



Samin Textiles Limited



ANNUAL REPORT 2017

Contents

Corporate Information	02
Vision & Mission Statement	03
Directors' Report	04
Notice of Annual General Meeting	12
Pattern of Shareholding	15
Statement of Compliance with the Code of Corporate Governance	17
Review Report to the Members	19
Auditors' Report to the Members	21
Balance Sheet	22
Profit and Loss Account	24
Statement of Comprehensive Income	25
Cash Flow Statement	26
Statement of Changes in Equity	27
Notes to the Financial Statements	28
Form of Proxy	59

CORPORATE INFORMATION

Board of Directors

Non-Executive Directors

Mrs. Mehvash Amin	Chairman
Mr. Shehryar Amin	
Mr. Tariq Jilani	
Mr. Jamil Masud	

Executive Directors

Mr. Jehanzeb Amin	Chief Executive
Mr. Safder Hussain Tariq	

Independent Director

Mr. Qamber Hamid

Audit Committee

Mr. Qamber Hamid	Chairman
Mr. Jamil Masud	Member
Mr. Tariq Jilani	Member

Human Resource & Remuneration Committee

Mr. Jamil Masud	Chairman
Mr. Tariq Jilani	Member
Mr. Shehryar Amin	Member

Chief Financial Officer

Mr. Safder Hussain Tariq

Company Secretary

Mr. Muhammad Tayyab

Chief Internal Auditor

Ms. Nayab Ayaz

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Imtiaz Saddiqui & Associates

Leading Banks

National Bank of Pakistan
Askari Bank Limited
Bank Alfalah Limited
Summit bank Limited
NIB Bank Limited
Allied Bank Limited
Pak Libya Holding Company (Private) Limited
Pak Oman Investment Company Limited
Soneri Bank Limited

Shares Registrar

Corplink (Pvt) Limited
Wings Arcade,
1-K, Commercial Model Town,
Lahore, Pakistan.
Tel: 92 - 42 -35839182
Fax: 92 - 42 - 35869037

Registered/Head Office

50-C, Main Gulberg,
Lahore, Pakistan.
Tel: 92 - 42 - 35753761
Fax: 92 - 42 - 35753688

Mills

8th Kilometer,
Manga - Raiwaind Road,
District Kasur, Pakistan.

VISION & MISSION STATEMENT

Vision Statement

To develop into an institution delivering extra value through superior product quality and professionally principal management.

To stay abreast of technological advancements and human resource development to meet the changing and challenging requirements of our customers.

Mission Statement

To provide an uninterrupted supply of quality products through a continuous process of sourcing, developing, implementing and improving the best leading-edge technology, work of force and innovative ideas.

To create and sustain a workplace where employer and employees are committed to promote change towards patterns of economic development that are environmentally sustainable and socially equitable.

DIRECTORS' REPORT

On behalf of the Board of Directors the undersigned takes pleasure to present before you the twenty eighth Annual Report for the financial year ended June 30, 2017 along with Auditors' Report there on.

Operating Financial Results

During the financial year under review, Company's sales stood at Rs. 973.65 million as compared to Rs. 1.27 billion of the corresponding last year.

The company has posted net loss from operations of Rs. 283.105 million as compared to net loss after tax of Rs. 95.507 million of the corresponding last year.

The composition of net (loss)/profit is as under:-

	Rs. in million	
	2017	2016
(Loss)/Profit from operations before tax and capital gain	(273.078)	(109.480)
Capital gain on disposal of investment	-	6.530
Net (Loss)/Profit before tax	(273.078)	(102.950)
Net (Loss)/Profit after tax	(283.105)	(95.507)

The reasons for the losses and non-performance are being discussed hereunder:-

- Sluggish textile demand in the international market continued during the year under review as well. Consequently the selling price remained under and couldn't generate gross margins.
- Strong rupee – dollar parity adversely impact the exports and this situation was exploited by the local players resulting an unhealthy price war in the local market.
- The uncertain political and investment climate in the country refrained the sponsors to invest in the country's proposed BMR & E plans. Had these plans been implemented the completion of the financial statements would have been totally different.
- Due to non-availability of the viable orders the plant capacity of the project couldn't be achieved to its optimum level.

Charts of Significant Ratios and comparison with previous years

		2017	2016	2015	2014	2013
Sales	Rs.(m)	973.65	1,272.23	1,642.57	2,537.08	2,709.12
(Loss)/Profit after tax	Rs.(m)	(283.10)	(95.507)	518.510	(147.740)	(139.62)
Reserves	Rs.(m)	(215.74)	51.256	137.304	701.452	1,146.83
Gross Profit/(Loss) Ratio	%	(13.38%)	4.66%	(10.21%)	1.22%	1.96%
Net (Loss)/Profit Ratio	%	(29.08%)	(7.51%)	31.57%	(5.82%)	5.15%
Break-up Value/Share	Rs.(m)	25.23	25.23	25.00	46.45	65.53
Current Ratio	Times	0.59	0.890	0.943	1.00	1.55
Debt/Equity Ratio	Ratio	10:90	30:70	25:75	12:88	10:90
Dividend pay Out%	%	Nil	Nil	Nil	Nil	Nil
Earning/(Loss) per Share	Rs.(m)	(10.59)	(3.57)	19.4	(5.53)	(5.22)
Fixed Assets	Rs.(m)	882.07	948.92	881.13	903.52	965.96
Long Term Liabilities	Rs.(m)	120.99	203.19	133.91	126.18	191.76
Short Term Liabilities	Rs.(m)	576.97	532.85	853.24	1,006.48	851.58

Future outlook / Strategy

The sponsors and the management have the faith and believe in the textile business. The present lean period on textile industry hasn't shaken their determination to stay in the business. They are committed to cater for the financial needs of the company for its survival and revival.

As soon as the prevailing political and investment climate turns congenial, they will be playing their role for turnaround of the project.

The first step towards turnaround will be implementation on the BMR & E and arrangement of the additional working capital.

CORPORATE GOVERNANCE

The Board of Directors of Samin Textiles and its management are fully conversant with its responsibilities as formulated in Code of Corporate Governance as incorporated in the listing regulations of stock exchanges issued by the SECP. The prescribed practices are effectively under implementation in the company and there has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.

The statements as required by the Code of Corporate Governance are given below:

1. Presentation of Financial Statement

The financial statements, prepared by the management of the company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.

2. Books of Account

The company has maintained proper books of Account.

3. Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International Financial Reporting Standards (IFRS)

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5. Accounting Year

The accounting year of the company is from July 01 to June 30.

6. Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee and the following are its members:

Mr. Qamber Hamid	Chairman
Mr. Tariq Jillani	Member
Mr. Jamil Masud	Member

7. Safety and Environment

The company strictly complies with the standards of the safety rules and regulations. It also follows environmental friendly policies.

8. Going Concern

As regard to going concern, please see the detail mentioned in note 1.2 of the financial statements.

9. Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored. The review will continue in future for the improvement in controls.

10. Trading Company's Shares

Board of Directors, CEO, CFO, Company Secretary, Executives and their spouse and minor children have made no transaction of company's shares during the year except that mentioned in "Pattern of shareholding".

11. Outstanding Statutory Dues

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30 June 2017 except for those disclosed in the financial statements.

12. Contingencies and Commitments

No 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 Directors' Report.

13. Dividend

Due to the circumstances already discussed the Board of Directors does not recommend any dividend for the year ended 30 June 2017.

14. Quality Control

To ensure implementation of the Management System, Internal Quality Audits, Surveillance Audits and Management Review Meetings are conducted regularly.

15. Communication

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Ordinance, 1984. Every opportunity is given to the individual shareholders to attend and freely ask questions about the company operations at the Annual General Meeting.

16. Board Meetings

During the year under review, five meeting of Board of Directors were held and the attendance of Directors was as under:-

1.	Mr. Sarmad Amin	05 Nos
2.	Mr. Jehanzeb Amin	05 Nos
3.	Mr. Shehryar Amin	05 Nos
4.	Mr. Jamil Masud	05 Nos.
5.	Mr. Safder Hussain Tariq	05 Nos.
6.	Mr. Tariq Jillani	05 Nos.
7.	Mr. Qamber Hamid	05 Nos

17. Audit Committee Meetings

Five meeting of audit committee were held during the year. Attendance by each member was as follows:-

Mr. Jamil Masud	05 Nos.
Mr. Tariq Jillani	05 Nos.
Mr. Qamber Hamid	05 Nos.
Mr. Wasim Abbas	02 Nos.
Ms. Nayab Ayaz	02 Nos.

18. HR Committee Meetings

Three (3) meetings of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Mr. Jamil Masud	03 Nos.
Mr. Tariq Jilani	03 Nos.
Mr. Shehryar Amin	03 Nos.

19. Auditors

On the suggestion of Audit Committee, the Board of Directors of the Company has recommended the re-appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants, as the auditors of the Company for the year ending June 30, 2018.

20. Staff Retirement Benefits

The Company is operating a provident fund scheme for its employees, for which a separate trust is created. The fair value of investment made by the trust in different investment institutions is given below:

The breakup of fair value of investments is:

Rs. in Million	2017	--- % ---	2016	--- % ---
Mutual funds				
Arif Habib Investment Limited	-	0%	1.560	8%
MCB-Asset Management Company Limited	0.184	05%	8.011	40%
NBP Fullerton Asset Management (NAFA)	3.404	94%	9.538	48%
Balance with brokerage house:				
Money Line Securities (Pvt.) Ltd.	0.034	1%	0.835	4%
	3.622	100%	19.944	100%

21. Pattern Of Shareholding And Information Under Clause XVI (J) Of The Code Of Corporate Governance

The information under this head as on June 30, 2017 is annexed.

22. Director Training Programme

In accordance with the criteria specified in clause (xi) of CCG, one director of the company is exempted from Directors' Training Program (DTP) and the rest of the Directors are certified from DTP, remaining two Directors will complete their training in due course of time.

23. Corporate Social Responsibility

The company is fully aware of corporate social responsibilities and is supporting social sector organizations in the fields of educations, health and environment. The company gives donations as a financial assistance to charitable organizations as well as also offers internships all around the year to student form colleges and universities.

Acknowledgement

The Board is pleased and appreciates continued support of its bankers, dedication and hard work of all the employees of the company.

On behalf of the Board of Director



Jehanzeb Amin

Chief Executive Officer

Lahore: October 27, 2017

ممبران کے لئے مجلسِ نظاماء کی رپورٹ

برائے مالی سال ختمہ 30 جون 2017ء

مجلسِ نظاماء کی جانب سے زیرِ دستخطی 30 جون 2017ء کو ختم ہونے والے مالی سال کی 28 ویں سالانہ رپورٹ مع اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

آپریٹنگ مالیاتی نتائج

زیرِ جائزہ سال کے دوران کمپنی کی فروخت گزشتہ سال کی اسی مدت کی 1.27 بلین روپے کے مقابلے 973.65 بلین روپے رہی۔

کمپنی نے گزشتہ سال کی اسی مدت کے 95.507 بلین روپے بعد از ٹیکس نقصان کے مقابلے رواں سال کا رو بار سے 283.105 بلین روپے کا خالص نقصان درج کیا ہے۔

خالص (نقصان) / منافع کا خلاصہ حسب ذیل ہے:-

روپے بلین میں

2016	2017	
(109.480)	(273.078)	قبل از ٹیکس آپریٹنگ سے (نقصان) / منافع اور حاصل سرمایہ
6.530	-	انویسٹمنٹ کے ڈسپوزل پر حاصل سرمایہ
(102.950)	(273.078)	قبل از ٹیکس خالص (نقصان) / منافع
(95.507)	(283.105)	بعد از ٹیکس خالص (نقصان) / منافع

حسب ذیل میں نقصانات اور غیر کارکردگی کی وجوہات پر غور کیا جا رہا ہے:

- زیرِ جائزہ سال کے دوران بھی بین الاقوامی مارکیٹ میں ٹیکسٹائل کی طلب سست روی کا شکار رہی۔ جس کے نتیجے میں قیمت فروخت کم رہی اور مجموعی منافع پیدا نہیں کر سکی۔
- مشکوک روپیہ - ڈالر کی برابری برآمدات پر منفی اثر انداز ہوئی اور مقامی مارکیٹ میں غیر منافع بخش قیمت کے مقابلے کے نتیجے میں ان حالات کا مقامی کھلاڑیوں کو استحصال کرنا پڑا۔
- ملک میں غیر یقینی سیاسی اور سرمایہ کاری کے ماحول نے اسپانسرز کو ملک کی مجوزہ بی ایم آر اور ای منصوبوں میں سرمایہ کاری سے باز رکھا۔ اگر ان منصوبوں کو مکمل طور پر لاگو کیا گیا جاتا تو مالیاتی حسابات بالکل مختلف ہوتے۔

iv - قابل اطمینان آرڈر ز کی عدم دستیابی کی وجہ سے پروجیکٹ کے لئے پلانٹ کی صلاحیت اپنی زیادہ سے زیادہ سطح حاصل نہیں کر سکی تھی۔

اہم تناسب اور گزشتہ سالوں سے موازنہ کا جدول:

