



Annual Report
2019



Contents

Corporate Information	02
Vision & Mission Statement	03
Chairman's Review Report.....	04
Directors' Report	06
Notice of Annual General Meeting	14
Pattern of Shareholding	19
Statement of Compliance with the Code of Corporate Governance.....	21
Independent Auditor's Review Report	23
Independent Auditor's Report.....	24
Statement of Financial Position.....	28
Statement of Profit or Loss and Other Comprehensive Income.....	30
Statement of Cash Flows.....	31
Statement of Changes in Equity	32
Notes to the Financial Statements	33
Form of Proxy.....	59

Corporate Information

Board of Directors

Non-Executive Directors

Mrs. Mehvash Amin	Chairperson
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. Qamber Hamid	Chairman
Mr. Tariq Jilani	Member
Mr. Shehryar Amin	Member

Chief Financial Officer

Mr. Safder Hussain Tariq

Company Secretary

Mr. Muhammad Tayyab

Chief Internal Auditor

Mrs. Nayab Ayaz

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Imtiaz Saddiqui & Associates

Leading Banks

National Bank of Pakistan
Bank Alfalah 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

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.

Chairman's Review Report

During the year under review the Company's production activity was closed down in August 2018.

A special resolution was passed in the Extra Ordinary General Meeting (EOGM) held on October 26, 2018 authorizing the board to dispose off fixed assets of the Company and to settle the creditors there against. Secured creditors like financial institutions, etc. were fully paid. However, unsecured creditors like supplier for goods, services and others have been settled partially. Company had intentions of implementing alternate business plan approved by the shareholders in the EOGM. This business plan was comprised of trading in textile products. But the recent changes in government policies regarding levy of additional taxes and withdrawal of relieves already allowed to textile sector has made the business plan unviable.

The board is considering other options to convert the Company as a Going Concern.

The board's overall performance has been assessed as satisfactory. However, improvement is an ongoing phenomenon. Performance evaluation of HR Committee and Audit Committee is based on their competence, task efficiency, effectiveness, facilitation & support to the Board.

Hope that performance during coming years will improve further.

Lahore: September 28, 2019



Mrs. Mehvash Amin
Chairperson



Samin Textiles Limited

چیرمین کی جائزہ رپورٹ

زیر، جائزہ سال کمپنی کی پیداواری سرگرمی کو اگست 2018 میں بند کر دیا تھا۔

26 اکتوبر 2018 کو منعقدہ غیر معمولی اجلاس عام (EOGM) میں ایک خصوصی قرارداد منظور کی گئی جس میں بورڈ کو کمپنی کے فکسڈ اثاثوں کو فروخت کرنے اور قرض دہندگان کے ساتھ تصفیے کی اجازت دی گئی۔ مالیاتی اداروں جیسے محفوظ قرض دہندگان کو مکمل ادائیگی کی گئی۔ تاہم، غیر محفوظ قرض دہندگان جیسے کہ سامان، خدمات کے سپلائرز اور دیگرز کے ساتھ جزوی طور پر طے پایا ہے۔ کمپنی کا EOGM میں حصص یافتگان کی طرف سے منظور شدہ متبادل کاروباری منصوبے پر عمل درآمد کا ارادہ تھا۔ یہ کاروباری منصوبہ ٹیکسٹائل مصنوعات میں تجارت پر مشتمل تھا۔ لیکن ٹیکسٹائل کے شعبے میں پہلے ہی اضافی ٹیکسوں کی عائدگی اور ٹیکسوں کے عائد کردہ ریڈیف کو واپس لینے سے متعلق حکومتی پالیسیوں میں حالیہ تبدیلیوں نے کاروباری منصوبے کو ناقابل عمل بنا دیا ہے۔ بورڈ کمپنی کو رواں دواں رکھنے کے لئے متبادل کاروبار کے دوسرے اختیارات پر غور کر رہا ہے۔

بورڈ کی مجموعی کارکردگی تسلی بخش قرار دی گئی ہے۔ تاہم، بہتری کا رجحان جاری ہے۔ ایچ آر کمیٹی اور آڈٹ کمیٹی کی کارکردگی کا اندازہ ان کی صلاحیت، کام کی کارکردگی، موثرگی، بورڈ کو سہولت پہنچانے اور مدد فراہم کرنے پر مبنی ہے۔

امید ہے کہ آئندہ سالوں کے دوران ان کی کارکردگی مزید بہتر ہو جائے گی۔

محترمہ مہوش امین

چیرمین

لاہور: 28 ستمبر 2019ء

Directors' Report

Directors of Samin Textiles Limited ("the Company") are pleased to present before you the 30th (thirtieth) Annual Report for the financial year ended June 30, 2019 along with Auditors' Report there on.

The annual financial statements have been prepared in compliance with IAS – 1 "Presentation of Financial Statements" and the Companies Act, 2017.

Operating Financial Results

During the financial year under review, Company's sales stood at Rs. 44.75 million as compared to Rs. 395.67 million of the corresponding last year.

The Company has posted net Profit of Rs. 91.15 million as compared to net loss of Rs. 898.12 million of the corresponding last year.

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

	Rs. in million	
	2019	2018
Sales	44.753	395.667
Gross(Loss)/Profit	(36.273)	(362.736)
Operating Loss	(101.164)	(853.345)
Other Income/ Capital Gain	249.388	34.004
Taxation	8.523	6.924
Net Profit/(Loss) for the year	91.151	(898.117)

The reasons for the net profit are being discussed hereunder:-

- Company's production activity was closed down during the month of August 2018.
- As such during the period under review the process of disposal of fixed assets, realization there against and settlement of liabilities was carried out as approved and authorized by the shareholders in their Extra Ordinary General Meeting held on October 26, 2018.
- Company has incurred a net loss of Rs. 101.164 million from its operations and net capital gain of Rs. 143.294 million from disposal of fixed assets which has resulted a net profit after tax of Rs. 91.151 million.

Charts of Significant Ratios and comparison with previous years

		2019	2018	2017	2016	2015
Sales	Rs.(m)	44.753	395.67	973.65	1,272.23	1,642.57
Profit/(Loss) after tax	Rs.(m)	91.151	(898.12)	(283.10)	(95.51)	518.51
Reserves	Rs.(m)	(399.748)	(1,099.37)	(215.74)	51.26	137.30
Gross Profit/(Loss) Ratio	%	(81.05)	(91.68)	(13.38)	4.66	(10.21)
Net (Loss)/Profit Ratio	%	(203.67)	(226.99)	(29.08)	(7.51)	31.57
Break-up Value/Share	Rs.	(2.78)	(6.75)	16.18	25.23	25.00
Current Ratio	Times	0.62	0.20	0.59	0.89	0.94
Debt/Equity Ratio	Ratio	(153:100)	(29:100)	10:90	30:70	25:75
Dividend pay Out%	%	Nil	Nil	Nil	Nil	Nil
Earning/(Loss) per Share	Rs.	3.41	(33.60)	(10.59)	(3.57)	19.40
Fixed Assets	Rs.(m)	Nil	5.620	882.07	948.92	881.13
Long Term Liabilities	Rs.(m)	Nil	54.071	120.99	203.19	133.91
Short Term Liabilities	Rs.(m)	194.475	1,040.699	576.97	532.85	853.24

Future outlook / Strategy

Due to delay in conclusion of transaction of sale of fixed assets and unfavorable business/ investment climate, commencement of Alternate Business Plan approved by the Board of Directors and shareholders has been held in abeyance in the interest of the Company. As soon as the overall business/ investment scenario turns friendly/ viable, the Company will start implementing Alternate Business Plan.

We hope that the new Alternate Business Plan will bring fruitful results for the Company subject to revision of Government policies as proposed by APTMA.

CORPORATE GOVERNANCE

The Board of Directors of Samin Textiles Limited 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

IFRS – 9 & IFRS - 15 became applicable for the first time during the year and have been implemented by the Company. The application of these new reporting standards have impacted Company's accounting policies relating to revenue and financial instruments.

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

These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable/ settlement values of the assets and liabilities respectively.

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 the 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 2019 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 2019.

