



NAGINA COTTON MILLS LIMITED



ANNUAL REPORT
2020

CONTENTS

Company Information	2
Notice of Annual General Meeting	3
Vision and Mission Statement	11
Chairman Review Report	17
Directors' Report to the Members	19
Statement of Compliance with listed Companies (Code of Corporate Governance) Regulations, 2019	28
Shareholders' Information	30
Pattern of Shareholding	33
Key Financial Information	35
Independent Auditors' Review Report to the Members on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019	36
Independent Auditors' Report to the Members	37
Statement of Financial Position	42
Statement of Profit or Loss and Other Comprehensive Income	44
Statement of Cash Flows	45
Statement of Changes in Equity	46
Notes to the Financial Statements	47
Form of Proxy	87

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Shahzada Ellahi Shaikh	Non-Executive Director/ Chairman
Mr. Tajammal Husain Bokharee	Independent Non-Executive Director
Mr. Shafiq ur Rehman	Independent Non-Executive Director
Ms. Tosheeba Sarwar	Independent Non-Executive Director
Mr. Hasan Ahmad	Non-Executive Director
Mr. Shafqat Ellahi Shaikh	Non-Executive Director
Mr. Raza Ellahi Shaikh	Non-Executive Director
Mr. Haroon Shahzada Ellahi Shaikh	Non-Executive Director
Mr. Shaukat Ellahi Shaikh	Executive Director
Mr. Amin Ellahi Shaikh	Executive Director

MANAGING DIRECTOR (Chief Executive)

Mr. Amin Ellahi Shaikh

AUDIT COMMITTEE

Mr. Tajammal Husain Bokharee	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Syed Mohsin Gilani	Secretary

HUMAN RESOURCE & REMUNERATION (HR & R) COMMITTEE

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

EXECUTIVE COMMITTEE

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member
Mr. Muhammad Azam	Secretary

CORPORATE SECRETARY

Mr. Syed Mohsin Gilani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Tariq Zafar Bajwa

HEAD OF INTERNAL AUDIT

Mr. Kashif Saleem

AUDITORS

Messrs Deloitte Yousuf Adil
Chartered Accountants

LEGAL ADVISOR

Makhdoom & Makhdoom Advocates

LEAD BANKERS

Albaraka Bank (Pakistan) Ltd.
Allied Bank Ltd.
Askari Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd.
Habib Bank Ltd.
Habib Metropolitan Bank Ltd.
JS Bank LTD.
Meezan Bank Ltd.
Industrial Development Bank of Pakistan
MCB Bank Ltd.
National Bank of Pakistan
Samba Bank Ltd.
Standard Chartered Bank (Pakistan) Ltd.
The Bank of Punjab
United Bank Ltd.

REGISTERED OFFICE

2nd Floor, Shaikh Sultan Trust Bldg. No.2
26, Civil Lines, Beaumont Road,
Karachi - 75530

WEB REFERENCE

www.nagina.com

SHARE REGISTRAR

M/s Hameed Majeed Associates (Pvt.) Ltd.
5th Floor, Karachi Chambers,
Hasrat Mohani Road,
Karachi.
Phone # 021-32412754, 32424826
Fax # 021-32424835

MILLS

Aminabad, A-16, S.I.T.E.,
National Highway, Kotri

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting of members of NAGINA COTTON MILLS LTD. will be held on **Tuesday, October 27, 2020** at 10:00 a.m., electronically through video-link facility (Zoom App.), to transact the following business:-

A. ORDINARY BUSINESS

- 1) To confirm minutes of the Extraordinary General Meeting held on January 28, 2020.
- 2) To receive, consider and adopt Audited Financial statement of the Company together with the Chairman's Review Report, Directors' and Auditors' reports thereon for the year ended June 30, 2020.
- 3) To appoint Auditors for the year ending on June 30, 2021 and fix their remuneration.
- 4) To transact any other ordinary business with the permission of the Chair.

B. SPECIAL BUSINESS

To discuss, consider, approve and, if thought fit, pass the following special resolution with or without modification(s):

RESOLVED that pursuant to the requirements of Section 199 of the Companies Act, 2017, Nagina Cotton Mills Ltd., (the "Company") be and is hereby authorized to make investment of up to PKR 100,000,000 (Rupees One Hundred Million Only) from time to time in each of the following associated companies (a) Prosperity Weaving Mills Ltd, (b) Ellcot Spinning Mills Ltd, by way of advances and / loans, as and when required by these associated companies, provided that the return on such loans and / advances shall not be less than the average borrowing cost of the Company and that such loans / or advances shall be repayable within one year from the date of disbursement.

FURTHER RESOLVED that the above said resolution shall be valid for 5 (five) years and the Chief Executive Officer of the Company be and is hereby authorized to undertake the decision of said investment as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and the Chief Executive and/or Company Secretary be and are hereby singly authorized to take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary for the purpose of giving effect to the spirit and intent of the special resolution for making investment from time to time.

Statements under Section 134(3) of the Companies Act, 2017 along with the information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 concerning special business is annexed.

By Order of the Board



Syed Mohsin Gilani
Corporate Secretary

September 24, 2020

NOTES:

- 1) The share transfer books for ordinary shares of the Company will be closed from Wednesday, October 21, 2020 to Tuesday, October 27, 2020 (both days inclusive). Valid transfer(s) received in order by our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi by the close of business on Tuesday, October 20, 2020 will be in time to attend the meeting.
- 2) A member entitled to attend and vote at the General Meeting is entitled to appoint another member as proxy. Proxies, in order to be effective, must be received at the Company's registered office not less than forty-eight (48) hours before the time of meeting. Members through CDC appointing proxies must attach attested copy of their Computerised National Identity Card (CNIC) with the proxy form.
- 3) The shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original CNIC with copy thereof duly attested by their bankers, account number and participant I.D number for identification purpose.
- 4) In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.
- 5) Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and Pakistan Stock Exchange Limited (PSX) through its notice Ref: PSX/N-372 dated March 19, 2020 has advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. For this, members are required to email their Name, Folio Number, Cell Number and Number of shares held in their name with subject "Registration for Nagina Cotton Mills Limited AGM-20" alongwith valid copy of both sides of Computerized National Identity Card (CNIC) at nagina-agm20@nagina.com. Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address nagina-agm20@nagina.com.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

- 6) Members who have not submitted copy of valid CNIC are once again advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 275(i)/2016 dated March 31, 2016 read with Notification S.R.O. 19(I)/2014 dated January 10, 2014 and Notification S.R.O. 831(I)/2012 dated July 5, 2012.
- 7) In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS) for future dividends, if any.
- 8) The financial statements for the year ended June 30, 2020 shall be uploaded on the Company's website www.nagina.com twenty-one days prior to the date of holding of annual general meeting.
- 9) Pursuant to SECP Notification S.R.O. 787(I)/ 2014 dated September 8, 2014, members may inform the Company to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form available on Company's website.
- 10) Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
- 11) If the Company receives consent from the members holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 07 days prior to date of the meeting, the Company will arrange facility of video-link in that city subject to availability of such facility in that city.
- 12) Members are requested to promptly notify the Company of any change in their registered address.
- 13) **IMPORTANT:**
 - a) Shareholders are again requested to provide copy of CNIC/NTN, e-Dividend information and change of address to (i) respective Central Depository System (CDS) Participant and (ii) in case of physical securities to the Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
 - b) Shareholders are requested to contact the Registered Office of the Company or the Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi for collection of their unclaimed shares / unpaid dividend which they have not received due to any reasons.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 REGARDING SPECIAL BUSINESS

This Statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on October 27, 2020.

M/s. Prosperity Weaving Mills Ltd. (PWML) and Ellcot Spinning Mills Ltd. (ESML) are not members of the Company. Their sponsors/directors are directors/members of the Company. They have no interest except their directorship and to the extent of their shareholding in the Company which is as follows:

Sr. No.	Name	% of Shareholding
1.	Mr. Shahzada Ellahi Shaikh	17.26
2.	Mr. Shaukat Ellahi Shaikh	17.47
3.	Mr. Shafqat Ellahi Shaikh	17.26
4.	Mr. Raza Ellahi Shaikh	7.49
5.	Mr. Amin Ellahi Shaikh	7.49
6.	Mr. Haroon Shahzada Ellahi Shaikh	3.74
7.	Mr. Omer Ellahi Shaikh	3.74

Information under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017.

(a) Disclosure for all types of investments

(A) Disclosure regarding associated company

i.	Name of Associated Company or Associated Undertaking.	a) M/s. Prosperity Weaving Mills Ltd. (PWML) b) M/s. Ellcot Spinning Mills Ltd., (ESML)																			
ii.	Basis of Relationship.	Common Directorship																			
iii.	Earnings / (Loss) per Share for the last three years.	<table><tr><th rowspan="2">Year</th><th colspan="2">Earnings Per Share (Rs.)</th></tr><tr><th>PWML</th><th>ESML</th></tr><tr><td>2020</td><td>8.37</td><td>20.63</td></tr><tr><td>2019</td><td>11.37</td><td>18.70</td></tr><tr><td>2018</td><td>2.96</td><td>11.92</td></tr></table>			Year	Earnings Per Share (Rs.)		PWML	ESML	2020	8.37	20.63	2019	11.37	18.70	2018	2.96	11.92			
Year	Earnings Per Share (Rs.)																				
	PWML	ESML																			
2020	8.37	20.63																			
2019	11.37	18.70																			
2018	2.96	11.92																			
iv.	Break-up value per Share, based on last audited financial statements.	PWML = Rs. 63.88 ESML = Rs. 160.29																			
v.	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements.	As on June 30, 2020 <table><tr><th rowspan="2">Description</th><th>PWML</th><th>ESML</th></tr><tr><th colspan="2">Rupees in millions</th></tr><tr><td>Paid up Capital</td><td>184.800</td><td>109.500</td></tr><tr><td>Non-current assets</td><td>2,108.991</td><td>2,460.423</td></tr><tr><td>Current assets</td><td>1,780.575</td><td>2,916.997</td></tr><tr><td>Non-Current Liability</td><td>1,668.421</td><td>2,083.557</td></tr></table>			Description	PWML	ESML	Rupees in millions		Paid up Capital	184.800	109.500	Non-current assets	2,108.991	2,460.423	Current assets	1,780.575	2,916.997	Non-Current Liability	1,668.421	2,083.557
Description	PWML	ESML																			
	Rupees in millions																				
Paid up Capital	184.800	109.500																			
Non-current assets	2,108.991	2,460.423																			
Current assets	1,780.575	2,916.997																			
Non-Current Liability	1,668.421	2,083.557																			

		<table> <tr> <td>Current Liabilities</td><td>1,040.698</td><td>1,538.732</td></tr> <tr> <td>Revenue</td><td>6,018.541</td><td>6,152.929</td></tr> <tr> <td>Gross Profit</td><td>529.557</td><td>757.673</td></tr> <tr> <td>Finance Cost</td><td>118.847</td><td>189.347</td></tr> <tr> <td>Profit After Tax</td><td>154.755</td><td>225.879</td></tr> </table>	Current Liabilities	1,040.698	1,538.732	Revenue	6,018.541	6,152.929	Gross Profit	529.557	757.673	Finance Cost	118.847	189.347	Profit After Tax	154.755	225.879
Current Liabilities	1,040.698	1,538.732															
Revenue	6,018.541	6,152.929															
Gross Profit	529.557	757.673															
Finance Cost	118.847	189.347															
Profit After Tax	154.755	225.879															
vi.	<p>In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely,-</p> <p>(I) description of the project and its history since conceptualization;</p> <p>(II) starting date and expected date of completion of work;</p> <p>(III) time by which such project shall become commercially operational;</p> <p>(IV) expected time by which the project shall start paying return on investment; and</p> <p>(V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;</p>	Not Applicable															
(B) General Disclosures:																	
i)	Maximum amount if investment to be made.	<p>Loan investment upto Rs. 100,000,000/- (Rupees one hundred million only) to each of the following:</p> <p>a) Prosperity Weaving Mills Ltd.</p> <p>b) Ellcot Spinning Mills Ltd.</p>															
ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment.	To provide an option to the associated companies to avail finance as and when required and to park any surplus funds with the associated companies to earn a return over and above offered in the market.															
iii)	<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p>	<p>Surplus funds of the Company</p> <p>N/A</p>															

	(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis;	N/A N/A														
iv)	salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment.	Agreement will be signed after approval by the members. Other significant terms and conditions are as under: 1.Interest due on outstanding amount of loan shall be paid by the associated company on monthly basis on or before 10 th of every month starting from the next month of the disbursement of loan. 2.In case of delay in re-payment principal and interest, an additional sum equivalent to 2% per annum on the unpaid amount for the period for which the payment is delayed, shall be paid by associated company to the Company in addition to the agreed interest amount. 3.All payments under the loan agreement shall be made through crossed cheques.														
v)	direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	The following directors of the Company are also the directors in the investee company, however, the directors have no director or indirect interest except to the extent of their shareholding / directorship in the investee company. <table><tr><th>S #</th><th>Name</th></tr><tr><td>1.</td><td>Mr. Shahzada Ellahi Shaikh</td></tr><tr><td>2.</td><td>Mr. Shaukat Ellahi Shaikh</td></tr><tr><td>3.</td><td>Mr. Shafqat Ellahi Shaikh</td></tr><tr><td>4.</td><td>Mr. Raza Ellahi Shaikh</td></tr><tr><td>5.</td><td>Mr. Amin Ellahi Shaikh</td></tr><tr><td>6.</td><td>Mr. Haroon Shahzada Ellahi Shaikh</td></tr></table>	S #	Name	1.	Mr. Shahzada Ellahi Shaikh	2.	Mr. Shaukat Ellahi Shaikh	3.	Mr. Shafqat Ellahi Shaikh	4.	Mr. Raza Ellahi Shaikh	5.	Mr. Amin Ellahi Shaikh	6.	Mr. Haroon Shahzada Ellahi Shaikh
S #	Name															
1.	Mr. Shahzada Ellahi Shaikh															
2.	Mr. Shaukat Ellahi Shaikh															
3.	Mr. Shafqat Ellahi Shaikh															
4.	Mr. Raza Ellahi Shaikh															
5.	Mr. Amin Ellahi Shaikh															
6.	Mr. Haroon Shahzada Ellahi Shaikh															
vi)	in case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs.	Not applicable														
vii)	any other important details necessary for the members to understand the transaction.	None														

Additional disclosure regarding investment in the form of Loan / Advance

(i)	category-wise amount of investment.	Loan investment upto Rs. 100,000,000/- (Rupees One Hundred Million Only) to each of the following: a) Prosperity Weaving Mills Ltd. b) Ellcot Spinning Mills Ltd.
(ii)	average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period.	The current average borrowing cost of the Company for the year ended June 30, 2020 was 12.65%.
(iii)	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company.	Not less than average borrowing cost of the Company to be decided by Chief Executive Officer (Mg. Director).
(iv)	particulars of collateral or security to be obtained in relation to the proposed investment	No security to be obtained as all companies are under common management.
(v)	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable.	None
(vi)	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Repayment of principal will be made within one year with payment of interest due on monthly basis.

STATEMENT AS REQUIRED UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED) COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017.

Members had approved a special resolution u/s 208 of the repealed Companies Ordinance, 1984 (U/S 199 of the Companies Act, 2017) on October 30, 2015. The Company has not made any investment under the resolution. Following is the status:

a) Total investment approved;	Rs.75,000,000/= (Rupees seventy five million only) to each of the following associated company: i) Prosperity Weaving Mills Ltd. (PWML) ii) Ellcot Spinning Mills Ltd. (ESML)																																						
b) Amount of investment made to date;	Nil																																						
c) Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and	Due to better cash flows, the associated companies did not need funds envisaged u/s 199 of the Companies Act, 2017. Therefore, no investment transaction took place during the year 2019-20.																																						
d) Material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.	<table> <tr> <th></th><th colspan="2">Present Financial Position as on June 30, 2020</th><th colspan="2">Financial Position at the time of Approval as on June 30, 2015</th></tr> <tr> <th></th><th><u>PWML</u></th><th><u>ESML</u></th><th><u>PWML</u></th><th><u>ESML</u></th></tr> <tr> <th></th><th colspan="4">Rupees in Millions</th></tr> <tr> <td>Net sales</td><td>6,018.541</td><td>6,152.929</td><td>5,811.482</td><td>4,588.788</td></tr> <tr> <td>Gross profit</td><td>529.557</td><td>757.673</td><td>318.755</td><td>291.992</td></tr> <tr> <td>Profit before tax</td><td>247.968</td><td>361.369</td><td>31.188</td><td>90.206</td></tr> <tr> <td>Profit after tax</td><td>154.755</td><td>225.879</td><td>60.831</td><td>54.291</td></tr> </table>					Present Financial Position as on June 30, 2020		Financial Position at the time of Approval as on June 30, 2015			<u>PWML</u>	<u>ESML</u>	<u>PWML</u>	<u>ESML</u>		Rupees in Millions				Net sales	6,018.541	6,152.929	5,811.482	4,588.788	Gross profit	529.557	757.673	318.755	291.992	Profit before tax	247.968	361.369	31.188	90.206	Profit after tax	154.755	225.879	60.831	54.291
	Present Financial Position as on June 30, 2020		Financial Position at the time of Approval as on June 30, 2015																																				
	<u>PWML</u>	<u>ESML</u>	<u>PWML</u>	<u>ESML</u>																																			
	Rupees in Millions																																						
Net sales	6,018.541	6,152.929	5,811.482	4,588.788																																			
Gross profit	529.557	757.673	318.755	291.992																																			
Profit before tax	247.968	361.369	31.188	90.206																																			
Profit after tax	154.755	225.879	60.831	54.291																																			

Vision:

To strive for excellence through commitment, integrity, honesty and team work.

Mission:

The mission of Company is to operate state of the art spinning machinery capable of producing high quality carded and combed, cotton, core spun and blended yarn for knitting and weaving.

The Company will conduct its operations prudently assuring customer satisfaction and will provide profits and growth to its shareholders through;

- Providing quality products and services to our customers mainly engaged in the manufacturing of textile products.
- Manufacturing of cotton, core spun and blended yarn as per the customers' requirements and market demand.
- Exploring the global market with special emphasis on Europe and USA.
- Keeping pace with the rapidly changing technology by continuously balancing, modernization and replacement (BMR) of plant and machinery.
- Enhancing the profitability by improved efficiency and cost controls.
- Recruiting, developing, motivating and retaining the personnel having exceptional ability and dedication by providing them good working conditions, performance based compensation, attractive benefit program and opportunity for growth.
- Protecting the environment and contributing towards the economic strength of the country and function as a good corporate citizen.



Control Union Certifications B.V.
Havenweg 4-6, 8013 RZ Zwolle, Netherlands
+31 38 426 3335
www.controlunion.com

CERTIFICATE OF COMPLIANCE

Issue Certificate

Certificate No. CU948333095-2020-00011074
Registration No. 948333

Control Union Certifications declares that

Nagina Cotton Mills Limited

Nagina Group, 11, B-1, M.P. Agar Road,
Gulberg III,
Lahore,
Pakistan

has been inspected and assessed as compliant with the
Global Recycled Standard (GRS) 4.0

and that products of the category as mentioned below and to that specified in the scope comply with the standard

Fabric, Fibres

Processing stage: Textile conversion under responsibility of the client and/or consumer for the operations described in the scope for certified products

Exporting, Spinning, Importing, Trading

This certificate is valid until

2021-04-14

This certificate is valid from

2020-04-17

Place and date of issue



2020-03-24, Zwolle

Name of authorised person

On behalf of the Managing Director
Razan Gulappanthe / Controller

Place of the issuing body



Standard logo



This certificate cannot be used as a transaction certificate. The issuing body certifies the certificate holder's compliance with the standard requirements as a single government accredited by ISO/IEC 17065, Accreditation No. 17065-02



The document is available in Dutch and English

Control Union Certifications B.V.

POB - Havenweg 4-6, 8013 RZ Zwolle - Netherlands

T +31 38 426 3335 - F +31 38 426 3340 - www.controlunion.com



Control Union Certifications B.V.
Havenweglaan 4-6, 8013 RZ Zwolle, Netherlands
+31 38 424 3330
www.controlunion.com

CERTIFICATE OF COMPLIANCE

Open Certificate

Certificate No: CU848113RCS-2020-00011075
Registration No: 948113

Control Union Certifications declares that

Nagina Cotton Mills Limited

Nagina Group, 91/92, H P Road,
Gulberg II,
Lahore,
Pakistan

has been inspected and assessed in accordance with the
Recycled Claim Standard (RCS) 2.4

and that products of the company as mentioned below fulfil further specified in the scope details with this standard

Spinning, Fibres

Following scope details the control union assumes responsibility of the above mentioned company for the operations as defined in the scope for specified standards

Exporting Spinning, Trading, Importing

This certificate is valid until

2023-04-16

This certificate is valid from

2020-04-17

Please visit our website



2020-07-25, Zwolle

Name of authorized person

On behalf of the Managing Director
Pawan Gulappattin | Control

Control Union Certifications



Standard logo



This certificate cannot be used as a transaction certificate. The issuing body can neither be held responsible or sign for the declared compliance
nor origin generated document by the Label Accreditation Board (LAB), Accreditation No: 17154-02



The company is responsible for the origin of the products

Control Union Certifications B.V.