2013	2014	2015	2016	2017		
2,709.12	2,537.08	1,642.57	1,272.23	973.65	Rs.(m)	فروخت
(139.62)	(147.740)	518.510	(95.507)	(283.10)	Rs.(m)	بعد از ٹیکس (نقصان) / منافع
1,146.83	701.452	137.304	51.256	(215.74)	Rs.(m)	ریزرو
1.96%	1.22%	(10.21%)	4.66%	(13.38%)	%	مجموعی منافع / (نقصان) تناسب
5.15%	(5.82%)	31.57%	(7.51%)	(29.08%)	%	خالص منافع / (نقصان) تناسب
65.53	46.45	25.00	25.23	25.23	Rs.(m)	بریک اپ ویلیو / شیئر
1.55	1.00	0.943	0.890	0.59	Times	موجودہ تناسب
10:90	12:88	25:75	30:70	10:90	Ratio	قرضہ / ایکویٹی تناسب
Nil	Nil	Nil	Nil	Nil	%	ڈیویڈنڈ کی ادائیگی
(5.22)	(5.53)	19.4	(3.57)	(10.59)	Rs.(m)	آمدن / (نقصان) فی شیئر
965.96	903.52	881.13	948.92	882.07	Rs.(m)	فکسڈ اثاثے
191.76	126.18	133.91	203.19	120.99	Rs.(m)	طویل مدتی واجب ادائیگیاں
851.58	1,006.48	853.24	532.85	576.97	Rs.(m)	مختصر مدتی واجب ادائیگیاں

مستقبل کا نقطہ نظر / حکمت عملی

سپانسرز اور انتظامیہ ٹیکسٹائل کاروبار میں ایمان اور یقین رکھتی ہے۔ ٹیکسٹائل انڈسٹری پر موجودہ زیرِ جائزہ مدت نے کاروبار میں قابل رہنے کے ان کے عزم کو کمزور نہیں کیا ہے۔ وہ کمپنی کی بقا اور بحالی کے لئے اسکی مالی ضروریات کو پورا کرنے میں مصروف ہیں۔

جیسے ہی موجودہ سیاسی اور سرمایہ کاری ماحول خوشگوار ہوگا، وہ منصوبے کی تبدیلی کے لئے اپنا کردار ادا کریں گے۔

تبدیلی کی طرف پہلا قدم، بی ایم آر اینڈ ای پر عملدرآمد اور اضافی ورکنگ کیپٹل کا انتظام ہوگا۔

کارپوریٹ گورننس

نیشنل ایکسٹرنل کی مجلس نظام اور اس کی انتظامیہ SECP سے جاری شدہ اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں شامل کارپوریٹ گورننس کے ضابطہ اخلاق میں تشکیل کردہ اپنی ذمہ داریوں سے مکمل طور پر آگاہ ہے۔ مقرر کردہ طریقوں کو مؤثر انداز سے کمپنی میں نافذ کیا گیا ہے اور فہرستی قواعد میں تفصیلی کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت درکار بیانات مندرجہ ذیل ہیں:

1- مالی حسابات کی پریزنٹیشن

کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔

2- کھاتہ جات

کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔

3- اکاؤنٹنگ پالیسیاں

مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4- بین الاقوامی مالی رپورٹنگ معیارات (IFRS)

مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے۔

5- اکاؤنٹنگ سال

کمپنی کا اکاؤنٹنگ سال یکم جولائی تا 30 جون ہے۔

6- آڈٹ کمیٹی

مجلس نظام نے کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں ایک آڈٹ کمیٹی تشکیل دی ہے اور اس کے ارکان درج ذیل ہیں:

قمر حمید	چیئرمین
طارق	جیلانی رکن
جمیل	مسعود رکن

7- حفاظت اور ماحول

کمپنی حفاظتی قوانین اور قواعد و ضوابط کے معیارات پر سختی سے عمل کرتی ہے۔ یہ ماحول دوستانہ پالیسیوں کی بھی پیروی کرتی ہے۔

8- گونگ کنسرن

گونگ کنسرن کے سلسلے میں، برائے مہربانی مالی حسابات کے نوٹ 1.2 میں بیان کردہ تفصیل ملاحظہ کریں۔

9- داخلی کنٹرول کا نظام

داخلی کنٹرول کا نظام ذراؤن میں مستحکم ہے اور اسے مؤثر طریقے سے لاگو کیا جاتا ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں مسلسل جائزہ لیا جائے گا۔

10- کمپنی کے حصص میں تجارت

بورڈ آف ڈائریکٹرز، ای سی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور ان کے زوج اور نابالغ بچوں نے سال کے دوران کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے جن کا ذکر "نمونہ حصص داری" میں کیا گیا ہے۔

11- ہتایا قانونی واجبات

ٹیکسز، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 30 جون 2017 کو ہتایا ہوں سوائے جن کا انکشاف مالی حسابات میں کیا گیا ہے۔

12- امکانات اور وعدے

مالی سال کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کے مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں اور وعدے وقوع پذیر نہیں ہوئے جو اس پبلنٹ شیٹ سے متعلق ہوں۔

13- ڈیویڈنڈ

متذکرہ بالا حالات کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم ہونے والے سال کے لئے کسی ڈیویڈنڈ کی رائے پیش نہیں کی ہے۔

14- کوالٹی کنٹرول

انتظامی نظام کے نفاذ کو یقینی بنانے کے لئے، اندرونی کوالٹی آڈٹ، سرٹیفیکیشن آڈٹ اور انتظامی جائزہ کے اجلاس باقاعدگی سے منعقد کیے جاتے ہیں۔

15- مواصلات

حصص داران کے ساتھ مواصلات کو بہت زیادہ ترجیح دی جاتی ہے کیپٹیز آرڈیننس، 1984 میں مجوزہ مدت کے اندر سالانہ، ششماہی اور سہ ماہی حسابات ترسیل کیے جاتے ہیں۔ انفرادی حصص داروں کو سالانہ اجلاس عام میں شرکت اور کمپنی کے آپریشنز کے بارے میں بلا جھجک سوالات پوچھنے کا ہر موقع دیا جاتا ہے۔

16۔ بورڈ کے اجلاس

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل تھی:

1۔ سرمد امین	05 عدد
2۔ جہانزیب امین	05 عدد
3۔ شہریار امین	05 عدد
4۔ جمیل مسعود	05 عدد
5۔ صفدر حسین طارق	05 عدد
6۔ طارق جیلانی	05 عدد
7۔ قمر حمید	05 عدد

17۔ آڈٹ کمیٹی کے اجلاس

سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل تھی:-

جمیل مسعود	05 عدد
طارق جیلانی	05 عدد
قمر حمید	05 عدد
وسیم عباس	02 عدد
محترمہ نایاب ایاز	02 عدد

18۔ ایچ آر کمیٹی کے اجلاس

سال کے دوران ایچ آر اینڈ ایمپلیمینٹ کمیٹی کے تین (3) اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل تھی:-

جمیل مسعود	03 عدد
طارق جیلانی	03 عدد
شہریار امین	03 عدد

19۔ محاسب

آڈٹ کمیٹی کی تجویز پر، کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2018 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر چارٹرڈ اکاؤنٹنٹس، میسرز گریٹ تھورنٹن انجم الرٹن کی دوبارہ تقرری کی رائے دی ہے۔

20۔ عملہ کو ریٹائرمنٹ کے فوائد

کمپنی اپنے ملازمین کے لئے ایک پراویڈنٹ فنڈ سکیم چلا رہی ہے، جس کے لئے ایک الگ ٹرسٹ قائم کیا گیا ہے۔ ٹرسٹ کی طرف سے مختلف سرمایہ کاری اداروں میں کی گئی سرمایہ کاری کی فیئر ویلیو درج ذیل ہے:

سرمایہ کاری کی فیئر ویلیو کا بریک اپ حسب ذیل ہے:

روپے ملین میں

---	2016	---	2017	
---	---	---	---	میو چل فنڈ
8%	1.560	0%	-	عارف حبیب انو-سٹوٹ لمیٹڈ
40%	8.011	05%	0.184	ایم سی بی ایسٹ مینجمنٹ کمپنی لمیٹڈ
48%	9.538	94%	3.404	این بی پی فلٹرن ایسٹ مینجمنٹ (NAFA)
4%	0.835	1%	0.034	بروکریج ہاؤس کے ہاں بقایا منی لائن سیکورٹیز (پرائیویٹ) لمیٹڈ
100%	19.944	100%	3.622	میزان

21۔ کوڈ آف کارپوریٹ گورننس کی کلانز (XVI(J) کے تحت نمونہ حصص داری اور معلومات

30 جون 2017ء کے مطابق عنوان بال کے تحت معلومات منسلک ہیں۔

22۔ ڈائریکٹریٹنگ پروگرام

1۔ سی سی جی کی شق (XI) میں بیان کردہ معیار کے مطابق، کمپنی کا ایک ڈائریکٹریٹنگ پروگرام (ڈی ٹی پی) سے مستثنیٰ ہے اور باقی ڈائریکٹریٹنگ ڈی ٹی پی سے مستثنیٰ ہے، دو (2) ڈائریکٹریٹنگ مجوزہ مدت کے اندر اندر ترتیب حاصل کریں گے۔

23۔ کارپوریٹ سماجی ذمہ داری

کمپنی کارپوریٹ سماجی ذمہ داریوں سے مکمل طور پر آگاہ ہے اور تعلیم، صحت اور ماحول کے شعبوں میں سوشل سیکٹرز تنظیموں کی مدد کر رہی ہے۔ کمپنی خیراتی اداروں کو مالی امداد کے طور پر عطیات دیتی ہے اور کالجوں اور یونیورسٹیوں کے طلبہ کو سال بھر انٹرنشپس پیش کرتی ہے۔

اظہار تشکر

بورڈ اپنے بینکاروں کے مسلسل تعاون اور کمپنی کے تمام ملازمین کی لگن اور سخت محنت کی تعریف کرتے ہوئے خوشی محسوس کرتا ہے۔

منجانب بورڈ آف ڈائریکٹرز



جہانزیب امین

چیف ایگزیکٹو آفیسر

لاہور: 27 اکتوبر 2017ء

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting of the shareholders of Samin Textiles Limited (the "Company") will be held on Saturday, November 25, 2017 at 12:00 noon at the registered office of the Company, 50-C Main Gulberg, Lahore, to transact the following business:

ORDINARY BUSINESS:

- I) To confirm the minutes of last AGM held on October 26, 2016.
- ii) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' Reports there on.
- iii) To appoint auditors of the Company for the year ending June 30, 2018 and fix their remuneration. The retiring auditors M/S Grant Thornton Anjum Rahman, Chartered Accountant, being eligible, offer themselves for re-appointment.
- iv) Elect seven (7) Directors of the company as fixed by the Board of Directors under Section 178 of the Companies Ordinance 1984.

The names of the retiring Directors are:

- i) Mrs. Mehvash Amin
- ii) Mr. Jehanzeb Amin
- iii) Mr. Jamil Masud
- iv) Mr. Safder Hussain Tariq
- v) Mr. Qamber Hamid
- vi) Mr. Tariq Jilani
- vii) Mr. Shehryar Amin

All the retiring directors shall be eligible to offer themselves for re-election.

In terms of section 178(3) of the Companies Ordinance 1984, any person who seeks to contest an election to the office of director, whether he is a retiring director or otherwise, shall file with the company not later than fourteen (14) days before the date of the meeting, a notice of his intention to offer himself for election as a director.

SPECIAL BUSINESS:

- v) To consider and if deemed fit, to pass the following resolutions as special resolutions under Section 208 of the Companies Ordinance, 1984, with or without modification, addition(s) or deletion(s), as recommended by the directors:

RESOLVED that pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Samin Textiles Limited (the "Company") be and is hereby authorized to impair the investment amounting to Rs. 2,953,419 in its associated company Onetel Pakistan (Private) Limited.

RESOLVED that Chief Executive Officer or Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution".

- vi) To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification(s), alteration(s) or deletion(s) to alter the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 52A immediately after the existing Article 52 to read as under;

52A. ELECTRONIC VOTING:

- (i) This article shall only be applicable for the purpose of electronic voting.
- (ii) The Company shall comply with the mandatory requirements of law regarding the use of electronic voting by its members at general meetings. Members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to the articles.

RESOLVED further that the Company Secretary be and is hereby authorized to take or cause to be taken any and all actions necessary filings and complete legal formalities as may be required to implement this resolution."

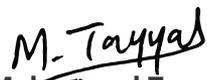
- vii) To consider dissemination of annual audited accounts through CD/DVD/USB instead of transmitting the same in the form of hard copies and approve the following resolution as Special Resolution with or without modification;-

"Resolved that dissemination of information regarding annual audited accounts to the shareholders in soft form i.e. CD/DVD/USB as notified by Securities and Exchange Commission of Pakistan vide its SRO 470(I)2016 dated May 31, 2016 be and is hereby approved."

(Statement under Section 160(1)(b) of the Ordinance pertaining to the Special Business referred to the above is annexed to this notice of meeting, being sent to the shareholders.)

- viii) To transact any other business with the permission of the chair.