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 Act, 2017. 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, four meetings of Board of Directors were held and the attendance of Directors was as under:-

1. Mrs. Mehvash Amin	04 Nos
2. Mr. Jehanzeb Amin	04 Nos
3. Mr. Shehryar Amin	04 Nos
4. Mr. Jamil Masud	04 Nos.
5. Mr. Safder Hussain Tariq	04 Nos.
6. Mr. Tariq Jillani	04 Nos.
7. Mr. Qamber Hamid	04 Nos

17. Audit Committee Meetings

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

Mr. Jamil Masud	04 Nos.
Mr. Tariq Jillani	04 Nos.
Mr. Qamber Hamid	04 Nos.
Mrs. Nayab Ayaz	04 Nos.

18. HR Committee Meetings

Four (4) meetings of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Mr. Shehryar Amin	04 Nos.
Mr. Tariq Jilani	04 Nos.
Mr. Qamber Hamid	04 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, 2020.

20. Staff Retirement Benefits

The Company was operating a provident fund scheme for its employees, for which a separate trust was created. Since July 2018 Provident Fund scheme has been closed.

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, 2019 is annexed.

22. Director Training Program

In accordance with the criteria specified in clause (xi) of CCG, four Directors have completed the Directors' Training Program (DTP). One Director of the Company is exempt due to 14 years of education and 15 years of experience on the Board of listed Company (ies), and rest of the directors to be trained within specified 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: September 28, 2019

ممبران کے لئے مجلسِ نظاماء کی رپورٹ

برائے مالی سال ختمہ 30 جون 2019ء

مجلسِ نظاماء کی جانب سے زیر دستخطی 30 جون 2019ء کو ختم ہونے والے مالی سال کی 30 ویں سالانہ رپورٹ مع اس پر محاسب کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔
سالانہ مالی حسابات IAS-1 "مالی حسابات کی پریزنٹیشن" اوکینیز ایکٹ 2017 کی تعمیل میں تیار کئے گئے ہیں۔

آپریٹنگ مالیاتی نتائج

زیر جائزہ مالی سال کے دوران کمپنی کی فروخت گزشتہ سال کی اسی مدت کی 395.67 ملین روپے کے مقابلے 44.75 ملین روپے رہی۔
کمپنی نے گزشتہ سال کی اسی مدت کے 898.12 ملین روپے خالص نقصان کے مقابلے رواں سال کاروبار سے 91.15 ملین روپے کا خالص منافع درج کیا ہے۔
خالص (نقصان) / منافع کا خلاصہ حسب ذیل ہے:-

روپے ملین میں

2018	2019	
395.667	44.753	فروخت
(362.736)	(36.273)	مجموعی (نقصان)
(853.345)	(101.164)	آپریٹنگ (نقصان)
34.004	249.388	دیگر آمدنی / کیپٹل گین
6.924	8.523	ٹیکسیشن
(898.117)	91.151	سال کا خالص منافع / (نقصان)

حسب ذیل میں خالص منافع کے اسباب پر غور کیا جا رہا ہے:

i- کمپنی کی پیداواری سرگرمی اگست 2018 کے دوران بند کر دی گئی تھی۔

ii- کیونکہ زیر جائزہ مدت کے دوران فکسڈ اثاثوں کے ڈسپوزل، واجب ادا ٹیکوں کا عمل سرانجام دیا گیا، جیسا کہ حصص یافتگان نے 26 اکتوبر 2018 کو منعقدہ اپنے غیر معمولی اجلاس عام میں منظوری اور اختیار دیا۔

iii- کمپنی کو اپنے آپریٹنگ سے 101.164 ملین روپے کا خالص خسارہ اور مقررہ اثاثوں کے ڈسپوزل سے 143.294 ملین روپے کا خالص سرمایہ حاصل ہوا جس کے نتیجے میں 91.151 ملین روپے ٹیکس کے بعد خالص منافع ہوا ہے۔

اہم تناسب اور گزشتہ سالوں سے موازنہ کا جدول:

2015	2016	2017	2018	2019	
1,642.57	1,272.23	973.65	395.67	44.753	Rs.(m) فروخت
518.51	(95.51)	(283.10)	(898.12)	91.151	Rs.(m) بعد از ٹیکس (نقصان) / منافع
137.30	51.26	(215.74)	(1,099.37)	(399.748)	Rs.(m) ریزرو
(10.21)	4.66	(13.38)	(91.68)	(81.05)	% مجموعی (نقصان) / منافع تناسب
31.57	(7.51)	(29.08)	(226.99)	(203.67)	% خالص (نقصان) / منافع تناسب
25.00	25.23	16.18	(6.75)	(2.78)	Rs. بریک اپ ویلیو / شیئر
0.94	0.89	0.59	0.20	0.62	Times موجودہ تناسب
25:75	30:70	10:90	(29:100)	(153:100)	Ratio قرضہ / ایکویٹی تناسب
Nil	Nil	Nil	Nil	Nil	% ڈیویڈنڈ کی ادائیگی (تناسب)
19.40	(3.57)	(10.59)	(33.60)	3.41	Rs. آمدن / (نقصان) فی شیئر
881.13	948.92	882.07	5.620	Nil	Rs.(m) فکسڈ اثاثے
133.91	203.19	120.99	54.071	Nil	Rs.(m) طویل مدتی واجب ادائیگیاں
853.24	532.85	576.97	1,040.699	194.475	Rs.(m) مختصر مدتی واجب ادائیگیاں

مستقبل کا نقطہ نظر/حکمت عملی

فلسفہ اثاثوں کی فروخت اور غیر منافع بخش کاروبار/سرمایہ کاری ماحول، بورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز کے منظور شدہ متبادل کاروباری منصوبہ کے آغاز کرنے میں تاخیر کی وجہ سے کمپنی کے انٹریسٹ میں کمی ہوئی۔ جیسے ہی کاروبار/سرمایہ کاری کا مجموعی ماحول دوستانہ/قابل عمل ہو جائے گا، کمپنی متبادل کاروباری منصوبہ پر عمل درآمد شروع کرے گی۔

ہم امید کرتے ہیں کہ نیا متبادل کاروباری منصوبہ کمپنی کے لئے نتیجہ خیز نتائج لائے گا جو اے پی ٹی ایم اے کی تجویز کردہ حکومتی پالیسیوں پر نظر ثانی کرے گا۔ ہم امید کرتے ہیں کہ اپنا کی تجویز کے مطابق حکومتی پالیسیوں کی روپوشی کے حوالہ سے نیا متبادل کاروباری منصوبہ کمپنی کے لئے منافع بخش نتائج سے بھرپور ہوگا۔

کارپوریٹ گورننس

نیشنل ایکٹائس کی مجلسِ نظامہ 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 موثر 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

سال کے دوران پہلی بار IFRS-9 & IFRS-15 پر قابل عمل ہوا اور کمپنی کی طرف سے لاگو کیا گیا۔ ان نئے رپورٹنگ معیارات نے آمدنی اور مالی آلات سے متعلقہ کمپنی کی اکاؤنٹنگ پالیسیوں کو متاثر کیا ہے۔

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

مجلسِ نظامہ 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

یہ مالیاتی حسابات بالترتیب اثاثوں اور واجبات کی تخمینہ شدہ قابل قبول/تصفیہ شدہ قیمتوں پر مبنی اکاؤنٹنگ کی نان گونگ کنسرن پیسز استعمال کرتے ہوئے تیار کیے گئے ہیں۔

9- داخلی کنٹرول کا نظام

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر 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 ای او، ای ای او، کمپنی بیکریٹری، 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- بقایا قانونی واجبات

ٹیکسز، ڈیویڈنڈ، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگیاں نہیں ہیں جو 30 جون 2019 کو بقایا 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 بیلنس شیٹ سے متعلق ہوں۔

13۔ ڈیویڈنڈ

متذکرہ بالا حالات کے باعث بورڈ آف ڈائریکٹرز نے 30 جون 2019 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 کمپنیز ایکٹ 2017 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 بلاجھک سوالات پوچھنے کا ہر موقع دیا جاتا ہے۔

16۔ بورڈ کے اجلاس

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

محترمہ ہوش امین	04 عدد
جہانزیب امین	04 عدد
شہریار امین	04 عدد
جمیل مسعود	04 عدد
صفدر حسین طارق	04 عدد
طارق جیلانی	04 عدد
قمبر حمید	04 عدد