HOT - Havenweglaan 4-6, 8013 RZ Zwolle, Netherlands

T: +31 38 424 3330 F: +31 38 423 3340 sales@controlunion.com



Control Union Certifications B.V.
Havenlaan 44, 8011 SZ Zwolle, Netherlands
+31 16 428 0000
www.controlunion.com

CERTIFICATE OF COMPLIANCE

Scope Certificate

Certificate No. CU848313005-2020-0000077
Registration No. 948333

Control Union Certification declares that

Nagina Cotton Mills Limited
Nagina Group, 91 B-1, M.P. Alam Road,
Gulberg III,
Lahore,
Pakistan

has been inspected and assessed in accordance with the
Organic Cotton Standard (OCS) 3.0

and the products of the company are in conformance with the specific to the scope certificate with the product
Name

Processing steps including can not not make responsibility of the above mentioned company for the operations as detailed in the scope of the certificate

Spinning, Dyeing, Finishing, Weaving

This certificate is valid until
2023-04-14
This certificate is valid from
2020-04-17

Barcode image of scope



2020-07-21, Zwolle

Name of certification officer

On behalf of the Managing Director
Fawaz Gulappattin | Control

Image of the issuing body



Standard logo



This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate if it is found that the declared compliance
is no longer guaranteed. Accredited by the United Kingdom Accreditation Body (UKAS), Accreditation No. 071054-01



Control Union Certifications B.V.
Havenlaan 44, 8011 SZ Zwolle, Netherlands
T: +31 16 428 0000 | F: +31 16 428 0000 | www.controlunion.com

This document is not to be used for any other purpose



Control Union Certifications B.V.
Pierwerfslaan 4-6, 8013 RZ Zwolle, Netherlands
+31 30 428 3030
www.controlunion.com

CERTIFICATE OF COMPLIANCE

(Scope Certificate)

Certificate No. CU84933505TS-2020-09030374
Registration No. 040333

Control Union Certifications declares that:

Nagina Cotton Mills Limited

Nagina Group, VI/6-1, H.P. Main Road,
Gulberg II,
Lahore
Pakistan

has been inspected and assessed as compliant with the
Global Organic Textile (GOTS) 5.0

and operations of the enterprise as mentioned above found to be compliant to the scope as specified with this standard
Fibres, Yarns

Processing steps: spinning, carding and combing, spinning, dyeing, weaving, finishing, packaging, distribution, retail, export, import, trading, processing

Spinning, Exporting, Trading, Importing

This certificate is valid until:
2025-04-16
This certificate is valid from:
2020-04-17

How to use this scope



2020-03-25, Zwolle

Scope of certification system

On behalf of the Managing Director
Pawan Gulappettibhi (Certifier)

Scope of the testing facility



Standards scope



This certificate cannot be used as a transaction certificate. The issuing body can withdraw this certificate if it is not used for the intended purpose
in a single government, accredited by Dutch Accreditation Council (RvA) Accreditation No. 7-15



This document is not to be used for any other purpose

Control Union Certifications B.V.

Pierwerfslaan 4-6, 8013 RZ Zwolle, Netherlands

T +31 30 428 3030 | F +31 30 428 3040 | www.controlunion.com

ARTS
BOUTIQUE TECHNOLOGICAL TEXTILE
PUNJABUR GOLA 1
61001 ALDOP (ALDOP) (GOLA, SPUR)

OEKO-TEX®
INSPIRING CONFIDENCE

CERTIFICATE

The company

NAGINA COTTON MILLS LTD
91, 91 MIN ALAM ROAD GULBERG III
54000 LAHORE, PAKISTAN

is granted authorization according to STANDARD 100 by OEKO-TEX® to use
the STANDARD 100 by OEKO-TEX® mark, based on our test report
20160K0112



for the following articles:

Grigio jersey made of 100% cotton and its mixtures with elastane. Partly based on pre-certified material according to STANDARD 100 by OEKO-TEX®.

The results of the inspection made according to STANDARD 100 by OEKO-TEX®, Appendix 6, product class I have shown that the above mentioned goods meet the human-ecological requirements of the STANDARD 100 by OEKO-TEX® presently established in Appendix 6 for baby articles.

The certified articles fulfil requirements of Annex XVII of REACH (incl. the use of azo colourants, nickel release, etc.), the American requirement regarding total content of lead in children's articles (CPSA), with the exception of accessories made from glass and of the Chinese standard GB 15401.2010 (labelling requirements were not verified).

The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the STANDARD 100 by OEKO-TEX® mark only in conjunction with products that conform with the sample initially tested. The conformity is verified by audits.

The certificate 20160K0112 is valid until 28.02.2021

Alicy (Alicia) España, 09.02.2020


Silvia Devesa Valencia
Innovation Assistant Manager




Isabel Soriano Sierra
Chief of Innovation Area



REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES

The Board of Directors (the Board) of Nagina Cotton Mills Limited (NCML) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code).

- The Election of Directors was held in January, 2020. All the elected directors are well-versed individuals as detailed in Directors' Report. The Board comprise of adequate number of Independent and Non-Executive Directors with highly qualified members from diversified backgrounds. The Board played an indispensable role in achieving the Company's objectives by providing oversight, guidance, strategic direction, assessing strategy & underlying purpose of actions taken by Management and monitoring of the Company's Performance towards achievement of its objectives;
- The Board has actively participated in strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval;
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors' report is published with the quarterly and annual financial statement of the Company and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making; and
- Necessary Board agenda and related supporting documents were duly made available to the board in sufficient time prior to the Board and its Committee Meetings. The non- executive and independent directors are equally involved in important decisions of the board.

The annual evaluation of the Board's performance is assessed based on the key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risks faced by the Company's business; Board dynamics; capability and information flows. Based on the aforementioned, it can reasonably be stated that the Board of NCML has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.



Shahzada Ellahi Shaikh
Chairman

September 24, 2020

بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے مشترک کردار پر چیئرمین کی جائزہ رپورٹ

- مجید کاٹھن (NAGINA CMD) کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے صارفین کے بہترین سہارے کو برقرار رکھنے میں اپنی اہم ذمہ داریاں سمجھیں۔ یہ تمام ذمہ داریاں ہیں اور کمپنی کے امور کو بروایت برہمت اعداد سے منظم کیا ہے۔ بورڈ نے کمپنی (ایکس) اور اس کے کنٹینر (کوالٹی آف کارپوریشن) گورننس اور گولڈ سٹار 2017 میں دئے گئے اپنے اختیار سے اور اس کے اداران کو بخوبی سراہا گیا ہے۔
- جنوری 2020 میں ڈائریکٹرز کے اجتماعات میں سال کے دوران باصاحت اور ادب پر مشتمل بورڈ تشکیل دیا گیا جس کی تفصیل ڈائریکٹرز رپورٹ میں دی گئی ہے۔ بورڈ مستوع پس منظر سے تعلق رکھنے والے ابتدائی تجربہ کار کارکن کے ساتھ آراء اور غیر ایگزیکٹو ڈائریکٹرز کی مناسب تعداد پر مشتمل ہے۔ بورڈ نے نگران، سربراہی، اسٹریٹجک سمت و سمت عملی کا اندازہ لگانے اور اپنے مقاصد کے حصول کے لئے کمپنی کی کارکردگی کی گہرائی اور اس کے تحت کئے گئے اقدامات کے بنیادی مقصد پر اہم کر کے کمپنی کے مقاصد کے حصول میں ایک ناقابل فراموش کردار ادا کیا۔
- بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل، ادارے کو باقی خطرات کا انتظامی نظام، پالیسی اور پینٹ اور مالیاتی سہولت کی گہرائی اور منظوری میں فعال طور پر حصہ لیا ہے۔
- سال بھر میں تمام اہم مسائل بورڈ یا اس کی کمیٹیوں کے ذریعہ دیکھو باری فیصلہ سازی کے عمل کو مضبوط بنانے کے لئے پیش کئے گئے اور خاص طور پر کمپنی کی طرف سے کئے گئے تمام مصلحت پارٹی سے ساتھ لیکن دین کو آؤٹ کمپنی کی۔ طرقات پر بورڈ نے منظوری دی۔
- بورڈ نے اس بات کو یقینی بنایا ہے کہ اندرونی کنٹرول کا مناسب نظام موجود ہے اور مطلوبہ تفصیل طریقہ کار اور ایگزیکٹو آؤٹ سرگرمیوں کے ذریعے اس کی باقاعدگی سے پانچ بج چلی کی جاتی ہے۔
- بورڈ نے جس شخصیات کی رپورٹ کی جاری اور منظوری دی ہے اور اس بات کو یقینی بنایا ہے کہ مجلس انتظامی، رپورٹ پیش کی سرکاری اور سالانہ مالیاتی سہولت کے ساتھ شائع ہونی اور مجلس انتظامی رپورٹ کا مواد قابل اطلاق قوانین اور قواعد و ضوابط کے مطابق ہے۔
- بورڈ نے چیف ایگزیکٹو آفس، چیف فنانس آفس، چیف ایگزیکٹو آفس اور ایگزیکٹو آؤٹ کے سربراہوں کی ملازمت اور معاوضہ سازی کو یقینی بنایا ہے۔
- بورڈ نے اس کے راکبین کے درمیان بروقت طریقے سے عملی عمل مصلحت کے چارے کو یقینی بنایا اور بورڈ کے ممبران کو اجلاس کے درمیان ڈیوٹی سٹاپ بارے میں ہمہ جہت باخبر رکھا گیا ہے۔
- بورڈ نے کمپنی پر قابل اطلاق مصلحت قوانین اور قواعد و ضوابط کی روشنی میں دئے گئے اختیارات کے مطابق اپنے اختیارات کا استعمال کیا ہے اور بورڈ نے ہمیشہ ڈائریکٹرز اپنے اختیارات کے استعمال اور فیصلہ سازی کرنے کے برعکس تمام قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کرتے ہوئے دی ہے اور
- بورڈ اور اس کی ذیلی کمیٹی کی مینٹنک سے قبل از وقت ضروری ایجنڈا اور اس سے حلقہ دستہ اجات بورڈ کو مہیا کیے گئے۔ جان ایگزیکٹو بورڈ اور ڈائریکٹرز بورڈ کے اہم نیکلوں میں برائے کے شریک ہیں۔
- بورڈ کی سالانہ کارکردگی اہم شعبوں پر مبنی ہے جہاں بورڈ کو اعلیٰ درجے کی گہرائی مہیا کرنے بشمول اسٹریٹجک عمل، گنیدی کا رو باری امور، سگت ملو کی تعمیل، عالمی معافی ماحول اور مسابقتی سیاق و سباق میں کمپنی کام کرتی ہے۔ کمپنی کے کاروبار کو بروقت خطرات، بورڈ کے مداخلت، مصلحت اور مصلحت مہیا کرنے کے لئے وضاحت دینے کی ضرورت ہوتی ہے۔ مذکورہ بالا کی بنیاد پر یہ
- ماسب طور پر کیا جاسکتا ہے کہ NCML کے بورڈ نے اس بات کو یقینی بنانے میں اہم کردار ادا کیا ہے کہ کمپنی کے تمام کاروبار صرف حاصل کیا جاسکتا ہے، بلکہ بورڈ اور اس کے کارکن کی راجدائی اور گہرائی کے ذریعہ انتظامیہ ہم کی مشورہ کو خوشوں کے ساتھ قوت سے بھی آگے بڑھایا جاسکتا ہے۔



منیر احمد امینی شیخ

چیئرمین

24 ستمبر 2020

DIRECTORS' REPORT TO THE MEMBERS

The Directors have the honor to present 53rd Annual Report of your Company together with Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2020. Figures for the previous year ended June 30, 2019 are included for comparison.

Company Performance

The year under review has been a turbulent year. The COVID-19 pandemic has emerged as a major event, forcing the world into a lock-down and restricting economic activity across the globe. Business confidence plummeted on the back of major supply chain disruptions and falling consumer demand. Our company endured these challenging times where we faced compulsory closure of mills, cancellation of sales orders, disruption in supply chain, steep exchange rate volatility and the constant threat of the spread of the virus. Alhamdulillah, despite all odds your Company has been able to remain profitable and earned after tax profit of Rs. 7,629,376 or 0.11% of sales compared to Rs. 308,619,662 or 4.45% of sales during same period last year (SPLY). Earning per share (EPS) for the year is Rs. 0.41 compared to Rs. 16.50 during SPLY. The reduction in profitability is mainly due to mills shutdown, cancellation of export orders, increase in financial expenses.

Sales revenue for the year under review is Rs. 7,070,172,001 compared to Rs. 6,932,309,534 during the SPLY showing slight increase of 1.99%. Cost of sales increased from 87.99% of sales during SPLY to 91.60% of sales during year under review. Major reasons for cost of sales increase is rising raw material costs and higher depreciation. Increase in cost of sales resulted in decrease in Gross Profit (GP) from 12.01% of sales during previous year to 8.40% of sales during the year under review.

Distribution costs increased from 1.75% of sales to 1.87% of sales this year. Administrative expenses increased from 2.09% of sales in SPLY to 2.17% of sales during the year under review due to inflationary impact. Other expenses decreased from 0.77% of sales in SPLY to 0.27% of sales for the current year.

The Company has been able to generate stable cash flows and made timely discharge of its operating and financial liabilities. Finance Cost increased from 3.08% of sales during SPLY to 3.93% during the period under review and stood at 277,813,274 compared to Rs. 213,398,307. The increase in finance cost is mainly due to higher financial cost on long term loans.

According to the figures issued by the Pakistan Cotton Ginners Association, for the crop year 2020-21, Kapas, (seed cotton) arrivals upto September 15, 2020, at the Ginneries totaled 1.035 million bales compared to 1.852 million bales for the year 2019-20 showing decrease in arrival of 44.12%.

Capital Assets Investment

Members are aware that in line with Company's strategic plans to continue to diversify its product line, addition of new qualities and blends of yarn and improvement in the production capacity of the plant the company went into a major state of the art BMR/ expansion project. The BMR project will help to improve quality, reduce operating costs and diversify products. The BMR project will help the company to cater to the needs of our quality conscious domestic and international buyers. We are pleased to report that the project has been successfully installed and is giving quality production. During the current year the value of investment in the BMR/ expansion project was approximately Rs. 1.295 billion.

Future Prospects and Outlook

Year under review has been a marginally profitable year. However, the global business outlook is still uncertain due to COVID-19. The markets are apprehensive of a second wave. In order to improve the market sentiment, the Governments all over the world are injecting liquidity and encouraging businesses to open up. It is hoped that a suitable vaccine shall be available soon so that the threat of COVID-19 second wave is eliminated. The combination of government efforts and the reduction in new cases is likely to create demand. The impact of Trade war between China and USA must be watched carefully as companies in the western world may diversify their sources of supply away from China and create demand in Pakistani textile products. Demand in local market is quite encouraging as the value-added sector comprising towels, home furnishings, denim and knitwear are reporting healthy export demand. Export markets for yarn are unable to match local prices causing fall in export of yarn.

The State Bank of Pakistan and the government has been very proactive to handle the COVID-19 related challenges. Measures like enhancement of liquidity, deferment of principal payments, refinancing of wages and salaries, providing low interest loans for investment and reducing the policy rate to 7% have helped textile industry in general. Therefore, Management is optimistic that the financial year 2020-21 would remain reasonably profitable.

Local cotton crop size is expected to shrink because of excessive rains and lower cultivation area. Therefore, spinners will have to import cotton to meet raw material requirement. Exchange rate parity between USD and PKR remained volatile and we witnessed almost 6.50%-rupee devaluation during the year under review. Government has promised to provide fixed price gas and power tariff to the textile industry. We would also like to appreciate the Government for allowing refunds for sales tax and pending Income tax refunds. This will help in effective cost management and maintaining competitiveness.

In this testing time of pandemic, we must appreciate the role of SBP. They have taken very timely relief measures for the business community. In a recent development, Honorable Supreme Court has issued an order with regard to long outstanding issue of GIDC. By virtue of the order industrial gas users are required to pay arrears of GIDC amount in installments. This will negatively impact the cash flows of the company. Higher prevailing inflation in the country is causing surge in costs. This may result in reduction in margins.

It is hoped that the Government would bring in business friendly policies such as uninterrupted energy supplies in cost effective manner, refund of outstanding sales tax and income tax so that stretched corporate cash flows can be eased out. Government policies should encourage the completion of the value chain in the textile sector so that the country can export finished products.

Dividend

Our company has opted for one-year loan deferments under SBP scheme. Under banks approval terms we cannot pay dividend for the year under review. Therefore, in this year we shall conserve our reserves with the hope for better payouts in future.

Principal Activity

The principal activity of the Company is manufacturing and sale of yarn.

Principal Risks and Uncertainties

The Board of Directors are responsible to oversee the Company's operations and to devise an effective strategy to mitigate any potential adverse impact of risks.

The Company's principal financial liabilities comprise long term finances, trade and other payables and short-term borrowings. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company's principal financial assets comprise of trade receivables, advances, short-term deposits, other receivables and cash and bank balances that arise directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Material Changes and Commitments

No adverse material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Director's Report.

Corporate Social Responsibility

The Company strongly believes in the integration of Corporate Social Responsibility into its business, and consistently endeavors to uplift communities that are influenced directly or indirectly by our business.

Environment, Health and Safety

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large. The management has maintained safe environment in all its operations throughout the year and is constantly upgrading their safety and living facilities.

Safety is a matter of concern for machinery as well as the employees working at plant. Fire extinguishers and other fire safety equipments have been placed at sites as well as registered and head office of the Company. Regular drills are performed to ensure efficiency of fire safety equipments.

Internal Financial Controls

A system of sound internal control is established and implemented at all levels of the Company by the Board of Directors. The system of internal control is sound in design for ensuring achievement of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

Related Parties

All related party transactions during the financial year ended June 30, 2020 were reviewed by the Audit Committee and approved by the Board of Directors. All the related parties' transactions were in line with the transfer pricing methods approved by the Board of Directors.

Shareholding Pattern

The shareholding pattern as at June 30, 2020 for ordinary shares is annexed.

Appointment of Auditors

Messrs. Deloitte Yousuf Adil, Chartered Accountants, Karachi are due to retire and being eligible, offer themselves for re-appointment as Auditors for the financial year 2020-21. The Audit Committee has recommended for re-appointment of present Auditors.

Financial Statements Audit

Financial statements of the Company have been audited without any qualification by Messrs. Deloitte Yousuf Adil, Chartered Accountants, the statutory external auditors of the Company.

Corporate Governance & Financial Reporting Framework

As required by the Code of Corporate Governance, Directors are pleased to report that:

- a) The financial statements prepared by the management of the Company present fair state of the Company's operations, cash flows and changes in equity.
- b) Proper books of account of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
- d) International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in the preparation of financial statements any departures therefrom have been adequately disclosed and explained.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern.
- g) Key operating and financial data for the last six years is annexed.
- h) There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2020 except for those disclosed in the financial statements.

Composition of Board

Total number of Directors:

a) Male:	9 (Nine)
b) Female:	1 (One)

Composition:

(i) Independent Directors:	3 (Three)
(ii) Other Non-Executive Directors	5 (Five)
(iii) Executive Director	2 (Two)

Name of Directors

Mr. Shahzada Ellahi Shaikh	Chairman
Mr. Tajammal Husain Bokharee	
Mr. Shafiq ur Rehman	
Ms. Tosheeba Sarwar	
Mr. Hasan Ahmad	
Mr. Shafqat Ellahi Shaikh	
Mr. Raza Ellahi Shaikh	
Mr. Haroon Shahzada Ellahi Shaikh	
Mr. Shaukat Ellahi Shaikh	
Mr. Amin Ellahi Shaikh	Director / Chief Executive Officer

During the year, Election of Directors was held. Mr. Tariq Zafar Bajwa and Mr. Munawar Iqbal, who were the part of the previous Board were retired.

Committees of the Board:

The Board has made following sub-committees:

Audit Committee

Mr. Tajammal Husain Bokharee	Chairman
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Human Resource and Remuneration (HR&R) Committee

Mr. Shafiq ur Rehman	Chairman
Mr. Amin Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Executive Committee

Mr. Amin Ellahi Shaikh	Chairman
Mr. Shaukat Ellahi Shaikh	Member
Mr. Raza Ellahi Shaikh	Member
Mr. Haroon Shahzada Ellahi Shaikh	Member

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2019-20, please refer notes to the Financial Statements.

Acknowledgment

Continued diligence and devotion of the staff and workers of the Company and good human relations at all levels deserve acknowledgement. The Directors also wish to place on record their thanks to the bankers and other stakeholders for their continued support to the Company.

