,879,655	1,387,401,313
Unallocated assets represent major portion of property, plant and equipment excluding plant and machinery, intangible asset, long term deposits, loans and advances, prepayments and other receivables, corporate and tax assets and cash and bank balances						
Total liabilities for reportable segments	387,990,233	254,140,977	58,482,742	9,862,309	446,472,975	264,003,286
Unallocated liabilities					154,848,901	257,657,512
Total liabilities as per statement of financial position					601,321,876	521,660,798

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

33.2 All non-current assets of the Company as at reporting dates are located in Pakistan.

33.3 Revenue is recognized at the point in time as per terms and conditions of underlying contracts with customers.

33.4 The Company earns revenue from dyeing and embroidery services and all customers are situated in Pakistan.

33.5 Revenue from major customers

Revenue from major customers of the Company's Dyeing segment includes two customers (2022: one) representing Rupees 648.105 million (2022: Rupees 256.728 million). Revenue from Embroidery segment of the Company does not include any major customer.

34. FINANCIAL RISK MANAGEMENT

34.1 Financial risk factors

The Company's activities expose it to certain financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Company's Board of Directors (the Board) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

(a) 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 income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from short term borrowings that exist at the year end.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to short term borrowings. The Company's exposure to currency risk was as follows:

	2023	2022
Short term borrowings - USD	132,079	113,919
Short term borrowings - Euro	-	55,940
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	276.00	178.10
Reporting date rate	287.10	206.00
Rupees per Euro		
Average rate	-	199.13
Reporting date rate	-	215.75

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD and Euro with all other variables held constant, the impact on (loss) / profit after taxation for the year would have been Rupees 1.896 million higher / lower (2022: Rupees 1.654 million lower / higher), mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is not exposed to other price risk.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from short term borrowings, term deposit receipt and bank balance in saving account. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rates expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2023 RUPEES	2022 RUPEES
Fixed rate instruments		
Term deposit receipt	305,000	305,000
Floating rate instruments		
Financial assets		
Bank balance - saving account	1,783,904	836,459
Financial liabilities		
Short term borrowings	86,920,368	85,504,478

Fair value 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 rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, (loss) / profit after taxation for the year would have been Rupees 0.851 million higher / lower (2022: Rupees 0.788 million lower / higher), mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

The maximum exposure to credit risk at the reporting date was as follows:

Long term deposits	26,217,046	26,217,046
Trade debts	319,465,692	303,238,632
Other receivables	48,577	13,149
Bank balances	65,270,077	10,843,693
Short term investment	305,000	305,000
	<u>411,306,392</u>	<u>340,617,520</u>

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the senior management and where considered necessary, advance payments are obtained from certain parties. The management has set a maximum credit period limit for each type of customers in order to reduce the credit risk.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debts. Management uses actual historical credit loss experience, credit risk characteristics and past days due to determine expected credit loss allowance.

	Rating			2023	2022
	Short Term	Long term	Agency	RUPEES	RUPEES
Banks					
Conventional accounts / term deposit receipt					
Habib Bank Limited	A-1+	AAA	VIS	1,359,734	237,577
National Bank of Pakistan	A-1+	AAA	VIS	31,732,766	3,418,667
MCB Bank Limited	A1+	AAA	PACRA	12,571,309	62,554
Bank Al-Habib Limited	A1+	AAA	PACRA	298,124	46,014
Askari Bank Limited	A1+	AA+	PACRA	-	8,449
The Bank of Punjab	A1+	AA+	PACRA	20,562	55,197
Bank Alfalah Limited	A1+	AA+	PACRA	-	2,063,355
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	131,940	56,182
Allied Bank Limited	A1+	AAA	PACRA	26,733	950,075
Summit Bank Limited *	Suspended		VIS	18,917	2,838,099
				46,160,085	9,736,169
Shariah compliant accounts					
BankIslami Pakistan Limited	A1	AA-	PACRA	7,023	7,023
United Bank Limited	A-1+	AAA	VIS	4,777	238,566
Meezan Bank Limited	A-1+	AAA	VIS	17,441,526	978,050
Bank Alfalah Limited	A1+	AA+	PACRA	1,961,666	188,885
				19,414,992	1,412,524
				65,575,077	11,148,693

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 13.