17۔ آڈٹ کمیٹی کے اجلاس

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

جمیل مسعود	04 عدد
طارق جیلانی	04 عدد
قمبر حمید	04 عدد
مسز نایاب ایاز	04 عدد

18۔ ایچ آر کمیٹی کے اجلاس

سال کے دوران ایچ آر اینڈ ریمزیشن کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر رکن کی حاضری مندرجہ ذیل تھی:-

شہریار امین	04 عدد
طارق جیلانی	04 عدد
قمبر حمید	04 عدد

محاسب

آڈٹ کمیٹی کی تجویز پر، کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر چارٹرڈ اکاؤنٹنٹس، میسرز گریٹ تھورنٹن انجم الرحمن کی دوبارہ تقرری کی رائے دی ہے۔

20۔ عملہ کو ریٹائرمنٹ کے فوائد

کمپنی اپنے ملازمین کے لئے ایک پراویڈنٹ فنڈ سکیم چلا رہی تھی، جس کے لئے ایک الگ ٹرسٹ قائم کیا گیا تھا۔ جولائی 2018 سے پراویڈنٹ فنڈ سکیم بند کر دی گئی۔

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

30 جون 2019ء کے مطابق عنوان بالا کے تحت معلومات منسلک ہیں۔

22- ڈائریکٹر ٹینگ پروگرام

سی سی جی کی شق (X) میں بیان کردہ معیار کے مطابق، کمپنی کے تین ڈائریکٹرز، ڈائریکٹر ٹینگ پروگرام (ڈی ٹی پی) مکمل کر چکے ہیں۔ کمپنی کا ایک ڈائریکٹر 14 سالہ تعلیم اور مندرجہ کمپنی کے بورڈ پر 15 سالہ تجربہ کی بدولت شئی ہے اور باقی ڈائریکٹرز مجوزہ مدت کے اندر اندر تربیت 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 سیکٹر 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 ڈائریکٹر



جہانزیب امین

چیف ایگزیکٹو آفیسر

لاہور: 28 ستمبر 2019ء

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of the shareholders of **Samin Textiles Limited** (the "Company") will be held on Monday, October 28, 2019 at 11:30 a.m. 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 the preceding meeting of the shareholders of the Company.
- ii) To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2019 together with the Directors', Auditors' and Chairman's report there on.
- iii) To appoint auditors of the Company for the year ending June 30, 2020 and fix their remuneration. The Board and Audit Committee have recommended the name of retiring auditors M/S Grant Thornton Anjum Rahman, Chartered Accountants for re-appointment as auditors of the Company.
- iv) To transact any other business with the permission of the chair.

By the order of the Board

Lahore:
October 07, 2019


Muhammad Tayyab
Company Secretary

NOTES:

Share transfer book closure

The share transfer books of the Company will remain closed from October 22nd, 2019 to October 28th, 2019 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Corplink (Pvt.) Limited, Wing Arcad 1-K Commercial Model Town, Lahore, at the close of business on October 21st, 2019 will be considered in time to determine voting rights of the shareholders for attending the meeting.

Procedure and requirement for appointing proxies

- i) A member of the Company, entitled to attend, speak and vote at the Meeting is entitled to appoint another person as his / her proxy to attend, speak and vote instead of him / her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to the Member. A member shall not be entitled to appoint more than one proxy. Proxy form, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The proxy must be a Member of the Company. The proxy shall produce his/her original Computerized National Identity Card (CNIC) or passport to prove his identity. Form of proxy English and Urdu languages is attached to the Notice dispatched to the members. CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP) and shall comply with following requirements to the extent applicable.
- ii) In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per requirement notified by the Company.
- iii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iv) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- v) The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- vi) Corporate entities shall submit the Board of Directors resolution / Power of Attorney with specimen signature along with proxy form

Procedure and requirement for attending the Meeting

Presentation of original Computerized National Identity Card ("CNIC") by Member or his/her proxy to participate in the Meeting is mandatory.

Central Depository Company ("CDC") account holders are also required to follow the guidelines as laid down in Circular No.1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan ("SECP") and shall comply with following requirements to the extent applicable:

- i) In case of individuals, the account holder or sub-account holder and/or the person, whose securities are in group accounts and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the Meeting.
- ii) The Members registered on CDC are also requested to bring his/her particulars, I.D. numbers, and account numbers in CDS.
- iii) In case of a corporate entity the Board of Directors' resolution/Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

Members are requested to send copies of their CNIC's to the Company's Share Registrar to enable the Company to comply with the direction of the Securities and Exchange Commission of Pakistan (SECP) contained in SRO 831(1)/2012.

Shareholders are requested to notify change in their addresses, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to the Share Registrar, if not earlier notified.

Unclaimed Dividend

As per provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which remained unclaimed/unpaid for a period of three years from the date these become due are required to be deposited with Federal Government under the instructions of SECP. In this respect detail of unclaimed dividend is available at website of the Company. In case, no claim is received, the unclaimed dividend shall be deposited with Federal Government as required under Law.

Consent for video Conferencing Facility

Members may avail video conferencing facility for the Meeting, provided the Company receives, at least seven (7) days prior to the date of the Meeting, consent in the format provided below from Members residing at particular geographical location having 10% or more shareholding. The Company will intimate Members regarding venue of video conference facility at least five (5) days before the date of the Meeting along with complete information necessary to enable them to access the facility.

"I/We, _____ of _____, being a member of Samin Textiles Limited, holder of _____ Ordinary Share(s) as per Registered Folio / CDC A/c # _____ hereby opt for video conference facility at _____.

Signature of Member / Attorney"

Voting through Postal and Ballot

Members may exercise their right to vote as per provision of the Companies (Postal and Ballot) Regulations 2018, subject to the requirements of Section 143 & 144 of the Act. Further details in this regard will be communicated to the shareholders within legal time frame as stipulated under these said regulations, if required.

Annual Accounts of the Company

The audited financial statements of the company for the year ended June 30, 2019 are available on the Company's website (www.samintextile.com). The Members can also opt to obtain the Annual Audited Financial Statements and Notice of AGM through e-mail. In this regard, shareholders are requested to send a written consent by post/ courier on a standard request form available on the website of the Company or by sending a scanned copy of duly filled and signed form by email to Company Secretary at tayyab@samintextile.com.

NOTICE OF ANNUAL GENERAL MEETING

Miscellaneous

This notice has been sent to all Members of the Company in accordance with Section 134(1)(a) of the Act

For any query/problem/information, members may contact the Share Registrar at the following address:

M/s. Corplink (Pvt.) Limited,

Wing Arcad 1-K Commercial Model Town, Lahore.

Telephone No: +92- 42- 35916714-19, +92 - 42 - 35869037

Email: Corplink786@gmail.com, corporate@corplink.com.pk

Contact person: Mr. Muhammad Akbar

اطلاع سالانہ اجلاس عام

بذریعہ ہذا مطلع کیا جاتا ہے کہ نیشنل ٹیکسٹائلز لمیٹڈ (دی "کمپنی") کے حصص داران کا 30 واں سالانہ اجلاس عام، کمپنی کے رجسٹرڈ دفتر C-50 مین گلبرگ، لاہور پر سوموار 28 اکتوبر 2019ء کو صبح 11:30 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور:

(i) کمپنی کے حصص داران کے گزشتہ اجلاس کی کارروائی کی توثیق کرنا۔

(ii) 30 جون 2019ء پختہ سال کیلئے کمپنی کے نظر ثانی شدہ مالی حسابات مع ڈائریکٹران اور آڈیٹران کی رپورٹس اور چیئرمین کی رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔

(iii) 30 جون 2020ء پختہ سال کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہء خدمت کا تعین۔ بورڈ اور آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز مینسز گرینڈ تھرون انجم رحمان چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے دوبارہ مقرر کرنے کی سفارش کی ہے۔

(iv) صاحب صدر کی اجازت سے کوئی دیگر امور سرانجام دینا۔

لاہور

07 اکتوبر 2019ء

بحکم بورڈ

M. Tayyab

محمد طیب

کمپنی سیکرٹری

نوٹ:

حصص منتقلی کتابوں کی بندش

کمپنی کی حصص منتقلی کتابیں 22 اکتوبر 2019ء تا 28 اکتوبر 2019ء (بشمول ہر دو ایام) بند رہیں گی۔ مادی منتقلیاں/سی ڈی ایس ٹرانزیکشنز آئی ڈیز کمپنی کے شیئرز رجسٹرار، مینسز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آر کیڈ، 1-K-1 کشرل، ماڈل ٹاؤن لاہور کو 21 اکتوبر 2019ء کو کاروبار کے اختتام تک موصول ہونیوالی اجلاس میں شرکت اور حصص داران کے حق رائے دہی کے تعین کے لئے بروقت تصور ہوں گی۔

پراسیسز تقرری کا طریقہ اور ضروریات

۱۔ اجلاس ہذا میں شرکت، تقرر اور ووٹ دینے کا مستحق ممبر اپنے بجائے شرکت، تقرر اور ووٹ دینے کیلئے کسی دیگر ممبر کو بطور پراسیسز مقرر کر سکتا/سکتی ہے اور اس طرح کے مقرر پراسیسز کو اجلاس میں شرکت، تقرر اور ووٹ دینے کے ایسے حقوق حاصل ہونگے جیسے کہ ایک رکن کو دستیاب ہیں۔ ایک رکن ایک سے زیادہ پراسیسز مقرر کرنے کا اہل نہیں ہوگا۔ پراسیسز فارم، تا آنکہ مؤثر ہو سکیں، کمپنی کے رجسٹرڈ دفتر پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانا چاہئے۔ پراسیسز لازماً کمپنی کا رکن ہونا چاہئے۔ پراسیسز کو اپنی شناخت ثابت کرنے کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ مہیا کرنا ہوگا۔ اردو اور انگریزی زبان میں پراسیسز فارم نوٹس ہذا کے ہمراہ منسلک ارکان کو ارسال کیا گیا ہے۔

سی ڈی سی اکاؤنٹ ہولڈرز کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) بروئے

سرکلر نمبر 1 مورخہ 26 جنوری 2000ء کی دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی اور قابل اطلاق حد تک مندرجہ ذیل ریکوائرنمنٹ پر عمل کرنا ہوگا۔

ii۔ بصورت افراد، اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور/یا شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، کو بالآخر ریکوائرنمنٹ کے مطابق پراسیسز فارم جمع کرنا ہوگا۔

iii۔ پراسیسز فارم، دو افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہونگے، کے گواہی شدہ ہونے چاہئیں۔

iv۔ بینیفیشل اوزر اور پراسیسز کے CNIC یا پاسپورٹ کی مصدقہ نقول پراسیسز فارم کے ہمراہ جمع کرنا ہوگی۔

v۔ پراسیسز، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔

vi۔ کارپوریٹ اتھنٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ دستخط، کمپنی کو پراسیسز فارم کے ہمراہ جمع کرنا ہوگی۔ (اگر پہلے مہیا نہیں کئے گئے)۔

اجلاس میں شرکت کیلئے ریکوائرنمنٹ اور طریقہ

رکن یا اسکے پراسیسز کی طرف سے اجلاس میں شرکت کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) پیش کرنا لازمی ہے۔

سنٹرل ڈیپازٹری کمپنی (سی ڈی سی) اکاؤنٹ ہولڈرز کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان (SECP) بروئے سرکلر نمبر 1 مورخہ 26 جنوری 2000ء کی دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی اور قابل اطلاق حد تک مندرجہ ذیل ریکوائرنمنٹ پر عمل کرنا ہوگا۔

(i) بصورت افراد، اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور/یا شخص جن کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

(ii) سی ڈی سی میں رجسٹرڈ ارکان سے یہ بھی التماس ہے کہ اپنے کوائف، آئی ڈی نمبرز اور سی ڈی ایس میں اکاؤنٹ نمبرز ہمراہ لائیں۔

(iii) بصورت کارپوریٹ اتھنٹیٹی بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نمونہ کے دستخط اجلاس کے وقت مہیا کرنا ہوگی (اگر پہلے مہیا نہیں کئے گئے)۔

ارکان سے التماس ہے کہ کمپنی کو 2012/1(831) SRO میں شامل سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کی تعمیل کے اہل بنانے کے لئے کمپنی کے شیئرز رجسٹرار کو اپنے CNIC کی کاپیاں ارسال کریں۔

شیئرز ہولڈرز سے التماس ہے کہ اپنے پتوں میں تبدیلی بارے اطلاع، سی ڈی ایس میں بک انٹری سیکورٹیز کی صورت میں اپنے متعلقہ سی ڈی ایس پائپسٹنس کو اور مادی حصص کی صورت میں شیئرز رجسٹرار کو پہنچائیں (اگر پہلے مطلع نہیں کیا گیا)۔

غیر دعویٰ شدہ ڈیویڈنڈ

کمپنیز ایکٹ 2017ء کی دفعہ 244 کی پروویژن کے مطابق، کمپنی کی طرف سے کوئی جاری شدہ

ای میل Corplink786@gmail.com
 Corporate@corplink.com.pk
 رابطہ پر سن: جناب محمد اکبر

حصص یا اعلان کردہ ڈیویڈنڈ جو تاریخ سے تین سالوں کی مدت کے لئے غیر دعویٰ/غیر ادا شدہ رہے یہ SECP کی ہدایات کے تحت وفاقی حکومت کے ہاں جمع کرانے ضروری ہیں۔ اس سلسلہ میں غیر دعویٰ شدہ ڈیویڈنڈ کی تفصیل کمپنی کی ویب سائٹ پر دستیاب ہے۔ کوئی دعویٰ وصول نہ ہونے کی صورت میں، غیر دعویٰ شدہ ڈیویڈنڈ قانون کے تحت تقاضہ کے مطابق وفاقی حکومت کے ہاں جمع کرادیئے جائیں گے۔

وڈیوکانفرنس سہولت کے لئے رضا مندی

ارکان اجلاس میں شرکت کے لئے وڈیوکانفرنس سہولت سے مستفید ہو سکتے ہیں اگر کمپنی مجموعی 10% یا زیادہ شیئرز ہولڈنگ کے مالک مخصوص جغرافیائی محل وقوع میں سکونت ارکان سے اجلاس میں وڈیوکانفرنس کے ذریعے شرکت کیلئے درج ذیل فارمیٹ میں رضا مندی اجلاس کی تاریخ سے کم از کم سات (7) یوم قبل وصول ہوتی ہے۔

تو کمپنی اجلاس کی تاریخ سے کم از کم پانچ (5) یوم قبل وڈیوکانفرنس سہولت کے مقام معہ سہولت تک رسائی کے قابل بنانے کے لئے ارکان کو مطلع کرے گی۔

میں/ہم..... ساکن..... بحیثیت رکن/ٹینٹیکسٹائل ملز
 لمیٹڈ، مالک..... عام حصص بمطابق رجسٹرڈ فولیو/سی ڈی سی اکاؤنٹ نمبر
 بذریعہ ہذا..... میں وڈیوکانفرنس سہولت کا خواہشمند ہوں۔

دستخط رکن/انارنی

دوونگ بذریعہ پوسٹ بیلٹ

ارکان ایکٹ کی دفعہ 143 اور 144 کی ریکورڈمنٹس کے حوالہ سے کمپنیز (پوسٹل اینڈ بیلٹ) ریگولیشنز 2018 کی دفعات کے مطابق اپنے ووٹ کا حق استعمال کر سکتے ہیں۔ اس سلسلہ میں مزید تفصیلات، اگر درکار ہوں، ان مذکورہ ریگولیشنز کے تحت مقرر قانونی فریم ورک کے اندر حصص داران کو مطلع کر دی جائیں گی۔

کمپنی کے سالانہ اکاؤنٹس

30 جون 2019ء کو ختم ہونے والے سال کے لئے کمپنی کے نظر ثانی شدہ مالی حسابات کمپنی کی ویب سائٹ (www.samintextile.com) پر دستیاب ہیں۔ ارکان سالانہ نظر ثانی شدہ مالی حسابات اور نوٹس AGM بذریعہ ای میل بھی حاصل کر سکتے ہیں۔ اس سلسلہ میں، حصص داران سے درخواست ہے کہ کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم پر اپنی تحریری رضا مندی بذریعہ ڈاک / کوریئر ارسال کریں یا باقاعدہ پُر اور دستخط شدہ فارم کی سکین شدہ کاپی بذریعہ ای میل tayyab@samintextile.com پر کمپنی سیکرٹری کو ارسال کریں۔

متفرقہ

نوٹس ہذا ایکٹ کی دفعہ (a)(1) 134 کے مطابق کمپنی کے تمام ارکان کو ارسال کیا جا رہا ہے۔ کسی استفسار / مسئلہ / معلومات کے لئے، ارکان مندرجہ ذیل پتہ پر شیئرز رجسٹرار سے رابطہ کر سکتے

ہیں:

میسرز کارپ لنک (پرائیویٹ) لمیٹڈ ونگ آر کیڈ K-1 کمرشل ماڈل ٹاؤن لاہور۔

فون نمبر +92-42-3586903، +92-42-35916714-19

Pattern of Shareholding

The Companies Act, 2017 (Section 227(2) (f))

FORM 34

Name of the Company

SAMIN TEXTILES LIMITED.