On behalf of the Board



Amin Ellahi Shaikh
Mg. Director (Chief Executive)



Haroon Shahzada Ellahi Shaikh
Director

September 24, 2020

ممبران کے لئے مجلس نظاماء کی رپورٹ

محکمہ خزانہ، 30 جولائی 2021ء کو کھنڈر مال کے لئے گیمفنی کی 53 روپے ملا، روپے ریٹ سرٹیفکیٹ کی مدد مالیاتی خدمات اور اس پر محاسبہ کی روپے ریٹ چارج کر کے سو فیصد شرح سود پر دی ہے۔ (23 جولائی 2019ء)

کھیتی کی کارکردگی

قریباً تین سو لاکھ افراد کو COVID-19 مایہ دہ ایک قسم، واقعہ ثابت ہوئی، چیل، لاکھ لاکھ انسان چھوڑ کر بیمار، مالی اقتصادی سرگرمیوں میں رکاوٹ ڈال دی۔ ہم چاہتی تھیں کہ
 دکانوں اور صنعتوں کو قلعے میں بند کر دیں تاکہ کوئی بیماری پھیلنے سے روکی جاسکے۔ لیکن اس سے ملنے والی تباہی اور زندگی کی کٹوتی سے فائدہ نہیں مل سکا۔
 آئی فون میں بھی ہے، تیار شدہ مواد اور کھانوں کے پیچیدہ کے مستقل ختم ہو کر سامان کی تمام ضرورتیں کے ہونے پر آپ کی کچھ ضرورتیں ہی ہے۔ اگر کھانوں کی کمی ہے (SPLY) کے
 درجہ 10.6، 15.6، 18.6، 20.6، 22.6، 24.6، 26.6، 28.6، 30.6، 32.6، 34.6، 36.6، 38.6، 40.6، 42.6، 44.6، 46.6، 48.6، 50.6، 52.6، 54.6، 56.6، 58.6، 60.6، 62.6، 64.6، 66.6، 68.6، 70.6، 72.6، 74.6، 76.6، 78.6، 80.6، 82.6، 84.6، 86.6، 88.6، 90.6، 92.6، 94.6، 96.6، 98.6، 100.6
 کے مقابلے میں 41.1 ہے۔ یہی صورت حال ہے مگر ان کی زندگی میں ان کی مالی ضرورت میں اضافہ کی جاتی ہے۔

فرہ جات و سہولت کی فراہمی کی آمدنی کو گزشتہ سال 6,932,309,534 روپے کے مقابلے 7,970,172,001 روپے ہے۔ یہ گزشتہ سال سے 1.59 فیصد اضافہ کا ہر سہ ماہی ہے۔ فرہ جات کی آمدت گزشتہ سال کے دوران فروخت کے 37.99 فیصد سے گھٹ کر گزشتہ سال کے دوران فروخت کے 40.91 فیصد تک پہنچی۔ فروخت کی آمدت میں اضافے کی بنیاد پر مجموعی آمدت، نظام مالیاتی آمدت اور دیگر آمدتیں (یعنی میں اضافہ ہے، فروخت کی آمدت میں اضافہ کے نتیجے میں مجموعی منافع (GDP) میں گزشتہ سال کے دوران فروخت 2.01 فیصد سے کم ہو کر گزشتہ سال کے دوران فروخت 8.40 فیصد تک پہنچا۔

اس مالی تقسیم کے اختراعات فرہنگ کے 75 ایلمنٹس سے 14 فروری فرہنگ کے 87 ایلمنٹ تک آئے۔ اگرچہ اس کا اثر کمزور تھا کیونکہ اسے پچاس ہی اختراعات کو ملحوظ مال فرہنگ کے 149 ایلمنٹس معمولی بارے کر فرہنگ کے 17 ایلمنٹ تک آئے۔ لیکن شراپات کو تیس سالہ فرہنگ کے 77 ایلمنٹس تک ہمارا فرہنگ کے 37 ایلمنٹ تک آئے۔

[illegible]

وہاں کال ہزاروں کی طرف سے فیسل سال 2020-21 کے لئے ہادی کردہ اعداد شمار کے مطابق 15 ستمبر 2020 تک آواز میں کہیں (جگہ کہیں) کی تکلیف سال 2019-20 کی کل 352 ملین کاغذوں کے مقابلے میں 107 ملین کاغذوں کی جگہ 44 ملین کی کاغذ گری ہے۔

صوفیوں نے دینی اور دنیاوی امور کی سرپرستی بھاری

دکان کو سونپ دے کر کھیتی بائی شروع کرنا شروع کرنے کے مطابق اپنی دکان پر چارٹ کی پیداواری صلاحیت کی بنیاد پر BMR کے لئے کھیتی بائی کے بعد BMR / 2000 سے BMR / 1000 کے درمیان ہونا چاہئے۔ اگر BMR / 1000 سے کم ہو جائے تو اس کی وجہ سے پیداوار کم ہو جائے گی۔ اگر BMR / 2000 سے زیادہ ہو جائے تو اس کی وجہ سے پیداوار زیادہ ہو جائے گی۔

مستقل کے امکانات

قریباً دو ماہوں میں مرنے والے مرنے والے ہیں۔ COVID-19 کی وجہ سے عالمی کاروباری تھکنگ اب بھی ختم نہیں ہے۔ اریکٹ وی کی اس رپورٹ پر سے خوفزدہ ہے۔ مارکیٹ کے حالات کو مدبر بنانے کے لئے، پوری دنیا کی حکومتیں سرکاری طور پر ایک دوسرے کے لئے کاروباروں کی موصولہ فراہمی ہیں۔ عینہ کی جاتی ہے کہ موزوں ویکیٹین جلد ہی دستیاب ہو جائے گی اس لئے COVID-19 تو دوسری بار کا خطرہ قائم ہو جائے۔ ٹھیکہ دار کو کوششوں کے لئے مریضوں میں کمی کے باعث ٹھیکہ داروں پر پابندی میں اضافہ کا امکان ہے۔ لیکن عہدہ کر کے دہم کی تھکنگ پر جبکہ کے شراکتی اختیار کے مگر ملی تو جانی جائے کیونکہ مگر ملی رہا نہیں کیا گیا اس لئے پہلی کمرے۔ لیکن ٹھیکہ داروں کی اور پاکستانی کی داخل موصولہ میں طلبہ پر توجہ دینی ہے۔ اضافی مارکیٹ میں طلبہ موصولہ اور ہے کیونکہ توجہ، عہدہ مارکیٹ، موزوں اور بہت زیادہ مشکل، لیکن یہ موزوں میں عہدہ مارکیٹ میں طلبہ کے لئے ہے۔ سڑکی پر آمدی مارکیٹیں، سڑکی پر آمدی مارکیٹ کی وجہ سے اضافی ٹھیکہ داروں کو موزوں کرنے کے قابل نہیں ہیں۔

اعلیٰ ترین سطح پر پاکستان اور ملکہ COVID-19 سے متعلقہ حکومت پر قابو پانے کے لئے بہت زیادہ محنت کر رہے ہیں۔ سرکاری کوریج سمیت، اعلیٰ تعلیمی کو مقرر کرنے والوں اور محکمات کی رہنمائی کے ساتھ ساتھ، سرکاری کاروبار کے لئے سوشل سروس فراہم کرنے والے اور پالیسی سازوں کے ذریعہ نئے کاروبار کے لیے داخل صنعت کی مدد کی ہے۔ اس کے علاوہ، یہ امر ہے کہ مالی سال 2020-21 میں حصول حد تک معائنہ عملی ہو رہا ہے۔

قانونہ معائنہ کارڈ

2020 سے ملائی جانے والی چیز کے لئے قانونہ معائنہ کارڈ تسلیم کیا گیا ہے۔

آڈیٹر کی تقریر

ریٹائر ہونے والے سمیرز Deloitte و سلفہ ولی دپارٹمنٹ آف انٹیکسٹن کرنا چاہتے ہیں کہ انہوں نے اپنی سالانہ 2020-21 کے لئے معائنہ کارڈ اور تقریر کے لئے اپنے آپ کو تیار کیا ہے۔ آلات کیلئے موجودہ آڈیٹر کی دوہرا تقریر کی منظوری دینی ہے۔

مالیاتی حقائق کا آڈٹ

کیلٹی کے مالی حقائق کیلٹی کے قانونی اور غیر مالی سمیرز Deloitte و سلفہ ولی دپارٹمنٹ آف انٹیکسٹن کی طرف سے کی گئی تھیں ان کے لئے عمر بھر کے حقائق ہیں۔

کاروباری نظام اور مالیاتی رپورٹنگ کا طریقہ کار

گورننگ بورڈ کو رپورٹ کرنا کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں کہ

- 1۔ کیلٹی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حقائق میں کچھ ایسے ہیں جو ان کے سامنے ہونے والے خطرات کو مددگار بناتے ہیں۔
- 2۔ کیلٹی کے کھاتوں پر ایک ایسی سسٹم ہے جو اس کے سامنے ہونے والے خطرات کو مددگار بناتی ہے۔
- 3۔ مالی حقائق کی تیار کیا جانے والی سب سے زیادہ اہم بات یہ ہے کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں۔
- 4۔ مالی حقائق کی تیار کیا جانے والی سب سے زیادہ اہم بات یہ ہے کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں۔
- 5۔ محدود کنٹرول کے لئے کیا جانے لگے ہیں کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں۔
- 6۔ کیلٹی کے سامنے ہونے والے خطرات کو مددگار بناتی ہے۔
- 7۔ گورننگ بورڈ کو رپورٹ کرنا کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں۔
- 8۔ گورننگ بورڈ کو رپورٹ کرنا کہ اس کے تحت (انٹرنل کنٹرول) کیا جانے لگے ہیں۔

پروڈکٹ کی تصدیق

آڈیٹر کی تقریر

(1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) (27) (28) (29) (30) (31) (32) (33) (34) (35) (36) (37) (38) (39) (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (54) (55) (56) (57) (58) (59) (60) (61) (62) (63) (64) (65) (66) (67) (68) (69) (70) (71) (72) (73) (74) (75) (76) (77) (78) (79) (80) (81) (82) (83) (84) (85) (86) (87) (88) (89) (90) (91) (92) (93) (94) (95) (96) (97) (98) (99) (100) (101) (102) (103) (104) (105) (106) (107) (108) (109) (110) (111) (112) (113) (114) (115) (116) (117) (118) (119) (120) (121) (122) (123) (124) (125) (126) (127) (128) (129) (130) (131) (132) (133) (134) (135) (136) (137) (138) (139) (140) (141) (142) (143) (144) (145) (146) (147) (148) (149) (150) (151) (152) (153) (154) (155) (156) (157) (158) (159) (160) (161) (162) (163) (164) (165) (166) (167) (168) (169) (170) (171) (172) (173) (174) (175) (176) (177) (178) (179) (180) (181) (182) (183) (184) (185) (186) (187) (188) (189) (190) (191) (192) (193) (194) (195) (196) (197) (198) (199) (200) (201) (202) (203) (204) (205) (206) (207) (208) (209) (210) (211) (212) (213) (214) (215) (216) (217) (218) (219) (220) (221) (222) (223) (224) (225) (226) (227) (228) (229) (230) (231) (232) (233) (234) (235) (236) (237) (238) (239) (240) (241) (242) (243) (244) (245) (246) (247) (248) (249) (250) (251) (252) (253) (254) (255) (256) (257) (258) (259) (260) (261) (262) (263) (264) (265) (266) (267) (268) (269) (270) (271) (272) (273) (274) (275) (276) (277) (278) (279) (280) (281) (282) (283) (284) (285) (286) (287) (288) (289) (290) (291) (292) (293) (294) (295) (296) (297) (298) (299) (300) (301) (302) (303) (304) (305) (306) (307) (308) (309) (310) (311) (312) (313) (314) (315) (316) (317) (318) (319) (320) (321) (322) (323) (324) (325) (326) (327) (328) (329) (330) (331) (332) (333) (334) (335) (336) (337) (338) (339) (340) (341) (342) (343) (344) (345) (346) (347) (348) (349) (350) (351) (352) (353) (354) (355) (356) (357) (358) (359) (360) (361) (362) (363) (364) (365) (366) (367) (368) (369) (370) (371) (372) (373) (374) (375) (376) (377) (378) (379) (380) (381) (382) (383) (384) (385) (386) (387) (388) (389) (390) (391) (392) (393) (394) (395) (396) (397) (398) (399) (400) (401) (402) (403) (404) (405) (406) (407) (408) (409) (410) (411) (412) (413) (414) (415) (416) (417) (418) (419) (420) (421) (422) (423) (424) (425) (426) (427) (428) (429) (430) (431) (432) (433) (434) (435) (436) (437) (438) (439) (440) (441) (442) (443) (444) (445) (446) (447) (448) (449) (450) (451) (452) (453) (454) (455) (456) (457) (458) (459) (460) (461) (462) (463) (464) (465) (466) (467) (468) (469) (470) (471) (472) (473) (474) (475) (476) (477) (478) (479) (480) (481) (482) (483) (484) (485) (486) (487) (488) (489) (490) (491) (492) (493) (494) (495) (496) (497) (498) (499) (500) (501) (502) (503) (504) (505) (506) (507) (508) (509) (510) (511) (512) (513) (514) (515) (516) (517) (518) (519) (520) (521) (522) (523) (524) (525) (526) (527) (528) (529) (530) (531) (532) (533) (534) (535) (536) (537) (538) (539) (540) (541) (542) (543) (544) (545) (546) (547) (548) (549) (550) (551) (552) (553) (554) (555) (556) (557) (558) (559) (560) (561) (562) (563) (564) (565) (566) (567) (568) (569) (570) (571) (572) (573) (574) (575) (576) (577) (578) (579) (580) (581) (582) (583) (584) (585) (586) (587) (588) (589) (590) (591) (592) (593) (594) (595) (596) (597) (598) (599) (600) (601) (602) (603) (604) (605) (606) (607) (608) (609) (610) (611) (612) (613) (614) (615) (616) (617) (618) (619) (620) (621) (622) (623) (624) (625) (626) (627) (628) (629) (630) (631) (632) (633) (634) (635) (636) (637) (638) (639) (640) (641) (642) (643) (644) (645) (646) (647) (648) (649) (650) (651) (652) (653) (654) (655) (656) (657) (658) (659) (660) (661) (662) (663) (664) (665) (666) (667) (668) (669) (670) (671) (672) (673) (674) (675) (676) (677) (678) (679) (680) (681) (682) (683) (684) (685) (686) (687) (688) (689) (690) (691) (692) (693) (694) (695) (696) (697) (698) (699) (700) (701) (702) (703) (704) (705) (706) (707) (708) (709) (710) (711) (712) (713) (714) (715) (716) (717) (718) (719) (720) (721) (722) (723) (724) (725) (726) (727) (728) (729) (730) (731) (732) (733) (734) (735) (736) (737) (738) (739) (740) (741) (742) (743) (744) (745) (746) (747) (748) (749) (750) (751) (752) (753) (754) (755) (756) (757) (758) (759) (760) (761) (762) (763) (764) (765) (766) (767) (768) (769) (770) (771) (772) (773) (774) (775) (776) (777) (778) (779) (780) (781) (782) (783) (784) (785) (786) (787) (788) (789) (790) (791) (792) (793) (794) (795) (796) (797) (798) (799) (800) (801) (802) (803) (804) (805) (806) (807) (808) (809) (810) (811) (812) (813) (814) (815) (816) (817) (818) (819) (820) (821) (822) (823) (824) (825) (826) (827) (828) (829) (830) (831) (832) (833) (834) (835) (836) (837) (838) (839) (840) (841) (842) (843) (844) (845) (846) (847) (848) (849) (850) (851) (852) (853) (854) (855) (856) (857) (858) (859) (860) (861) (862) (863) (864) (865) (866) (867) (868) (869) (870) (871) (872) (873) (874) (875) (876) (877) (878) (879) (880) (881) (882) (883) (884) (885) (886) (887) (888) (889) (890) (891) (892) (893) (894) (895) (896) (897) (898) (899) (900) (901) (902) (903) (904) (905) (906) (907) (908) (909) (910) (911) (912) (913) (914) (915) (916) (917) (918) (919) (920) (921) (922) (923) (924) (925) (926) (927) (928) (929) (930) (931) (932) (933) (934) (935) (936) (937) (938) (939) (940) (941) (942) (943) (944) (945) (946) (947) (948) (949) (950) (951) (952) (953) (954) (955) (956) (957) (958) (959) (960) (961) (962) (963) (964) (965) (966) (967) (968) (969) (970) (971) (972) (973) (974) (975) (976) (977) (978) (979) (980) (981) (982) (983) (984) (985) (986) (987) (988) (989) (990) (991) (992) (993) (994) (995) (996) (997) (998) (999) (1000) (1001) (1002) (1003) (1004) (1005) (1006) (1007) (1008) (1009) (1010) (1011) (1012) (1013) (1014) (1015) (1016) (1017) (1018) (1019) (1020) (1021) (1022) (1023) (1024) (1025) (1026) (1027) (1028) (1029) (1030) (1031) (1032) (1033) (1034) (1035) (1036) (1037) (1038) (1039) (1040) (1041) (1042) (1043) (1044) (1045) (1046) (1047) (1048) (1049) (1050) (1051) (1052) (1053) (1054) (1055) (1056) (1057) (1058) (1059) (1060) (1061) (1062) (1063) (1064) (1065) (1066) (1067) (1068) (1069) (1070) (1071) (1072) (1073) (1074) (1075) (1076) (1077) (1078) (1079) (1080) (1081) (1082) (1083) (1084) (1085) (1086) (1087) (1088) (1089) (1090) (1091) (1092) (1093) (1094) (1095) (1096) (1097) (1098) (1099) (1100) (1101) (1102) (1103) (1104) (1105) (1106) (1107) (1108) (1109) (1110) (1111) (1112) (1113) (1114) (1115) (1116) (1117) (1118) (1119) (1120) (1121) (1122) (1123) (1124) (1125) (1126) (1127) (1128) (1129) (1130) (1131) (1132) (1133) (1134) (1135) (1136) (1137) (1138) (1139) (1140) (1141) (1142) (1143) (1144) (1145) (1146) (1147) (1148) (1149) (1150) (1151) (1152) (1153) (1154) (1155) (1156) (1157) (1158) (1159) (1160) (1161) (1162) (1163) (1164) (1165) (1166) (1167) (1168) (1169) (1170) (1171) (1172) (1173) (1174) (1175) (1176) (1177) (1178) (1179) (1180) (1181) (1182) (1183) (1184) (1185) (1186) (1187) (1188) (1189) (1190) (1191) (1192) (1193) (1194) (1195) (1196) (1197) (1198) (1199) (1200) (1201) (1202) (1203) (1204) (1205) (1206) (1207) (1208) (1209) (1210) (1211) (1212) (1213) (1214) (1215) (1216) (1217) (1218) (1219) (1220) (1221) (1222) (1223) (1224) (1225) (1226) (1227) (1228) (1229) (1230) (1231) (1232) (1233) (1234) (1235) (1236) (1237) (1238) (1239) (1240) (1241) (1242) (1243) (1244) (1245) (1246) (1247) (1248) (1249) (1250) (1251) (1252) (1253) (1254) (1255) (1256) (1257) (1258) (1259) (1260) (1261) (1262) (1263) (1264) (1265) (1266) (1267) (1268) (1269) (1270) (1271) (1272) (1273) (1274) (1275) (1276) (1277) (1278) (1279) (1280) (1281) (1282) (1283) (1284) (1285) (1286) (1287) (1288) (1289) (1290) (1291) (1292) (1293) (1294) (1295) (1296) (1297) (1298) (1299) (1300) (1301) (1302) (1303) (1304) (1305) (1306) (1307) (1308) (1309) (1310) (1311) (1312) (1313) (1314) (1315) (1316) (1317) (1318) (1319) (1320) (1321) (1322) (1323) (1324) (1325) (1326) (1327) (1328) (1329) (1330) (1331) (1332) (1333) (1334) (1335) (1336) (1337) (1338) (1339) (1340) (1341) (1342) (1343) (1344) (1345) (1346) (1347) (1348) (1349) (1350) (1351) (1352) (1353) (1354) (1355) (1356) (1357) (1358) (1359) (1360) (1361) (1362) (1363) (1364) (1365) (1366) (1367) (1368) (1369) (1370) (1371) (1372) (1373) (1374) (1375) (1376) (1377) (1378) (1379) (1380) (1381) (1382) (1383) (1384) (1385) (1386) (1387) (1388) (1389) (1390) (1391) (1392) (1393) (1394) (1395) (1396) (1397) (1398) (1399) (1400) (1401) (1402) (1403) (1404) (1405) (1406) (1407) (1408) (1409) (1410) (1411) (1412) (1413) (1414) (1415) (1416) (1417) (1418) (1419) (1420) (1421) (1422) (1423) (1424) (1425) (1426) (1427) (1428) (1429) (1430) (1431) (1432) (1433) (1434) (1435) (1436) (1437) (1438) (1439) (1440) (1441) (1442) (1443) (1444) (1445) (1446) (1447) (1448) (1449) (1450) (1451) (1452) (1453) (1454) (1455) (1456) (1457) (1458) (1459) (1460) (1461) (1462) (1463) (1464) (1465) (1466) (1467) (1468) (1469) (1470) (1471) (1472) (1473) (1474) (1475) (1476) (1477) (1478) (1479) (1480) (1481) (1482) (1483) (1484) (1485) (1486) (1487) (1488) (1489) (1490) (1491) (1492) (1493) (1494) (1495) (1496) (1497) (1498) (1499) (1500) (1501) (1502) (1503) (1504) (1505) (1506) (1507) (1508) (1509) (1510) (1511) (1512) (1513) (1514) (1515) (1516) (1517) (1518) (1519) (1520) (1521) (1522) (1523) (1524) (1525) (1526) (1527) (1528) (1529) (1530) (1531) (1532) (1533) (1534) (1535) (1536) (1537) (1538) (1539) (1540) (1541) (1542) (1543) (1544) (1545) (1546) (1547) (1548) (1549) (1550) (1551) (1552) (1553) (1554) (1555) (1556) (1557) (1558) (1559) (1560) (1561) (1562) (1563) (1564) (1565) (1566) (1567) (1568) (1569) (1570) (1571) (1572) (1573) (1574) (1575) (1576) (1577) (1578) (1579) (1580) (1581) (1582) (1583) (1584) (1585) (1586) (1587) (1588) (1589) (1590) (1591) (1592) (1593) (1594) (1595) (1596) (1597) (1598) (1599) (1600) (1601) (1602) (1603) (1604) (1605) (1606) (1607) (1608) (1609) (1610) (1611) (1612) (1613) (1614) (1615) (1616) (1617) (1618) (1619) (1620) (1621) (1622) (1623) (1624) (1625) (1626) (1627) (1628) (1629) (1630) (1631) (1632) (1633) (1634) (1635) (1636) (1637) (1638) (1639) (1640) (1641) (1642) (1643) (1644) (1645) (1646) (1647) (1648) (1649) (1650) (1651) (1652) (1653) (1654) (1655) (1656) (1657) (1658) (1659) (1660) (1661) (1662) (1663) (1664) (1665) (1666) (1667) (1668) (1669) (1670) (1671) (1672) (1673) (1674) (1675) (1676) (1677) (1678) (1679) (1680) (1681) (1682) (1683) (1684) (1685) (1686) (1687) (1688) (1689) (1690) (1691) (1692) (1693) (1694) (1695) (1696) (1697) (1698) (1699) (1700) (1701) (1702) (1703) (1704) (1705) (1706) (1707) (1708) (1709) (1710) (1711) (1712) (1713) (1714) (1715) (1716) (1717) (1718) (1719) (1720) (1721) (1722) (1723) (1724) (1725) (1726) (1727) (1728) (1729) (1730) (1731) (1732) (1733) (1734) (1735) (1736) (1737) (1738) (1739) (1740) (1741) (1742) (1743) (1744) (1745) (1746) (1747) (1748) (1749) (1750) (1751) (1752) (1753) (1754) (1755) (1756) (1757) (1758) (1759) (1760) (1761) (1762) (1763) (1764) (1765) (1766) (1767) (1768) (1769) (1770) (1771) (1772) (1773) (1774) (1775) (1776) (1777) (1778) (1779) (1780) (1781) (1782) (1783) (1784) (1785) (1786) (1787) (1788) (1789) (1790) (1791) (1792) (1793) (1794) (1795) (1796) (1797) (1798) (1799) (1800) (1801) (1802) (1803) (1804) (1805) (1806) (1807) (1808) (1809) (1810) (1811) (1812) (1813) (1814) (1815) (1816) (1817) (1818) (1819) (1820) (1821) (1822) (1823) (1824) (1825) (1826) (1827) (1828) (1829) (1830) (1831) (1832) (1833) (1834) (1835) (1836) (1837) (1838) (1839) (1840) (1841) (1842) (1843) (1844) (1845) (1846) (1847) (1848) (1849) (1850) (1851) (1852) (1853) (1854) (1855) (1856) (1857) (1858) (1859) (1860) (1861) (1862) (1863) (1864) (1865) (1866) (1867) (1868) (1869) (1870) (1871) (1872) (1873) (1874) (1875) (1876) (1877) (1878) (1879) (1880) (1881) (1882) (1883) (1884) (1885) (1886) (1887) (1888) (1889) (1890) (1891) (1892) (1893) (1894) (1895) (1896) (1897) (1898) (1899) (1900) (1901) (1902) (1903) (1904) (1905) (1906) (1907) (1908) (1909) (1910) (1911) (1912) (1913) (1914) (1915) (1916) (1917) (1918) (1919) (1920) (1921) (1922) (1923) (1924) (1925) (1926) (1927) (1928) (1929) (1930) (1931) (1932) (1933) (1934) (1935) (1936) (1937) (1938) (1939) (1940) (1941) (1942) (1943) (1944) (1945) (1946) (1947) (1948) (1949) (1950) (1951) (1952) (1953) (1954) (1955) (1956) (1957) (1958) (1959) (1960) (1961) (1962) (1963) (1964) (1965) (1966) (1967) (1968) (1969) (1970) (1971) (1972) (1973) (1974) (1975) (1976) (1977) (1978) (1979) (1980) (1981) (1982) (1983) (1984) (1985) (1986) (1987) (1988) (1989) (1990) (1991) (1992) (1993) (1994) (1995) (1996) (1997) (1998) (1999) (2000) (2001) (2002) (2003) (2004) (2005) (2006) (2007) (2008) (2009) (2010) (2011) (2012) (2013) (2014) (2015) (2016) (2017) (2018) (2019) (2020) (2021) (2022) (2023) (2024) (2025) (2026) (2027) (2028) (2029) (2030) (2031) (2032) (2033) (2034) (2035) (2036) (2037) (2038) (2039) (2040) (2041) (2042) (2043) (2044) (2045) (2046) (2047) (2048) (