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 June 2023, the Company had Rupees 93.080 million (2022: Rupees 94.496 million) available borrowing limits from financial institutions and Rupees 94.400 million (2022: Rupees 10.973 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the table are undiscounted cash flows:

Contractual maturities of financial liabilities as at 30 June 2023:

	Carrying amount	Contractual cash flows	6 months or less
----- RUPEES -----			
Non-derivative financial liabilities:			
Trade and other payables	424,511,508	424,511,508	424,511,508
Unclaimed dividend	594,836	594,836	594,836
Accrued mark-up	340,382	340,382	340,382
Short term borrowings	86,920,368	93,526,316	93,526,316
	512,367,094	518,973,042	518,973,042

Contractual maturities of financial liabilities as at 30 June 2022:

	Carrying amount	Contractual cash flows	6 months or less
----- RUPEES -----			
Non-derivative financial liabilities:			
Trade and other payables	245,365,194	245,365,194	245,365,194
Unclaimed dividend	594,836	594,836	594,836
Accrued mark-up	1,921,464	1,921,464	1,921,464
Short term borrowings	191,405,184	197,789,808	197,789,808
	439,286,678	445,671,302	445,671,302

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June. The rates of interest / mark-up have been disclosed in Note 7 to these financial statements.

34.2 Financial instruments by categories

	2023 RUPEES	2022 RUPEES
Assets as per statement of financial position		
At amortized cost		
Long term deposits	26,217,046	26,217,046
Trade debts	319,465,692	303,238,632
Other receivables	48,577	13,149
Cash and bank balances	94,400,337	10,973,293
Short term investment	305,000	305,000
	<u>440,436,652</u>	<u>340,747,120</u>
Financial liabilities as per statement of financial position		
Trade and other payables	424,511,508	245,365,194
Unclaimed dividend	594,836	594,836
Accrued mark-up	340,382	1,921,464
Short term borrowings	86,920,368	191,405,184
	<u>512,367,094</u>	<u>439,286,678</u>

34.3 'Reconciliation of financial assets and financial liabilities to the line items presented in the statement of financial position is as follows:

	2023			2022		
	Financial assets	Other than financial assets	Total as per statement of financial position	Financial assets	Other than financial assets	Total as per statement of financial position
-----RUPEES-----						
Assets as per statement of financial position						
Long term deposits	26,217,046	-	26,217,046	26,217,046	-	26,217,046
Trade debts	319,465,692	-	319,465,692	303,238,632	-	303,238,632
Prepayments and other receivab	48,577	1,035,944	1,084,521	13,149	449,569	462,718
Cash and bank balances	94,400,337	-	94,400,337	10,973,293	-	10,973,293
Short term investment	305,000	-	305,000	305,000	-	305,000
	<u>440,436,652</u>	<u>1,035,944</u>	<u>441,472,596</u>	<u>340,747,120</u>	<u>449,569</u>	<u>341,196,689</u>
-----RUPEES-----						
Liabilities as per statement of financial position						
Trade and other payables	424,511,508	40,777,679	465,289,187	245,365,194	31,554,666	276,919,860
Unclaimed dividend	594,836	-	594,836	594,836	-	594,836
Accrued mark-up	340,382	-	340,382	1,921,464	-	1,921,464
Short term borrowings	86,920,368	-	86,920,368	191,405,184	-	191,405,184
	<u>512,367,094</u>	<u>40,777,679</u>	<u>553,144,773</u>	<u>439,286,678</u>	<u>31,554,666</u>	<u>470,841,344</u>

34.4 Offsetting financial assets and financial liabilities

As on the reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

34.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order 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 manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares. There was no change to the Company's approach to capital management during the year. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2023	2022
Borrowings	86,920,368	191,405,184
Total equity	1,404,557,779	865,740,515
Total capital employed	<u>1,491,478,147</u>	<u>1,057,145,699</u>
Gearing ratio	(Percentage) 5.83	18.11

The decrease in gearing ratio resulted primarily from increase in surplus on revaluation.

35. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

Certain financial assets and financial liabilities are not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts. Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into following three levels. However, as at the reporting date, the Company has no such type of financial instruments which are required to be grouped into these levels. These levels are explained as under:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

36. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the non-financial assets that are recognized and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
----- RUPEES -----				
At 30 June 2023				
Freehold land	-	1,123,500,000	-	1,123,500,000
Total non-financial assets	<u>-</u>	<u>1,123,500,000</u>	<u>-</u>	<u>1,123,500,000</u>
At 30 June 2022				
Freehold land	-	561,750,000	-	561,750,000
Total non-financial assets	<u>-</u>	<u>561,750,000</u>	<u>-</u>	<u>561,750,000</u>

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land (classified as property, plant and equipment) at least after every three years. The management updates the assessment of the fair value of freehold land, taking into account the most recent independent valuation. The management determines freehold land's value within a range of reasonable fair value estimates. The best evidence of fair value of freehold land is current prices in an active market for similar lands.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land at least after every three years. The latest valuation of freehold land was performed by Messrs Materials and Design Services (Private) Limited as at 22 June 2023.

Changes in fair values are analyzed during the valuation discussion between the management and the valuers. As part of this discussion the team presents a report that explains the reason for the fair value movements.

37. **DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX**

Description	NOTE	2023	2022
		-----RUPEES -----	
Revenue earned from shariah compliant business	18	1,758,081,798	1,302,943,379
Shariah compliant bank deposits and bank balances			
Bank balances	34.1 (b)	19,414,992	1,412,524
Profit earned from shariah compliant bank deposits / bank balances			
Profit on deposit with bank	23	278,743	91,750
Profit earned or interest paid on any conventional loan / advance			
Mark-up on short term borrowings	24	8,210,612	11,233,903
Profit earned on term deposit receipt	23	38,399	22,555
Loans / advances obtained as per Islamic mode			
Contract liabilities	6	27,525,728	22,017,528
Short term borrowings		-	105,900,706

There was no dividend or gain / loss on any investment and no exchange gain earned. Moreover there was no mark-up on Islamic mode of financing. The relationship with shariah compliant banks is related to bank accounts as given in Note 34.1(b).

38. **DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on 06 October, 2023 by the Board of Directors of the Company.

39. **CORRESPONDING FIGURES**

Corresponding figures have been re-arranged and reclassified for better presentation, wherever considered necessary for the purpose of comparison. However no significant re-arrangement has been made in these financial statements except for sales tax payable of Rupees 2,908,612 which was previously net off with 'sales tax refundable', now included in 'trade and other payables'.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Pattern of Shareholding

as at June 30, 2023

1.1 Name of the Company THE NATIONAL SILK & RAYON MILLS

2.1. Pattern of holding of the shares held by the shareholders as at June 30, 2023

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
359	1	100	11,762
137	101	500	38,956
44	501	1,000	34,840
41	1,001	5,000	86,260
2	5,001	10,000	16,680
1	10,001	15,000	10,900
1	25,001	30,000	28,549
1	30,001	35,000	30,265
2	40,001	45,000	81,776
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	238,142	1.5311%
b. Foreign	0	0.0000%
2.3.9 Others (to be specified) Joint Stock Companies	5,750	0.0370%

Categories of Shareholding

required under Code of Corporate Governance (CCG)
as at June 30, 2023

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	2023	2022	2021	2020	2019	2018
Turnover	1,758,081,798	1,302,943,379	1,087,044,667	802,728,536	930,936,979	857,472,765
Gross Profit	53,487,008	111,683,928	104,220,742	32,884,758	71,055,219	77,754,057
Operating Profit (Loss)	5,153,840	65,641,885	63,986,961	(36,408,642)	34,116,137	40,095,681
Profit/(Loss) before taxation	(3,633,273)	52,867,484	56,491,860	(43,080,022)	30,645,589	36,256,902
Profit/(Loss) after taxation	(22,932,736)	14,251,470	45,087,373	(46,907,121)	17,414,011	40,942,925
Balance Sheet						
Shareholders equity	155,531,740	155,531,740	155,531,740	155,531,740	15,553,174	155,531,740
Unappropriated profit/(loss)	125,746,948	148,679,684	134,428,214	89,340,841	136,247,962	118,833,951
Surplus on revaluation of fixed assets	1,123,279,091	561,529,091	561,529,091	561,529,091	481,279,091	481,279,091
Tangible fixed assets	1,366,046,875	820,161,917	834,163,520	811,341,382	728,696,962	698,302,348
Net Current Assets	609,506,131	532,595,129	425,042,161	329,124,647	375,090,948	244,700,792
Earning per share before tax	(0.23)	3.40	3.63	(2.76)	1.97	2.34
Earning per share after tax Share break-up value	(1.47)	0.92	2.90	(3.02)	1.12	2.63
Significant Ratios:						
Gross Profit %	3.04	8.57	9.59	4.10	7.63	9.07
Operating profit to sales	0.29	5.04	5.89	(4.53)	3.66	4.68
Profit before tax to sales	(0.21)	4.06	5.20	(5.37)	3.29	4.23
Profit after tax to sales	(1.30)	1.09	4.15	(5.84)	1.87	4.77
Return on equity	(14.74)	9.16	28.99	(30.15)	11.20	26.32
Current Ratio	1.01	0.97	0.98	0.96	1.09	1.20