By the order of the Board


Muhammad Tayyab
 Company Secretary

Lahore:
November 04, 2017

Notes:

- i). The share transfer books of the Company will REMAIN closed from November 18th, 2017 to November 25th, 2017(both days inclusive).
- ii). Shareholders are requested to promptly notify any change in their addresses to the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
- iii). A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her.
- iv). The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
- v). Members who have deposited their shares into Central Depository Company of Pakistan limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

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

B. For Appointing Proxies

- a) In case of Individuals, the account holder and /or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

- b) The proxy form shall be witnessed two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with proxy form.
- d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
- f) Electronic Transmission of Financial Statements Etc.,

SECP through its Notification No. SRO. 787(1)/2014, dated September 08, 2014 has allowed companies to circulate Annual Audited Financial Statements along with Notice of Annual General Meeting through email instead of sending the same through post, to those members who desires to avail this facility. The members who desire to opt to receive aforesaid statements and notice of AGM through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.samintextile.com

- vi). Accounts of the company for the year ended June 2017 has been provided on the Company's website www.samintextile.com

Statement under Section 160 (1)(b) of the Companies Ordinance, 1984

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on November 25, 2017.

Impairment of investment

The purpose for which the investment was made in its associated Company, One Tel Pakistan (Private) Limited, that hasn't been accomplished being unviable under the present circumstances. Moreover, there is no possibility in the near future for its becoming viable.

Circulations of Annual Reports through CD/DVD/USB

Securities and Exchange Commission of Pakistan has vide S.R.O 470(I)/2016 dated 31 May 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual report.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 52A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company, as specified in the notice of meeting.

PATTERN OF SHAREHOLDING

the Companies Ordinance, 1984 (Section 236(1) & 464)

Incorporation Number

0020624

FORM 34

Name of the Company

SAMIN TEXTILES LIMITED.

Pattern of holding of the shares held by the shareholders as at

30-06-2017

No. of Shareholders	----- Shareholding -----		Total Shares Held
	From	To	
86	1	100	2,200
218	101	500	105,942
107	501	1,000	103,083
194	1,001	5,000	595,040
66	5,001	10,000	560,130
18	10,001	15,000	247,619
14	15,001	20,000	264,502
18	20,001	25,000	421,870
11	25,001	30,000	310,500
6	30,001	35,000	200,500
4	35,001	40,000	151,500
2	40,001	45,000	83,472
5	45,001	50,000	242,500
3	50,001	55,000	158,501
2	55,001	60,000	119,500
1	75,001	80,000	77,000
3	80,001	85,000	251,025
2	145,001	150,000	300,000
1	150,001	155,000	153,500
1	180,001	185,000	181,000
1	195,001	200,000	200,000
1	295,001	300,000	297,000
1	300,001	305,000	300,707
1	375,001	380,000	376,160
2	495,001	500,000	1,000,000
1	850,001	855,000	854,000
1	895,001	900,000	898,300
1	1,095,001	1,100,000	1,095,067
1	1,600,001	1,605,000	1,604,838
1	3,545,001	3,550,000	3,548,933
1	12,020,001	12,025,000	12,023,611
774			26,728,000

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	18,031,504	67.4630%
Associated Companies, undertakings and related parties.	-	0.0000%
NIT and ICP	-	0.0000%
Banks Development Financial Institutions, Non Banking Financial Institutions.	1,604,917	6.0046%
Insurance Companies	854,000	3.1952%
Modarabas and Mutual Funds	53,500	0.2002%
Share holders holding 10% or more	16,072,544	60.1337%
General Public		
a. Local	5,829,933	21.8121%
b. Foreign	500	0.0019%
Others (to be specified)		
1-Pension Funds	12,794	0.0479%
2- Joint Stock Companies	340,403	1.2736%
3-Others	449	0.0017%

Signature of Company Secretary

M. Tayyab

Name of Signatory

Muhammad Tayyab

NIC Number

35201-1531083-5

Date

30 06 2017

CATEGORIES OF SHAREHOLDING

required under Code of Corporate Governance (CCG) as on June 30, 2017

Sr.	Name	No. of shares held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
		-	-
Mutual Funds (Name Wise Detail)			
1	CDC - TRUSTEE AKD OPPRTUNITY FUND (CDC)	53,500	0.2002%
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. SARMAD AMIN	16,072,544	60.1337%
2	MR. SAFDER HUSSAIN TARIQ	500	0.0019%
3	MR. JEHAZEB AMIN (CDC)	181,000	0.6772%
4	MR. TARIQ JILLANI	500	0.0019%
5	MR. JAMIL MASUD	500	0.0019%
6	MR. SHEHRYAR AMIN (CDC)	1,000	0.0037%
7	MR. QAMBER HAMID (CDC)	1,000	0.0037%
8	MRS. MEHVASH AMIN W/O SARMAD AMIN	1,774,460	6.6390%
Executives:			
		-	-
Public Sector Companies & Corporations:			
		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		2,471,711	9.2476%
Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)			
1	MR. SARMAD AMIN	16,072,544	60.1337%
2	MRS. MEHVASH AMIN W/O SARMAD AMIN	1,774,460	6.6390%
3	NATIONAL BANK OF PAKISTAN.(CDC)	1,604,917	6.0046%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

Sr. No.	Name	Sale	Purchase
		NIL	

STATEMENT OF COMPLIANCE

with the Code of Corporate Governance for the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Pakistan Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Name
Independent Directors	Mr. Qamber Hamid
Executive Directors	Mr. Jehanzeb Amin
	Mr. Safder Hussain Tariq
Non-Executive Directors	Mrs. Mehvash Amin
	Mr. Shahryar Amin
	Mr. Tariq Jilani
	Mr. Jamil Masud

The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or being a Broker of the Stock Exchange, has been declared as a defaulter by the stock exchange.
4. No casual vacancy occurred in the Board during the current year.
5. 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.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved and amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive directors have been taken by the Board/Shareholders.
8. 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 and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. In accordance with the criteria specified in clause (xi) of CCG, one director of the company is exempted from Directors' Training Program (DTP) and the rest of the Directors are certified from DTP, remaining two Directors will complete their trainings in due course of time.
10. Ms. Nayab Ayaz was assigned duties of Head of Internal Audit and Mr. Muhammad Tayyab appointed as Company Secretary. The Board has approved appointment of Company Secretary and Head of Internal Audit including their remuneration and the terms and conditions of their employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises of 3 members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.
18. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to the directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Director



Jehanzeb Amin

Chief Executive Officer

Lahore: October 27, 2017

**Grant Thornton Anjum Rahman**

1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.

T +92 42 37423 621-23, 37422 987-88

F +92 42 37425 485

www.gtpak.com

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Samin Textiles Limited** (the Company) for the year ended June 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As a part of our audit of 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's 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 Code requires the Company to place before the Audit Committee, and upon recommendations of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 recommendations of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.


CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Shaukat Naseeb
Lahore

Dated: October 30, 2017

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Karachi and Islamabad

This page has been left blank intentionally



Grant Thornton Anjum Rahman

1-Inter Floor, Eden Centre,
43-Jail Road, Lahore 54000,
Pakistan.

T +92 42 37423 621-23, 37422 987-88

F +92 42 37425 485

www.gtpak.com

Auditors' Report to the Members

We have audited the annexed balance sheet of **Samin Textiles Limited** ("the Company") as at **June 30, 2017** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, 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, 2017 and of the loss, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention to note 1.2 to the financial statements which describes that during the year ended June 30, 2017, the Company has incurred loss amounting to Rs. 283.105 million and its current liabilities exceed its current assets by Rs. 341.888 million mainly due to non-implementation of BMR & E plans as well as non-availability of working capital from banks. These conditions indicate existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern. These financial statements have, however, been prepared on a going concern basis for the reasons, as more fully explained in note 1.2 to the financial statements.


CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Shaukat Naseeb
Lahore

Dated: October 30, 2017

Chartered Accountants
Member of Grant Thornton International Ltd
Offices in Karachi and Islamabad

BALANCE SHEET

as at June 30 2017

	Note	2017 Rupees	2016 Rupees
Equity and liabilities			
Share capital and reserves			
Share capital	4	267,280,000	267,280,000
Loan from sponsor - related party	5	41,000,000	-
Reserves	6	(215,745,357)	51,256,016
Total share capital and reserves		92,534,643	318,536,016
Surplus on revaluation of property, plant and equipment	7	339,791,266	355,895,066
Liabilities			
Non-current			
Sub-ordinated loan - related party	8	10,411,566	10,411,566
Long term financing - secured	9	110,579,602	192,775,780
Liabilities against assets subject to finance lease	10	-	-
Deferred liabilities	11	1,287,100	1,562,100
Total non-current liabilities		122,278,268	204,749,446
Current			
Trade and other payables	12	218,071,698	214,442,875
Interest / markup accrued on borrowings	13	36,436,697	30,471,290
Short term borrowings	14	525,607,481	472,413,104
Current portion of long term borrowings	15	51,362,932	60,437,762
Total current liabilities		831,478,808	777,765,031
Total liabilities		953,757,076	982,514,477
Total equity and liabilities		1,386,082,985	1,656,945,559
Contingencies and commitments	16		

The annexed notes 1 to 45 form an integral part of these financial statements.

BALANCE SHEET

as at June 30 2017

	Note	2017 Rupees	2016 Rupees
Assets			
Non-current			
Property, plant and equipment	17	882,072,369	948,921,557
Intangible assets	18	-	469,280
Long term investments	19	-	1,000,000
Long term deposits	20	14,420,790	14,211,750
Total non-current assets		896,493,159	964,602,587
Current			
Stores, spare parts and loose tools	21	52,077,111	53,511,629
Stock in trade	22	272,970,158	413,733,133
Trade debts	23	19,414,419	56,499,138
Loans and advances - considered good	24	7,370,758	16,974,106
Trade deposits and prepayments	25	2,859,050	3,059,050
Tax refunds due from government	26	129,840,173	121,792,303
Interest accrued		-	657,369
Cash and bank balances	27	5,058,157	26,116,244
Total current assets		489,589,826	692,342,972
Total assets		1,386,082,985	1,656,945,559

The annexed notes 1 to 45 form an integral part of these financial statements.


SAFDAR HUSSAIN TARIQ
Director

PROFIT AND LOSS ACCOUNT

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales	28	973,653,918	1,272,231,162
Cost of sales	29	(1,103,922,543)	(1,212,968,817)
Gross (loss) / profit		(130,268,625)	59,262,345
Other income	30	2,559,674	13,895,798
Distribution cost	31	(17,587,203)	(26,362,718)
Administrative expenses	32	(56,293,202)	(64,021,736)
Other expenses	33	(2,968,919)	(330,256)
Operating (loss)		(204,558,275)	(17,556,567)
Finance cost	34	(68,519,704)	(85,394,280)
(Loss) before taxation		(273,077,979)	(102,950,847)
Provision for taxation	35	(10,027,194)	7,443,488
(Loss) after taxation		(283,105,173)	(95,507,359)
(Loss) per share - basic and diluted	37	(10.59)	(3.57)

The annexed notes 1 to 45 form an integral part of these financial statements.



JEHANZEB AMIN
Chief Executive



SAFDAR HUSSAIN TARIQ
Director

Lahore

STATEMENT OF COMPREHENSIVE INCOME

for the year ended June 30, 2017

	2017	2016
	Rupees	Rupees
(Loss) after taxation	(283,105,173)	(95,507,359)
Other comprehensive income for the year		
Items that will not be reclassified to profit and loss account	-	-
Items that may be reclassified subsequently to profit and loss account		
Other comprehensive income for the year	-	-
Total comprehensive (loss) for the year	(283,105,173)	(95,507,359)

The annexed notes 1 to 45 form an integral part of these financial statements.

Lahore


JEHANZEB AMIN
 Chief Executive


SAFDAR HUSSAIN TARIQ
 Director

CASH FLOW STATEMENT

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
Cash flows from operating activities			
Cash generated from / (used in) operations	39	50,121,494	(214,911,016)
Taxes paid		(5,573,095)	(24,195,227)
Gratuity paid		(275,000)	-
Net cash generated from / (used in) operating activities		44,273,399	(239,106,243)
Cash flows from investing activities			
(Increase) in long term deposits		(209,040)	(1,793,511)
Proceeds from disposal of short term investment		-	620,350,000
Proceeds from disposal of property, plant and equipment	17.5	28,000	6,503,740
Additions in property, plant and equipment	17.1	(5,519,518)	(40,949,984)
Net cash (used in) / generated from investing activities		(5,700,558)	584,110,245
Cash flows from financing activities			
Increase / (decrease) in short term borrowings		53,194,377	(329,621,836)
(Decrease) / increase in long term financing - net		(91,271,008)	78,502,387
Proceeds from sponsors' loan	5	41,000,000	-
Finance cost paid		(62,554,297)	(86,700,570)
Net cash (used in) financing activities		(59,630,928)	(337,820,019)
Net (decrease) / increase in cash and cash equivalents		(21,058,087)	7,183,983
Cash and cash equivalents at beginning of the year		26,116,244	18,932,261
Cash and cash equivalents at end of the year	27	5,058,157	26,116,244

The annexed notes 1 to 45 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended June 30, 2017

	Issued, subscribed and paid-up share capital	Reserves			Total equity
		Revenue reserve- Accumulated profits	Loan from sponsor	Sub total	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2015	267,280,000	137,304,455	-	137,304,455	404,584,455
Loss for the year	-	(95,507,359)	-	(95,507,359)	(95,507,359)
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive loss for the year	-	(95,507,359)	-	(95,507,359)	(95,507,359)
Transfer from surplus on revaluation of property, plant and equipment-net of tax	-	9,458,920	-	9,458,920	9,458,920
Balance as at June 30, 2016	267,280,000	51,256,016	-	51,256,016	318,536,016
Balance as at July 01, 2016	267,280,000	51,256,016	-	51,256,016	318,536,016
Loss for the year	-	(283,105,173)	-	(283,105,173)	(283,105,173)
Obtained during the year	-	-	41,000,000	41,000,000	41,000,000
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive loss for the year	-	(283,105,173)	41,000,000	(242,105,173)	(242,105,173)
Transfer from surplus on revaluation of property, plant and equipment-net of tax	-	16,103,800	-	16,103,800	16,103,800
Balance as at June 30, 2017	267,280,000	(215,745,357)	41,000,000	(174,745,357)	92,534,643

The annexed notes 1 to 45 form an integral part of these financial statements.