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

30-06-2019

No. of Shareholders	----- Shareholding -----		Total Shares Held
	From	To	
81	1	100	1,996
236	101	500	115,128
94	501	1,000	90,045
161	1,001	5,000	474,060
48	5,001	10,000	398,943
17	10,001	15,000	222,794
19	15,001	20,000	356,522
12	20,001	25,000	283,870
8	25,001	30,000	225,000
4	30,001	35,000	132,000
3	35,001	40,000	110,000
5	45,001	50,000	246,500
3	50,001	55,000	154,001
2	55,001	60,000	119,500
2	70,001	75,000	148,500
4	80,001	85,000	333,025
1	115,001	120,000	117,000
1	165,001	170,000	167,000
1	180,001	185,000	181,000
1	210,001	215,000	212,500
1	295,001	300,000	300,000
1	300,001	305,000	300,707
1	375,001	380,000	376,160
2	495,001	500,000	1,000,000
1	635,001	640,000	637,000
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
715			26,728,000

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers and their spouse and minor children	18,032,004	67.4648%
Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
NIT and ICP	0	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	6,026,835	22.5488%
b. Foreign	500	0.0019%
Others (to be specified)		
1-Pension Funds	12,794	0.0479%
2- Joint Stock Companies	143,001	0.5350%
3-Others	449	0.0017%

Signature of Company Secretary



Name of Signatory

Muhammad Tayyab

NIC Number

35201-1531083-5

Date

30 06 2019

Categories of Shareholding

Required under Code of Corporate Governance (CCG) as on June 30, 2019

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 OPPORTUNITY 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 JILANI	500	0.0019%
5 MR. JAMIL MASUD	500	0.0019%
6 MR. TARIQ ALI	500	0.0019%
7 MR. SHEHRYAR AMIN (CDC)	1,000	0.0037%
8 MR. QAMBER HAMID (CDC)	1,000	0.0037%
9 MRS. MEHVASH AMIN W/O SARMAD AMIN (CDC)	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 (CDC)	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 Listed Companies (Code of Corporate Governance) Regulations, 2017
for the year ended June 30, 2019

Name of the Company : Samin Textiles Limited (the “Company”)

For the Year ended : June 30, 2019

The company has complied with the requirement of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
 - a) **Male:** Six (6)
 - b) **Female:** One (1)
2. The composition of board is as follows:

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 director does not meet the criteria of independence under clause 5.19.1 (b) of the CCG.

3. The Directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company. (Excluding the listed subsidiaries of listed holding companies where applicable).
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved and amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training Program for the followings:
 - i) Mr. Shehryar Amin Non-Executive Director
 - ii) Mr. Jehanzeb Amin Executive Director
 - iii) Mr. Jamil Masud Non-Executive Director
 - iv) Mr. Tariq Jilani Non-Executive Director

One Director of the company, Mr. Safder Hussain Tariq is exempt due to 14 years of education and 15 years of experience on the Board of listed company (ies).

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

a. Audit Committee

- i. Mr. Qamber Hamid -Chairman
- ii. Mr. Jamil Masud -Member
- iii. Mr. Tariq Jilani -Member

b. HR and Remuneration Committee

- i. Mr. Qamber Hamid -Chairman
- ii. Mr. Tariq Jilani -Member
- iii. Mr. Shehryar Amin -Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the aforesaid committee were as per following:

- a. **Audit Committee:** Four quarterly meetings during the financial year ended June 30, 2019.
- b. **HR and Remuneration Committee:** Four quarterly meetings during the financial year ended June 30, 2019.

15. 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.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

On behalf of the Board of Director



Jehanzeb Amin
Chief Executive Officer



Mrs. Mehvash Amin
Chairperson

Lahore: September 20, 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Samin Textiles Limited Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Samin Textiles Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

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

Sr.	Paragraph	Description
(i)	2	Independent director appointed by the Company does not meet criteria of independence under clause 5.19.1 (b).

Grant Thornton Anjum Rahman
Grant Thornton Anjum Rahman
 Chartered Accountants

Lahore

Date: September 30, 2019

Chartered Accountants

Member of Grant Thornton International Ltd
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INDEPENDENT AUDITOR'S REPORT

To the members of Samin Textiles Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Samin Textiles Limited** (the Company), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (here-in-after referred to as "the financial statements") and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 1.2 to the financial statements, which states that the Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Chartered Accountants

Member of Grant Thornton International Ltd
Offices in Karachi & Islamabad

Following are the Key audit matters:

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
1	Implementation of IFRS-9	
	<p>During the year, IFRS-9 has been implemented requiring certain new disclosures. The matter is considered significant owing to its importance.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Reclassifying of financial assets and financial liabilities; • Ascertaining effect on opening balances of financial assets and financial liabilities; • Incorporating reclassification adjustments; and • Verification of appropriate disclosure in financial statements.
2	<p>Disposal of Capital Assets</p> <p>During the year, Company has sold all its manufacturing related assets. The matter considered as significant owing to its importance.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining sale agreements with parties; • Obtaining and reviewing minutes of EOGM and BOD approving disposal of assets; • Recalculating gain/(loss) on disposal; • Verifying receipts during the year; • Obtaining and reviewing Form-17 (satisfaction and completion of mortgage or charge); • Verification of physical dispatch of assets; and • Verification of appropriate disclosure in financial statements.
3	<p>Written back Creditors</p> <p>The Company has written back creditors amounting to Rs. 78.032 million during the year. Due to significance of the matter involved, this is considered as a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining list of creditors written off during the year; • Comparing balances with amounts recorded in the financial statements; • Obtaining settlement agreements for amounts fully / partially written off; • Obtaining and reviewing minutes of BOD approving write back of liabilities; • Ensuring reasonableness of write back; and • Verification of appropriate disclosure in financial statements
4	<p>Settlement of Long Term debts</p> <p>The Company has settled its all long term loans during the year. This matter is considered a key audit matter due to its significance.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining and reviewing NOC's from lenders; • Tracing payments made to bank statements; • Obtaining and reviewing satisfaction of charge documents (Form-17); • Recalculating markup till settlement date ; • Recalculating markup waived during the year;

Sr. No.	Key Audit Matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> • Comparing with amounts recorded and reconciliation of differences; and • Assessing that amounts are properly disclosed in financial statements.
5	<p>Tax Contingencies</p> <p>The Company has received demand notices and assessment orders under various sections of the Income Tax Ordinance, 2001 for previous years as fully described in note 14.1 to these financial statements.</p> <p>Contingencies require management to make judgements and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgements and estimates to assess the same including relating financial impacts, we considered tax contingencies as key audit matters.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • discussing the matters with directors, management and tax advisor of the Company; • reviewing correspondence of the Company with relevant authorities including judgements or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved; • obtaining confirmation from the Company's tax advisor and ascertained Company's contentions; • assessing the contingencies under applicable accounting framework; and • assessing the appropriateness of disclosures made regarding the contingencies.

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

The Board of Directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2019, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Afzal.