کمپنی ہر سہ ماہی میں کم از کم ایک بار میٹنگ کرتی ہے اور بورڈ کو اپنی نگرانی کی ذمہ داریوں کو پورا کرنے میں مدد کرتی ہے، بنیادی طور پر شیئر ہولڈرز کو مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے، اندرونی کنٹرول کے نظام اور رسک مینجمنٹ اور آڈٹ کے عمل میں۔ اسے انتظامیہ سے معلومات طلب کرنے اور بیرونی آڈیٹرز سے براہ راست مشورہ کرنے کا اختیار ہے جیسا کہ مناسب سمجھا جاتا ہے۔ چیف فنانشل آفیسر کا ڈینٹس پیش کرنے کی دعوت کے ذریعے بورڈ آڈٹ کمیٹی کے اجلاس میں باقاعدگی سے شرکت کرتا ہے۔ ہر میٹنگ کے بعد، کمیٹی کا چیئر مین بورڈ کو رپورٹ کرتا ہے۔

آڈٹ کمیٹی دونوں ایگزیکٹو ڈائریکٹرز اور ایک آزاد ڈائریکٹر پر مشتمل ہوتی ہے جو چیئر مین بھی ہوتا ہے۔ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر ممبر کی حاضری ذیل میں دی جاتی ہے:

نام	میٹنگز کی تعداد میں شرکت کی۔
شہزاد احسان	4
شیخ مصطفیٰ فیصل توحید	4
مسز طاہرہ کاشف	4

انسانی وسائل اور معاوضہ کمیٹی:

کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل میں، بورڈ آف ڈائریکٹرز نے یہ کمیٹی قائم کی ہے جس میں تین ممبران (بشمول چیئر مین) شامل ہیں، جن میں سے دو نام ایگزیکٹو ڈائریکٹرز ہیں اور ایک آزاد ڈائریکٹر ہے۔ کمیٹی کے حوالے سے تفصیلی شرائط بورڈ کی طرف سے ممبران کو باضابطہ طور پر مطلع کر دی گئیں۔

بورڈ کی تشکیل

بورڈ مندرجہ ذیل ساخت کے ساتھ 5 مرد اور 2 خواتین ڈائریکٹرز پر مشتمل ہے:

آزاد ڈائریکٹر 1

دیگر نام ایگزیکٹو ڈائریکٹر 4

ایگزیکٹو ڈائریکٹر 2

ڈائریکٹرز کی کل تعداد 7

غیر ایگزیکٹو ڈائریکٹرز کے معاوضے کی پالیسی

کمیٹی کے بورڈ اور کمیٹی کے اجلاس میں شرکت کے لیے غیر ایگزیکٹو اور آزاد ڈائریکٹرز کی فیس کا تعین بورڈ وقتاً فوقتاً کرتا ہے۔

چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کا پیکیج

چیف ایگزیکٹو اور ڈائریکٹرز کے معاوضے کے پیکیج کا انکشاف مالی بیان کے نوٹس میں کیا گیا ہے۔

مالیاتی گوشوارے

جیسا کہ اسٹاک ایکسچینجر کے لسٹنگ کے ضوابط کے تحت ضرورت ہے چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر اپنے متعلقہ دستخطوں کے تحت درست طور پر توثیق شدہ مالیاتی گوشواروں کو بورڈ آف ڈائریکٹرز اور بورڈ کے غور اور منظوری کے لیے پیش کرتے ہیں، غور و خوض اور منظوری کے بعد، دستخط کی اجازت دیتے ہیں۔ جاری کرنے اور گردش کرنے کے لئے مالی بیانات کی۔