میل کے ذریعہ ڈائریکٹرز کے انتظامات منظور ہونے پر آپ طارق امیر اور جناب مرزا نقیال اور سابقہ بورڈ کا حصہ رہے۔ چار ہو گئے۔
بورڈ کی کمیٹیاں

بورڈ آف ڈائریکٹرز نے مندرجہ ذیل کمیٹیاں تشکیل دی ہیں

• آرٹ کمیٹی

چرب جس سین امدادی چارمین

چرب سٹائلنگ چرب

چرب برون فیراڈو انٹو چرب

• ایجنس ریسورس اینڈ ریسرچ (HR & R) کمیٹی

چرب فٹنی اور سٹیل چارمین

چرب سٹائلنگ چرب

چرب برون فیراڈو انٹو چرب

چارٹرڈ ایکوٹ کمیٹی

چرب سٹائلنگ چرب

چرب سٹائلنگ چرب

چرب سٹائلنگ چرب

چرب برون فیراڈو انٹو چرب

ڈائریکٹرز کے معاہدے کی کتابیں منظوریات

بورڈ آف ڈائریکٹرز نے کمیٹی کے اراکین کی ذمہ داری پر محض ایک ریکارڈ اور ایکٹرز کے معاہدے کے لئے رکی پالیسی کی منظوری دی ہے۔ معاہدہ کو مبنائی سے کمیٹی کو منظم طریقہ سے جاننے کے لئے ان کی ذمہ داری اور ضرورتی مہارت اور ان سے پہلے ایجنٹ کو معاہدہ کی کتاب کے مطابق ہے۔

آرڈر ڈیپارٹمنٹ میں ان ایگزیکٹو ڈائریکٹرز کا بورڈ اور اس کی کمیٹیوں کے اراکینوں میں شرکت کی کتاب کے اہل ہیں۔ ایگزیکٹو بورڈ میں ایگزیکٹو ڈائریکٹرز کا معاہدہ چارمین ریسورس اینڈ ریسرچ کمیٹی کی مشاورت پر، بورڈ کی طرف سے منظور کیا گیا ہے۔ 2019-20 میں ڈائریکٹرز اور اس کی ذمہ داری کے معاہدے کی معلومات کے لئے، رکی بورڈ پالیسی کتابوں کے تحت طابقہ کرنا ہیں۔

انکوارنٹلر

کمیٹی کے اراکین اور ان کی ذمہ داری پر تمام سطحوں پر ایجنٹوں کے معاہدے کا معائنہ کر کے ہیں۔ ڈائریکٹرز کمیٹی کی مسلسل حمایت پر ڈائریکٹرز اور ان کے حصہ داروں کا بھی مشورہ ہوا کر کے ہیں۔

مخاطب بورڈ



مہرون محمد احمد انجینئر

ڈائریکٹر



امین الہی شیخ

سینک ڈائریکٹر (چیف ایگزیکٹو)

24 ستمبر 2020ء

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Nagina Cotton Mills Limited

Year ended: June 30, 2020

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are ten as per the following:

a) Male: Nine

b) Female: One

2. The composition of the Board of Directors is as follows:

Category	Names
i. Independent Director	Mr. Tajammal Husain Bokharee Mr. Shafiq ur Rehman Ms. Tosheeba Sarwar
ii. Non-Executive Directors	Mr. Shahzada Ellahi Shaikh Mr. Hasan Ahmad Mr. Shafqat Ellahi Shaikh Mr. Raza Ellahi Shaikh Mr. Haroon Shahzada Ellahi Shaikh
iii. Executive Directors	Mr. Shaukat Ellahi Shaikh Mr. Amin Ellahi Shaikh
iv. Female directors	Ms. Tosheeba Sarwar

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 has ensured that complete record of particulars of the 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 the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations").
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the 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 remained fully compliant with the provision with regards to their Directors' Training Program (DTP). Out of total ten directors, eight directors have obtained certification under DTP while the remaining directors will undertake the Directors' Training Program within the stipulated time.
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. Tajammal Husain Bokharee, Chairman
Mr. Raza Ellahi Shaikh, Member
Mr. Haroon Shahzada Ellahi Shaikh, Member

b. Human Resource and Remuneration (HR & R) Committee

Mr. Shafiq ur Rehman, Chairman
Mr. Amin Ellahi Shaikh, Member
Mr. Haroon Shahzada Ellahi Shaikh, 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 aforesaid committees were as per following:

- a) Audit Committee: Four quarterly meetings were held during the financial year ended June 30, 2020.
- b) HR and Remuneration Committee: One meeting was held during the financial year ended June 30, 2020.

15. The Board has set up an effective internal audit function which is 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 requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Explanation as required under the Regulations is mentioned below:

The Company has three independent directors out of ten directors. Fractional requirement for Independent directors have not been rounded up as all independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a fourth independent director.

On behalf of the Board



Amin Ellahi Shaikh
Mg. Director (Chief Executive)



Shahzada Ellahi Shaikh
Chairman

September 24, 2020

SHAREHOLDERS' INFORMATION

Annual General Meeting

The 53rd Annual General Meeting of members of NAGINA COTTON MILLS LTD. will be held on **Tuesday, October 27, 2020** at 10:00 a.m., electronically through video-link facility (Zoom App.)

Eligible shareholders are encouraged to participate and vote.

Ownership

On June 30, 2020, the Company has 951 Shareholders.

Web Reference

The Company maintains a functional website. Annual, half-yearly and quarterly reports are regularly posted at the Company's website: <http://www.nagina.com>

Book Closure

The register of the members and shares transfer books of the Company will remain closed from Wednesday, October 21, 2020 to Tuesday, October 27, 2020 (both days inclusive).

MANDATORY PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the following particulars directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS):

<i>Detail of Bank Mandate</i>	
Name of Shareholder	
Folio No. / CDC Account No.	
Cell Number of Shareholder	
Landline Number of Shareholder	
E-mail address	
Title of Bank Account of shareholder	
International Bank Account Number (IBAN) "Mandatory"	PK_____ (24 digits) (kindly provide your accurate IBAN after consulting with your respective bank branch, in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's Name	
Branch Name and Address	
Branch Code	
CNIC No. (copy attached)	
NTN (in case of Corporate Entity)	

It is stated that the above-mentioned information is correct, that I will intimate the changes in the above-mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of the Shareholder

Requirement of CNIC Number / National Tax Number (NTN) Certificate.

As has already been notified from time to time, the Securities and Exchange Commission of Pakistan (SECP), vide its Notification SRO 275(I)/2016 dated March 31, 2016 read with Notification SRO 19(I)/2014 dated January 10, 2014 and Notification SRO 831(I)/2012 dated July 5, 2012 required that dividend warrants should bear Computerized National Identity Card (CNIC) number of the registered member.

Members who have not yet submitted copy of their valid Computerized National Identity Card (CNIC) / National Tax Number (NTN) Certificate (in case of Corporate Entity) are requested to submit the same at the earliest directly to the Share Registrar:

M/s Hameed Majeed Associates (Pvt.) Ltd.
5th Floor, Karachi Chambers,
Hasrat Mohani Road,
Karachi
Ph # (+92-21) 32412754, 32424826
Fax # (+92-21) 32424835

Zakat Declaration (Form CZ-50)

The Shareholders claiming exemption from deduction of Zakat are advised to submit their Zakat Declaration Form CZ-50 under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund Rules), 1981 to our Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi. The Shareholders while sending the Zakat Declarations must quote company name and their respective Folio Nos and /or CDC A/c Nos.

Electronic Transmission of Audited Financial Statements and Notice of Annual General Meeting (Notice) Through E-Mail (Optional)

Pursuant to SECP notification S.R.O 787(I)/ 2014 dated September 8, 2014, members, who hold shares in physical form, may inform the Company or Company's Share Registrar M/s. Hameed Majeed Associates (Pvt) Ltd., and who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Ltd (CDC) may inform their CDC Participants / CDC Investor Account Services, to receive the Audited Financial Statements and notices through e-mail by submitting Standard Request Form as given below:

REQUEST FORM FOR ELECTRONIC TRANSMISSION OF AUDITED FINANCIAL STATEMENTS AND NOTICE THROUGH E-MAIL

In terms of SECP notification SRO 787(I)/2014 dated September 8, 2014, I, _____ hereby give my consent for electronic transmission of Audited Financial Statements and Notice through e-mail. My e-mail address is _____.

I undertake that by sending the Audited Financial Statements and Notice through e-mail, by the Company, the Company shall be considered compliant with relevant requirements of sections 55, 132 and 223(6) of the Companies Act, 2017.

It is stated that the above mentioned e-mail address is correct, that I will intimate the changes in the above mentioned e-mail address to the Company and the Share Registrar as soon as these occur.

Signature of the Shareholder.

Please send the above request form at the following address:

The Secretary,
Nagina Cotton Mills Ltd., 2nd Floor, Shaikh Sultan Trust Building, No. 2, 26-Civil Lines, Beaumont Road, Karachi.

E-mail address: mohsin.gilani@nagina.com

or

M/s. Hameed Majeed Associates (Pvt.) Ltd.
5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi.
E-mail address: shares@hmaconsultants.com

Investor Relations Contact

Mr. Syed Mohsin Gilani, Corporate Secretary
Email: mohsin.gilani@nagina.com, Ph # (+92-42) 35756270, Fax: (+92-42) 35711856

Delivery of the Unclaimed / Undelivered Shares & Dividend

Members are requested to contact the Registered Office of the Company or the Share Registrar, M/s Hameed Majeed Associates (Pvt.) Limited, 5th Floor, Karachi Chambers, Hasrat Mohani Road, Karachi for collection of their unclaimed shares / unpaid dividend which they have not received due to any reasons.

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2020
CUIN (INCORPORATION NUMBER) 0002500

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
411	1	100	13,083
288	101	500	87,976
65	501	1,000	53,364
125	1,001	5,000	306,156
28	5,001	10,000	196,716
8	10,001	15,000	98,755
4	15,001	20,000	70,545
3	20,001	25,000	62,700
-	25,001	30,000	-
3	30,001	35,000	96,781
1	35,001	40,000	36,000
-	40,001	45,000	-
1	45,001	50,000	50,000
-	50,001	60,000	-
1	60,001	65,000	64,000
-	65,001	115,000	-
1	115,001	120,000	118,736
-	120,001	150,000	-
1	150,001	155,000	153,000
-	155,001	315,000	-
1	315,001	320,000	318,658
-	320,001	695,000	-
2	695,001	700,000	1,400,000
-	700,001	1,015,000	-
3	1,015,001	1,020,000	3,051,542
-	1,020,001	1,395,000	-
1	1,395,001	1,400,000	1,400,000
1	1,400,001	1,405,000	1,400,500
-	1,405,001	3,225,000	-
2	3,225,001	3,230,000	6,454,419
-	3,230,001	3,265,000	-
1	3,265,001	3,270,000	3,267,069
951	Total:-		18,700,000

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2020

Sr #	Categories of Shareholders	Shares Held	Percentage
1)	Directors, Chief Executive Officer, and their Spouse and Minor Children		
i)	MR. SHAHZADA ELLAHI SHAIKH	3,227,350	17.26
ii)	MR. SHAFQAT ELLAHI SHAIKH	3,227,069	17.26
iii)	MR. SHAUKAT ELLAHI SHAIKH	3,267,069	17.47
iv)	MR. RAZA ELLAHI SHAIKH	1,400,500	7.49
v)	MR. AMIN ELLAHI SHAIKH	1,400,000	7.49
vi)	MR. HAROON SHAHZADA ELLAHI SHAIKH	700,000	3.74
vii)	MR. TAJAMMAL HUSAIN BOKHAREE	502	0.00
viii)	MR. SHAFIQ UR REHMAN	500	0.00
ix)	MR. HASAN AHMED	500	0.00
x)	MS. TOSHEEBA SARWAR	500	0.00
xi)	MRS. HUMERA SHAHZADA ELLAHI SHEIKH	4,248	0.02
xii)	MRS. MONA SHAUKAT SHAIKH	4,248	0.02
xiii)	MRS. SHAISTA SHAFQAT SHAIKH	4,248	0.02
		13,236,734	70.77
2)	Associated Companies, Undertakings and Related Parties		
i)	HAROON OMER (PVT) LIMITED	1,017,147	5.44
ii)	MONELL (PVT) LIMITED	1,017,147	5.44
iii)	ICARO (PVT) LIMITED	1,017,248	5.44
iv)	ELLAHI INTERNATIONAL (PVT) LIMITED	9,000	0.05
		3,060,542	16.37
3)	NIT and ICP	1,430	0.01
4)	Banks, Development Finance Institutions, Non Banking Finance Institutions		
i)	ESCORTS INVESTMENT BANK LIMITED	30	0.00
ii)	NATIONAL DEVE. FINANCE CORP.	5,560	0.03
		5,590	0.03
5)	Insurance Companies	318,658	1.70
6)	Modarabas and Mutual Funds	Nil	Nil
7)	Shareholders Holding 10% or more		
i)	MR. SHAUKAT ELLAHI SHAIKH	3,267,069	17.47
ii)	MR. SHAHZADA ELLAHI SHAIKH	3,227,350	17.26
iii)	MR. SHAFQAT ELLAHI SHAIKH	3,227,069	17.26
		9,721,488	51.99
8)	General Public		
i)	a. Local	2,000,908	10.70
ii)	b. Foreign	-	-
9)	Others (Joint Stock Companies)	76,138	0.41

KEY FINANCIAL INFORMATION

		YEAR ENDED 30TH JUNE					
		2020	2019	2018	2017	2016	2015
Sales	Rs.'000	7,070,172	6,932,310	5,878,554	5,242,033	4,267,869	4,208,114
Gross profit	Rs.'000	593,821	832,426	514,147	353,294	151,481	389,233
Operating profit	Rs.'000	378,087	574,525	340,819	175,288	1,975	217,991
Profit / (loss) before tax	Rs.'000	100,273	361,126	223,557	110,886	(64,422)	148,032
Profit / (loss) after tax	Rs.'000	7,629	308,620	158,202	78,428	(92,945)	133,689
Share capital - paid up	Rs.'000	187,000	187,000	187,000	187,000	187,000	187,000
Shareholders' equity	Rs.'000	1,880,495	2,023,913	1,866,874	1,756,209	1,717,735	1,870,217
Total assets	Rs.'000	6,924,313	5,816,796	4,931,736	3,657,194	3,057,405	2,768,308
Earnings / (loss) per share - pre tax	Rs.	5.36	19.31	11.95	5.93	(3.45)	7.92
Earnings / (loss) per share - after tax	Rs.	0.41	16.50	8.46	4.19	(4.97)	7.15
Cash Dividend per share	Rs.	-	5.00	4.00	3.00	1.00	3.50
Market value per share as on 30 June	Rs.	38.93	41.85	39.90	42.65	45.51	63.00
Gross profit to sales	%	8.40	12.01	8.75	6.74	3.55	9.25
Operating profit to sales	%	5.35	8.29	5.80	3.34	0.05	5.18
Profit / (Loss) before tax to sales	%	1.42	5.21	3.80	2.12	(1.51)	3.52
Profit / (Loss) after tax to sales	%	0.11	4.45	2.69	1.50	(2.18)	3.18
Current ratio		1.45 : 1	1.42 : 1	1.51 : 1	2.04 : 1	2.53:1	3.46:1
Total debt to total assets ratio	%	72.84	65.21	62.15	51.98	43.82	32.44
Debt equity ratio	%	54.49	36.80	30.19	34.02	29.38	20.09

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NAGINA COTTON 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 **Nagina Cotton Mills Limited** (the Company) for the year ended June 30, 2020 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

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

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

Yousuf Adil
Chartered Accountants

Place: Karachi

Date: September 25, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NAGINA COTTON MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matter	How the matter was addressed In our audit
1.	Revenue from Contracts with Customers	Our audit procedures to address the Key Audit Matter included the following:
	<p>The Company is engaged in manufacturing and sale of yarn. Revenue recognition policy has been explained in note 3.15 to the financial statements, and the related amounts of revenue recognized during the year are disclosed in note 26 to the financial statements.</p> <p>The Company generates revenue from sale of goods to domestic and export customers. Revenue from the local and export sales (including indirect exports) is recognized when performance obligation is satisfied as per the requirements of the International Financial Reporting Standard (IFRS) 15 – 'Revenue from Contracts with Customers'.</p> <p>We identified revenue recognition as key audit matter since it is one of the key performance indicators of the Company and because of the potential risk that revenue transactions may not have been recognized on point in time basis i.e. when control of goods is transferred to the customer, in line with the accounting policy adopted and may not have been recognized in the appropriate period.</p>	<ul style="list-style-type: none"> Considered the appropriateness of revenue recognition policy and compared it with the applicable accounting standards; obtained an understanding of revenue from customers and assessed the design, implementation and operating effectiveness of controls around recognition of revenue; Checked on sample basis relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; and Tested timeliness of revenue recognition by comparing individual sales transactions before and after the year end to underlying documents and by checked significant credit notes issued after year-end. Evaluated the adequacy and appropriateness of disclosures made in the financial statements.
2.	Valuation of stock in trade	
	<p>Stock-in-trade has been valued following an accounting policy as stated in note 3.7 to the financial statements and the value of stock-in-trade is disclosed in note 19 to the financial statements. Stock-in-trade forms material part of the Company's assets comprising around 37% of total assets.</p> <p>The valuation of stock in trade is carried at amount i.e Cost or Net Realizable Value, whichever is lower. Cost has different components, which includes judgment in relation to the allocation of overheads costs, which are incurred in bringing the finished goods to its present location and condition. Judgments are also involved in determining the net realizable value (estimated selling price in the ordinary course of business less estimated cost of completion and estimated</p>	<p>Our audit procedures to address the valuation of stock-in-trade, included the following:</p> <ul style="list-style-type: none"> obtained an understanding of mechanism of recording purchases and valuation of stock-in-trade; tested on a sample basis purchases with underlying supporting documents; verified on test basis, the moving average calculations of raw material stock as per accounting policy; verified the calculations of the actual overhead costs and checked allocation of labor and overhead costs to the finished goods and work in process;

S. No.	Key audit matter	How the matter was addressed In our audit
	<p>costs necessary to make the sale) of stock-in-trade items in line with accounting policy.</p> <p>Due to the above factors, we have considered the</p> <p>Valuation of stock in trade as key audit matter.</p>	<ul style="list-style-type: none"> • obtained an understanding of management's process for determining the net realizable value and checked; • future selling prices by performing a review of sales close to and subsequent to the year-end; • determined cost necessary to make the sales; and • checked the calculations of net realizable value of itemized list of stock-in-trade, on selected sample and compared the net realizable value with the cost to ensure that valuation of stock-in-trade is in line with the accounting policy.

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 and other 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Nadeem Yousuf Adil.

Deloitte Yousuf Adil
Chartered Accountants

Place: Karachi

Date: September 25, 2020

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 50,000,000 (2019: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up capital	5	187,000,000	187,000,000
Capital reserves	6	139,635,233	199,466,200
Revenue reserve - Unappropriated profit		<u>1,553,859,793</u>	<u>1,637,446,859</u>
TOTAL EQUITY		1,880,495,026	2,023,913,059
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances	7	2,196,953,147	1,019,058,577
Deferred government grant	8	1,756,976	-
Deferred liabilities	9	122,856,230	118,839,945
		<u>2,321,566,353</u>	<u>1,137,898,522</u>
CURRENT LIABILITIES			
Trade and other payables	10	1,049,390,122	992,448,149
Unclaimed dividend		8,019,322	7,293,599
Accrued interest/mark-up	11	61,717,622	52,022,463
Short-term borrowings	12	1,549,951,679	1,443,682,458
Current portion of long-term finances	7	49,926,582	159,538,235
Current portion of deferred government grant	8	3,246,101	-
		<u>2,722,251,428</u>	<u>2,654,984,904</u>
TOTAL LIABILITIES		5,043,817,781	3,792,883,426
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		<u>6,924,312,807</u>	<u>5,816,796,485</u>

The annexed notes from 1 to 47 form an integral part of these financial statements.