Grant Thornton Anjum Rahman
Grant Thornton Anjum Rahman
Chartered Accountants

Lahore

Date: September 30, 2019

Statement of Financial Position

As at June 30 2019

	Notes	2019 Rupees	2018 Rupees
Equity and liabilities			
Equity			
Share capital and reserves			
Share capital			
Issued, subscribed and paid-up share capital	4	267,280,000	267,280,000
Loan from sponsor	5	58,271,947	85,488,373
Capital reserves			
Revaluation surplus on property, plant and equipment	6	-	566,097,186
Revenue reserves			
Accumulated / unappropriated (loss)		(399,748,333)	(1,099,369,878)
Total equity		(74,196,386)	(180,504,320)
Liabilities			
Non-current			
Sub-ordinated Loan - related party	7	-	10,411,566
Deferred liabilities	8	-	43,659,621
Total non-current liabilities		-	54,071,187
Current			
Sub-ordinated loan - related party	7	10,411,566	-
Deferred liabilities	8	1,277,250	-
Trade and other payables	9	79,878,720	165,278,430
Interest / markup accrued on borrowings	10	2,899,535	56,442,394
Short term borrowings - banks and financial institutions	11	-	441,869,259
Short term borrowings - related party	12	100,000,000	160,000,000
Current portion of long term financing	13	-	181,709,484
Unclaimed dividend		8,200	3,466,164
Contribution to Provident Fund Payable		-	31,933,363
Total current liabilities		194,475,271	1,040,699,094
Total liabilities		194,475,271	1,094,770,281
Total equity and liabilities		120,278,884	914,265,962

Contingencies and commitments 14

The annexed notes 1 to 43 form an integral part of these financial statements.


JEHANZEB AMIN
 Chief Executive


SHEHRYAR AMIN
 Director


SAFDER HUSSAIN TARIQ
 Director / CFO

Lahore

Statement of Financial Position

As at June 30 2019

	Notes	2019 Rupees	2018 Rupees
Assets			
Non-current			
Property, plant and equipment	15	-	5,620,079
Total Non-current assets		-	5,620,079
Current			
Property, plant and equipment	15	6,081,116	-
Deposits - Security	16	5,355,000	-
Stores, spare parts and loose tools	17	-	44,466,219
Stock in trade	18	-	20,634,645
Trade debts	19	872,441	13,339,625
Loans and advances	20	-	8,158,157
Trade deposits and prepayments	21	1,085,424	2,793,663
Tax refunds due from government	22	101,159,783	118,133,938
Cash and bank balances	23	5,725,120	3,349,231
Total Current assets		120,278,884	210,875,478
Non-current assets classified as held for sale	24	-	697,770,405
Total assets		120,278,884	914,265,962

The annexed notes 1 to 43 form an integral part of these financial statements.

Lahore



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2019

	Notes	2019 Rupees	2018 Rupees
Sales	25	44,753,002	395,667,125
Cost of sales	26	(81,026,158)	(758,403,672)
Gross (loss)		(36,273,156)	(362,736,547)
Other income	27	249,388,746	34,004,812
Distribution cost	28	(6,490,827)	(14,278,773)
Administrative expenses	29	(53,459,686)	(56,624,477)
Other operating expenses	30	(4,940,399)	(419,705,566)
Operating profit / (loss)		148,224,677	(819,340,552)
Finance cost	31	(48,549,474)	(71,852,645)
Profit / (loss) before taxation		99,675,204	(891,193,197)
Provision for taxation	32	(8,523,365)	(6,924,744)
Profit / (loss) after taxation		91,151,839	(898,117,941)
Other comprehensive income			
Items that may be reclassified to statement of profit or loss		-	-
Items that will not be reclassified subsequently to statement of profit or loss			
Revaluation surplus on land and building during the year (net of tax)	6	-	240,799,340
Total other comprehensive income for the year		-	240,799,340
Total comprehensive profit / (loss) for the year		91,151,839	(657,318,601)
Earning / (loss) per share - basic and diluted	34	3.41	(33.60)

The annexed notes 1 to 43 form an integral part of these financial statements.


JEHANZEB AMIN
 Chief Executive


SHEHRYAR AMIN
 Director


SAFDER HUSSAIN TARIQ
 Director / CFO

Lahore

Statement of Cash Flows

For the year ended June 30, 2019

	Notes	2019 Rupees	2018 Rupees
Cash flows from operating activities			
Cash (used in) operations	36	(59,020,617)	(95,627,628)
Income tax paid		-	(2,319,891)
Gratuity paid		(9,850)	-
Net cash (used in) operating activities		(59,030,467)	(97,947,519)
Cash flows from investing activities			
Decrease in long term deposits		-	14,420,790
Proceeds from disposal of property, plant and equipment		869,255,000	2,800,000
Proceeds from realization of long term deposits		9,708,500	-
Additions in property, plant and equipment		(3,502,200)	(9,652,350)
Net cash from investing activities		875,461,300	7,568,440
Cash flows from financing activities			
(Decrease)/ increase in short term borrowings		(501,869,259)	76,261,778
(Decrease) / increase in long term financing		(181,709,484)	19,766,950
(Decrease) / Increase in Sponsor's loan - net		(27,216,426)	44,488,373
Dividend paid		(3,457,964)	-
Finance cost paid		(99,801,810)	(51,846,948)
Net cash (used in) / from financing activities		(814,054,943)	88,670,153
Net change in cash and cash equivalents		2,375,889	(1,708,926)
Cash and cash equivalents at the beginning of the period		3,349,231	5,058,157
Cash and cash equivalents at the end of the period	23	5,725,120	3,349,231

The annexed notes 1 to 43 form an integral part of these financial statements.

Lahore



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO

Statement of Changes in Equity

For the year ended June 30, 2019

Particulars	Capital Reserve			Revenue reserve		Total Equity
	Issued, subscribed and paid up share capital	Loan from sponsor	Revaluation surplus on property, plant and equipment	Revenue reserve-Accumulated Profits/(Loss)	Sub-total	
	Rupees A	Rupees B	Rupees C	Rupees D	Rupees E=B+C+D	Rupees F=A+E
Balance as at July 01, 2017	267,280,000	41,000,000	339,791,266	(215,745,357)	165,045,909	432,325,909
Loss for the year	-	-	-	(898,117,941)	(898,117,941)	(898,117,942)
Other comprehensive income for the year	-	-	240,799,340	-	240,799,340	240,799,340
Total comprehensive loss for the year	-	-	240,799,340	(898,117,941)	(657,318,601)	(657,318,602)
Loan obtained during the year	-	44,488,373	-	-	44,488,373	44,488,373
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	(14,493,420)	14,493,420	-	-
Balance as at June 30, 2018	267,280,000	85,488,373	566,097,186	(1,099,369,878)	(447,784,319)	(180,504,320)
Profit for the year	-	-	-	91,151,839	91,151,839	91,151,839
Loan repaid during the year	-	(27,216,426)	-	-	(27,216,426)	(27,216,426)
Transfer from revaluation surplus due to disposal of assets - net of tax	-	-	(566,097,186)	608,469,707	42,372,521	42,372,521
Balance as at June 30, 2019	267,280,000	58,271,947	-	(399,748,333)	(341,476,386)	(74,196,386)

The annexed notes 1 to 43 form an integral part of these financial statements.


JEHANZEB AMIN
 Chief Executive


SHEHRYAR AMIN
 Director


SAFDER HUSSAIN TARIQ
 Director / CFO

Lahore

Notes to the Financial Statements

For the year ended June 30, 2019

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 (repealed with enactment of Companies Act, 2017). The registered office of the Company is situated at 50-C, Main Gulberg, Lahore and the plant located at 8 Kilometer, Manga Raiwind Road, Kasur was disposed off during the year. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is trading, import and export of textile products.

1.2 NON-GOING CONCERN BASIS OF ACCOUNTING

The Company has incurred gross loss of Rs. 36.273 million during the year ended 30 June 2019. Accumulated losses of the Company as on the reporting date are Rs. 399.748 million. In September 2018, the operations of the mill were suspended. Later on, members, through a special resolution, approved the disposal of all manufacturing related assets of the Company in an EOGM held on 26 October, 2018 and an alternate business plan for trading, import and export of textile products was adopted.