JEHANZEB AMIN
Chief Executive



SAFDAR HUSSAIN TARIQ
Director

Lahore

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

1 STATUS AND ACTIVITIES

1.1 Samin Textiles Limited ("the Company") was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at 50-C, Main Gulberg, Lahore and the plant is located at 8 Kilometer, Manga Raiwind Road, Kasur. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is manufacturing and sale of cloth.

1.2 During the year, the Company suffered loss amounting to Rs. 283.105 million (2016: 95.507 million) mainly due to non-implementation of BMR & expansion plan as well as non-availability of working capital from banks, resulting into negative bottom line.

A- The Company's BMR plan to replace 64 Tsudakoma Looms of 1993 model to 2003-5 model is on hold and waiting for the investment climate in the country to take clear direction;

B- The Company intends to enhance the total capacity of the project from 214 looms to 226 looms by adding further 14 looms in Unit-I. This will immediately enhance the production capacity and reduce the fixed cost of the project. This expansion plan is also in allowance due to the aforementioned reason.

The management believes that as soon as BMR and expansion plan is executed, the Company will be out of negative cash flows as depicted by the future projections.

However, delay in implementation of BMR & expansion plans of the Company may cause uncertainties in achievement of profitability in future. Resultantly, such material uncertainties may cast doubts on the Company's ability to continue as a going concern and, therefore, may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, these financial statements have been prepared on going concern basis on the grounds that the Company will be able to achieve satisfactory levels of profitability and positive operating cash flows based on following plans drawn by the management for this purpose, so that the Company will have resources to continue its business in profitable manner.

- Financial Projections

The management of the Company has prepared a set of financial projections for a period of three years to analyze the Company's sustainability in the future periods with a particular focus on the twelve months period ending June 30, 2018. The financial projections are based on various assumptions such as production levels, interest rates, interest repayments, availability of fuel and power etc. keeping in view all market forces.

These financial projections have been approved by the Board of Directors (the Board) of the Company and have been subjected to the stressed scenarios which the Board considered to be reasonable and appropriate.

- Financial commitment from sponsors

The sponsors of the Company have explicitly provided a commitment to provide necessary financial support to the Company, if the need arises, to address any liquidity and solvency issues to enable the Company to continue its business.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Standards, amendments and interpretations to approved accounting standards that became effective during the year

The Company has adopted the following new standards, amendments to published standards and interpretation of IFRSs which became effective during the current year:

Standard or Interpretation		Effective Date
IAS 1	Presentation of Financial Statements	1-Jan-16
IFRS 10	Consolidated Financial Statements	1-Jan-16

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Standard or Interpretation		Effective Date
IFRS 11	Joint Arrangements	1-Jan-16
IFRS 12	Disclosure of Interests in Other Entities	1-Jan-16
IAS-16	Property, Plant and Equipment	1-Jan-16
IAS-27	Separate Financial Statements	1-Jan-16
IAS-38	Intangible Assets	1-Jan-16
IAS-41	Agriculture	1-Jan-16

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on these financial statements.

2.3 Standards, amendments and interpretations to the approved accounting standards that are not yet effective and not early adopted by the Company

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation	Effective date
IFRS 2 Share-based Payment – Classification and Measurement of Share-based Payment Transactions (Amendments)	1-Jan-18
IFRS 4 Insurance Contracts Applying IFRS 9 Financial Instruments with IFRS 4 Insurance	1-Jan-18
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Postponed
IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendments)	1-Jan-17
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	1-Jan-17
IFRS 15 Revenue from Contracts with Customers	1-Jan-18
IFRS 9 Financial Instruments	1-Jan-18
IAS 18 Revenue	1-Jan-18
IFRIC 22 Foreign Currency Transactions and Advance Consideration	1-Jan-18
IFRIC 23 Uncertainty Over Income Tax Treatment	1-Jan-19
IFRS 12 - Annual Improvements to IFRS 2014-2016	1-Jan-17
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	1-Jan-18
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	1-Jan-18

Similarly, recently Companies Ordinance, 1984 has been repealed through inclusion of the Companies Act 2017. New disclosure requirements will apply for next year financial statements.

The Company is in process of assessing impact of these standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

In addition to the above, following standards have been issued by International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan;

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS 16 Leases	January 1, 2019
IFRS 17 Insurance Contracts	January 1, 2021

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except for revaluation of free hold land, revaluation of building on freehold land and investment stated at fair value.

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, 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 expectation 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 judgments were exercised in application of accounting policies are discussed below:

- assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment;
- assumptions and estimates used in determining the useful lives and residual values of intangibles assets;
- assumptions and estimates used in writing down items of stock in trade to their net realizable value;
- assumptions and estimates used in calculating the provision for impairment for trade debts;
- assumptions and estimates used in determining fair value of available-for-sale investment;
- assumptions and estimates used in the recognition of income taxes; and
- assumptions and estimates used in disclosure and assessment of provision for contingencies.

2.7 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency. Figures in the financial statements have been rounded off to the nearest Rupee unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Employee benefits

Defined contribution plan

The Company operates unapproved funded contributory provident fund for all its employees who have completed minimum qualifying period of service as defined under the respective scheme. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of basic salary.

3.2 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

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

Deferred tax assets and liabilities are measured at the tax rates 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 balance sheet date. Deferred tax is charged or credited to the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

3.3 Property, plant and equipment

Property, plant and equipment except freehold land and building on freehold land are stated at cost less accumulated depreciation and impairment in value. Freehold land and building on freehold land are stated at revalued amount. Capital work in progress and stores held for capital expenditure are stated at cost less impairment loss, if any. Cost also includes borrowing cost as referred in the relevant accounting policy.

Depreciation is charged to profit and loss account applying the reducing balance method over the estimated useful life at the rates specified in note 17.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gain or loss on disposal of property, plant and equipment is taken to profit and loss account.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

Any surplus arising on revaluation of property, plant and equipment is credited to the "Surplus on revaluation of property, plant and equipment" account. Revaluation is carried out sufficiently to ensure that the carrying amounts of assets do not differ materially from the fair value. The surplus on revaluation on these assets can only be utilized in the manner specified in section 235 of the Companies Ordinance, 1984 and Notification No. S.R.O.45(I)/2003 dated January 13, 2003.

3.4 Accounting for finance leases

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance lease are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. Lease payments are appropriated between finance costs and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Assets so acquired are amortized over their expected useful life at the rates specified in note 17.

3.5 Foreign currencies

Transactions in currencies other than Pakistan Rupee are recorded at the rates of exchange prevailing on the date of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into wherein the rates contracted for are used.

Gains and losses arising on retranslation are included in profit and loss account for the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.6 Financial instruments

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets are described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

For the purpose of subsequent measurement, financial assets of the Company are classified into the following categories upon initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities for greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables with less than twelve months maturities are classified as current assets. The Company's cash and bank balances, trade debts, trade deposits, loans and advances, interest accrued and other receivables fall into this category of financial instruments. Loans and receivables are subject to review for impairment at each reporting date to identify whether there is objective evidence that the financial asset is impaired.

b) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the categories of loans and receivables, financial assets at fair value through profit or loss and financial assets held to maturity. These are included in non-current assets unless management intends to dispose of the investments within twelve months from the end of reporting period.

After initial recognition, available-for-sale investments are measured at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Gains and losses on available-for-sale investments are recognized through other comprehensive income until the investment is sold or de-recognized, at which time the cumulative gain or loss previously reported is included in profit and loss account.

Dividends on available-for-sale equity instruments are recognized in the profit and loss account when the Company's right to receive payment is established.

The Company assesses at each balance sheet date whether there is objective evidence, that a financial asset or group of financial assets is impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss is removed from other comprehensive income and recognized in profit and loss account. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit and loss account.

Financial liabilities

The Company's financial liabilities include short term borrowings, interest / markup accrued on borrowings and trade and other payables.

Financial liabilities are measured initially at fair value, less attributable transaction costs. Financial liabilities are measured subsequently at amortized cost using the effective interest rate method.

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.7 Investment in associate

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates.

These investments are recognized under equity method whereas by carrying amount is increased or decreased to recognize the Company's share of profit or loss of associate. Share of post acquisition profit or loss of associates was accounted for in the Company's profit or loss. Distribution received from investee, reduced the carrying amount of investment. The Company's

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

share of changes recognized in other comprehensive income by the associate are recognized by the Company in other comprehensive income.

3.8 Investment in subsidiary

Investment in subsidiary was recognized at cost. At subsequent reporting dates, the recoverable amount is estimated to determine the extent of impairment loss, if any, and carrying amount of investment is adjusted accordingly. Impairment loss is recognized as expense. Where impairment loss subsequently reverse, the carrying amount of investment is increased to the revised recoverable amount but limited to the extent of initial cost of investment. A reversal of impairment loss is recognized in the profit and loss account.

3.9 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and bank balances and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.10 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

3.11 Stores, spare parts and loose tools

These are valued at moving average cost except goods in transit, which are valued at cost comprising invoice value plus other charges incurred thereon.

3.12 Stock in trade

These are valued at the lower of cost and net realizable value applying the following basis for cost:

Raw material	Weighted average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost
Packing material	Weighted average
Waste is measured at	Net realizable value

Raw material in transit is stated at invoice price plus other charges paid thereon up to the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods consists of direct material and labor and a proportion of manufacturing overheads based on normal capacity.

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

3.13 Revenue recognition

Revenue is measured at fair value of consideration received or receivable and represents amounts receivable for goods and services provided in normal course of business.

- Export sales are accounted for on shipment basis and exchange differences, if any on account of export proceeds are adjusted in the period of realization.
- Local sales are recorded on dispatch of goods to customers.
- Rebate income is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive payment is established.
- Interest income is recognized on time proportion basis.

3.14 Provisions

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

3.15 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment loss is recognized in the profit and loss account.

3.16 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the assets can be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method.

Useful lives of intangible assets are reviewed at each balance sheet date and adjusted if the impact of amortization is significant.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

	Note	2017 Rupees	2016 Rupees
4 SHARE CAPITAL			
4.1 Authorized share capital			
30,000,000 (2016: 30,000,000) ordinary shares of Rs. 10 each		300,000,000	300,000,000
4.2 Issued, subscribed and paid-up share capital			
26,728,000 (2016: 26,728,000) ordinary shares of Rs. 10 each allotted for consideration paid in cash		267,280,000	267,280,000
Total		267,280,000	267,280,000
5 LOAN FROM SPONSOR - RELATED PARTY			
Loan from sponsor	5.1	41,000,000	-
Total		41,000,000	-
5.1	This represents an interest free loan from a member of the Company. This loan is designated interest free and is repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements, such loan has been classified as part of equity instead of long term borrowing in these financial statements.		
	Note	2017 Rupees	2016 Rupees
6 RESERVES			
Unappropriated profit		(215,745,357)	51,256,016
Total		(215,745,357)	51,256,016

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

7 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The surplus on revaluation of property, plant and equipment represents surplus over book value resulting from revaluation of freehold land and building on freehold land.

The revaluation of freehold land and building on freehold land was carried out as on June 30, 2016 by M/s Harvester Services (Private) Limited on the basis of market value.

7.1 The revaluation resulted in the following:

	Note	2017 Rupees	2016 Rupees
Opening balance - net of deferred tax		355,895,066	263,526,284
Increase in carrying value of freehold land-gross		-	62,659,375
Increase in carrying value of building on freehold land-gross		-	37,660,778
		355,895,066	363,846,437
Less: Deferred tax on revaluation surplus- building on freehold land		-	(11,674,841)
Add: Deferred tax due to remeasurement of taxation rate		-	13,182,390
Less: Transfer from surplus on revaluation of property, plant and equipment-net of tax		(16,103,800)	(9,458,920)
Total		339,791,266	355,895,066

8 SUB-ORDINATED LOAN - RELATED PARTY

Sub-ordinated loan-unsecured	8.1	10,411,566	10,411,566
Total		10,411,566	10,411,566

8.1 This represents interest bearing loan from a member of the Company is subordinated to the main lenders. The loan was designated as an interest bearing loan with effect from July 1, 2010 and carries interest @ 6 Month KIBOR + 3% per annum. Repayment terms of the loan have not yet been finalized. Further, the loan is not repayable within next twelve months.