کمپنی کے مالیاتی گوشواروں کا کمیٹی کے آڈیٹرز کے ذریعے صحیح طریقے سے آڈٹ کیا گیا ہے۔ ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس۔ آڈیٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے مالیاتی گوشواروں پر کلین آڈٹ رپورٹ اور کوڈ آف کارپوریٹ گورننس کے بیان پر صاف جائزہ رپورٹ جاری کی ہے اور ان کی رپورٹس مالی بیانات کے ساتھ منسلک ہیں۔ آپ کی کمیٹی کی مالی پوزیشن پر اثر انداز ہونے والے ہنگامی حالات اور وعدوں میں کوئی مادی تبدیلیاں مالی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان واقع نہیں ہوئی ہیں۔

متعلقہ پارٹی ٹرانزیکشن اور ٹرانسفر پرائسنگ

یہ کمیٹی کی پالیسی ہے کہ اس بات کو یقینی بنائے کہ متعلقہ فریقوں کے ساتھ داخل ہونے والے تمام لین دین کی لسانی میں ہونا چاہیے۔ کمیٹی نے پاکستان میں اسٹاک ایکسچینجر کے لسٹنگ ریگولیشن میں موجود ٹرانسفر پرائسنگ کے بہترین طریقوں کی مکمل تعمیل کی ہے۔

ڈائریکٹرز کے تربیتی پروگرام:

کمپنی کے ڈائریکٹرز Sh فیصل توحید اور شیخ۔ کاشف توحید نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان سے ڈائریکٹرز اینڈ ایگزیکٹو پروگرام کے تحت سرٹیفیکیشن حاصل کیا اور جناب شہزاد احسان، مسز سمیرا فیصل اور مسز طاہرہ کاشف نے انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس سے سرٹیفیکیشن حاصل کیا۔

شیئر ہولڈنگ کا پیٹرن:

مقررہ فارم میں شیئر ہولڈنگ کا پیٹرن منسلک ہے جس میں کوڈ آف کارپوریٹ گورننس کے تحت درکار معلومات بھی شامل ہیں۔

ڈائریکٹرز وغیرہ کے ذریعے تجارت:

سال کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمیٹی سیکرٹری اور ان کی شریک حیات اور نابالغ بچوں کے ذریعے کوئی شیئر ٹریڈ نہیں کیا گیا۔

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 اس حوصلہ افزائی اور حمایت کے لیے بھی شکر گزار ہیں جو ہمیں اپنے سپلائرز، شیئر ہولڈرز، بینکرز اور مالیاتی اداروں کے مالیاتی اداروں سے ملا۔

بورڈ کی جانب سے

شیخ کاشف توحید
ڈائریکٹر

شیخ فیصل توحید
چیف ایگزیکٹو

لاہور: 06 اکتوبر 2023

بورڈ کی طرف سے وٹن، مشن اور کارپوریشن حکمت عملی کی منظوری

لہذا کمپنیز (کوڈ آف کارپوریشن گورننس) ریگولیشن 2017 کے مطابق، بورڈ آف ڈائریکٹرز نے کمپنی کے وٹن، مشن اور کارپوریشن حکمت عملی کا بغور جائزہ لیا اور اسے منظوری دی ہے۔ یہ جامع طور پر اس نظر سے کو بیان کرتا ہے جس کے ساتھ کمپنی کو شامل کیا گیا تھا۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وٹن اور مشن ہماری مجموعی کارپوریشن حکمت عملی کی سمت متعین کریں۔ پوری تنظیم اس مقصد سے منسلک اور کارفرما ہے اور یہ ہمارے روزمرہ کے کاروبار میں فیصلہ سازی کے معیار کو پورا کرتی ہے۔

سیٹی اڈا نے کی پالیسی

لہذا کمپنیز (کوڈ آف کارپوریشن گورننس) ریگولیشن 2017 کے مطابق، کمپنی دیا ندراری، اخلاقی قدر اور جوابدہی کے اعلیٰ معیارات حاصل کرنے کے لیے پرعزم ہے۔ اس کے مطابق، کمپنی کی سیٹی کم کرنے کی پالیسی بورڈ آف ڈائریکٹرز سے منظوری جاتی ہے اور کمپنی کی ویب سائٹ پر رکھی جاتی ہے۔

کارپوریشن گورننس کے ضابطہ کی تعمیل

پاکستان اسٹاک ایکسچینج کی جانب سے 30 جون 2023 کو ختم ہونے والے سال کے لیے متعلقہ فہرست سازی کے ضوابط میں وضع کردہ ضابطہ کارپوریشن گورننس کے تقاضوں کو کمپنی نے اپنایا ہے اور ان کی باقاعدہ تعمیل کی گئی ہے:

ضابطہ اخلاق

بورڈ نے ضابطہ اخلاق اپنایا ہے۔ تمام ملازمین کو اس ضابطہ کے بارے میں مطلع کیا جاتا ہے اور ان سے ضروری ہے کہ وہ صارفین، سپلائرز اور ریگولیٹرز کے سلسلے میں ان ضابطوں کی پابندی کریں۔

اسٹیک ہولڈرز کے ساتھ تعلقات

ہم اپنے سپلائرز، صارفین اور کاروباری شراکت داروں کے ساتھ باہمی طور پر فائدہ مند تعلقات قائم کرنے کے لیے پرعزم ہیں۔

کارپوریشن اور مالیاتی رپورٹنگ فریم ورک

کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریشن گورننس کی تعمیل میں، ہم کارپوریشن اور مالیاتی رپورٹنگ کے فریم ورک پر ذیل میں بیانات دیتے ہیں:

- یہ مالیاتی بیانات، جو کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے ہیں، اس کی حالت، اس کے کاموں کے نتائج، کمپنیز فلوا اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔
- کمپنی نے حساب کتاب کی مناسب دیکھ بھال کی ہے۔

• مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے نتیجے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالیاتی بیانات کی تیاری میں پیروی کی گئی ہے اور وہاں سے کسی بھی روایتی کا مناسب طور پر انکشاف اور وضاحت کی گئی ہے۔

• اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ کیا گیا ہے۔ اندرونی آڈٹ اور اس طرح کے دیگر نگرانی کے طریقہ کار کے ذریعے نظام کی مسلسل نگرانی کی جارہی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل ایک جاری عمل کے طور پر جاری رہے گا جس کا مقصد کنٹرول کو مزید مضبوط کرنا اور نظام میں بہتری لانا ہے۔

• جاری توثیق کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

• کارپوریشن گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی، جیسا کہ فہرست سازی کے ضوابط میں درج ہے۔

• گزشتہ چھ سالوں کا کلیدی آپریٹنگ اور مالیاتی ڈیٹا خلاصہ شکل میں منسلک ہے۔

• ٹیکس اور لیویز کے بارے میں معلومات مالیاتی گوشواروں کے نوٹوں میں دی گئی ہیں۔

• اسٹاف کی ریٹائرمنٹ کے فوائد کے سلسلے میں سرمایہ کاری اور بینک بیننس کی قدر: پراویڈنٹ فنڈ روپے -/26,961,810 سرمایہ کاری کی قدر میں جمع شدہ منافع شامل ہے۔

• مالی سال کے اختتام اور سالانہ رپورٹ کی تاریخ کے درمیان ہونے والی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

• کمپنی کو درپیش بنیادی خطرات میں سخت مقابلہ، روپے کی قدر میں کمی، گیس کی قیمتوں میں اضافہ اور توانائی کے اخراجات وغیرہ شامل ہیں۔

• کمپنی کی پیداوار کا ماحول پر کوئی منفی اثر نہیں پڑتا ہے کیونکہ ہمارے پلانٹ اور آپریشنز بین الاقوامی اور قومی ماحولیاتی معیارات کی تعمیل کرتے ہیں۔

• مالی سال کے دوران کمپنی یا کسی دوسری کمپنی کے کاروبار کی نوعیت سے متعلق کوئی تبدیلی نہیں ہوئی ہے جس میں کمپنی کی دلچسپی ہے۔

• کمپنی کے پاس غیر ایگزیکٹو اور آزاد ڈائریکٹرز کے لیے معاوضے کے پیکج کو طے کرنے کی کوئی پالیسی نہیں ہے کیونکہ وہ کسی بھی معاوضے کے حقدار نہیں ہیں۔

• ٹیکسز، لیویز اور چارجز کی مدد میں کوئی بقایا قانونی ادائیگیاں نہیں ہیں سوائے ان مالیاتی گوشواروں میں جن کا انکشاف کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی میٹنگز:

بورڈ نے سال کے دوران 4 مرتبہ اجلاس منعقد کیا اور متعلقہ ڈائریکٹرز کی حاضری حسب ذیل تھی۔

ڈائریکٹرز	اجلاس میں حاضری
شیخ فیصل توحید	4
شیخ کاشف توحید	4
مسز میرا فیصل	4
مسز طاہرہ کاشف	4
شہزاد احسان	4
شیخ مصطفیٰ فیصل توحید	4
محمد عارف	4