However, the alternate business plan became unviable due to imposition of additional taxes on textile sector and subsequently could not be implemented. It is not possible to run the Company at an economically viable level due to poor economic / market conditions for textile sector and high energy costs.

In view of the aforesaid reasons, the Company is not considered a going concern. These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

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 such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

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

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

- IFRS 9 'Financial Instruments' - This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities derecognition of financial instruments, impairment of financial assets and hedge accounting; it also includes an expected credit losses impairment model that replaces the current incurred loss impairment model.

IFRS 9 'Financial Instruments' in respect of companies holding financial assets due from the Government, the requirements contained in "IFRS 9 (Financial Instruments) with respect to application of Expected Credit Losses are deferred till July 2021 as a result of notification issued by Security and Exchange Commission of Pakistan.

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

However, there has been no change in recognition of revenue due to IFRS-15.

Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 9 and IFRS 15 on these financial statements of the Company except for changes in accounting policies. Consequent to the adoption of above mentioned standards, changes in accounting policies have been reflected in note 3.6, 3.11 and 3.16

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

IFRS 16 'Leases' will be effective for the Company's annual accounting period beginning July 1, 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Further, IFRS 17 'Insurance contracts' is yet to be adopted by the SECP.

Notes to the Financial Statements

For the year ended June 30, 2019

Additionally there are certain new standards, amendments and interpretations to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

2.4 Accounting convention

These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

2.5 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:

- realizable / settlement values of liabilities
- provision for doubtful / trade debts;
- provision of income tax liability; and
- disclosure and assessment of provision for contingencies.

2.6 Estimated realizable / settlement values of assets and liabilities respectively

The Company started preparing its financial statements using non-going concern / alternate basis of estimated realizable / settlement values of the assets and liabilities respectively from the year ended June 30, 2019. In realizable / settlement value basis, assets are carried at amounts of cash and cash equivalents that could currently be obtained by selling the assets in an orderly disposal. Liabilities are carried at their settlement values, i.e. undiscounted amounts of cash or cash equivalents expected to be paid, to satisfy the liabilities in the normal course of business. Realizable / settlement values of assets and liabilities respectively as disclosed in these financial statements are based on the managements' estimate.

2.7 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Employee benefits

Defined contribution plan

The Company was operating an unapproved provident fund scheme. This scheme was ceased on 30 June, 2018.

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 reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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 reporting date. Deferred tax is charged or credited to the profit or 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. Freehold land is stated at revalued amount while building on freehold land is stated at revalued amount less accumulated depreciation. Capital work in progress is stated at cost less impairment loss, if any. Cost also includes borrowing cost.

Notes to the Financial Statements

For the year ended June 30, 2019

Depreciation is charged to profit or loss account applying the reducing balance method over the estimated useful life at the rates specified in note 15.

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 or 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 or 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.

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 statement of financial position 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 or 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 15.

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 reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date.

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

3.6 Financial instruments

Financial assets

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

a) Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss account.

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss account in the period in which it arises

Notes to the Financial Statements

For the year ended June 30, 2019

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

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

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss account, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss account.

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

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

Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements 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 realise the asset and settle the liability simultaneously.

3.7 Cash and cash equivalents

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.

3.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position in note 24.

Notes to the Financial Statements

For the year ended June 30, 2019

3.9 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.

3.10 Stock in trade

These are measured at lower of cost and net realizable value. Cost is detailed on following basis:

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

Raw material in transit is stated at invoice price plus other charges paid thereon up to the date of statement of financial position.

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.

3.11 Revenue recognition

As per IFRS-15:

- Revenue from sale of goods is recognised when control of goods is transferred to customers
- Profit on bank balances are recognised on a time proportion basis on the principal amount outstanding and at the applicable rate.

3.12 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 statement of financial position date and adjusted to reflect the current best estimate.

3.13 Impairment

The carrying amounts of assets are reviewed at each reporting 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 or loss account.

3.14 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 by applying straight line method.

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

3.15 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 view the Company's operations as one reportable segment.

Notes to the Financial Statements

For the year ended June 30, 2019

3.16 Trade debts and other receivables

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

	Note	2019 Rupees	2018 Rupees
4 SHARE CAPITAL			
4.1 Authorized share capital			
30,000,000 (2018: 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 (2018: 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	58,271,947	85,488,373
Total		58,271,947	85,488,373

5.1 This represents interest free loan from a member (ex-director) of the Company to meet working capital requirements. 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, such loan has been classified as part of equity.

6 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.

Latest revaluation of freehold land and building on freehold land was carried out as on August 25, 2018 by M/s RBS associates (Private) Limited on the basis of market values.

6.1 The revaluation resulted in the following:

	Note	2019 Rupees	2018 Rupees
Balance at the beginning of the year		566,097,186	339,791,266
Transfer to unappropriated losses on account of incremental depreciation - net of tax		-	(14,493,420)
Add: Revaluation surplus during the year on land and building		-	240,799,340
Less: adjustment of Revaluation surplus on sale of land and building		(566,097,186)	-
Total		-	566,097,186

7 SUB-ORDINATED LOAN - RELATED PARTY

Sub-ordinated loan-unsecured	7.1	10,411,566	10,411,566
Transfer to current liabilities		(10,411,566)	-
Total		-	10,411,566

7.1 This represents interest bearing loan from a member of the Company. The loan was designated as an interest bearing loan with effect from July 1, 2010 and carries interest @ 6 Month KIBOR + 3% per annum. Re-payment terms of the loan have not yet been finalized.

Notes to the Financial Statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
8 DEFERRED LIABILITIES			
Deferred tax	8.1	-	42,372,521
Staff gratuity	8.2	1,277,250	1,287,100
Transfer to current liabilities		(1,277,250)	-
Total		-	43,659,621

8.1 Deferred tax asset amounting to Rs. 458.083 million (2018: Rs. 467.941 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.

8.2 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	2019 Rupees	2018 Rupees
9 TRADE AND OTHER PAYABLES			
Creditors			
- for goods		14,066,597	16,783,643
- for supplies		7,363,138	44,806,786
- for services		9,699,411	49,343,707
		31,129,146	110,934,136
Accrued liabilities		29,211,669	20,360,819
Advances from customers		17,341,923	23,236,048
Security deposits	9.1	-	513,630
Withholding tax payable		2,195,983	10,233,797
Total		79,878,720	165,278,430

9.1 Security deposits

- goods / services to be delivered / provided	9.1.1	-	513,630
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Total		-	513,630
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9.1.1 These security deposits had been taken for goods / services to be delivered / provided and are utilized for the purpose of Company business.

	2019 Rupees	2018 Rupees
10 INTEREST / MARKUP ACCRUED ON BORROWINGS		
Markup accrued on:		
Long term financing	-	1,943,840
Liabilities against assets subject to finance lease	-	3,217,396
Short term borrowings	-	30,438,858
Subordinated loan - related party	-	13,084,026
Short term borrowings	2,899,535	7,758,274
Total	2,899,535	56,442,394

Notes to the Financial Statements

For the year ended June 30, 2019

11 SHORT TERM BORROWINGS - BANKS AND FINANCIAL INSTITUTIONS

	Note	Sanctioned Limit Rupees	2019 Rupees	2018 Rupees
From banking companies - secured :				
Pre & Post-shipment - own sources	11.2	106,875,000	-	106,869,778
Cash finance	11.3	335,000,000	-	334,999,481
Total			-	441,869,259

11.1 The securities against short term borrowing obtained from Askari Bank Limited, Summit Bank, Soneri Bank and National Bank of Pakistan were utilized for various facilities sanctioned by the financial institutions.

11.2 These facilities were secured against first joint pari passu charge on current assets ranging from Rs. 115 million to Rs. 176 million, first pari passu charge on fixed assets of Rs. 60 million, second joint pari passu charge on fixed assets of the Company of Rs. 114 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, Ranking Mortgage for Rs.13 million over additional land measuring 11 kanals & 19 Marlas, indemnity bond to cover exchange risk, hypothecation of plant & machinery and mortgage charge over land measuring 282 kanals & 8 marlas and building and personal guarantee of the sponsoring director of the Company. These carry markup at rates ranging from three to six months KIBOR plus 3% to 9% per annum (2018: three to six months KIBOR plus 1% to 4% per annum).