	Note	2017 Rupees	2016 Rupees
From financial institutions	9.1	160,561,169	251,832,177
		160,561,169	251,832,177
Less:			
Payable within next twelve months	15	(49,981,567)	(59,056,397)
		110,579,602	192,775,780
Total		110,579,602	192,775,780

9 LONG TERM FINANCING - SECURED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

9.1 Salient terms and conditions are as follows:

Description	Interest	Detail of Securities	Sanctioned Limit	Re-payment terms	2017	2016
			Rupees		Rupees	Rupees
Pak Oman Investment Company Limited and Pak Libya Holding Company (Private) Limited						
Syndicated Term Finance Facility	Three month KIBOR plus 3.00% per annum.	- First exclusive charge on imported Air Jet looms and Air Compressor with all standard accessories and essential parts securing an amount of Rs. 150,000,000 (Pak Libya Rs. 100 million and Pak Oman Rs. 50 million); - Continuation of first pari passu charge of Rs.50 million (Pak Libya Rs.33.33 million and Pak Oman 16.67 million) on Company's moveable fixed assets (plant and machinery); - Continuation of first pari passu charge of Rs.50 million (Pak Libya Rs.33.33 million and Pak Oman 16.67 million) on Company's immovable fixed assets (land and building plant and machinery); - Personal guarantees of Mr. Sarmad Amin and Mr. Jehanzeb Amin (CEO).	35,316,288	Principal to be repaid in 24 monthly installments commencing from 1 March 2017. (2016: 16 quarterly installments, commencing from the 5th quarter after disbursement of first tranche.)	35,316,288	44,582,180
Askari Bank Limited						
Term Finance Facility	Three month KIBOR plus 2.50% per annum.	- First joint pari passu charge on present and future current assets of the Company including but not limited to stocks, book debts, receivables and machinery amounting to Rs. 176 million; - First pari passu charge on present and future fixed assets of the Company amounting to Rs. 60 million; - Second joint pari passu charge on present and future fixed assets amounting to Rs. 114 million; and - Ranking mortgage charge for Rs 13 million over additional land measuring 11 kanals & 19 marlas. Margin 25%. - Personal guarantee of Mr. Sarmad Amin duly supported by his net worth statement.	41,249,996	Principal to be repaid in 60 monthly installments commencing from September 2015	41,249,996	46,249,997
Allied Bank Limited						
Term Loan Facility	Three month KIBOR plus 0.75%	- First joint pari passu charge on all present and future current assets of the Company amounting to Rs. 80 million; - First pari passu charge amounting to Rs. 60 million on fixed assets; and - Personal guarantee of Mr. Sarmad Amin.	23,994,885	Principal to be repaid in 30 monthly installments commencing from September 2015	23,994,885	36,000,000
National bank Of Pakistan						
Term Loan Facility	Six month KIBOR plus 3.00% per annum.	- First pari passu charge over the fixed assets of the Company valuing Rs. 340 million; - First joint pari passu charge over the current assets of the Company valuing Rs. 295 million; - Second joint pari passu charge of Rs. 100 million over the fixed assets of the Company; - 1% registered and 100% equitable mortgage of following personal properties: - Commercial property in the name of Mr. Sarmad Amin having address 50-C Main Gulberg, Lahore. - Residential property in the name of Mrs. Mehvish Amin having address of 50-D Main Gulberg, Lahore; and - Personal guarantee of Mr. Sarmad Amin.	-	This is payable within one year. (2016: Principal to be repaid in 5 equal semi annual installments commencing from September 2017).	-	65,000,000
NIB Bank						
Term Loan Facility	Three month KIBOR plus 3.00% per annum.	- Joint pari passu charge of Rs. 80 million over the current assets of the Company located anywhere in Pakistan; - Second joint pari passu charge of Rs. 40 million over the fixed assets of the Company located anywhere in Pakistan; - Ranking charge of Rs. 40 million over the current assets of the Company located anywhere in Pakistan; and - Equitable mortgage of residential property at 50-C Main Gulberg, Lahore. - Personal guarantee of Mr. Sarmad Amin and Mr. Jehanzeb Amin amounting to Rs. 98.836 million each.	60,000,000	Principal to be repaid in 20 equal quarterly installments commencing from July 01, 2017.	60,000,000	60,000,000
Sub Total			160,561,169		160,561,169	251,832,177
Total					160,561,169	251,832,177

10 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

This represents plant and machinery and vehicles obtained under finance lease from various leasing companies. The financing rates used as discounting factor is 15.7% (2016: 15.7%) per annum.

Taxes, repairs, replacements and insurance costs are borne by the Company. The Company intends to exercise its option to purchase the above assets upon completion of lease period.

	Note	2017 Rupees	2016 Rupees
Present value of minimum lease payments		1,381,365	1,381,365
Less: current portion shown under current liabilities	15	(1,381,365)	(1,381,365)
Total		-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

- 10.1** Title of related assets is still in name of leasing company due to non-payment of overdue markup charges claimed by the lessor as regard in note 13.

	Note	2017 Rupees	2016 Rupees
11 DEFERRED LIABILITIES			
Deferred tax	11.1	-	-
Staff gratuity	11.2	1,287,100	1,562,100
Total		1,287,100	1,562,100

- 11.1** This includes deferred tax on:

Surplus on revaluation of building	-	49,921,779
Unabsorbed depreciation	-	(49,921,779)
	11.1.1	-

- 11.1.1** Remaining deferred tax asset amounting to Rs. 202.517 million (2016: 69.804 million) arising on account of un-absorbed depreciation, un-used tax losses and tax credits have not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.

- 11.2** The Company had operated an unfunded gratuity scheme up to the year ended September 30, 1999 covering all its employees who had completed prescribed qualifying period of service. The unfunded gratuity scheme has been substituted by the provident fund scheme operated by the Company for all employees as defined in note 3.1. This balance of gratuity payable represents the entitlement of current employees as at September 30, 1999, as reduced by the payments made to employees who have left the Company.

	Note	2017 Rupees	2016 Rupees
12 TRADE AND OTHER PAYABLES			
Creditors			
- for goods		46,322,077	92,400,284
- for supplies		37,000,822	41,230,648
- for services	12.1	48,033,312	28,451,526
		131,356,211	162,082,458
Accrued liabilities		33,039,183	28,603,227
Advances from customers		27,119,341	13,555,241
Security deposits		913,630	513,630
Withholding taxes payable		6,443,376	3,335,243
Payable to Workers' Welfare Fund	30	-	1,891,540
Provident fund payable	42	15,733,793	995,372
Unclaimed dividend		3,466,164	3,466,164
Total		218,071,698	214,442,875

- 12.1** This includes amount of Rs 2.98 million (2016: Rs. 1.486 million) payable to Security General Insurance Company Limited, a related party on account of insurance services.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
13 INTEREST / MARKUP ACCRUED ON BORROWINGS			
Markup accrued on:			
Long term financing		2,810,415	5,428,480
Liabilities against assets subject to finance lease	10.1	3,217,396	3,217,396
Short term borrowings		18,225,976	10,590,439
Subordinated loan - related party		12,182,910	11,234,975
Total		36,436,697	30,471,290

	Note	Sanctioned Limit Rupees	2017 Rupees	2016 Rupees
14 SHORT TERM BORROWINGS				
From banking companies:				
Pre & Post-shipment - own sources	14.3	300,000,000	191,835,000	207,082,623
Cash finance	14.4	335,000,000	333,772,481	265,330,481
Foreign bills purchased	14.5	245,000,000	-	-
Total			525,607,481	472,413,104

14.1 The securities registered with SECP against long term or short term borrowing from one financial institution is utilized for various facilities sanctioned by the said financial institution.

14.2 Outstanding facp bills amounting to Rs. 84.960 million have been converted into demand finance with repayment due date of 31 December 2017.

14.3 These facilities are secured against first joint pari passu charge on current assets ranging from Rs. 120 million to Rs. 176 million, first pari passu charge on fixed assets ranging from Rs. 60 million to Rs. 160 million, second joint pari passu charge on fixed assets of the Company ranging from Rs. 70 million to Rs. 114 million, 4th ranking charge over Machinery amounting to Rs. 70 million, first joint pari passu charge on present and future fixed assets of the Company amounting to Rs. 115 million, joint pari passu charge amounting Rs.65 million on current and fixed assets of the Company duly registered SECP with creditors (National Bank of Pakistan, Askari bank, Bank Alfalah), Ranking Mortgage charge for Rs.13 million over additional land measuring 11 kanals & 19 Marlas, indemnity bond to cover exchange risk, lien on export LC/contract for Rs. 85 million, export bills under lien and personal guarantee of the sponsors of the Company and carry markup at rates ranging from three to six months KIBOR plus 2.5% to 4% per annum (2016: three to six months KIBOR plus 2.5% to 4% per annum).

14.4 These facilities are secured against first joint pari passu charge over the current assets of the Company amounting to Rs. 295 million, first pari passu charge over the fixed assets of the company valuing 340 million, 1% registered and 100% equitable mortgage of residential property in the name of Mrs. Mehvish Amin having address of 50-D, Gulberg, Lahore, pledge of stocks (i.e. yarn and grey cloth) and personal guarantee of the sponsoring director. Ranking charge over the current assets of the company in the amount of Rs. 267 million. These facilities carry markup at rate three to six month KIBOR plus 3% per annum (2016: three to six month KIBOR average ask rate plus 3% per annum).

14.5 These carry markup based on FE 25 treasury rates and secured against FBP's (unaccepted) and other securities mentioned in 14.2 & 14.3.

	Note	2017 Rupees	2016 Rupees
15 CURRENT PORTION OF LONG TERM BORROWINGS			
Long term financing	9	49,981,567	59,056,397
Liabilities against assets subject to finance lease	10	1,381,365	1,381,365
Total		51,362,932	60,437,762

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

- i) A suit for declaration with consequential relief and damages has been filed against the Company to challenge the purchase of land in village Rousa, Kasur. The same is pending adjudication before Civil Judge, Kasur.
- ii) A petition has been filed by the Company challenging calculation and demand of electricity duty. The matter of revised calculations made by the Electricity Inspector of Lahore region is still pending adjudication before the Honorable Lahore High Court.
- iii) During the year ended 30 June 2011, an order u/s 161/205 of the Income Tax Ordinance, 2001 was received for recovery of tax arrears amounting to Rs. 70.868 million for tax year 2004. The Company was contesting the above order in appeal before the Commissioner Inland Revenue Appeals-II, Lahore (CIR-A). The said CIR-A has remanded back the order u/s 161/205 to the assessing officer.

In respect of such case, the Company also filed a writ petition before the Honorable Lahore High Court, Lahore wherein the Company has sought declaration vis-a-vis the amendment in section 174(3) of the Income Tax Ordinance, 2001 incorporated vide Finance Act, 2010 whereby period to maintain record was extended from 5 years to 6 years which is prospective and cannot be applied retrospectively to open past and closed matters. During the year, the Lahore High Court, has passed judgement on said petition wherein the High Court agreed with the stance of the Company and declared such notice illegal.

- iv) Guarantees of Rs. 29.655 million (2016: Rs. 39.167 million) have been given by the National Bank of Pakistan (NBP) on behalf of the Company to Sui Northern Gas Pipelines Limited, Excise and Taxation Authorities and Lahore Electric Supply Company Limited (LESCO).
- v) A petition was pending in the Honorable Lahore High Court, for waiver of security amounting to Rs. 5,355,000 (2016: Rs. 5,355,000) demanded by LESCO. During the year, the Lahore High Court, has passed judgement on said petition whereby the High Court agreed with the stance of the Company and referred the matter to LESCO for return of security deposit.
- vi) Amendment Order u/s 122(5A) for Tax Year 2007 raising demand of Rs. 3,637,393 on account of charge of minimum tax u/s 113 in respect of local sales only was passed on 24-05-2013. This order was contested before CIR-A. During the year, an order partially in favor of the Company was passed by the CIR-A. However, 2nd appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) on the same grounds, which is pending for adjudication. The appeals filed by the Company against add backs amounting to Rs. 5,046,872 and Rs. 13,423,297 in respect of tax year 2007 and 2008 are also pending for adjudication at Appellate Tribunal Inland Revenue (ATIR).
- vii) An order u/s 122(5A) for Tax Year 2009 has been passed by Additional Commissioner Inland Revenue (Add.CIR) raising demand of Rs. 4,857,801. An appeal was preferred before CIR-Appeals, who provided partial relief whereas interest on WPPF & on short term borrowings was disallowed, whereas, the Company has approached ATIR against the order of CIR-Appeals which is pending adjudication till date.
- viii) An order u/s 122(5A) for Tax Year 2010 has been passed by Additional Commissioner Inland Revenue (Add.CIR) reducing the Income Tax Refunds to Rs. 521,334/- by imposing minimum tax u/s 113 @ 0.5% on local sales amounting to Rs. 4,412,674/. Appeal was filed before CIR Appeals who upheld the stance of Add.CIR. Appeal against the Order of CIR Appeals has been filed before the ATIR, Appeal of the case fixed for hearing and concluded on 25th of August 2017. Accordingly, the judgement is reserved for order which is awaiting till date.