بورڈ آڈٹ کمیٹی

کوڈ آف کارپوریشن گورننس کے نفاذ کے بعد سے بورڈ کی ایک آڈٹ کمیٹی موجود ہے۔ آڈٹ کمیٹی کے پاس حوالہ جات کی شرائط ہیں جن کا تعین بورڈ آف ڈائریکٹرز نے فہرست سازی کے ضوابط اور کارپوریشن گورننس کے ضابطہ میں فراہم کردہ رہنما خطوط کے مطابق کیا ہے۔

ڈائریکٹرز کی جائزہ رپورٹ

نیشنل سلیک اینڈ رےون ملز لمیٹڈ کے بورڈ ڈائریکٹرز کو آپ 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی بیان کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی ہو رہی ہے۔ کارکردگی کا اسکور کارڈ

2022	2023	آپریٹنگ نتائج
111,683,928	53,487,008	کل منافع
51,066,035	56,952,718	فروخت، ترسیل اور انتظامی اخراجات
52,867,484	(3,633,273)	نقصان / منافع قبل از ٹیکس
(38,616,014)	(19,299,463)	ٹیکس
14,251,470	(22,932,736)	نقصان / منافع بعد از ٹیکس
0.92	(1.47)	نقصان / منافع فی حصص

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

زیر جائزہ مدت کے دوران کمپنی کا خالص کاروبار (2022: 1,302,943,379) / (2023: 1,758,081,798) روپے رہا۔ جو 35% کا اضافہ دکھا رہا ہے، حالانکہ مدت کے دوران ان پٹ لاگت زیادہ رہی کیونکہ روپیہ امریکی ڈالر کے مقابلے میں مزید کمزور ہوا، شرح سود، توانائی اور اجناس کی قیمتوں میں اضافے کے ساتھ درآمدی پابندیاں۔

ڈیویڈنڈ:

بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی لیکویڈٹی پوزیشن اور اعلیٰ شرح سود کے منظر نامے کو مد نظر رکھتے ہوئے ڈیویڈنڈ کی سفارش نہیں کی ہے۔

قرض کی ذمہ داری:

اللہ تعالیٰ کے فضل سے، بہت سارے چیلنجوں کے باوجود، کمپنی اپنے مالی وعدوں اور قرض کی ذمہ داری کو وقت پر پورا کرنے پر مشتمل ہے۔

قومی خزانے میں شراکت:

ایک ذمہ داری شہری ہونے کے ناطے، آپ کی کمپنی نے قومی خزانے میں انکم ٹیکس، سلیک ٹیکس، کسٹم ڈیوٹی اور ایکسائز کی مدد میں 348.15 ملین روپے کا حصہ ڈالا جو کہ گزشتہ سال کے دوران 220.30 ملین روپے تھا۔

انسانی وسائل کے انتظام اور ملازم کے تعلقات:

ہمیں پختہ یقین ہے کہ ہمارے لوگ ہمارا سب سے قیمتی اور ضروری اثاثہ ہیں۔ کمپنی کی اپنے لوگوں کو برقرار رکھنے کی پالیسی بہترین اور بے مثال ہے۔ بے مثال لیڈر ہونے کی اپنی وراثت کو جاری رکھنے کے لیے، ہم ہر سطح پر اعلیٰ صلاحیتوں کو متاثر کرنے کی کوششیں کرتے ہیں اور انتخاب کی منزل بننے کی خواہش رکھتے ہیں۔ کمپنی اپنے موجودہ ملازمین کو متحرک اور مصروف رکھ کر ترقی دینے کی کوشش کرتی ہے۔ ہمارا اعلیٰ صلاحیت والے ملازمین کی شناخت کے لیے مختلف ٹولز کا استعمال کرتا ہے اور انہیں مزید تیار کرنے کے لیے مختلف تربیتیوں کا اہتمام کرتا ہے۔ اعلیٰ صلاحیت کے حامل پیشہ ورانہ افراد کی پرجوش ٹیم کے ساتھ، انتظامیہ مقامی اور بین الاقوامی مارکیٹوں میں کاروبار کو مزید فروغ دینے کے لیے پراعتماد ہے۔ واضح طور پر متعین اتھارٹی میٹرز، پالیسیوں کے طریقہ کار اور اسٹریٹجی کے ذریعے اپنی کاروباری ضروریات کو پورا کرنے کے لیے ہم اپنے عمل کی ساختی ترقی پر مضبوط توجہ مرکوز کیے ہوئے ہیں۔ انعام اور شناخت شفاف کارکردگی کے انتظام اور طریقہ کار سے منسلک رہے گی۔