September 24, 2020


Haroon Shahzada Ellahi Shaikh
Director


Tariq Zafar Bajwa
Chief Financial Officer

	Note	2020 Rupees	2019 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	14	2,957,787,990	2,019,054,724
Investment properties	15	13,734,745	13,981,207
Intangible assets	16	761,083	1,591,356
Long-term deposits		1,069,258	1,069,258
Sales tax refund bonds	17	-	19,542,877
		2,973,353,076	2,055,239,422
CURRENT ASSETS			
Stores and spares	18	29,482,897	32,701,494
Stock-in-trade	19	2,562,080,674	1,199,645,565
Trade receivables	20	554,976,894	1,636,329,352
Loans and advances	21	241,278,977	202,228,041
Prepayments	22	4,367,445	2,990,165
Other receivables	23	6,117,943	18,940,006
Sales tax refundable		121,622,671	75,016,697
Other financial assets	24	387,700,410	440,510,198
Cash and bank balances	25	43,331,820	153,195,545
		3,950,959,731	3,761,557,063
TOTAL ASSETS		6,924,312,807	5,816,796,485

The annexed notes from 1 to 47 form an integral part of these financial statements.


Amin Ellahi Shaikh
 Mg. Director (Chief Executive)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	26	7,070,172,001	6,932,309,534
Cost of goods sold	27	(6,476,350,860)	(6,099,883,365)
Gross profit		593,821,141	832,426,169
Distribution cost	28	(132,428,598)	(121,652,595)
Administrative expenses	29	(153,136,242)	(144,912,888)
Other expenses	30	(19,144,255)	(53,713,161)
		(304,709,095)	(320,278,644)
Other income	31	88,975,171	62,377,074
Operating profit		378,087,217	574,524,599
Finance cost	32	(277,813,274)	(213,398,307)
Profit before taxation		100,273,943	361,126,292
Provision for taxation	33	(92,644,567)	(52,506,630)
Profit after taxation		7,629,376	308,619,662
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss.			
Remeasurement of defined benefit liability	9.4	(809,363)	(9,871,506)
Unrealized loss on remeasurement of investments classified as fair value through other comprehensive income	24.6	(59,830,967)	(66,908,725)
Realised gain on investments classified as fair value through other comprehensive income		3,092,921	-
Other comprehensive loss for the year		(57,547,409)	(76,780,231)
Total comprehensive (loss) / income for the year		(49,918,033)	231,839,431
Earnings per share - basic and diluted	34	0.41	16.50

The annexed notes from 1 to 47 form an integral part of these financial statements.


Haroon Shahzada Ellahi Shaikh
 Director


Tariq Zafar Bajwa
 Chief Financial Officer


Amin Ellahi Shaikh
 Mg. Director (Chief Executive)

September 24, 2020

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	258,123,475	336,595,659
Payments made:			
Employees retirement benefits		(34,874,942)	(21,711,902)
Finance cost		(268,118,115)	(186,459,598)
Income tax		(81,762,576)	(92,130,664)
Net cash (used in) / generated from operating activities		(126,632,158)	36,293,495
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,238,277,206)	(754,249,833)
Proceeds from disposal of property, plant and equipment		69,287,245	18,201,668
Purchase of other financial assets		(496,266,373)	(191,074,574)
Proceeds from sale of other financial assets		515,640,385	103,959,697
Rental income received		24,428,999	23,556,696
Dividend received		35,674,445	35,048,233
Investment in sales tax refund bonds		(8,300,000)	(19,500,000)
Proceeds from disposal of sales tax refund bonds		27,800,000	-
Net cash used in investing activities		(1,070,012,505)	(784,058,113)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finances obtained		1,194,768,378	513,229,619
Repayment of long-term finances		(121,482,384)	(142,112,515)
Net increase / (decrease) in short-term borrowings excluding running finance		843,646,971	(600,000,000)
Dividend paid		(92,774,277)	(73,994,696)
Net cash generated from / (used in) financing activities		1,824,158,688	(302,877,592)
Net increase / (decrease) in cash and cash equivalents	A+B+C	627,514,025	(1,050,642,210)
Cash and cash equivalents at beginning of the year		(1,290,486,913)	(239,844,703)
Cash and cash equivalents at end of the year		(662,972,888)	(1,290,486,913)
Cash and cash equivalents			
Cash and bank balances	25	43,331,820	153,195,545
Short-term running finances	12	(706,304,708)	(1,443,682,458)
		(662,972,888)	(1,290,486,913)

The annexed notes from 1 to 47 form an integral part of these financial statements.



Haroon Shahzada Ellahi Shaikh
Director



Tariq Zafar Bajwa
Chief Financial Officer



Amin Ellahi Shaikh
Mg. Director (Chief Executive)

September 24, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

Issued, subscribed and paid up capital	Capital reserves				Revenue reserve	Total	
	Amalgamation reserve	Capital redemption reserve	Reserves for the investments carried at fair value through other comprehensive income	Surplus on revaluation of available for sale investments	Unappropriated profit		
	Note 6.2	Note 6.1					
-----Rupees-----							
Balance as at June 30, 2018	187,000,000	12,104,417	241,860,000	-	2,330,695	1,423,578,516	1,866,873,628
Effect of change in accounting policy due to adoption of IFRS-9	-	-	-	12,410,508	(2,330,695)	(10,079,813)	-
Comprehensive income							
Profit after taxation	-	-	-	-	-	308,619,662	308,619,662
Other comprehensive income							
Unrealised loss on remeasurement of investments classified as fair value through other comprehensive income	-	-	-	(66,908,725)	-	-	(66,908,725)
Remeasurement of defined benefit liability	-	-	-	-	-	(9,871,506)	(9,871,506)
Total comprehensive (loss) / income for the year	-	-	-	(66,908,725)	-	298,748,156	231,839,431
Transactions with owners:							
Final dividend for the year ended June 30, 2018 @ 40% i.e. Rs. 4 per ordinary share	-	-	-	-	-	(74,800,000)	(74,800,000)
Balance as at June 30, 2019	187,000,000	12,104,417	241,860,000	(54,498,217)	-	1,637,446,859	2,023,913,059
Comprehensive income							
Profit after taxation	-	-	-	-	-	7,629,376	7,629,376
Other comprehensive income							
Unrealised loss on remeasurement of investments classified as fair value through other comprehensive income	-	-	-	(56,738,046)	-	-	(56,738,046)
Transfer of realized gain on sale of investments	-	-	-	(3,092,921)	-	3,092,921	-
Remeasurement of defined benefit liability	-	-	-	-	-	(809,363)	(809,363)
Total comprehensive (loss) / income for the year	-	-	-	(59,830,967)	-	9,912,934	(49,918,033)
Final dividend for the year ended June 30, 2019 @ 50% i.e. Rs. 5 per ordinary share	-	-	-	-	-	(93,500,000)	(93,500,000)
Balance as at June 30, 2020	187,000,000	12,104,417	241,860,000	(114,329,184)	-	1,553,859,793	1,880,495,026

The annexed notes from 1 to 47 form an integral part of these financial statements.


Haroon Shahzada Ellahi Shaikh
 Director


Tariq Zafar Bajwa
 Chief Financial Officer


Amin Ellahi Shaikh
 Mg. Director (Chief Executive)

September 24, 2020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND OPERATIONS

Nagina Cotton Mills Limited (the Company) was incorporated in Pakistan on May 16, 1967 as a public limited company under the Companies Act, 1913 (repealed) now The Companies' Act, 2017 and is listed on Pakistan Stock Exchange Limited. The principal business of the Company is to manufacture and sale of yarn. The Company's manufacturing facilities are located in Kotri Industrial Trading Estate in the province of Sindh.

Following is the geographical location and address of all business units of the Company:

Head Office:

2nd floor, Shaikh Sultan Trust Building No.2, 26-Civil Lines, Beaumont Road, Karachi, Sindh.

Manufacturing facility:

A-16, National Highway, Aminabad, S.I.T.E Kotri, Sindh.

Liaison Office:

Nagina House 91 – B-1, M.M. Alam Road, Gulberg-III, Lahore, Punjab.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for staff retirement benefits at present value, financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL).

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.4 Changes in accounting standards and interpretations

2.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ended June 30, 2020

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures except IFRS-16 as explained in note 2.4.3.

Amendments / Interpretation

**Effective from accounting period
beginning on or after:**

IFRS 16 Leases, this standard will supersede IAS 17 'Leases', IFRIC 4, SIC 15 and SIC 27 upon its effective date.

January 01, 2019

**Effective from accounting period
beginning on or after:**

IFRS 14 – Regulatory Deferral Accounts - IFRS 14 was originally issued in January 2014 and applies to an entity's first annual IFRS financial statements for a period beginning on or after 1 January 2016. However, SECP has adopted from July 01, 2019.

July 01, 2019

Amendments to IFRS 9 'Financial Instruments' - prepayment features with negative compensation and modifications of financial liabilities.

January 01, 2019

Amendments to IAS 28 'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in associates and joint ventures that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

January 01, 2019

Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendment, curtailment or settlements.

January 01, 2019

IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.

January 01, 2019

Certain annual improvements have also been made to a number of IFRSs.

2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Effective from Accounting period
beginning on or after**

Amendments to the conceptual framework for financial reporting, including amendments to references to the conceptual framework in IFRS

January 01, 2020

Amendments to IFRS 3 'Business Combinations' - Amendments regarding definition of a business

January 01, 2020

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform

January 01, 2020

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework

January 01, 2022

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions

January 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Amendments regarding the definition of 'Material' and align the definition used in the Conceptual Framework and the Standards

January 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current

January 01, 2023

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use

January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract

January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP) :

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

2.4.3 First time adoption of IFRS 16-Leases

During the year, IFRS 16-Leases became applicable to the Company. IFRS 16 replaces IAS 17 "Leases" and related interpretations and set out the principles for recognition, measurement, presentation and disclosure of leases. The standard introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of Low-value items.

Lessor accounting remains similar to the current standard i.e lessors continue to classify lease as either finance or operating lease.

The Company has adopted IFRS 16 from July 01, 2019 and its adoption does not have any impact on these financial statements as the lease is short term lease.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2019 except changes applied due to the adoption of new standard as explained in note 2.4.3 of these financial statements.

3.1 Property, plant and equipment

Owned

Property, plant and equipment except freehold land, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land, lease hold land and capital work in progress are stated at cost, less impairment, if any.

Assets' residual values and their useful lives are reviewed and adjusted at each reporting date, if significant.

Depreciation is charged to income applying the reducing balance method at the rates specified in the note 14.1. Depreciation on all additions is charged from the month on which the asset is available for use and no depreciation is charged in the month of disposal.

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 repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial year in which they are incurred.

Assets are derecognised when disposed or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of assets, if any, are recognised in the statement of profit or loss and other comprehensive income, as and when incurred.

Capital work in progress

These are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred and advances made during installation and construction period are carried under this head. These are transferred to specific asset as and when the asset is available for its intended use.

3.2 Leases

The company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

From July 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if the company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.3 Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the Company and the cost of such asset can be measured reliably.

Generally costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognised as an intangible asset. Direct costs include the purchase cost of software and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any, thereon.

Intangible asset with a definite useful life is amortized on a straight line basis over its useful life. Amortization on all additions in intangibles is charged from the month in which the asset is available for use and on disposals upto the month of disposal. Amortisation charge is recognised in the statement of profit or loss and other comprehensive income. The rate of amortization is disclosed in note 16.

3.4 Investment properties

Investment properties are properties held to earn rentals and / or capital appreciation. The investment properties of the Company comprise of land and buildings which are valued using the cost method i.e. at cost less accumulated depreciation and impairment loss, if any.

Depreciation on buildings is charged to the statement of profit or loss and other comprehensive income applying the reducing balance method at the rates specified in the note 15.

3.5 Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss and other comprehensive income.

3.5.1 Financial assets

Classification

The Company classifies its financial assets in to following three categories:

IFRS 9 contains three principal classification categories for financial assets:

- i) Measured at amortized cost ("AC"),
- ii) Fair value through other comprehensive income ("FVTOCI") and
- iii) Fair value through profit or loss ("FVTPL").

i) Financial assets at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI only if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, for an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

FVTOCI financial assets are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

iii) Financial assets at fair value through profit or loss (FVTPL)

All other financial assets are classified as FVTPL (for example: equity held for trading and debt securities not classified either as amortized cost or FVTOCI).

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income.

3.5.2 Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost. Amortized cost is calculated using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Financial assets at FVTOCI

All financial assets at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in Other Comprehensive Income (OCI).

For debt instruments classified as financial assets at FVTOCI, the amounts in other comprehensive income are reclassified to income statement on derecognition of financial assets. This treatment is in contrast to equity instruments classified as financial assets at FVTOCI, where there is no reclassification on derecognition.

Financial assets at FVTPL

All financial assets designated at fair value through profit or loss are subsequently carried at fair value, with gains and losses arising from changes in fair value recorded in the statement of profit or loss and other comprehensive income.

3.5.3 Fair value measurement principles and provision

The fair value of financial instruments is determined as follows:

Basis of valuation

- Equity securities are initially recognise at cost excluding any transaction costs which are charged to profit or loss and other comprehensive income and subsequently measured at fair value through profit or loss. The fair value of investments is determined by using closing rate of securities at day end available on the PSX website.
- Appreciation and diminution arising from changes in fair value of financial assets classified as fair value through profit or loss are recognised in statement of profit or loss and other comprehensive income.

3.5.4 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

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

3.5.5 Impairment

Financial assets

The Company recognizes a loss allowance for expected credit loss "ECL" on trade receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial assets.

The Company always recognizes lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Non-financial assets

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

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

3.5.6 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to off set the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

3.6 Stores and spares

These are valued at lower of moving average cost and net realizable value less impairment, if any, for obsolete items. Items in transit are valued at cost incurred up to the reporting date.

3.7 Stock in trade

These are valued at lower of cost and net realisable value. Costs are determined using the following basis:

Raw material	Moving weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Waste	Net realisable value

Average manufacturing cost in relation to work in process and finished goods represents manufacturing cost which consists of prime cost and proportion of manufacturing overheads.

Net realizable value represents estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

3.8 Trade receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Trade and other receivables considered irrecoverable are written off.

Exchange gains or losses arising in respect of trade receivables in foreign currency are adjusted against sales.

3.9 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, short-term running finances and term deposit receipts of less than 3 months.

3.10 Deferred grant

The benefit of interest rate lower than market rate on borrowings obtained under State Bank of Pakistan (SBP) under Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the Company, is accounted for as a government grant which is the difference between loan received and the fair value of the loan. The differential amount is recognised and presented in statement of financial position as deferred government grant.

In subsequent periods, the grant shall be amortized over the period of loan and amortization shall be recognised and presented as reduction of related interest expense.

3.11 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme for its confirmed employees who have completed the minimum qualifying period of service as defined under the scheme. The Company's obligation under the scheme is determined through actuarial valuation carried out at each year end under the Projected Unit Credit Method. The most recent valuation of the scheme was carried out as at June 30, 2020.

Remeasurements which comprise actuarial gains and losses on defined benefit obligations are recognized immediately in other comprehensive income.

3.12 Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method.

3.13 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation, as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.14 Foreign currency transactions and translations

Foreign currency transactions are translated into Pakistani Rupee at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the reporting date. Exchange differences are included in the statement of profit or loss and other comprehensive income.

All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

3.15 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from operations of the Company are recognized when the goods are provided, and thereby the performance obligations are satisfied. Revenue consists of sale of yarn. The Company's contract performance obligations are fulfilled at the point in time when the goods are dispatched to the customer. Invoices are generated and revenue is recognised at that point of time, as the control has been transferred to the customers. The Company assesses its revenue arrangements against specific criteria that must be met before revenue is recognised.

Dividend income is recognised on the date on which the Company's right to receive the dividend is established.

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the applicable effective interest rate.

Rental income is recognized on accrual basis.

Gains / losses arising on sale of investments are included in the period in which they arise.

3.16 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time till the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit or loss and other comprehensive income in the period in which they are incurred.

3.17 Taxation

Current

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalized during the year.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirements of Technical Release – 27 issued by Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profits and taxable temporary differences will be available against such temporary differences and tax losses can be utilized.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

3.18 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added in the carrying amount of the borrowing.

3.19 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders of the Company.

3.20 Earnings per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.21 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker (CODM). The Company considers Chief Executive as its CODM who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information about the Company's products, as required by the accounting and reporting standards, is presented in note 42 to these financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Assumptions and estimates used in the recognition of current and deferred taxation (note 3.17)
- Assumptions and estimates used in accounting for defined benefit plan (note 3.11)
- Assumptions and estimates used in calculating the provision for impairment of trade receivables (note 3.8)
- Assumptions and estimates used in determining the residual values and useful lives of property, plant and equipment, investment properties and intangible assets (note 3.1, 3.3 and 3.4)
- Assumptions and estimates used in writing down items of stock in trade to their net realisable value (note 3.7)

5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020 Rupees	2019 Rupees
Number of ordinary shares of Rs.10 each				
3,133,000	3,133,000	Fully paid in cash	31,330,000	31,330,000
15,567,000	15,567,000	As bonus shares	155,670,000	155,670,000
18,700,000	18,700,000		187,000,000	187,000,000

- 5.1 The Company has one class of ordinary shares which carries no right to fixed income. The holders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders. All shares rank equally with regard to right in the Company's residual assets.

- 5.2 Shares are held by associated undertakings of the Company as at the reporting date are as follows :

	2020	2019
	Number of shares	
Associated undertakings - due to common directorship and shareholding in the Company		
Monell (Private) Limited	1,017,147	1,017,147
Haroon Omer (Private) Limited	1,017,147	1,017,147
ICARO (Private) Limited	1,017,248	1,017,248
Ellahi International (Private) Limited	9,000	9,000
	3,060,542	3,060,542

6. CAPITAL RESERVES

	Note	2020 Rupees	2019 Rupees
Capital redemption reserve	6.1	241,860,000	241,860,000
Amalgamation reserve	6.2	12,104,417	12,104,417
Reserves for the investment carried at fair value through other comprehensive income	24.6	(114,329,184)	(54,498,217)
		139,635,233	199,466,200

- 6.1 This represents capital reserve created for the redemption of preference shares.
- 6.2 This represents capital reserve created on amalgamation of Ellahi Electric Company Limited with the Company.

7. LONG-TERM FINANCES	Note	2020 Rupees	2019 Rupees
From banking companies and other financial institutions - secured			
Demand finances	7.2	9,999,996	48,333,316
Term finances	7.3	45,863,633	521,411,438
Long-term financing facilities (LTFF)	7.4	2,078,498,893	520,154,937
Long-term financing facility (NIDF)	7.5	64,398,723	85,864,966
SBP Payroll Financing	7.6	45,286,329	-
Custom debentures	7.7	2,832,155	2,832,155
		2,246,879,729	1,178,596,812
Less: Current portion shown in current liabilities			
Demand finances		(9,999,996)	(48,333,316)
Term finance		-	(8,181,819)
Long-term financing facilities (LTFF)		(18,128,246)	(71,569,288)
Long-term financing facility (NIDF)		(7,155,414)	(28,621,657)
SBP Payroll Financing		(11,810,771)	-
Custom debentures		(2,832,155)	(2,832,155)
		(49,926,582)	(159,538,235)
		2,196,953,147	1,019,058,577

7.1 Reconciliation of liabilities arising from long term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes, if any. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 1, 2019	Cash flows		Non-Cash flows	June 30, 2020
		Obtained	Repaid	Transferred	
		Rupees			
Demand finances	48,333,316	-	(38,333,320)	-	9,999,996
Term finances	521,411,438	1,081,614,021	(8,241,777)	(1,548,920,049)	45,863,633
Long-term financing facility (LTFF)	520,154,937	62,864,951	(53,441,044)	1,548,920,049	2,078,498,893
Long-term financing facility (NIDF)	85,864,966	-	(21,466,243)	-	64,398,723
SBP Payroll Financing	-	50,289,406	-	(5,003,077)	45,286,329
Custom debentures	2,832,155	-	-	-	2,832,155
2020 Rupees	1,178,596,812	1,194,768,378	(121,482,384)	(5,003,077)	2,246,879,729
2019 Rupees	807,479,708	513,229,619	(142,112,515)	-	1,178,596,812

* Rs.5,003,077 has been transferred to deferred Government grant as per IAS-20.