During the year, orders for Tax Year 2010 u/s 122(5A) dated 16-09-2015 and 26-11-2015, had also been passed by CIR which had reduced brought forward losses and created a liability amounting to Rs. 1,640,269 and Rs. 1,775,510 respectively. Appeal against orders of CIR have been filed before CIR Appeals which are pending adjudication till date.

- ix) An order u/s 122(5A) for Tax Year 2011 has been passed by CIR reducing the Income Tax Refunds from Rs. 8,939,819 to Rs. 2,925,744 by imposing minimum tax u/s 113 @ 1% on local sales amounting to Rs. 966,526,408. Appeal against order of CIR has been filed before CIR Appeals which is pending adjudication till date.
- x) Certain tax payers of textile industry were issued recovery notices regarding toll manufacturing / processing charges at the rate of 16 % of Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority (PRA), whereas, 3 % goods processing charges / toll manufacturing charges also levied through SRO 1125 (I)/2011 by the Federal Board of Revenue (FBR) under Sales Tax Act, 1990. These recovery notices of PRA were challenged and disposed off by single order of Lahore High Court by Honorable Mr. Justice Mansoor Ali Shah through writ petition No. 578/2014 titled "Muhammad Shahfique Vs Government of Punjab".

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Further, during previous year, PRA through Notification No. SO(TAX)1-1/2015-16 (Vol.II) dated January 11, 2016 have reduced the rate of sales tax on toll manufacturing services from 16% to 2% with the basic condition that the input tax credit/adjustment shall not be admissible. The sector of toll manufacturing shall be same as covered under FBR's SRO1125(I)/2011 dated 31st December 2011. The above stated notification was valid initially for the financial year 2015-16. However, PRA, through Notification No. SO(TAX)1-1/2015-16 (Vol.II) dated October 28, 2016 extended the previous notification for the financial year 2016-17.

Currently, the Company is reporting such revenue to FBR based on opinion of it's legal advisor.

- xi) Other un-acknowledged debts / claims as on balance sheet date amount to Rs. 16,383,145 (2016: Rs. 16,383,145).

Management is confident of favorable decision of all pending cases above and accordingly, no provision has been made in these financial statements.

	Note	2017 Rupees	2016 Rupees
16.2 Commitments			
Against foreign bills purchased		-	54,600,821
Letter of credit - local		-	19,722,214
Total	16.2.1	-	74,323,035

- 16.2.1 The Company has sanctioned facilities amounting to Rs. 330 million (2016: Rs. 330 million).

	Note	2017 Rupees	2016 Rupees
17 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	17.1 & 17.2	882,072,369	948,921,557
Total		882,072,369	948,921,557

17.1 Operating fixed assets - 2017

Description	Cost			Rate %	Depreciation			Net book value Rupees
	As at July 01, 2016 Rupees	Additions/ (deletions) Rupees	As at June 30, 2017 Rupees		As at July 01, 2016 Rupees	For the year / (adjustments) Rupees	As at June 30, 2017 Rupees	
Owned Assets								
Freehold land	239,159,375	-	239,159,375		-	-	-	239,159,375
Buildings on freehold land	237,325,891	-	237,325,891	10	-	23,732,592	23,732,592	213,593,299
Plant and machinery	1,191,802,710	4,430,516	1,196,233,226	10	760,145,517	43,384,012	803,529,529	392,703,697
Furniture and fittings	6,551,155	-	6,551,155	10	4,784,288	176,688	4,960,976	1,590,179
Office equipment	31,258,321	1,089,002	32,347,323	10	18,564,497	1,332,982	19,897,479	12,449,844
Vehicles	41,091,817	(131,050)	40,960,767	20	30,077,507	2,202,133	32,158,480	8,802,287
Electric installation	33,945,322	-	33,945,322	10	19,979,880	1,396,548	21,376,428	12,568,894
Tube well	2,602,423	-	2,602,423	10	1,264,280	133,812	1,398,092	1,204,331
Arms and ammunition	5,500	-	5,500	10	4,988	48	5,036	464
Sub-total	1,783,742,514	5,519,518 (131,050)	1,789,130,982		834,820,957	72,358,816 (121,160)	907,058,613	882,072,369
Leased Assets								
Plant and machinery	-	-	-	10	-	-	-	-
Vehicles	-	-	-	20	-	-	-	-
Sub-total	-	-	-		-	-	-	-
Total	1,783,742,514	5,519,518 (131,050)	1,789,130,982		834,820,957	72,358,816 (121,160)	907,058,613	882,072,369

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

17.2 Operating fixed assets - 2016

Description	Cost				Rate %	Depreciation					Net book value Rupees	
	As at July 01, 2015	Additions/ (deletions)	Transfers / (adjustments)	Revaluation Adjustment		As at June 30, 2016	As at July 01, 2015	For the year / (adjustments)	Transfers / (adjustments)	Revaluation Adjustment		As at June 30, 2016
	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees		Rupees
Owned Assets												
Freehold land	176,500,000	-	-	62,659,375	239,159,375	-	-	-	-	-	-	239,159,375
Buildings on freehold land	282,703,045	-	4,016,659	37,660,778	237,325,891	10	64,949,911	22,104,680	-	(87,054,591)	-	237,325,891
				(87,054,591)								
Plant and machinery	1,116,811,496	30,942,985	99,821,877	-	1,191,802,710	10	705,169,454	41,668,620	68,401,843	-	760,145,517	431,657,193
		(55,773,648)	-	-			(55,094,400)	-	-	-		
Furniture and fittings	6,317,155	234,000	-	-	6,551,155	10	4,569,619	214,669	-	-	4,784,288	1,766,867
Office equipment	29,679,650	1,578,671	-	-	31,258,321	10	17,294,405	1,270,092	-	-	18,564,497	12,693,824
Vehicles	38,901,263	3,737,669	-	-	41,091,817	20	29,254,543	2,167,787	-	-	30,077,507	11,014,310
		(1,547,115)	-	-			(1,344,823)	-	-	-		
Electric installation	33,505,322	440,000	-	-	33,945,322	10	18,448,535	1,531,345	-	-	19,979,880	13,965,442
Tube well	2,602,423	-	-	-	2,602,423	10	1,115,600	148,680	-	-	1,264,280	1,338,143
Arms and ammunition	5,500	-	-	-	5,500	10	4,928	60	-	-	4,988	512
Sub-total	1,687,025,854	36,933,325	103,838,536	100,320,153	1,783,742,514		840,806,995	69,105,933	68,401,843	(87,054,591)	834,820,957	948,921,557
		(57,320,763)		(87,054,591)			(56,439,223)					
Leased Assets												
Plant and machinery	99,821,877	-	(99,821,877)	-	-	10	64,910,731	3,491,112	(68,401,843)	-	-	-
Vehicles	-	-	-	-	-	20	-	-	-	-	-	-
Sub-total	99,821,877	-	(99,821,877)	-	-		64,910,731	3,491,112	(68,401,843)	-	-	-
Total	1,786,847,731	36,933,325	4,016,659	100,320,153	1,783,742,514		905,717,726	72,597,045	-	(87,054,591)	834,820,957	948,921,557
		(57,320,763)		(87,054,591)			(56,439,223)					

17.2.1 During the year ended June 30, 2016, leased plant and machinery has been transferred to owned assets. However, title of related assets is still in name of leasing company due to non-payment of overdue markup claimed by the lessor as referred in note 13.

Note	2017	2016
	Rupees	Rupees
Cost of sales	29	68,647,012
Administrative expenses	32	3,711,804
Total		72,358,816

17.4 Had there been no revaluation, cost, accumulated depreciation, and net book value of revalued property, plant and equipment would have been as follows:

	Cost as at June 30, 2017	Accumulated depreciation as at June 30, 2017	Book value as at June 30, 2017
	Rupees	Rupees	Rupees
Freehold land	15,100,263	-	15,100,263
Building on freehold land	174,560,080	(108,022,291)	66,537,789
Total	189,660,343	(108,022,291)	81,638,052

	Cost as at June 30, 2016	Accumulated depreciation as at June 30, 2016	Book value as at June 30, 2016
	Rupees	Rupees	Rupees
Freehold land	15,100,263	-	15,100,263
Building on freehold land	174,560,080	(100,629,203)	73,930,877
Total	189,660,343	(100,629,203)	89,031,140

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

17.5 Disposal of property, plant and equipment

The following assets were disposed off during the year:

Description	Quantity	Cost	Accumulated depreciation	Net book value	Proceeds from disposal	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
		Rupees	Rupees	Rupees	Rupees	Rupees		
Vehicles								
Honda 125	1	75,010	70,747	4,263	10,000	5,737	Negotiation	Shahid Mehmood
Honda CD-70	1	56,040	50,413	5,627	18,000	12,373	Negotiation	Sohail Ahmed
Grand Total		131,050	121,160	9,890	28,000	18,110		

18 INTANGIBLE ASSETS

DESCRIPTION	Note	Cost			Useful life	Amortization			Net book value
		As at		As at		As at		As at	
		July	Transfers	June		July	For the year	June	
		01, 2016	Rupees	30, 2017		01, 2016	Rupees	30, 2017	
		Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	
License		400,000	-	400,000	3 years	400,000	-	400,000	-
SAP-computer software	18.1	4,190,000	-	4,190,000	5 years	3,720,720	469,280	4,190,000	-
Total June 30, 2017		4,590,000	-	4,590,000		41,120,720	469,280	4,590,000	-
Total June 30, 2016		4,590,000	-	4,590,000		3,282,720	469,280	4,120,720	469,280

18.1 Amortization for the year has been allocated to administrative expenses.

19 LONG TERM INVESTMENTS

Investments in related parties

Associate

Onetel Pakistan (Private) Limited

Note	2017	2016
	Rupees	Rupees
19.1 - 19.4	-	1,000,000
19.5 - 19.6	-	-
Total	-	1,000,000

Subsidiary

Nimas Trading (Private) Limited

Total

19.1 This represents Company's investment in an associate, Onetel Pakistan (Private) Limited. The Company held common directorship with the associate and hold 24% (2016: 24%) equity in the associate. The breakup value per share based on audited accounts amounts to Rs. 10 per share at 30 June 2017 (2016: Rs. 10 per share).

19.2 During the year, due to change in plans of associate, impairment against such investment has been made in these financial statements.

19.3 This is made-up as under:

	2017	2016
	Rupees	Rupees
Opening investment	1,000,000	1,000,000
Less: Impaired during the year	(1,000,000)	-
Total	-	1,000,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017 Rupees	2016 Rupees
19.4 Extracts from audited financial statements of associate		
Non-current assets	10,656,561	10,510,511
Current assets	14,358	14,358
Total assets	10,670,919	10,524,869
Non-current liabilities	1,150,000	1,150,000
Current Liabilities	2,265,919	2,119,869
Total liabilities	3,415,919	3,269,869
Net assets	7,255,000	7,255,000
Revenue	-	-
Other comprehensive income / (loss) for the year	-	-
Depreciation and amortization	-	-
Tax expense	-	-

19.5 This is made-up as under:

Opening investment	-	100,000
Disposed off during the year	-	(100,000)
Total	-	-

19.6 This represented Company's investment in its wholly owned subsidiary company, Nimas Trading (Private) Limited. The Company had 100% equity in the subsidiary. During the year ended June 30, 2016, subsidiary company was wound up due to change in plans and therefore investment in equity was liquidated.

	Note	2017 Rupees	2016 Rupees
20 LONG TERM DEPOSITS			
Long term deposits	20.1	14,420,790	14,211,750
Total		14,420,790	14,211,750

20.1 Long term deposits include security deposits against finance leases, electricity connection and bank guarantee given to Lahore Electric Supply Company Limited.

	2017 Rupees	2016 Rupees
21 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	21,652,797	22,249,246
Spare parts	27,276,971	28,028,343
Loose tools	3,147,343	3,234,040
Total	52,077,111	53,511,629
22 STOCK IN TRADE		
Raw material	21,732,124	46,148,633
Work in process	1,329,570	2,850,745
Finished goods	249,908,464	364,733,755
Total	272,970,158	413,733,133

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
23 TRADE DEBTS			
Considered good			
Export - secured against export documents		2,101,890	15,253,596
Local - unsecured		18,341,732	42,274,745
		20,443,622	57,528,341
Considered doubtful			
Local - unsecured		610,944	610,944
Less: Provision for doubtful debts	23.1	(1,640,147)	(1,640,147)
		(1,029,203)	(1,029,203)
Total		19,414,419	56,499,138
23.1 Provision for doubtful debts			
Opening balance		1,640,147	610,944
Provision for the year		-	1,029,203
Closing balance		1,640,147	1,640,147
24 LOANS AND ADVANCES - CONSIDERED GOOD			
Loan to related party (Onetel Pakistan Private Limited)	24.1 - 24.2	-	1,150,000
Advances to:			
- Staff		1,008,841	785,606
- Suppliers for goods and for services - unsecured		6,360,178	15,036,761
Letters of credit		1,739	1,739
Total		7,370,758	16,974,106
24.1 This carries markup @ 12.705% (2016: 12.705%). During the year, impairment has been made against such loans and investment thereon due to change in plan of such associate (Note 19).			
	Note	2017 Rupees	2016 Rupees
24.2 This is made-up as under:			
Opening loan		1,150,000	1,150,000
Less: Impaired during the year		(1,150,000)	-
Total		-	1,150,000
25 TRADE DEPOSITS AND PREPAYMENTS			
Security deposits	25.1	2,793,663	2,793,663
Prepayments		65,387	265,387
Total		2,859,050	3,059,050
25.1 This includes security deposit of leasing company amounting to Rs. 1,708,239 (2016: 1,708,239).			