ملازمین کی مصروفیت اور فلاحی سرگرمیوں کا مقصد ملازمین کو مصروف رکھنا اور حوصلہ افزائی کرنا ہے۔ یہ سرگرمیاں ہمارے لوگوں کی حوصلہ افزائی اور ترقی کا کام بھی کرتی ہیں۔ کمپنی کے پاس اپنے ملازمین کے لیے مستقل فلاحی حکمت عملی ہے۔ کارکنوں کے لیے طبی سہولیات اور ملازمین کو ابتدائی طبی امداد بھی فراہم کی جاتی ہے۔ پودے میں نماز پڑھنے اور دین کی تعلیم حاصل کرنے کے لیے ایک مسجد ہے۔ کمپنی تمام ملازمین کو کھیلوں اور مختلف غیر نصابی سرگرمیوں میں حصہ لینے کے لیے حوصلہ افزائی اور فروغ دیتی ہے۔

کارپوریٹ اور سماجی ذمہ داری:

کمپنی معاشرے اور فلاح و بہبود کے تئیں اپنی ذمہ داری سے پوری طرح باخبر ہے۔ کمپنی نے اپنی کارپوریٹ سماجی ذمہ داری کو پورا کرنے کے لیے کئی اقدامات کیے اور اپنے ملازمین، ان کے خاندانوں، مقامی کمیونٹی اور بڑے پیمانے پر معاشرے کی فلاح و بہبود کے لیے معقول مالی مدد جاری رکھی۔

داخلی مالیاتی کنٹرول

اندرونی مالیاتی کنٹرول کے حوالے سے ڈائریکٹرز کو ان کی ذمہ داری سے نوازا جاتا ہے۔ انتظامیہ اور آڈیٹرز (اندرونی اور بیرونی دونوں) کے ساتھ بات چیت کے ذریعے، وہ اس بات کی تصدیق کرتے ہیں کہ کمپنی کی طرف سے مناسب کنٹرول نافذ کیے گئے ہیں۔

کمپنی کے قانونی آڈیٹرز:

موجودہ آڈیٹرز M/S ر. ریاض احمد اور کمپنی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہوئے اور اہل ہونے کے بعد، خود کو دوبارہ تقرری کے لیے پیش کر چکے ہیں۔ بورڈ کی آڈٹ کمیٹی نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کمپنی کے آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی بھی سفارش کی ہے۔

اسٹاف ریٹائرمنٹ کے فوائد

کمپنی اپنے ملازمین کے لیے ایک فنڈ ڈکسٹریبیوٹری پروویڈنٹ فنڈ اسکیم چلاتی ہے اور ملازمین کی تنخواہوں پر یعنی چندہ ماہانہ بنیادوں پر فنڈ میں دیا جاتا ہے۔

شیرت قیمت کارخانہ

زیر نظر سال کے دوران 10/ روپے کے شیرت کی کم از کم قیمت 15.31 روپے تک گر گئی اور 25.98 روپے تک بڑھ گئی اور 30 جون 2023 کو 16.02 روپے پر بند ہوئی۔

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 73 واں سالانہ عام اجلاس جو ہفتہ، 28 اکتوبر 2023 کو سہ پہر 3 بجے ایوانِ نورا پونٹ کمپلیکس، 10 سوک سنٹر، جوہر ٹاؤن، ایل ڈی اے آفس، لاہور میں منعقد ہوگا، میں میرے/ہمارے لئے اور میری/ہماری طرف سے بحیثیت اپنا پراکسی، ووٹ دینے کے لئے نامزد کرتا ہوں/کرتے ہیں۔

گواہ: 2

گواہ: 1

دستخط

نام

پتہ

سی این آئی سی نمبر

نوٹ: پراکسی فارم/نمائندگی فارم کو موثر ہونے کے لیے سالانہ اجلاس سے کم از کم 48 گھنٹے پہلے موصول ہونا ضروری ہے۔ اور اس پر دستخط، ریپونڈنٹ 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 73rd 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 Saturday 28th day of October 2023 at 3.00 p.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2023

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.



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