7.2 Demand finances

Name of institution	Limit		Outstanding amount		Details of financing, security and repayment terms
	2020	2019	2020	2019	
	Rupees		Rupees		
National Bank of Pakistan (Facility I)	-	100,000,000	-	8,333,332	Facility was secured against joint pari passu hypothecation charge over all present and future fixed assets and joint pari passu equitable mortgage charge over land and building of the Company. The loan was subject to mark-up at a rate of 3 months average KIBOR ask side plus 50 bps (2019 : 3 months average KIBOR ask side plus 50 bps) was repayable in 24 equal quarterly installments that commenced from January 2014.
National Bank of Pakistan (Facility II)	240,000,000	240,000,000	9,999,996	39,999,984	Facility is secured against joint pari passu hypothecation charge over all present and future fixed assets and joint pari passu equitable mortgage over land and building with 25% margin. The loan is subject to mark-up at a rate of 3 months average KIBOR ask side plus 50 bps (2019 : 3 months average KIBOR ask side plus 50 bps) repayable in 24 equal quarterly installments that commenced from August 2014. Balance repayments have now been deferred which will commence from May 2021.
			9,999,996	48,333,316	

7.3 Term Finances

Habib Bank Limited	-	60,000,000	-	8,181,819	Facility was secured against joint pari passu charge on entire present and future fixed assets of the Company and personal guarantee of sponsoring directors. The loan was subject to mark-up at the rate of 3 months average KIBOR offer rate plus 50 bps (2019 : 3 month average KIBOR plus 50 bps) was repayable in 22 equal quarterly installments that commenced from February 2015.
Habib Bank Limited	850,000,000	850,000,000	15,912,000	215,417,619	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of average of 3 months offer rate of KIBOR plus 100 bps (2019 : 3 months offer rate of KIBOR plus 100 bps) repayable in 32 equal quarterly installments commencing from August 2021. Loan amounting to Rs. 215.418 million has been transferred to LTFF in September 2019.
			15,912,000	223,599,438	
Allied Bank Limited	350,000,000	350,000,000	-	297,812,000	Facility was secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan was subject to mark-up at the rate of 3 months KIBOR plus 50 bps (2019 : 3 months KIBOR plus 50 bps) was repayable in 32 equal quarterly installments commencing from October 2021. This loan has been transferred to LTFF in July 2019.
			-	297,812,000	

Name of institution	Limit		Outstanding amount		Details of financing, security and repayment terms
	2020	2019	2020	2019	
Bank Alfalah Limited	750,000,000	-	29,951,633	-	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 3 months KIBOR plus 150 bps (2019: Nil) repayable in 32 equal quarterly installments commencing from April 2022.
			29,951,633	-	
			45,863,633	521,411,438	
Long Term Finance Facilities (LTFF)					
United Bank Limited	149,693,155	149,693,155	102,914,045	116,947,778	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 3.5 % (2019: 3.5%). The loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No. 14 of 2015 and is repayable in 32 equal quarterly installments commenced from November 2017. Balance repayments have now been deferred which will commence from May 2021.
United Bank Limited	142,813,663	142,813,663	111,573,174	124,961,955	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5 % (2019: 2.5%). The loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No. 18 of 2015 and is repayable in 32 equal quarterly installments commenced from July 2018. Balance repayments have now been deferred which will commence from April 2021.
United Bank Limited	149,628,405	149,628,405	126,248,965	140,276,629	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5 % (2019: 2.5%). The loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No. 18 of 2015 repayable in 32 equal quarterly installments commenced from March 2019. Balance repayments have now been deferred which will commence from June 2021.

Name of Institution	Limit		Outstanding amount		Details of financing, security and repayment terms
	2020	2019	2020	2019	
		Rupees		Rupees	
United Bank Limited	122,869,575	122,869,575	111,350,553	122,869,575	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5 % (2019: 2.5%) . The loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from September 2019. Balance repayments have now been deferred which will commence from June 2021.
United Bank Limited	27,502,020	27,502,020	14,627,156	15,099,000	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building and machinery) of the Company. The loan is subject to mark-up at the rate of 2.5 % (2019: 2.5%). The loan was transferred from NIDF to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commenced from March 2020. Balance repayments have now been deferred which will commence from June 2021.
			466,713,893	520,154,937	
Habib Bank Limited	850,000,000	-	636,051,000	-	Facility is secured against first joint pari passu charge on all present and future fixed assets of the Company with 25% margin. The loan is subject to mark-up at the rate of 3% (2019: Nil). The loan was transferred from Term Finance Facility to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commencing from July 2021 and August 2021.
			636,051,000	-	
Allied Bank Limited	350,000,000	-	339,435,000	-	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 2.5% (2019: Nil). The loan was transferred from Term Finance Facility to LTFF Scheme under SBP's LTFF scheme and SMEFD Circular No.18 of 2015 repayable in 32 equal quarterly installments commencing from October 2021 and January 2022, including two years grace period.
			339,435,000	-	
Bank Alfalah Limited	750,000,000	-	636,299,000	-	Facility is secured against first joint pari passu charge over fixed assets (land, building, plant and machinery) of the Company with 25% margin. The loan is subject to mark-up at the rate of 3% (2019: Nil) repayable in 32 equal quarterly installments commencing from April 2022, including two years grace period.
			636,299,000	-	
			2,078,498,893	520,154,937	

Name of institution	Limit		Outstanding amount		Details of financing, security and repayment terms
	2020	2019	2020	2019	
	Rupees		Rupees		
7.5 Long Term Finance Facilities (NIDF)					
United Bank Limited	157,493,182	157,493,182	64,398,723	85,864,966	Facility is secured against joint pari passu charge by way of equitable mortgage over fixed assets (land, building & machinery) of the company. The loan is subject to mark-up at the rate of 3 months KIBOR plus 100 bps (2019: 3 Months KIBOR plus 100 bps) repayable in 22 equal quarterly installments commenced from March 2017. Balance repayments have now been deferred which will commence from June 2021.
			64,398,723	85,864,966	
7.6 SBP Payroll Financing					
Bank Alfalah Limited	50,289,406	-	45,286,329	-	Facility was obtained under SBP payroll finance scheme via IH&SMEFD Circular No. 06 of 2020. The loan is subject to markup at the rate of 1% (2019: nil) repayable in 8 equal quarterly installments commencing from January 2021.
			45,286,329	-	
7.7	Debentures have been issued in favor of Collector of Customs of Karachi to cover deferred payment of custom duty on imported machinery.				
7.8	The exposure of the Company's borrowings to interest rate changes on the contractual repricing dates at the reporting date are as follows:				
		Note	2020	2019	
			Rupees	Rupees	
- Short-term borrowings	12		1,549,951,679	1,443,682,458	
- Long-term finances	7.2, 7.3 & 7.5		120,262,352	655,609,720	
			1,670,214,031	2,099,292,178	
7.9	Management considers that there is no non-compliance of the financing agreements with banking companies and financial institutions where the Company is exposed to penalties.				

	Note	2020 Rupees	2019 Rupees
8. DEFERRED GOVERNMENT GRANT			
Deferred grant against long term financing facility (Salary)	8.1	5,003,077	-
Less: Current portion of deferred grant		(3,246,101)	-
		<u>1,756,976</u>	<u>-</u>

8.1 Movement for the year

Deferred grant recognised during the year		5,315,570	-
Less : Amortisation for the year		(312,493)	-
As at the end of the year	8.2	<u>5,003,077</u>	<u>-</u>

- 8.2** Deferred grant relates to the difference between the fair value and actual proceeds of salary loan obtained under SBP's Refinance scheme for payment of salaries during the current year. It will be amortised over the period of next two and a half year with an amount equal to the difference between the finance cost charged to statement of profit or loss and other comprehensive income and the interest paid at SBP's defined rate as per the scheme. The grant will be amortised over the period of loan and amortization will be recognised and presented as reduction of related interest expense.

	2020 Rupees	2019 Rupees
9. DEFERRED LIABILITY		
Provision for staff gratuity	<u>122,856,230</u>	<u>118,839,945</u>

The Company operates an unfunded gratuity scheme for all its confirmed employees who have completed the minimum qualifying period of service as defined under the respective scheme. Provision is made to cover the obligations under the scheme on the basis of actuarial assumptions and is determined using Projected Unit Credit Method. Details of actuarial assumption and amounts charged in these financial statements are as follows:

9.1 Actuarial assumptions	2020	2019
Discount rate	8.50%	14.25%
Expected rate of salary increase	7.50%	12.25%
Mortality rate	SLIC 2001 - 2005 Setback 1 Year Age based	SLIC 2001 - 2005 Setback 1 Year Age based
Expected withdrawal rate for actuarial assumptions		

9.2 Sensitivity Analysis

		Increase / (decrease) in defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
		2020 -----Rupees-----	
Discount rate	1%	(7,558,215)	8,588,167
Salary increase	1%	8,873,960	(7,956,413)

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the reporting date.

	Note	2020 Rupees	2019 Rupees
9.3 Movement in the net defined benefit liability			
Balance at the beginning of the year		118,839,945	100,092,922
Recognized in the statement of profit or loss			
Current service cost		23,632,010	22,556,092
Interest cost		14,449,854	8,031,327
		38,081,864	30,587,419
Recognized in other comprehensive income			
Remeasurement loss on defined benefit liability	9.4	809,363	9,871,506
Benefits paid during the year		(34,874,942)	(21,711,902)
Balance at end of the year		122,856,230	118,839,945
9.4 Actuarial losses			
Actuarial loss from changes in financial assumptions		5,707,024	2,302,318
Experience adjustments		(4,897,661)	7,569,188
		809,363	9,871,506
9.5 Expense recognised in the statement of profit or loss			
Current service cost		23,632,010	22,556,092
Interest cost		14,449,854	8,031,327
		38,081,864	30,587,419
9.6 Sensitivity analysis			

The sensitivity analysis presented has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

This scheme exposes the Company to the actuarial risks such as:

Salary risk

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Mortality / withdrawal risk

The risk that the actual mortality / withdrawal experience is different. Its effect depends upon the beneficiaries' service period / age distribution and the benefit.

Longevity risk

The risk arises when the actual lifetime of the retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

9.7 The expected maturity analysis of undiscounted benefit obligation is:

	2020 Rupees	2019 Rupees
	Undiscounted payments	
Less than a year	18,876,827	20,965,398
Between 1 to 2 years	23,143,689	21,984,684
Between 2 to 3 years	14,931,845	26,061,858
Between 3 to 4 years	16,360,925	18,999,922
Between 4 to 5 years	17,789,560	20,337,705
Between 5 to 6 years	18,259,397	23,241,778
6 years and above	679,757,009	1,811,242,627

- 9.8 Expected provision to be recognized in statement of profit or loss and other comprehensive income for current service cost and interest cost for the year June 30, 2021 is Rs. 21.895 million and Rs. 9.640 million respectively.
- 9.9 The average duration of the defined benefit obligation is 7 years.

	Note	2020 Rupees	2019 Rupees
10. TRADE AND OTHER PAYABLES			
Creditors		171,332,579	69,737,331
Accrued liabilities	10.1 & 10.2	762,930,963	825,042,480
Advance from customers		20,705,340	15,575,248
Sindh Workers' Profit Participation Fund	10.3	5,385,282	19,394,537
Sindh Workers' Welfare Fund		21,620,395	19,573,988
Preference shares redemption liability and dividend		733,365	733,365
Other government expenses - Infrastructure fee	10.4	66,379,860	41,725,374
Others		302,338	665,826
		1,049,390,122	992,448,149

- 10.1 This includes an amount of Rs. 575.71 million (2019: Rs. 494.15 million) in respect of Gas Infrastructure Development Cess.

Gas Infrastructure Development (GID) Cess was levied through GIDC Act, 2011 with effect from December 15, 2011 and was chargeable from industrial gas customers at different rates as prescribed by the Federal Government through OGRA notification.

On June 13, 2013, the Honorable Peshawar High Court declared the levy, imposition and recovery of the Cess unconstitutional with the direction to refund the "Cess" so far collected. Honorable Supreme Court of Pakistan examined the case and vide its findings dated August 22, 2014, concluded that GID Cess is a fee and not a tax and on either count the "Cess" could not have been introduced through a money bill under Article 73 of the Constitution and the same was, therefore, not validly levied in accordance with the Constitution. However, on September 25, 2014, the President of Pakistan had promulgated GID Cess Ordinance 2014, which was applicable to the whole of Pakistan and has to be complied by all parties.

On September 29, 2014, the Honorable Sindh High Court gave a stay order to various parties against the promulgation of Presidential order dated September 25, 2014.

On May 22, 2015, the GID Cess Act, 2015 was passed by Parliament applicable on all consumers. Following the imposition of the said Act, many consumers filed a petition in Honorable Sindh High Court and obtained stay order against the Act passed by the Parliament.

On October 26, 2016, the High Court of Sindh held that enactment of GIDC Act 2015 is ultra-vires to the Constitution of Pakistan. Sui Southern Gas Company Limited has filed an intra-court appeal before the Divisional Bench of High Court of Sindh. Subsequent to the year end, GIDC matter is decided by the Supreme Court of Pakistan on August 13, 2020 and the Court has ordered gas consumers to pay outstanding amount of GIDC upto July 31, 2020 in twenty four equal monthly installments, starting from August 2020.

In view of aforementioned developments, there is no impact on the Company's financial statements as the Company has already recognized the provision for gas infrastructure development cess in these financial statements.

- 10.2 Oil and Gas regulatory Authority (OGRA) through its notification dated January 01, 2013 ordered to pay Rs. 488.23 per MMBTU with effective from January 1, 2013. However, With effect from August 23, 2013, higher tariff for the category of captive power was notified at the rate of Rs. 573.28 per MMBTU. On August 31, 2015 tariff for the industrial and captive consumers were brought on par at a rate of Rs. 600 per MMBTU and the distinction between the aforementioned categories has been negated during its subsistence.

The same was challenged before the Sindh High Court by way of a number of suits. The Company also filed Suit No. 2470 of 2015 (Nagina Cotton Mills Limited vs Federation of Pakistan & Others) seeking declaration that it could not be categorized as being a Captive Power consumer and a refund of all amounts paid in excess of the industrial tariff. However, on a prudent basis, the Company recorded a provision of Rs. 149.088 million from November 01, 2015 to September 30, 2018 in respect of differential tariff rate at Rs. 111.77 / MMBTU being the difference of Rs. 600 and Rs. 488.23 as at June 30, 2019.

The High Court of Sindh through its order dated November 27, 2019 granted decision in favour of the Company based on the fact that the Consumers fall under the definition of industrial rather than captive power as defined by the NEPRA regulations and suits are decided in favour of the plaintiffs, consequently, Sui Southern Gas Company Limited has been directed to adjust / refund any excess amount as may have been received by billing the Plaintiffs as per latter notification during its subsistence. In light of the above, the Company has reversed the provision amounting to Rs. 149.088 million in these financial statements.

	Note	2020 Rupees	2019 Rupees
10.3 Sindh Workers' Profit Participation Fund			
Opening balance		19,394,537	12,006,284
Interest on fund utilized in the Company's business	10.3.1	2,782,004	1,253,258
		<u>22,176,541</u>	<u>13,259,542</u>
Allocation for the year	30	5,385,282	19,394,537
		<u>27,561,823</u>	<u>32,654,079</u>
Amount paid to the fund		(22,176,541)	(13,259,542)
		<u>5,385,282</u>	<u>19,394,537</u>

10.3.1 Interest on funds utilized is charged @ 37.5% (2019: 30%) per annum.

10.4 This represents Government of Sindh, provision for Sindh Development and Infrastructure Fee and Duty which was levied by the Excise and Taxation Department, on goods entering or leaving the province of Sindh, through air or sea at prescribed rate, under the Sindh Finance Ordinance, 2001. The imposition of the levy was initially challenged by the Company along with other affectees, in the Honorable High Court of Sindh, and the Honorable Court was pleased to grant an interim injunction, vide Order dated May 31, 2011, to the effect that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be deposited with the Honorable Court until the final order is passed. However, as a matter of prudence, the Company has paid 50% of the value of infrastructure fee to the concerned department and recorded liability for the remaining amount which is supported by a bank guarantee.

	Note	2020 Rupees	2019 Rupees
11. ACCRUED INTEREST / MARK-UP			
- From banking companies			
Long-term finances		13,667,539	8,118,619
Short-term borrowings		48,050,083	43,903,844
		<u>61,717,622</u>	<u>52,022,463</u>

12. SHORT-TERM BORROWINGS

Banking companies - secured

Term finance	12.1, 12.2 & 12.5	715,000,000	-
Foreign currency finance	12.1, 12.3 & 12.5	128,646,971	-
Running finance	12.4 & 12.5	706,304,708	1,443,682,458
	12.5	<u>1,549,951,679</u>	<u>1,443,682,458</u>

12.1 Reconciliation of liabilities arising from short term financing activities

The table below details changes in the Company's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

		Cash flows		Non-cash flows	
	July 1, 2019	Obtained	Repaid	Foreign exchange loss	June 30, 2020
		-----Rupees-----			
Term finance	-	1,630,000,000	(915,000,000)	-	715,000,000
Foreign currency finance	-	2,477,047,444	(2,358,613,039)	10,212,566	128,646,971
	-	4,107,047,444	(3,273,613,039)	10,212,566	843,646,971
2019	600,000,000	1,600,000,000	(2,200,000,000)	-	-

12.2 The Company has availed term finance facility from various banks which carries mark-up ranging from 8.84% to 13.10% (2019 :10.74% to 11.41%).

12.3 The Company has availed foreign currency finance facility from various banks which carries mark-up ranging from 2.30% to 4.81% (2019 :Nil).

12.4 The Company has availed running finance facility from various banks which carries mark-up ranging from 1 to 3 month KIBOR plus 0.25% to 1.00% (2019: 1 to 3 month KIBOR plus 0.2% to 1.00%).

12.5 The Company can avail foreign currency, term finance, cash and running finance facilities from various banks aggregating to Rs. 4,045 million (2019 : Rs. 3,430 million). The aggregate unavailed short-term borrowing facilities available amounted to Rs. 2,495 million (2019 : Rs. 1,986 million). These borrowings are secured against hypothecation of stocks and book debts / receivables of the Company and pari passu charge on present and future current assets, demand promissory notes and lien on export orders / contracts.

	Note	2020 Rupees	2019 Rupees
13. CONTINGENCIES AND COMMITMENTS			
13.1 Contingencies			
Bank guarantees issued on behalf of the Company	13.1.1	18,602,000	16,602,000
Bank guarantee in favor of Excise and Taxation department		71,544,699	48,796,448
Revolving Letter of credit favouring SSGC		82,051,880	82,051,880

13.1.1 It includes guarantee issued in favor of Hyderabad Electric Supply Corporation (HESCO) amounting Rs. 14.602 million.

	Note	2020 Rupees	2019 Rupees
13.2 Commitments			
Machinery		-	999,728,296
Civil work		-	7,200,000
Raw material		363,313,668	438,785,755
Stores and spares		8,850,149	2,046,444
Bills discounted		477,797,517	42,100,862

Commitments for rentals of assets under short term lease agreements as at June 30:

Not later than one year	2,198,015	2,166,269
-------------------------	------------------	-----------

14. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	14.1	2,955,976,815	1,959,988,354
Capital work in progress	14.2	1,811,175	58,544,415
Capital advances		-	521,955
		2,957,787,990	2,019,054,724

14.1 Operating fixed assets

Particulars	2020							
	Cost at July 01, 2019	Additions / (Deletions)	Cost at June 30, 2020	Accumulated depreciation at July 01, 2019	Depreciation for the year / (Disposal)	Accumulated depreciation at June 30, 2020	Written down value at June 30, 2020	Rate of Depreciation %
(Rupees)								
Owned								
Land - freehold *	7,400,318	-	7,400,318	-	-	-	7,400,318	-
Land - leasehold *	2,474,682	-	2,474,682	-	-	-	2,474,682	-
Commercial building on free hold land	16,699,610	-	16,699,610	10,893,788	290,291	11,184,079	5,515,531	5
Mills buildings on leasehold land	201,429,869	132,914,783	334,344,652	133,385,446	7,812,251	141,197,697	193,146,955	10
Other buildings on leasehold land	47,834,702	53,870	47,888,572	17,160,064	1,593,334	18,753,398	29,135,174	5
Machinery and equipment	2,972,162,430	1,111,487,852 (216,800,714)	3,866,849,568	1,235,402,965	207,272,887 (155,877,401)	1,286,798,451	2,580,051,117	10
Electric installations and equipment	116,794,075	19,330,676	136,124,751	71,043,970	5,379,504	76,423,474	59,701,277	10
Gas installations	5,060,911	-	5,060,911	2,996,560	206,436	3,202,996	1,857,915	10
Office equipment	21,407,361	1,368,399	22,775,760	13,193,146	898,166	14,091,312	8,684,448	10
Furniture and fixtures	27,954,391	23,975,339	51,929,730	16,723,441	1,421,476	18,144,917	33,784,813	10
Vehicles	72,671,374	6,401,869 (20,067,633)	59,005,610	31,101,991	8,142,007 (14,462,973)	24,781,025	34,224,585	20
	3,491,889,723	1,295,532,788 (236,868,347)	4,550,554,164	1,531,901,369	233,016,352 (170,340,373)	1,594,577,349	2,955,976,815	
2019								
Particulars	Cost at July 01, 2018	Additions / (Deletions)	Cost at June 30, 2019	Accumulated depreciation at July 01, 2018	Depreciation for the year / (Disposal)	Accumulated depreciation at June 30, 2019	Written down value at June 30, 2019	Rate of Depreciation %
(Rupees)								
Owned								
Land - freehold *	7,400,318	-	7,400,318	-	-	-	7,400,318	-
Land - leasehold *	2,474,682	-	2,474,682	-	-	-	2,474,682	-
Commercial building on free hold land	16,699,610	-	16,699,610	10,588,218	305,570	10,893,788	5,805,822	5
Mills buildings on lease hold land	201,429,869	-	201,429,869	125,734,590	7,650,856	133,385,446	68,044,423	10
Other buildings on leasehold land	30,996,460	16,838,242	47,834,702	16,432,881	727,183	17,160,064	30,674,638	5
Machinery and equipment	2,392,149,991	666,047,003 (86,034,563)	2,972,162,430	1,175,647,285	131,326,532 (71,570,852)	1,235,402,965	1,736,759,465	10
Electric installations and equipment	113,886,444	2,907,631	116,794,075	66,195,924	4,848,046	71,043,970	45,750,105	10
Gas installations	3,671,136	1,389,775	5,060,911	2,883,001	113,558	2,996,560	2,064,352	10
Office equipment	21,032,861	517,800 (143,300)	21,407,361	12,313,734	910,082 (30,670)	13,193,146	8,214,215	10
Furniture and fixtures	26,509,110	1,445,281	27,954,391	15,580,017	1,143,424	16,723,441	11,230,951	10
Vehicles	70,304,223	17,783,931 (15,416,780)	72,671,374	36,419,355	7,246,434 (12,563,798)	31,101,991	41,569,383	20
	2,886,554,704	706,929,663 (101,594,643)	3,491,889,723	1,461,795,005	154,271,684 (84,165,320)	1,531,901,369	1,959,988,354	

* Freehold lands are located at 91-B1, M.M. Alam Road, Gulberg-III, Lahore and 13.5 Km, Sheikhupura, Sharqpur Road, Mouza Ghazi Androon, Dist. Sheikhupura with an area of 0.221 acres and 9.62 acres respectively. Leasehold land is located at Kotri Industrial Trading Estate, Sindh with an area of 20.75 acres.