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
26 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax - net		67,120,180	71,574,280
Sales tax refundable - net		57,945,938	45,479,880
Export rebate receivable		294,182	258,270
Excise duty receivable		4,479,873	4,479,873
Total		129,840,173	121,792,303

27 CASH AND BANK BALANCES

Cash at bank:			
- current accounts		4,378,931	11,105,761
- deposit accounts	27.1	171,829	10,276,334
- foreign currency accounts		5,060	1,908,878
		4,555,820	23,290,973
Cash in hand		502,337	2,825,271
Total		5,058,157	26,116,244

27.1 The effective rate of return in respect of deposit accounts is 3.75% (2016: 3.75 %).

	Note	2017 Rupees	2016 Rupees
28 SALES - NET			
Export			
Cloth		76,554,047	335,090,152
Sub-total		76,554,047	335,090,152
Local			
Cloth	28.1	888,375,976	971,376,835
Waste		17,456,999	3,905,416
Sub-total		905,832,975	975,282,251
Less: Sales tax			
Cloth		-	(27,438,349)
Waste		-	(107,106)
Sub-total	28.2	-	(27,545,455)
Total Sales		982,387,022	1,282,826,948
Less: Commission		(8,733,104)	(10,595,786)
Total		973,653,918	1,272,231,162

28.1 This include conversion revenue amounting to Rs. 235 million (2016: Rs. 171 million).

28.2 As per FBR's SRO 1125 read with amendment by SRO 491(I)/2016 dated June 30, 2016, Company's sales are subject to sales tax @ 0% (2016: 3%).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
29 COST OF SALES			
Raw material consumed	29.1	454,295,500	831,948,650
Fuel and power		190,426,773	214,793,952
Stores, spare parts and loose tools consumed		95,064,116	95,012,551
Salaries, wages and other benefits	29.2	151,469,761	156,198,087
Processing charges		243,200	209,750
Repairs and maintenance		6,078,659	7,451,143
Communication		668,854	582,333
Insurance		6,990,648	7,150,685
Depreciation	17.3	68,647,012	68,944,497
Traveling and conveyance		3,293,194	3,681,955
Other expenses		10,470,284	9,977,941
		987,648,001	1,395,951,544
Adjustment of work in process			
Opening work in process		2,850,745	4,532,107
Closing work in process	22	(1,329,570)	(2,850,745)
		1,521,175	1,681,362
		989,169,176	1,397,632,906
Adjustment of finished goods			
Opening stock		364,733,755	180,461,393
Closing stock	22	(249,908,464)	(364,733,755)
		114,825,291	(184,272,362)
Less: Export rebate		(71,924)	(391,727)
Total		1,103,922,543	1,212,968,817
29.1 Raw material consumed			
Opening stock		46,148,633	47,268,385
Purchases		429,878,991	830,828,898
		476,027,624	878,097,283
Closing stock	22	(21,732,124)	(46,148,633)
Total		454,295,500	831,948,650

29.2 This includes an amount of Rs. 4,559,819 (2016: Rs. 5,582,447) on account of provident fund.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	Note	2017 Rupees	2016 Rupees
30 OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		177,905	306,577
Interest income		146,050	146,050
Liabilities written back	12	1,891,540	1,290,971
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment	17.5	18,110	5,622,200
Gain on disposal of Investments		-	6,530,000
Foreign currency translation differences-net		304,469	-
Miscellaneous income		21,600	-
Total		2,559,674	13,895,798

31 DISTRIBUTION COST			
Salaries and other benefits	31.1	10,098,769	10,352,406
Outward freight		2,771,453	8,642,769
Cloth export expenses		364,667	870,590
Traveling and conveyance		1,938,293	1,852,430
Communication		271,707	272,304
Vehicle running and maintenance		355,379	332,548
Insurance		1,062,870	1,752,826
Other selling expenses		724,065	2,286,845
Total		17,587,203	26,362,718

31.1 This includes an amount of Rs. 516,831 (2016 : Rs. 511,139) on account of provident fund.

	Note	2017 Rupees	2016 Rupees
32 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	32.1	32,221,659	31,384,399
Rent, rates and taxes		1,200,000	1,200,000
Repairs and maintenance		1,022,847	1,754,367
Insurance		888,611	869,148
Printing and stationery		501,845	723,732
Communication		1,296,317	1,427,001
Electricity, gas and water		3,344,785	2,900,699
Traveling and conveyance		3,812,433	4,308,518
Entertainment		503,223	619,452
Fee and subscription		2,116,460	5,500,321
Legal and professional		362,000	1,197,001
Vehicle running and maintenance		2,390,318	3,036,111
Provision for doubtful debts	23.1	-	1,029,203
Auditors' remuneration	32.2	1,175,670	1,125,670
Depreciation	17.3	3,711,804	3,652,548
Amortization	18	469,280	838,000
Miscellaneous		1,275,950	2,455,566
Total		56,293,202	64,021,736

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

32.1 This includes an amount of Rs. 1,481,491 (2016: Rs. 1,365,438) on account of provident fund.

	Note	2017 Rupees	2016 Rupees
32.2 Auditors' remuneration:			
Audit fee		550,000	500,000
Fee for half yearly review and other certifications		150,000	150,000
Taxation services		475,670	475,670
Total		1,175,670	1,125,670

33 OTHER EXPENSES

Donations	33.1	15,500	100,000
Impairment of loan recoverable from Onetel (Private) Limited	24	1,150,000	-
Impairment of interest recoverable from Onetel (Private) Limited		803,419	-
Impairment on investment in subsidiary	19	-	100,000
Impairment on investment in associate	19	1,000,000	-
Foreign currency translation differences-net		-	130,256
Total		2,968,919	330,256

33.1 None of directors of the Company or their spouses had any interest in the donee.

	Note	2017 Rupees	2016 Rupees
34 FINANCE COST			
Mark up on:			
- Long term financing		15,436,012	22,394,501
- Short term borrowings		47,912,181	56,331,821
Bank charges and others		3,654,885	5,650,227
Interest on sponsor's loan		947,935	1,017,731
Interest on provident fund payable		568,691	-
Total		68,519,704	85,394,280

35 PROVISION FOR TAXATION

Current		10,027,194	12,828,269
Deferred	11.1.1	-	(20,271,757)
Total		10,027,194	(7,443,488)

35.1 The Company is under the ambit of final tax up to the extent of export sales under section 169 and dividend income under section 150 of Income Tax Ordinance, 2001 respectively. Provision for income tax is made accordingly. Income tax provision for income which is not subject to final tax under section 169 of Income Tax Ordinance, 2001 has been calculated in accordance with section 113 and 113 C of the Income Tax Ordinance, 2001 as the Company has assessed tax losses. The relationship between tax expense and accounting profit has not been presented in these financial statements as the total income falls under final tax regime and section 113 and 113 C of Income Tax Ordinance, 2001.

36 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, directors and executives of the Company are as follows:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Particulars	2017			
	Chief Executive	Executive Directors	Non Executive Directors	Executives
	Rupees	Rupees	Rupees	Rupees
Remuneration	1,920,000	2,753,416	1,920,000	19,477,801
Utilities	217,800	275,342	217,800	1,947,780
House rent	1,162,200	1,101,366	1,162,200	7,791,121
Provident fund contribution	159,936	229,360	159,936	1,464,455
Total	3,459,936	4,359,484	3,459,936	30,681,157
Number of person(s)	1	2	4	26

Particulars	2016			
	Chief Executive	Executive Directors	Non Executive Directors	Executives
	Rupees	Rupees	Rupees	Rupees
Remuneration	1,920,000	2,305,416	1,920,000	20,621,647
Utilities	217,800	230,542	217,800	2,062,165
House rent	1,162,200	922,166	1,162,200	8,248,659
Provident fund contribution	159,936	192,041	159,936	1,613,825
Total	3,459,936	3,650,165	3,459,936	32,546,296
Number of person(s)	1	2	4	28

36.1 Chief executive, executive directors and some executives are provided with free use of Company owned and maintained cars.

36.2 Provident fund contributions are made by the Company @ 8.33% (2016: 8.33%) of the basic salaries of executive directors, chief executive and executives.

36.3 Chief executive is also provided with mobile phone, private security guard at residence, reimbursement of utility bills and medical facilities.

37 (LOSS) PER SHARE - BASIC AND DILUTED

(Loss) per share is calculated by dividing loss after tax for the year by weighted average number of shares outstanding during the year as follows:

	2017	2016
	Rupees	Rupees
(Loss) after tax (Rupees)	(283,105,173)	(95,507,359)
Weighted average number of ordinary shares	26,728,000	26,728,000
(Loss) per share - basic and diluted (Rupees)	(10.59)	(3.57)

No figure for diluted loss per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

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

- Credit risk
- Liquidity risk
- Market Risk

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

38.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises principally from loans and advances, trade debts, trade deposits, interest accrued and bank balances. Out of total financial assets of Rs. 28.279 million (2016: Rs. 89.004 million), the financial assets that are subject to credit risk amounted to Rs. 27.774 million (2016: Rs. 86.178 million).

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investment held with some major counterparties at the balance sheet date.

Banks	Rating		Agency	June 2017	June 2016
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A 1+	AA+	PACRA	-	47,797
MCB Bank Limited	A 1+	AAA	PACRA	159,372	53,495
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	197,459	6,512,742
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	81,846	2,197,181
National Bank of Pakistan	A 1+	AAA	JCR-VIS	3,279,860	4,790,816
NIB Bank Limited	A 1+	AA-	PACRA	16,517	74,413
Habib Bank Limited	A - 1+	AAA	JCR-VIS	128,287	1,692,525
Askari Bank Limited	A - 1+	AA	JCR-VIS	6,108	5,827,143
Soneri Bank Limited	A 1+	AA-	PACRA	21,356	955,271
Summit Bank Limited	A - 1	A -	JCR-VIS	386,033	402,890
Faysal Bank Limited	A 1+	AA	PACRA	209,021	32,789
JS Bank Limited	A 1+	AA-	PACRA	18,769	22,866
Sindh Bank Limited	A - 1+	AA	JCR-VIS	24,770	20,350
Bank Al Falah Limited	A 1+	AA+	PACRA	18,584	535,861
Bank Al Habib Limited	A 1+	AA+	PACRA	7,839	124,834
Total				4,555,820	23,290,973

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

The aging of trade receivables at the reporting date is:

	2017	2016
	Rupees	Rupees
Past due but not impaired		
1 to 120 days	11,939,120	18,869,316
120 to 180 days	1,101,498	9,650,225
180 to 365 days	2,491,258	9,478,267
past due 365 days	3,882,543	1,640,147
	19,414,419	39,637,955
Not yet due	-	16,861,183
Total	19,414,419	56,499,138

38.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are contractual maturities of financial liabilities as at 30 June 2017:

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Sub-ordinated loan - related party	10,411,566	-	-	10,411,566
Long term financing - secured	160,561,169	49,981,567	110,579,602	-
Liabilities against assets subject to finance lease	1,381,365	1,381,365	-	-
Short term borrowings	525,607,481	525,607,481	-	-
Trade and other payables	218,071,698	218,071,698	-	-
Interest / markup accrued on borrowings	36,436,697	36,436,697	-	-
Total	952,469,976	831,478,808	110,579,602	10,411,566

The following are contractual maturities of financial liabilities as at 30 June 2016:

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Sub-ordinated loan - related party	10,411,566	-	-	10,411,566
Long term financing - secured	251,832,177	59,056,397	192,775,780	-
Liabilities against assets subject to finance lease	1,381,365	1,381,365	-	-
Short term borrowings	472,413,104	472,413,104	-	-
Trade and other payables	214,442,875	214,442,875	-	-
Interest / markup accrued on borrowings	30,471,290	30,471,290	-	-
Total	980,952,377	777,765,031	192,775,780	10,411,566

38.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on import of raw materials and stores and spares and export of goods mainly denominated in US Dollars. The Company's exposure to foreign currency risk for US Dollars (USD) is as follows:

	2017	2016
	Rupees	Rupees
Foreign debtors-USD	2,101,890	15,253,596
Total	2,101,890	15,253,596

The following significant exchange rates have been applied:

Rupees per USD

Average rate	104.83	104.66
Reporting date rate	105.00	104.50

As at year end, had the exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit/(loss), mainly as a result of foreign exchange gain/loss on translation of foreign currency denominated payables, would have been as follows:

Currency	% change	2017	2016
		Rupees	Rupees
US \$	10	210,189	1,525,360

b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest rates. At the reporting date, the variable interest rate profile of the Company's significant interest bearing financial instruments is as follows:

	Effective rate of interest		Carrying value in Rupees	
	2017	2016	June 2017	June 2016
			Rupees	Rupees
Variable rate instruments				
Financial liabilities				
Long term financing	6.79 % to 12.60%	7.10 % to 12.60%	160,561,169	251,832,177
Short term borrowings	8.54% to 10.15%	8.55% to 13.05%	525,607,481	472,413,104
Total			686,168,650	724,245,281
Financial assets				
Cash at bank - deposit accounts	3.75%	3.75%	171,829	10,276,334
Total			171,829	10,276,334

At the reporting date, fixed markup rate profile of the Company's significant interest bearing financial instruments is as follows:

	Effective rate of interest		Carrying value in Rupees	
	2017	2016	June 2017	June 2016
			Rupees	Rupees
Fixed rate instrument				
Financial liabilities				
Subordinated loan	9.15%	9.78%	10,411,566	10,411,566
Total			10,411,566	10,411,566

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit / (loss) for the year by the amounts shown below. This analysis assumes that all other variables remain constant.

Currency	Profit / (loss) 100 bp	
	Increase	Decrease
As at June 30, 2017		
Cash flow sensitivity - variable rate financial liabilities	(6,861,687)	6,861,687
As at June 30, 2016		
Cash flow sensitivity - variable rate financial liabilities	(7,242,453)	7,242,453

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

c) Equity price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency 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. The Company is not exposed to material equity price risk.

38.4 Financial instruments by categories

	Loans and receivables		Others		Total	
	June 2017	June 2016	June 2017	June 2016	June 2017	June 2016
Financial assets	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Investments	-	-	-	1,000,000	-	1,000,000
Trade debts	19,414,419	56,499,138	-	-	19,414,419	56,499,138
Loans and advances	1,008,841	1,937,345	-	-	1,008,841	1,937,345
Trade deposits	2,793,663	2,793,663	-	-	2,793,663	2,793,663
Interest accrued	-	657,369	-	-	-	657,369
Cash and bank balances	5,058,157	26,116,244	-	-	5,058,157	26,116,244
Total	28,275,080	88,003,759	-	1,000,000	28,275,080	89,003,759

Financial liabilities at amortized cost

	June 2017	June 2016
Financial liabilities	Rupees	Rupees
Sub-ordinated loan	10,411,566	10,411,566
Long term financing	160,561,169	251,832,177
Liabilities against assets subject to finance lease	1,381,365	1,381,365
Short term borrowings	525,607,481	472,413,104
Trade and other payables	218,071,698	214,442,875
Interest accrued on loans	36,436,697	30,471,290
Total	952,469,976	980,952,377

38.5 Fair values of financial assets and liabilities

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

IFRS 13, 'Fair value Measurements' requires the Company to classify fair value measurements using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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 assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

38.5.1 The following table shows the categories as well as carrying amounts and fair values of financial assets according to their respective category, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is reasonable approximation of fair value.

Rupees in thousand	Carrying amount					Fair Value			
	Cash and cash equivalents	Loans and receivables	Available for sale instruments	Fair value through profit or loss	Total	Level 1	Level 2	Level 3	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
June 30, 2017									
Financial assets measured at fair value									
Long term investments	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	-	14,420,790	-	-	14,420,790	-	-	-	-
Current assets									
Trade debts	-	19,414,419	-	-	19,414,419	-	-	-	-
Loans and advances	-	1,010,580	-	-	1,010,580	-	-	-	-
Trade deposits	-	2,793,663	-	-	2,793,663	-	-	-	-
Interest accrued	-	-	-	-	-	-	-	-	-
Cash and bank balances	5,058,157	-	-	-	5,058,157	-	-	-	-
	5,058,157	37,639,452	-	-	42,697,609	-	-	-	-
June 30, 2016									
Financial assets measured at fair value									
	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value									
Non-current assets									
Long term deposits	-	14,211,750	-	-	14,211,750	-	-	-	-
Long term investments	-	1,000,000	-	-	1,000,000	-	-	-	-
Current assets									
Trade debts	-	56,499,138	-	-	56,499,138	-	-	-	-
Loans and advances	-	1,937,345	-	-	1,937,345	-	-	-	-
Trade deposits	-	2,793,663	-	-	2,793,663	-	-	-	-
Interest accrued	-	657,369	-	-	657,369	-	-	-	-
Cash and bank balances	26,116,244	-	-	-	26,116,244	-	-	-	-
	26,116,244	77,099,265	-	-	103,215,509	-	-	-	-

38.5.2 As at 30 June 2017, the Company held following fair value measurement of non-financial assets:

	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees
Property, plant and equipment			
Freehold land	-	-	239,159,375
Buildings on freehold land	-	-	213,593,299

As at 30 June 2016, the Company held following fair value measurement of non-financial assets:

	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees
Property, plant and equipment			
Freehold land	-	-	239,159,375
Buildings on freehold land	-	-	237,325,891

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

	Note	Freehold land Rupees	Buildings on freehold land Rupees
Balance as at June 30, 2016	17	239,159,375	237,325,891
Depreciation charged during the year	17	-	23,732,592
		-	23,732,592
Balance as at June 30, 2017		239,159,375	213,593,299

38.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate 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 manages its capital structure which comprises capital and reserves 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 shareholders, appropriation of amounts to capital reserves and/or issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term financing - secured" and "short term borrowings" as shown in the balance sheet). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital and reserves" and "net debt".

	Note	2017 Rupees	2016 Rupees
39 CASH GENERATED FROM OPERATIONS			
(Loss) before taxation		(273,077,979)	(102,950,847)
		(273,077,979)	(102,950,847)
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	17.3	72,358,816	72,597,045
Amortization	18	469,280	838,000
Gain on disposal of Investment	30	-	(6,530,000)
Impairment loss on investment in subsidiary	19	-	100,000
Impairment loss on investment in associate	33	1,000,000	-
Impairment of interest recoverable from Onetel (Private) Limited	33	803,419	-
(Gain) on disposal of property, plant and equipment	30	(18,110)	(5,622,200)
Finance cost	34	68,519,704	85,394,280
Provision for doubtful debts	32	-	1,029,203
Liabilities written back	30	(1,891,540)	(1,290,971)
Working capital changes	39.1	182,103,954	(258,329,476)
Interest income	30	(146,050)	(146,050)
		323,199,473	(111,960,169)
Total		50,121,494	(214,911,016)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	2017	2016
	Rupees	Rupees
39.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,434,518	10,587,221
Stock in trade	140,762,975	(181,471,248)
Trade debts	37,084,719	54,382,107
Loans and advances	9,603,349	1,690,847
Trade deposits, prepayments and balances with statutory authorities	(12,301,970)	(13,325,643)
	176,583,591	(128,136,716)
(Decrease) / increase in current liabilities		
Trade and other payables	5,520,363	(130,192,760)
Total	182,103,954	(258,329,476)

40 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise subsidiary, associated companies, associate companies where directors also hold directorship, directors, provident fund and key management personnel. Transactions and balances with related parties, other than remuneration and benefits to key management personnel under the terms of their employment as disclosed in these financial statements, are as follows:

	Note	Relationship	2017	2016
			Rupees	Rupees
Receivables from related parties				
Onetel Pakistan (Private) Limited		Associate		
-Investment	19		-	1,000,000
-Loan	24		-	1,150,000
-Interest receivable			-	657,369
Payable to related parties				
Security General Insurance Company Limited		Associated undertaking		
Outstanding balance of insurance premium			2,984,271	1,486,070
Payables to members/sponsors				
		Sponsor	63,594,476	21,646,541
Payable to Provident Fund	12	Provident Fund	15,733,793	995,372

		Nature of transaction	2017	2016
			Rupees	Rupees
Transactions with related parties				
Subsidiary		Other receivables settled in lieu of shares	-	613,280,000
Subsidiary		Investment impaired on winding up	-	100,000
Associated undertaking		Income	146,050	146,050
Other related parties		Expense	2,147,935	2,217,731

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

		2017	2016
	Nature of transaction	Rupees	Rupees
Provident fund	Expense (including interest)	6,558,141	7,459,024
Associate	Impairment of investment, loan and accrued interest	2,953,419	-
		2017	2016

41 CAPACITY INSTALLED AND ACTUAL PRODUCTION

Number of looms installed	214	214
Number of looms worked	214	214
Shifts per day	3	3
No. of days actually worked	365	365
Rated capacity (running meters) per annum	20,792,382	29,920,127
Actual commercial production (running meters)	13,861,623	17,383,870

It is difficult to determine precisely the production / rated capacity in the textile industry since it fluctuates widely depending on various factors such as speed, width and construction of the cloth, etc. The reasons for decrease in actual commercial production include factors like manufacturing different qualities, speed, width and construction of the cloth and market forces etc.

(Unaudited)	(Audited)
2017	2016
Rupees	Rupees

42 PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest unaudited financial statements of the Fund:

Size of the fund - Total assets	53,512,131	53,398,687
Cost of investments made	3,255,943	18,852,341
Percentage of investments made	6.1%	35.3%
Fair value of investment made	3,622,643	19,943,812

The break-up of fair value of investments is:

	2017		2016	
	Rupees	--- % ---	Rupees	--- % ---
Mutual funds				
Arif Habib Investment Limited	-	0%	1,560,078	8%
MCB-Asset Management Company Limited	183,714	5%	8,011,078	40%
NBP Fullerton Asset Management (NAFA)	3,404,764	94%	9,537,891	48%
Balance with brokerage house:				
Money Line Securities (Pvt.) Ltd.	34,165	1%	834,765	4%
	3,622,643	100%	19,943,812	100%

The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended June 30, 2017

	<u>2017</u> Rupees	<u>2016</u> Rupees
43 NUMBER OF EMPLOYEES		
Number of employees at year end	519	543
Average number of employees during the year	569	604

44 GENERAL

44.1 Figures in these financial statements have been rounded off to the nearest rupee.

44.2 Corresponding figures have been re-arranged and/or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements. However, no significant reclassification has been made in these financial statements.

45 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 30, 2017.



JEHANZEB AMIN
Chief Executive



SAFDAR HUSSAIN TARIQ
Director

NOTES

A series of horizontal dotted lines for writing notes.

NOTES

A series of horizontal dotted lines for writing notes.



From of Proxy
Samin Textiles Limited

I/We _____
of _____ being member(s) of SAMIN TEXTILS LIMITED registered
at Folio No. _____ holder of _____
ordinary shares hereby appoint Mr./Mrs./Mlss _____
who is also a member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at
the 28th Annual General Meeting of the Company at the Registered Office of the Company, 50-C, Main Gulberg, Lahore on
Thursday, October 26, 2017 at 04:00 p.m. or at any adjournment thereof.

As witness my/our hand this _____ day of 2017
signed by the said _____ in the presence of

1. Witness:

Signature _____
Name _____
Address _____

Affix Revenue
Stamps of Rs. 5/-

Signature of Member

2. Witness:

Signature _____
Name _____
Address _____

Shareholder's Folio No. _____
CDC Participant I.D/Sub A/c # _____
CNIC No. _____

NOTES:

1. Proxies, in order to be effective, must be received at the Company's Registered Office 50-C, Main Gulberg, Lahore. not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.
3. An individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her NIC/Passport to prove his/her identity, and in case of proxy must enclosed an attested copy of his/her NIC/Passport. Representative of corporate members should bring the original usual documents required of such purpose.
4. No person shall act as proxy unless he is member of the Company.



AFFIX
CORRECT
POSTAGE

Company Secretary
Samin Textiles Limited
50-C, Main Gulberg,
Lahore, Pakistan.

پراکسی فارم (مختار نامہ)

ٹمین ٹیکسٹائل لمیٹڈ

میں / ہم

ساکن

بحیثیت رکن ٹمین ٹیکسٹائل لمیٹڈ اور حامل

بذریعہ ہذا محترم / محترمہ

جو کمپنی کا رکن بھی ہے،

کو اپنے / ہمارے ایما پر کمپنی کے رجسٹرڈ دفتر C-50، مین گلبرگ، لاہور میں بروز جمعرات 26 اکتوبر 2017 کو سہ پہر 04:00 بجے منعقد ہونے والے کمپنی کے 28 ویں سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے، تقریر اور شرکت کرنے یا کسی بھی التواء کی صورت میں اپنا / ہمارا بطور مختار (پراکسی) مقرر کرنا ہوں / کرتے ہیں۔

آج بروز تاریخ 2017ء کو میرے / ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

گواہان

-1

دستخط:

نام:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پتہ:

دستخط رکن:

-2

دستخط:

شیر ہولڈر کا فوٹیو نمبر:

سی ڈی سی پارٹی پیٹ آئی ڈی اذیلی اکاؤنٹ نمبر:

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر:

پتہ:

نوٹ: 1- پراکسیاں تا نکتہ مؤثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر، C-50، مین گلبرگ، لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں اور باقاعدہ مہر، دستخط اور گواہی شدہ ہونی چاہئیں۔



AFFIX
CORRECT
POSTAGE

Company Secretary
Samin Textiles Limited
50-C, Main Gulberg,
Lahore, Pakistan.



Samin Textiles Limited

50-C, Main Gulberg, Lahore, Pakistan.

Tel: +92 42 3575 3761

Fax: +92 42 3575 3688

www.samintextile.com