14.1.1 Depreciation for the year has been allocated as under:

	Note	2020 Rupees	2019 Rupees
Cost of goods manufactured	27.1	222,787,936	145,216,479
Administrative expenses	29	10,228,416	9,055,205
		233,016,352	154,271,684

14.1.2 Detail of disposal of assets

Description of assets	Cost	Accumulated Depreciation	Written Down Value	Sale Proceeds	Gain / (loss) on disposal	Mode of disposal	Relationship of purchaser with the Company	Particulars of buyers
(Rupees)								
Machinery and equipment	41,249,375	23,595,494	17,653,881	3,500,000	(14,153,881)	Negotiation	None	Waheed Machinery Store Data Park, G.T. Road, Daroghwa, Lahore
Machinery and equipment	62,774,715	48,514,161	14,260,554	18,149,245	3,888,691	Negotiation	None	Orient Energy System Pvt Plot No 9, Sector 24, Korangi industrial area, Karachi
Machinery and equipment	41,826,450	24,384,589	17,441,861	4,500,000	(12,941,861)	Negotiation	None	H and D Enterprises 1820 Mohalla Nweeen Bhueen Mall Godwon Road, Multan
Machinery and equipment	17,470,170	14,336,142	3,134,028	2,500,000	(634,028)	Negotiation	None	H and D Enterprises 1820 Mohalla Nweeen Bhueen Mall Godwon Road, Multan
Machinery and equipment	8,617,768	8,134,479	483,289	800,000	316,711	Negotiation	None	Waqas Rafique International 49-KM, Multan Road, Kasur, Punjab
Machinery and equipment	947,793	136,903	810,890	4,500,000	3,689,110	Negotiation	None	Ideal Trading Co Office No P-56, Main Kashmir Road, Amin Town, Faisalabad Madina Town
Machinery and equipment	1,895,585	273,807	1,621,778	9,000,000	7,378,222	Negotiation	None	Venus Industries Shop No 113, Gulistan Market, Railway Road, Faisalabad , Lyallpur Town
Machinery and equipment	12,926,652	12,214,663	711,989	1,200,000	488,011	Negotiation	None	Waqas Rafique International 49-KM, Multan Road, Kasur, Punjab
Machinery and equipment	17,235,536	16,294,848	940,688	1,600,000	659,312	Negotiation	None	Waqas Rafique International 49-KM, Multan Road, Kasur, Punjab
Machinery and equipment	8,304,508	7,257,539	1,046,969	400,000	(646,969)	Negotiation	None	Venus Industries Shop No 113, Gulistan Market, Railway Road, Faisalabad , Lyallpur Town
Machinery and equipment	1,895,585	288,550	1,607,035	7,000,000	5,392,965	Negotiation	None	Ideal Trading Co Office No P-56, Main Kashmir Road, Amin Town, Faisalabad Madina Town
Machinery and equipment	1,656,577	446,226	1,210,351	1,100,000	(110,351)	Negotiation	None	Chakwal Textile Mills Ltd 71-E3, MAIN BOULEVARD GURBERG-III LAHORE
Vehicle	73,400	49,158	24,242	30,000	5,758	Negotiation	None	Mohammad Ahmed Fateh House No A-63-B, Mohalla Delhi Colony, Near Habib Bank, Karachi
Vehicle	15,753,326	12,015,276	3,738,050	10,900,000	7,161,950	Negotiation	None	Hassan Javed Malik House No 70 A-2 , Mohalla Gulberg 3 Lahore
Vehicle	1,694,107	926,758	767,349	1,810,000	1,042,651	Negotiation	None	Mrs. Lubna Dastgeer Rustam-O-sohrab Factory, Gali No 3, Mohalla Jalal park, Shahidra , Lahore
Vehicle	67,500	40,969	26,531	27,000	469	Negotiation	None	Muhammad Yousuf House No 46, Block 6, P.E.C.H. Society , Karachi
Vehicle	1,692,600	896,401	796,199	1,600,000	803,801	Negotiation	None	Muhammad Ilyas Main Multan Road, House No 20-B-1, Mohalla Rajpoot Town, Kanal bank, Lahore
Vehicle	719,200	506,690	212,510	636,000	423,490	Negotiation	None	Waqar. Hussain Butt House No 4C-3, Gali No 12, Madina Street, Mohalla Sanda Lahore
Vehicle	67,500	27,720	39,780	35,000	(4,780)	Negotiation	None	Ejaz Hussain House No D-33, Gulistan Johar, Block 10, Qalandarabad scheme, Karachi
2020	236,868,347	170,340,373	66,527,974	69,287,245	2,759,271			
2019	101,594,643	84,165,320	17,429,323	18,201,668	772,345			

	Note	2020 Rupees	2019 Rupees
14.2 Capital work-in-Progress			
Civil work	14.2.1	311,175	51,852,882
Machinery, electrical installations, furniture and equipments	14.2.2	1,500,000	6,691,533
		<u>1,811,175</u>	<u>58,544,415</u>
14.2.1 Civil work			
Opening balance		51,852,882	4,329,959
Additions		<u>81,276,729</u>	<u>64,800,775</u>
		133,129,611	69,130,734
Transfer to operating fixed assets		<u>(132,818,436)</u>	<u>(17,277,852)</u>
		311,175	51,852,882
Closing balance		<u>311,175</u>	<u>51,852,882</u>
14.2.2 Machinery, electrical installations, furniture and equipments			
Opening balance		6,691,533	6,394,241
Additions		<u>1,149,034,225</u>	<u>670,462,661</u>
		1,155,725,758	676,856,902
Transfer to operating fixed assets		<u>(1,154,225,758)</u>	<u>(670,165,369)</u>
		1,500,000	6,691,533
Closing balance		<u>1,500,000</u>	<u>6,691,533</u>

15. INVESTMENT PROPERTIES

	Cost			Depreciation			Written down	Annual
	As at July 1, 2019	Additions / (disposals)	As at June 30,2020	As at July 1, 2019	charge for the year	As at June 30,2020	value as at June 30, 2020	rate of Dep. %
	(Rupees)							
Building on freehold land - 15.1 & 15.2	17,539,312	-	17,539,312	12,610,074	246,462	12,856,536	4,682,776	5
Land in Lahore - freehold 15.1 & 15.2	8,300,631	-	8,300,631	-	-	-	8,300,631	-
Land in Sheikhpura - freehold- 15.1 & 15.3	751,338	-	751,338	-	-	-	751,338	-
2020	26,591,281	-	26,591,281	12,610,074	246,462	12,856,536	13,734,745	
2019	26,591,281	-	26,591,281	12,350,640	259,434	12,610,074	13,981,207	

15.1 As per the valuation done by M/s Hamid Mukhtar & Co. (Pvt) Ltd, the fair value of Land and building in Lahore - free hold is Rs. 630.991 million and Land in Sheikhpura is Rs 111 million as at September 24, 2020.

15.2 Freehold land and building there upon is situated at 91-B1, M.M. Alam Road, Gulberg-III, Lahore, having total area of 0.5 acres (4 kanals and 12 square feet).

15.3 Land is situated at 13.5 Km, Sheikhpura, Sharqpur Road, Mouza Ghazi Androon, Dist. Sheikhpura, having total area of 18.5 acres (148 kanals).

16. INTANGIBLE ASSETS

	Cost		Amortization			Carrying	Rate of	
	As at July 01, 2019	Additions	As at June 30, 2020	As at July 01, 2019	Charge for the year	As at June 30, 2020	value as at June 30, 2020	Amortization %
	(Rupees)							
ERP software	4,151,365	-	4,151,365	2,560,009	830,273	3,390,282	761,083	20
2020	4,151,365	-	4,151,365	2,560,009	830,273	3,390,282	761,083	
2019	4,151,365	-	4,151,365	1,729,736	830,273	2,560,009	1,591,356	

17. SALES TAX REFUND BONDS

Sales tax refund bonds were issued by the Federal Board of Revenue (FBR) against sales tax refundable of Rs. 8.3 million (2019: Rs. 19.5 million). The bonds so issued carried profit @ 10% per annum and having maturity after 3 years from the date of its issuance. However, FBR subsequently revoked the issuance of sales tax refund bonds and the bonds that were encashed during the year on December 13, 2019.

	Note	2020 Rupees	2019 Rupees
18. STORES AND SPARES			
Stores		14,520,777	12,704,206
Spares		14,962,120	19,997,288
		29,482,897	32,701,494
19. STOCK-IN-TRADE			
Raw material		2,417,192,349	1,021,167,462
Work-in-process		64,634,114	62,029,593
Finished goods		76,765,724	113,044,950
Waste		3,488,487	3,403,560
		2,562,080,674	1,199,645,565
20. TRADE RECEIVABLES			
Considered good			
Foreign - secured		16,290,633	1,282,249,552
Local - unsecured		538,686,261	354,079,800
	20.2 & 20.4	554,976,894	1,636,329,352
Considered doubtful		1,940,806	440,806
		556,917,700	1,636,770,158
Less: provision for doubtful trade receivables	20.1	(1,940,806)	(440,806)
		554,976,894	1,636,329,352
20.1 Provision against doubtful trade receivables			
Opening balance		440,806	440,806
Provision made during the year		1,500,000	-
Closing balance		1,940,806	440,806

20.2 These are non-interest bearing, the normal credit period is 15 to 45 days.

20.3 Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of credit customers, to assess whether or not provision is required.

20.4 The maximum amount due from Ellicot Spinning Mills Limited (related party) at the end of any month during the year was Rs. 99,430,909 (2019: Rs. 123,066,690), however there is Rs. Nil (2019: Rs. Nil) at the end of the year.

20.5 Trade receivables include debtors with a carrying amount of Rs. 36.285 million (2019: Rs. 29.959 million) which are past due at the reporting date against which the Company has not made a provision as there is no significant change in credit quality and the amount is considered recoverable. The Company does not hold any collateral against these balances. The aging of these past due trade receivables is as follows:

	Note	2020 Rupees	2019 Rupees
20.5.1 Aging of past due but not impaired			
46-90 days		15,229,060	11,468,927
91-180 days		4,898,374	262,817
181 days and above		16,157,382	18,227,220
		<u>36,284,816</u>	<u>29,958,964</u>
21. LOANS AND ADVANCES			
Considered good			
Advances			
Employees		147,506	119,340
Income tax	21.1	171,976,284	182,742,490
Suppliers		68,680,613	17,145,772
Expenses		9,325	216,931
Letters of credit		465,249	2,003,508
		<u>241,278,977</u>	<u>202,228,041</u>
21.1 Movement of advance tax is as under:			
Opening balance		182,742,490	143,118,456
Paid during the year		81,762,576	92,130,664
Provision for tax	33	(92,528,782)	(52,506,630)
		<u>171,976,284</u>	<u>182,742,490</u>
22. PREPAYMENTS			
Prepaid insurance		1,943,410	1,478,744
Others		2,424,035	1,511,421
		<u>4,367,445</u>	<u>2,990,165</u>
23. OTHER RECEIVABLES			
Considered good			
Export rebate		1,456,404	13,361,579
Income tax refundable		892,665	892,665
Others		3,768,874	4,685,762
		<u>6,117,943</u>	<u>18,940,006</u>
24. OTHER FINANCIAL ASSETS			
Classified as at			
Fair value through profit or loss			
Investment in listed equity securities	24.1	-	89,858,644
Investment in mutual funds	24.2	-	6,952,598
Fair value through Other Comprehensive Income			
Investment in listed equity securities	24.3	279,205,675	334,002,347
Investment in mutual funds	24.4	108,494,735	9,696,610
		<u>387,700,410</u>	<u>440,510,198</u>
24.1 Equity investments designated were held in Specially Managed Account maintained with and managed by NBP Asset Management Company Limited.			

	Note	2020 Rupees	2019 Rupees
24.2 Investment in mutual funds			
NBP Money Market Fund: Nil units (2019: 704,496 units)	24.2.1	-	6,952,598

24.2.1 These were held in Specially Managed Account maintained with and managed by NBP Asset Management Company Limited.

24.3 Investment in listed equity securities - At fair value through other comprehensive income
Quoted companies

2020 Number of shares	2019 Number of shares	Name of investee	2020 Rupees	2019 Rupees
1,335,500	1,335,500	Engro Fertilizer Limited	80,503,940	85,431,935
1,250,000	1,250,000	Fauji Cement Company Limited	21,100,000	19,662,500
447,500	447,500	Habib Metropolitan Bank Limited	12,444,975	16,145,800
433,500	433,500	Bank Al Habib Limited	22,672,050	33,977,730
365,000	365,000	Fatima Fertilizer Company Limited	9,756,450	10,895,250
358,500	358,500	United Bank Limited	37,054,560	52,835,730
309,000	409,000	Habib Bank Limited	29,932,830	46,323,340
271,850	271,850	Bank Alfalah limited	9,126,005	11,849,942
150,000	150,000	Oil & Gas Development Company Limited	16,350,000	19,723,500
110,000	110,000	Loads Limited	1,529,000	1,662,100
85,000	85,000	Century Paper & Board Mills Limited	6,083,450	2,647,750
85,000	100,000	MCB Bank Limited	13,775,950	17,445,000
21,500	21,500	Agriauto Industries Limited	3,913,000	4,299,140
12,100	11,000	Mari Petroleum Company Limited	14,963,465	11,102,630
			279,205,675	334,002,347

24.4 Investment in mutual funds

NBP Islamic Energy Fund 1,059,820 units (2019: 1,059,820 units)	8,994,267	9,696,610
NBP Stock Fund 8,298,168 units (2019: Nil units)	99,314,134	-
NBP Money Market Fund 18,855 units (2019: Nil units)	186,334	-
	108,494,735	9,696,610

24.5 Reconciliation between fair value and cost of investments classified as 'equity instrument'.

	Note	2020 Rupees	2019 Rupees
24.5.1 Through profit or loss			
Fair value of investments			
- in listed equity securities	24.1	-	89,858,644
- in mutual funds	24.2	-	6,952,598
		-	96,811,242
Less: unrealized loss on remeasurement of investments as at June 30		-	18,570,435
Cost of investments		-	115,381,677

	Note	2020 Rupees	2019 Rupees
24.5.2 Through other comprehensive income			
Fair value of investments			
- in listed equity securities	24.3	279,205,675	334,002,347
- in mutual funds	24.4	108,494,735	9,696,610
		<u>387,700,410</u>	<u>343,698,957</u>
Add: unrealized loss on remeasurement of investments as at June 30	24.6	114,329,184	54,498,217
Cost of investments		<u>502,029,594</u>	<u>398,197,174</u>

24.6 Unrealised loss on remeasurement of equity instruments**Through other comprehensive income**

Opening balance	(54,498,217)	-
Effect of change in accounting policy due to adoption of IFRS-9	-	12,410,508
Unrealized fair value loss charge for the year	(59,830,967)	(66,908,725)
Closing balance	<u>(114,329,184)</u>	<u>(54,498,217)</u>

25. CASH AND BANK BALANCES

Term deposit receipts	25.1	-	100,000,000
Cash with banks- In current accounts	25.2	43,329,472	53,178,197
Cash in hand		2,348	17,348
		<u>43,331,820</u>	<u>153,195,545</u>

25.1 It carried profit at 10.80% per anum in 2019. It has been matured on July 04, 2019.

25.2 Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the State Bank of Pakistan. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the banks, management has assessed that there is no impairment and has not recorded any loss allowances on these balances.

	Note	Local	Export	2020 Total (Rupees)	2019 Total
26. SALES - net					
Yarn	26.1, 26.2 & 26.3	3,637,927,677	3,718,092,021	7,356,019,698	6,782,378,112
Waste		214,319,208	27,327,621	241,646,829	144,873,926
Raw material		84,599,251	-	84,599,251	4,071,924
		<u>3,936,846,136</u>	<u>3,745,419,642</u>	<u>7,682,265,778</u>	<u>6,931,323,962</u>
Export rebate		-	-	-	1,059,885
Less : Sales tax		(568,068,352)	(44,025,425)	(612,093,777)	(74,313)
		<u>3,368,777,784</u>	<u>3,701,394,217</u>	<u>7,070,172,001</u>	<u>6,932,309,534</u>

26.1 Export sales is net of exchange gain of Rs. 1.957 million (2019 : exchange gain of Rs. 233.034 million).

26.2 Export sales include indirect export of Rs. 258.973 million (2019 : Rs. 453.47 million) to a related party (note 37).

26.3 Local sales includes Rs. Nil (2019: Rs. 315,500) in respect of doubling service provided to Ellcot Spinning Mills Limited.

	Note	2020 Rupees	2019 Rupees
27. COST OF GOODS SOLD			
Opening stock - finished goods and waste		116,448,510	68,490,128
Cost of goods manufactured	27.1	6,340,609,545	6,144,654,433
Purchase of finished goods		21,857,697	-
		<u>6,478,915,752</u>	<u>6,213,144,561</u>
Closing stock - finished goods and waste	19	(80,254,211)	(116,448,510)
Cost of sales of raw material		<u>77,689,319</u>	<u>3,187,314</u>
		<u>6,476,350,860</u>	<u>6,099,883,365</u>
27.1 Cost of goods manufactured			
Raw material consumed	27.1.1	5,146,855,099	4,857,616,970
Packing material consumed		82,785,623	86,155,203
Stores and spares consumed		93,646,361	113,263,381
Salaries, wages and benefits	27.1.2	412,634,604	410,321,843
Fuel		351,627,957	493,132,560
Rent, rates and taxes		532,912	532,913
Insurance		12,374,121	9,953,284
Repairs and maintenance		9,281,584	19,818,489
Depreciation	14.1.1	222,787,936	145,216,479
Other manufacturing overheads		10,687,869	9,655,430
		<u>6,343,214,066</u>	<u>6,145,666,552</u>
Work in process			
Opening stock		62,029,593	61,017,474
Closing stock	19	(64,634,114)	(62,029,593)
		<u>(2,604,521)</u>	<u>(1,012,119)</u>
		<u>6,340,609,545</u>	<u>6,144,654,433</u>
27.1.1 Raw material consumed			
Opening stock		1,021,167,462	1,104,008,449
Purchases		6,542,879,986	4,774,775,983
		<u>7,564,047,448</u>	<u>5,878,784,432</u>
Closing stock	19	(2,417,192,349)	(1,021,167,462)
		<u>5,146,855,099</u>	<u>4,857,616,970</u>

27.1.2 It includes Rs. 30.911 million (2019 : Rs. 25.664 million) in respect of staff retirement benefits.

	2020 Rupees	2019 Rupees
28. DISTRIBUTION COST		
Freight	58,702,446	52,726,427
Commission:		
-Local	15,664,639	17,828,258
-Export	26,584,617	23,081,928
Stamp duty	1,084,260	491,478
Travelling	4,137,076	5,143,779
Export development surcharge	8,557,550	7,176,714
Quality claims	1,356,518	1,839,853
Handling and other charges	12,125,852	9,233,027
Insurance	1,394,124	948,170
Distribution expense	734,000	600,000
Other	2,087,516	2,582,961
	<u>132,428,598</u>	<u>121,652,595</u>

	Note	2020 Rupees	2019 Rupees
29. ADMINISTRATIVE EXPENSES			
Directors' remuneration, fees and benefits		22,421,667	15,105,223
Staff salaries and benefits	29.1	75,488,427	75,272,957
Travelling and conveyance		1,609,868	1,909,459
Printing and stationery		1,735,164	1,607,841
Postage and telephone		2,590,651	3,022,849
Fees, subscription and periodicals		3,691,383	3,380,116
Legal and professional		1,795,703	1,186,956
Advertisement		160,630	89,166
Utilities - net of recoveries		8,470,481	7,654,785
Rent, rates and taxes	29.2	5,134,898	4,906,805
Insurance		2,495,970	1,906,931
Auditors' remuneration	29.3	1,100,000	1,000,000
Repairs and maintenance		2,237,312	2,873,709
Vehicles running and maintenance		9,277,179	10,516,873
Entertainment		1,539,756	1,760,937
Depreciation	14.1.1	10,228,416	9,055,205
Depreciation on investment properties		246,462	259,434
Amortization		830,273	830,273
Donations	29.4	400,000	300,000
Other		1,682,002	2,273,369
		153,136,242	144,912,888

29.1 It includes Rs. 7.171 million (2019: Rs. 4.923 million) in respect of staff retirement benefits.

29.2 It includes Rs. 3.485 million (2019: Rs. 3.296 million) in respect of rentals of short term lease.

	2020 Rupees	2019 Rupees
29.3 Auditors' remuneration		
Annual audit fee	600,000	600,000
Half yearly review fee	200,000	200,000
Code of Corporate Governance certification	50,000	50,000
Tax compliance services	150,000	150,000
Compliance certificate fees	100,000	-
	1,100,000	1,000,000

29.4 Donations were not made to any donee in which a director or his spouse had any interest at any time during the year.

	Note	2020 Rupees	2019 Rupees
30. OTHER EXPENSES			
Sindh Workers' Profit Participation Fund	10.3	5,385,282	19,394,537
Sindh Workers' Welfare Fund		2,046,407	7,369,924
Provision for doubtful debts		1,500,000	382,739
Realized loss on investment classified as fair value through profit or loss		-	18,075,339
Unrealized loss on investment classified as fair value through profit or loss		-	8,490,622
Unrealized loss on foreign currency Loan		10,212,566	-
		<u>19,144,255</u>	<u>53,713,161</u>

31. OTHER INCOME			
Dividend income	31.1	35,674,445	35,048,233
Gain on sale of short term investments- Classified at FVTPL		23,302,270	-
Interest income on term deposit receipt		39,784	569,492
Unrealized gain on revaluation of FC account		116,171	709,126
Scrap sales		2,697,108	1,678,305
Gain on disposal of property, plant and equipment	14.1.2	2,759,271	772,345
Rental income from investment property		24,428,999	23,556,696
Interest (reversal) / income on sales tax refund bonds		(42,877)	42,877
		<u>88,975,171</u>	<u>62,377,074</u>

31.1 This includes dividend of Rs. 186,076 (2019: Rs. 490,220) received and reinvested in NBP mutual funds.

	Note	2020 Rupees	2019 Rupees
32. FINANCE COST			
Mark-up / interest on:			
Long term finances		93,778,284	37,100,872
Short term borrowings		170,548,944	166,264,026
Sindh Workers' Profit Participation Fund	10.3.1	2,782,004	1,253,258
Bank charges and commission		10,704,042	8,780,151
		<u>277,813,274</u>	<u>213,398,307</u>

33. PROVISION FOR TAXATION			
Current tax		92,528,782	52,506,630
Prior year		115,785	-
		<u>92,644,567</u>	<u>52,506,630</u>

33.1 The numerical reconciliation between the tax expense and accounting profit has not been presented for the current and comparative year in these financial statements as the total income of the Company for the current and comparative year attracted minimum tax under Section 113 of the Income Tax Ordinance, 2001 and its export sales fall under final tax regime.

33.2 The Company has not recognized deferred tax liability amounting Rs. 3.105 million (2019: deferred tax asset Rs. 2.593 million) in these financial statements.

34. EARNINGS PER SHARE - basic and diluted

There is no dilutive effect on the basic earnings per share of the Company which is as follows :

	2020	2019
Profit after taxation (Rupees)	<u>7,629,376</u>	<u>308,619,662</u>
Weighted average number of ordinary shares	<u>18,700,000</u>	<u>18,700,000</u>
Earnings per share (Rupees)	<u>0.41</u>	<u>16.50</u>

35. CASH GENERATED FROM OPERATIONS

Profit before taxation	100,273,943	361,126,292
Adjustments for:		
Depreciation	233,016,352	154,271,684
Depreciation on investment properties	246,462	259,434
Amortization	830,273	830,273
Provision for gratuity	38,081,864	30,587,419
Provision for doubtful debts	1,500,000	-
Gain on disposal of property, plant and equipment	(2,759,271)	(772,345)
Realized (gain) / loss on investment classified as fair value through profit or loss	(23,302,270)	18,075,339
Unrealized loss on investment classified as fair value through profit or loss	-	8,490,622
Finance cost	277,813,274	213,398,307
Unrealized gain on revaluation of FCY account Short Term finance	(116,171)	-
Rental income	(24,428,999)	(23,556,696)
Dividend income	(35,674,445)	(35,048,233)
Interest income reversal / (income) on sales tax refund bonds	42,877	(42,877)
	<u>565,523,889</u>	<u>727,619,219</u>
(Increase) / decrease in current assets:		
Stores and spares	3,218,597	4,170,725
Stock-in-trade	(1,362,435,109)	33,870,486
Trade receivables	1,079,852,458	(682,591,278)
Loans and advances	(49,817,142)	(7,436,687)
Prepayments	(1,377,280)	743,415
Other receivables	12,822,063	48,548,000
Sales tax refundable	(46,605,974)	(16,992,090)
	<u>(364,342,387)</u>	<u>(619,687,429)</u>
Increase in current liabilities:		
Trade and other payables	56,941,973	228,663,869
Cash generated from operations	<u>258,123,475</u>	<u>336,595,659</u>

36. REMUNERATION OF DIRECTORS AND EXECUTIVES

	2020				2019			
	Chief	Directors		Executives	Chief	Directors		Executives
	Executive	Executive	Non-Executive		Executive	Executive	Non-Executive	
	-----Rupees-----							
Remuneration	8,160,000	8,160,000	-	18,343,453	6,720,000	3,600,000	-	19,143,853
House rent allowance	2,040,000	2,040,000	-	8,254,554	1,680,000	1,620,000	-	8,614,734
Other allowances	-	-	-	917,173	-	180,000	-	957,193
Retirement benefits	-	-	-	1,326,859	-	295,890	-	1,425,522
Leave encashment	1,416,667	-	-	2,816,971	-	564,333	-	2,838,666
Bonus/ex-gratia	-	-	-	405,418	-	-	-	361,360
Meeting fee	-	-	605,000	-	-	-	445,000	-
	11,616,667	10,200,000	605,000	32,064,428	8,400,000	6,260,223	445,000	33,341,328
No. of persons	1	1	4	10	1	2	2	10

36.1 Chief Executive and Executive Directors are provided with free use of the Company's maintained cars and Chief Executive is entitled for reimbursement of utility bills.

37. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated undertakings, directors of the Company and key management personnel including chief executive and directors, their close family members and post retirement benefit plans. The Company carries out transactions with various related parties and continues to have a policy whereby all such transactions are carried out at agreed terms. There is no balance outstanding with or from associated undertakings. Remuneration of directors and key management personnel are disclosed in note 36 and amount due in respect of staff retirement benefits is disclosed in note 9. Other significant transactions with related parties are as follows:

Nature of relationship	Nature of Transactions	2020	2019
		Rupees	Rupees
Associated companies	Purchase of goods	732,923	188,228
	Sale of goods	385,052,076	453,782,760
	Rental income	2,330,545	2,195,545
	Purchase of fixed assets	1,755,000	10,881,000
	Dividend paid	15,302,710	12,242,168
Key management personnel	Payment of dividend to directors and their close family members	69,681,185	55,744,948

37.1 Following are the related parties with whom the Company has entered into transactions or have arrangements / agreements in place.

Name of related party	Relationship	Aggregate % holding in the Company as at June 30, 2020
Prosperity Weaving Mills Limited.	Associated company	0.000%
Ellcot Spinning Mills Limited.	Associated company	0.000%
Haroon Omer (Private) Limited.	Associated company	5.439%
Monell (Private) Limited.	Associated company	5.439%
Icaro (Private) Limited.	Associated company	5.440%
ARH (Private) Limited.	Associated company	0.000%
Ellahi International (Private) Limited.	Associated company	0.048%
Pacific Industries (Private) Limited.	Associated company	0.000%
Mr. Shahzada Ellahi Shaikh	Key Management personnel	17.259%
Mr. Shaikat Ellahi Shaikh	Key Management personnel	17.471%
Mr. Shafqat Ellahi Shaikh	Key Management personnel	17.257%
Mr. Raza Ellahi Shaikh	Key Management personnel	7.489%
Mr. Haroon Shahzada Ellahi Shaikh	Key Management personnel	3.743%
Mr. Shafiq ur Rehman	Key Management personnel	0.003%
Mr. Tajammal Husain Bokharee	Key Management personnel	0.003%
Mr. Amin Ellahi Shaikh	Key Management personnel	7.487%
Ms. Tosheeba Sarwar	Key Management personnel	0.003%
Mr. Hasan Ahmad	Key Management personnel	0.003%
Mrs. Humera Shahzada Ellahi Shaikh	Close family member of Key Management	0.023%
Mrs. Mona Shaikat Shaikh	Close family member of Key Management	0.023%
Mrs. Shaista Shafqat	Close family member of Key Management	0.023%
Mr. Omer Ellahi Shaikh	Close family member of Key Management	3.743%

38. PLANT CAPACITY AND ACTUAL PRODUCTION

It is difficult to describe precisely the production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw material used, spindle speed and twist. It would also vary according to the pattern of production adopted in a particular year.

		2020	2019
Number of spindles installed	No.	49,980	53,748
Total number of spindles worked	No.	49,980	53,748
Number of shifts per day	No.	3	3
Actual number of shifts in a year	No.	1,029	1,093
Plant capacity on the basis of utilization converted in to 20s' count	Kgs	18,345,734	19,088,655
Actual production converted into 20s' count	Kgs	14,723,992	17,712,365

39. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**39.1 Financial Instruments by Category**

	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total June 30, 2020
Rupees			
Financial assets as per Statement of financial position			
Long term deposits	1,069,258	-	1,069,258
Trade receivables	554,976,894	-	554,976,894
Loans and advances	147,506	-	147,506
Other receivables	3,768,874	-	3,768,874
Other financial assets	-	387,700,410	387,700,410
Cash and bank balances	43,331,820	-	43,331,820
	603,294,352	387,700,410	990,994,762

	Financial assets at amortized cost	Financial assets at fair value through other comprehensive income	Total June 30, 2019
Rupees			
Financial assets as per Statement of financial position			
Long term deposits	1,069,258	-	1,069,258
Sales tax refund bonds	19,542,877	-	19,542,877
Trade receivables	1,636,329,352	-	1,636,329,352
Loans and advances	119,340	-	119,340
Other receivables	4,685,762	-	4,685,762
Other financial assets	-	440,510,198	440,510,198
Cash and bank balances	153,195,545	-	153,195,545
	1,814,942,134	440,510,198	2,255,452,332

	2020	2019
Rupees		
Financial liabilities as per Statement of financial position		
At amortized cost		
Long-term finances	2,246,879,729	1,178,596,812
Short-term borrowings	1,549,951,679	1,443,682,458
Trade and other payables	935,299,245	896,179,002
Unclaimed dividend	8,019,322	7,293,599
Accrued interest / mark-up	61,717,622	52,022,463
	4,801,867,597	3,577,774,334

39.2 Financial risk management objectives and policies

The Company finances its operations through short term borrowing, long term financing and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2020 which are summarized below;

39.3 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. Out of the total financial assets of Rs. 990.995 million (2019: Rs. 2,255.452 million), the financial assets which are subject to credit risk amounted to Rs. 990.992 million (2019: Rs. 2,255.435 million). The Company manages credit risk for trade receivables by assigning credit limits to its customers and thereby does not have significant exposure to any individual customer.

The Company is exposed to credit risk from its operating activities primarily for trade receivables and other receivables, deposits with banks and financial institutions, and other financial instruments. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings i.e. A1+ to A1 in short term and AAA to A for long term.

Credit risk related to receivables

Customers' credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. The management monitors and limits the Company's exposure of credit risk by limiting transactions with specific counter parties and continually assessing their credit worthiness. Outstanding customer receivables are regularly monitored and any shipments to major export customers are generally covered by letters of credit.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables, where appropriate. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. At June 30, 2020 the Company had approximately 37 (2019: 31) major local customers that owed more than Rs. 3 million each and accounted for approximately 96% (2019: 96%) of local trade receivables. Export debts amounting to Rs. 16.291 million (2019: Rs. 1282.25 million) are secured against letters of credit.

39.4 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of short term borrowings 54.21% (2019: 71.51%) of the Company's financial liabilities will mature in less than one year based on the carrying value reflected in the financial statements.

39.4.1 Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	<div>-2020-</div>					
	Carrying values	Contractual Cash flows	Less than 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	<div>- Rupees -</div>					
Financial Liabilities						
Statement of financial position						
Long-term finances	2,251,882,806	2,251,882,806	-	50,688,161	1,139,431,271	1,061,763,376
Short term borrowings	1,549,951,679	1,549,951,679	1,549,951,679	-	-	-
Accrued interest / mark-up	61,717,622	61,717,622	61,717,622	-	-	-
Trade and other payables	935,299,245	935,299,245	935,299,245	-	-	-
Unclaimed dividend	8,019,322	8,019,322	8,019,322	-	-	-
	4,806,870,674	4,806,870,674	2,554,987,868	50,688,161	1,139,431,271	1,061,763,376

-----2019-----						
	Carrying values	Contractual Cash flows	Less than 3 months	3 months - 1 year	1 - 5 years	More than 5 years
	----- Rupees -----					
Financial Liabilities						
Statement of financial position						
Long-term finances	1,178,596,812	1,178,596,812	41,705,749	117,832,486	523,950,778	495,107,799
Short term borrowings	1,443,682,458	1,443,682,458	1,443,682,458	-	-	-
Accrued interest / mark-up	52,022,463	52,022,463	52,022,463	-	-	-
Trade and other payables	895,513,176	895,513,176	895,513,176	-	-	-
Unclaimed dividend	7,293,599	7,293,599	7,293,599	-	-	-
	3,577,108,508	3,577,108,508	2,440,217,445	117,832,486	523,950,778	495,107,799

Effective rates of interest are mentioned in respective notes to the financial statements.

39.5 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk, and other price risk.

Interest rate risk

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

The Company's interest rate risk arises from long term finance, term deposit receipts and short term borrowings amounting to Rs. 3.796 billion (financial liabilities on a net basis) (2019: Rs. 2.622 billion). These are benchmarked to variable rates which exposes the Company to cash flow interest rate risk only.

	Carrying amount	
	2020	2019
Variable rate instruments		
Financial liabilities:		
Long-term finance	2,246,879,729	1,178,596,812
Short-term borrowings	1,549,951,679	1,443,682,458
	(3,796,831,408)	(2,622,279,270)
Net financial liabilities at variable interest rates	(3,796,831,408)	(2,622,279,270)

Interest rate sensitivity analysis

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended June 30, 2020 would decrease/increase by Rs. 1.204 million (2019 : Rs. 6.626 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

Foreign currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings and balances held in foreign currency. However, the Company is materially exposed to foreign currency risk on assets. The Company enters into forward foreign exchange contracts to manage the foreign currency exchange risk associated with the anticipated sales. As at June 30, 2020 financial assets include Rs. 16.291 million (2019: Rs. 1,282.25 million) which are subject to foreign currency risk against US Dollars.

Foreign currency sensitivity analysis

At June 30, 2020, if the Rupee had weakened / strengthened by 5% against the US Dollar with all other variables held constant, the Company's profit for the year would have increased / decreased by Rs. 0.815 million (2019: increased / decreased by Rs. 64.112 million), mainly as a result of foreign exchange gains / losses on translation of US Dollar-denominated trade receivables.

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

As at reporting date the Company is exposed to equity securities price risk as it has investment amounting to Rs. 387.514 million (2019: Rs. 433.558 million) in the shares of quoted companies as mentioned in note-24.

If equity price would have been 10% higher / lower with all others variables held constant, other comprehensive income for the year of the company would have been higher / lower by Rs. 38.77 million (2019: Rs. 44.05 million)

39.6 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the Company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical business standards;
- risk mitigation, including insurance where it is effective; and
- operational and qualitative track record of suppliers and service providers.

40. CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company is not subject to any externally imposed capital requirements.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of share capital and reserves as well as debts of the Company. 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 adjust the amount of dividend paid to the shareholders or issue new shares. The Company's overall strategy remains unchanged since June 30, 2019.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying value of all the financial instruments reported in the financial statements approximates their fair value as the items are short term in nature.

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or the liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The valuation techniques used are as follows:

Level 1: Quoted prices (unadjusted) in active markets

The fair value of financial instruments traded in active markets is based on Net Asset Values (NAVs) of the units of the mutual funds and quoted market price of the equity instrument at the reporting date. A market is regarded as active when it is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The following table presents the Company's financial assets which are carried at fair value:

June 30, 2020				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
- measure at fair value through other comprehensive income				
Investment in listed equity securities	279,205,675	-	-	279,205,675
Investment in mutual funds	108,494,735	-	-	108,494,735
	387,700,410	-	-	387,700,410
<hr/>				
June 30, 2019				
	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
Financial assets				
- measure at fair value through profit or loss				
Investment in listed equity securities	89,858,644	-	-	89,858,644
Investment in mutual funds	6,952,598	-	-	6,952,598
- measure at fair value through other comprehensive income				
Investment in listed equity securities	334,002,347	-	-	334,002,347
Investment in mutual funds	9,696,610	-	-	9,696,610
	440,510,198	-	-	440,510,198

At the reporting date, the Company holds above financial assets where the Company has used Level 1 inputs for the measurement of fair values and there is no transfer between levels.

42. OPERATING SEGMENTS

Chief Executive considers the business as a single operating segment as the Company's assets allocation decisions are based on a single, integrated business strategy, and the Company's performance is evaluated on an overall basis. Sales of the Company related to export customers is 53.40 percent (2019: 50.17 percent). As at year end, all non-current assets of the Company are located within Pakistan.

43. NUMBER OF EMPLOYEES

	2020	2019
Number of employees		
- At June 30	903	1084
- Average during the year	994	1085

44. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 24, 2020, proposed to distribute to the shareholders of the Company a cash dividend at the rate of Nil percent i.e. Rs. Nil per ordinary share (2019: Rs. 5 per ordinary share). The dividend is subject to the approval by the shareholders of the Company in its forthcoming Annual General Meeting. These financial statements do not reflect the effect of such dividend which will be accounted for in the financial statements of the Company subsequent to the year end, when it is approved by the shareholders of the Company.

45. IMPACT OF COVID-19

As in the rest of the world, COVID-19 adversely affected lifestyles and business operations in Pakistan. The Company complied with the standard operating procedures prescribed by Federal and Provincial Governments. Sales and production activities were affected during lockdowns, however, the factory reopened after necessary permissions to produce orders for exports and essential services.

To alleviate the negative impact of the COVID-19 pandemic, the Governments and the State Bank of Pakistan have taken measures and issued directives to support businesses, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity in the market. The Company has obtained the salary loan under SBP's Refinance scheme for payment of salaries during the current year.

The Company has made an assessment in order to evaluate the impact of COVID-19 pandemic over its financial performance and going concern and management believes that the going concern assumption of the Company remains valid. Directors' report contains details about the Company's performance.

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 24, 2020 by the Board of Directors of the Company.

47. GENERAL

Figures have been rounded off to the nearest to Rupee. Corresponding figures have been rearranged wherever necessary.



Haroon Shahzada Ellahi Shaikh
Director



Tariq Zafar Bajwa
Chief Financial Officer



Amin Ellahi Shaikh
Mg. Director (Chief Executive)

September 24, 2020



FORM OF PROXY

The Secretary,

NAGINA COTTON MILLS LTD.

2nd Floor, Shaikh Sultan Trust Building No. 2,

26-Civil Lines, Beaumont Road, 91-B-1,

M.M. Alam Road, Karachi - 75530

I/We _____ of _____ being member(s) of **NAGINA COTTON MILLS LTD.**, and holder of _____ Ordinary Shares as per Share Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) hereby appoint _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) or failing him/her _____ of _____ who is member of the Company as per Register Folio No. _____ (In case of Central Depository System Account Holder A/c No. _____ Participant I.D. No. _____) as my/our proxy to vote for me/us and on my/our behalf at the 53rd Annual General Meeting of the Company to be held on October 27, 2020 and at any adjournment thereof.

Signed at _____ this the _____ day of _____ 2020

WITNESSES:

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
CNIC _____	CNIC _____
_____	_____

affix
Rs. 50/=
Revenue
Stamp

(Signature should agree with the Specimen signature registered with the Company)

NOTES:

1. If a member is unable to attend the meeting, he/she may sign this form and send it to the Secretary so as to reach him not less than 48 hours before the time of holding the meeting.
2. Members through CDC appointing proxies must attach attested copy of their Computerized National Identity Card (CNIC) with the proxy form.
3. The Shareholders through CDC, who wish to attend the Annual General Meeting are requested to please bring, original Computerized Identity Card with copy thereof duly attested by their Bankers, Account Number and Participant I.D Number for identification purpose.
4. In case of corporate entity, certified copy of the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form of the Company.

پرائسی فارم (نٹارنامہ)

نیکٹری

منگیتھ کائن ملو لمیٹڈ

دوسری منزل، شیخ سلطان سٹریٹ بلڈنگ نمبر 2،

28 - سی لاہور، پنجاب، پاکستان

کراچی - 75530

میں اہم

ساکن

ہمیشہ دکن ٹیکسٹائلز اور مال

عام حصص برطانوی شیئر رجسٹرڈ فوڈز

(بصورت سنٹرل اینڈ پازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر - پارٹنرشپ (شرکت) آئی ڈی نمبر -)

پذریہ ہوا

محترم محترم

ساکن

جو تھکی کامیاب ہے برطانوی شیئر رجسٹرڈ فوڈز

(بصورت سنٹرل اینڈ پازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر - پارٹنرشپ (شرکت) آئی ڈی نمبر -)

پرائسی فارم (نٹارنامہ) میں محترم محترم

ساکن

جو تھکی کامیاب ہے برطانوی شیئر رجسٹرڈ فوڈز

(بصورت سنٹرل اینڈ پازٹری سسٹم کاؤنٹ ہولڈر کاؤنٹ نمبر - پارٹنرشپ (شرکت) آئی ڈی نمبر -)

معدہ 27 اکتوبر 2020 کو منسلک ہونے والے کپٹی کے 53 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقرر اور شرکت کرنے یا کسی بھی استوار کی صورت میں اپنا/تعداد بطور غلط

(پرائسی) مقرر کرنا اور اگر کرتے ہیں۔

دھلا - آخر روز - تاریخ - 2020ء

گواہ

50 روپے کا رسیدی ٹکٹ

پاپا سٹریس

دھلا کپٹی کے پاس رجسٹرڈ نمونہ دھلا کے

مطابق ہونے چاہئیں

1- دھلا

نام:

پتہ:

شناختی کارڈ نمبر:

نوٹ:

1- اگر ایک نمبر اجلاس میں شرکت کے قابل نہیں ہے تو وہ اس غلام پر دھلا کرتے اور نیکٹری کو اس طور پر مل کر دے گا جس کا انعقاد کے وقت سے کم از کم 48 گھنٹے پہلے ہونا چاہئے۔

2- سی ڈی سی کے ذریعے حصص یافتگان پر اکسیر تقرر کرتے ہوئے پرائسی فارم کے سربراہان اپنے کپیٹل رائٹرز کو قومی شناختی کارڈ کی مصدقہ کاپی منسلک کریں۔

3- سی ڈی سی کے ذریعے حصص یافتگان جو سالانہ اجلاس میں شرکت کرنا چاہتے ہیں اس سے اطمینان ہے کہ شناخت کے مقصد کے لئے اصل کپیٹل رائٹرز کو قومی شناختی کارڈ بعد اپنے ٹیکرز سے آئی مصدقہ

کاپی کا کاؤنٹ نمبر اور پارٹنرشپ آئی ڈی نمبر ہمارا دلائل ہیں۔

4- کارپوریٹ اشخاص کی صورت میں، پیرز آف ڈائریکٹری تقرر اور نٹارنامہ کی مصدقہ کاپی، معدودہ دھلا (اگر پہلے فراہم نہ کئے گئے ہوں) پرائسی فارم (نٹارنامہ) کے سربراہان کپٹی میں گرا ہوا ہوگا۔