11.3 These facilities were 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 amounting 340 million, 1% registered and 100% equitable mortgage of residential property in the name of Mrs. Mehvish Amin, pledge of stocks (i.e. yarn and grey cloth) and personal guarantee of the sponsoring director. These facilities carry markup at rate ranging from three to six month KIBOR plus 1% to 4% per annum (2018: three to six month KIBOR average ask rate plus 3% per annum).

Note	2019 Rupees	2018 Rupees
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12 SHORT TERM BORROWINGS - RELATED PARTY

From related parties - unsecured	12.1	100,000,000	160,000,000
Total		100,000,000	160,000,000

12.1 This loan has been extended by a shareholder of the company and is utilized for working capital requirement. This carries interest at the rate of 3 months KIBOR plus 0.5% p.a.

	2019 Rupees	2018 Rupees
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13 CURRENT PORTION OF LONG TERM BORROWINGS

Long term financing	-	180,328,119
Liabilities against assets subject to finance lease	-	1,381,365
Total	-	181,709,484

14 CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

i) A suit for declaration with consequential relief and damages has been filed dated 11-10-2013 against the Company to challenge the purchase of land in village Rousa, Kasur. The same is pending adjudication before Civil Judge, Kasur. There is a likelihood that the Company will succeed in the matter.

ii) 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, second appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) on the same grounds, hearing date was fixed on 23-07-2019 which was adjourned for consolidation of appeals and notice is awaiting till date. Subsequently on 06-09-2019, ATIR has dismissed appeal filed by department.

Notes to the Financial Statements

For the year ended June 30, 2019

- iii) An appeal effect order u/s 124 for Tax Year 2008 in the light of direction given in the CIR(A)-II Order No. C/7 page No. 121 dated 16-04-2014 where total losses amounting to Rs. (128,915,283) has been determined and demand of Rs. 28,482,019 has been vacated in the said appeal effect order. Whereas, the Company has approached ATIR against the order of CIR(A)-II. which is pending adjudication till date. Moreover, tax department has also approached ATIR and appeal is pending adjudication till date.
- iv) An order u/s 122(5A) for Tax Year 2009 on 27-10-2014 has been passed by Additional Commissioner Inland Revenue (Add. CIR) raising demand of Rs. 4,857,801. Appeal was filed before CIR-Appeals, who provided partial relief whereas interest on WPPF & on short term borrowings was disallowed, whereas, the Company has approached ATIR on 17-05-2015 against the order of CIR-Appeals which is pending adjudication till date.
- v) An order u/s 122(5A) for Tax Year 2010 on 31-10-2012 has been passed by 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 on 04-07-2013 before the Appellate Tribunal Inland Revenue (ATIR), Appeal was heard on 11-04-2019 where the ATIR upheld the decision of CIR. The Company has approached Honorable High Court, Lahore against such order.

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 1,775,510 respectively. Appeal against orders of CIR was filed before CIR Appeals-II who annulled the aforesaid order and remanded back the case to Department for re-examination through an order dated 06-02-2019.

An appeal has been filed by tax Department before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication till date.

- vi) An order u/s 122(5A) for Tax Year 2011 has been passed on 02-02-2016 by CIR reducing the Income Tax Refunds from Rs. 8,939,819 to Rs. 2,925,744. Appeal against order of CIR was filed before CIR Appeals-II, Lahore who after considering arguments, deleted the additions made u/s 158(a) of the Ordinance by the CIR along with direction to re-examine the issue of refunds to the department through an order dated 06-02-2019. However, appeal was filed by tax department before higher appellate forum i.e ATIR dated 22-03-2019, which is pending adjudication till date.
- vii) In respect of the Audit proceedings for the Tax Year 2012. The Add. CIR passed an Order on 23-06-2018 u/s 122(5A) of the Ordinance along with notice of demand u/s 137 of the Ordinance whereby the tax demand of Rs. 3,971,666/- was raised and made impugned addition/disallowance of Rs. 22,739,169/-.

The Company has filed an Appeal before the first Appellate Forum i.e. Commissioner Appeals-II, Lahore on 23-07-2018. This appeal is pending for adjudication till date.

- viii) An order u/s 122(1)(5) for Tax Year 2014 was passed on 29-0-2017 by ACIR, Unit-02, Zone-VII, whereby addition of Rs. 23,525,775 were made and the tax demand of Rs. 1,293,704 was raised. Appeal against order of ACIR has been filed before CIR Appeals-II, Lahore on 30-11-2017, which are pending for adjudication till date.
- ix) An order u/s 122(1) for Tax Year 2015 was passed by ACIR whereby addition of Rs. 18,856,268 was made and the tax refund claimed demand was reduced from Rs. 17,462,076 to Rs. 17,099,006. Appeal against order of ACIR has been filed before CIR Appeals-II on 12-02-2018, which is pending for adjudication till date.
- x) Guarantees of Rs. 29.655 million (2018: Rs. 29.655 million) have been given by the National Bank of Pakistan on behalf of the Company to LESCO, Sui Northern Gas private Limited and Excise and Taxation Authorities.
- xi) A suit has been filed by Dynamic Equipment & Control (Pvt.) Limited on 12 October, 2018 seeking recovery of Rs. 8.4 Million from the Company. Notices have been issued and the Company is defending its rights in the suit. The Company has already recorded payable amounting to Rs. 7,075,291 and is confident that liability will not exceed already provided for amount.
- xii) An appeal has been preferred against the Company in a recovery suit instituted against it by Chenab Limited on account of supply of defective cloth for a sum of Rs. 11,383,145/- along with damages of Rs. 5,000,000/-. The matter is subjudice before the Lahore High Court, Lahore. There is likelihood that the matter will be resolved in favour of the Company.

	Note	2019 Rupees	2018 Rupees
15	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	6,081,116	5,620,079
	Transferred to current assets	(6,081,116)	-
	Total	-	5,620,079

Notes to the Financial Statements

For the year ended June 30, 2019

15.1 Operating fixed assets - 2019

Description	Cost					Rate %	Depreciation					Net book value
	As at July 01, 2018	Additions/ (deletions)	Transfers / (adjustments)	Revaluation Adjustment	As at June 30 2019		As at July 01, 2018	For the year / (adjustments)	Transfers / (adjustments)	Revaluation Adjustment	As at June 30 2019	
	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	
Owned Assets												
Freehold land	-	-	-	-	-	-	-	-	-	-	-	
Buildings on freehold land	-	-	-	-	-	10	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	10	-	-	-	-	-	
Furniture and fittings	-	-	-	-	-	10	-	-	-	-	-	
Office equipment	318,097	-	-	-	318,097	10	-	31,812	-	31,812	286,285	
Vehicles	30,607,695	3,502,200	-	-	26,038,696	20	25,305,713	1,258,278	-	20,243,865	5,794,831	
		(8,071,199)	-	-				(6,320,126)	-			
Electric installation	-	-	-	-	-	10	-	-	-	-	-	
Tube well	-	-	-	-	-	10	-	-	-	-	-	
Arms and ammunition	-	-	-	-	-	10	-	-	-	-	-	
Sub-total	30,925,792	3,502,200	-	-	26,356,793		25,305,713	1,290,090	-	20,275,677	6,081,116	
		(8,071,199)	-	-				(6,320,126)	-			
Leased Assets												
Plant and machinery	-	-	-	-	-	10	-	-	-	-	-	
Vehicles	-	-	-	-	-	20	-	-	-	-	-	
Sub-total	-	-	-	-	-		-	-	-	-	-	
Total	30,925,792	3,502,200	-	-	26,356,793		25,305,713	1,290,090	-	20,275,677	6,081,116	
		(8,071,199)	-	-				(6,320,126)	-			

15.2 Operating fixed assets - 2018

Description	Cost					Rate %	Depreciation					Net book value
	As at July 01, 2017	Additions/ (deletions)	Transferred to Non-current assets classified as held for sale	Revaluation Adjustment / (Impairment loss)	As at June 30, 2018		As at July 01, 2017	For the year / (adjustments)	Transferred to Non-current assets classified as held for sale	Revaluation Adjustment	As at June 30, 2018	
	Rupees	Rupees	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees	Rupees	
Owned Assets												
Freehold land	239,159,375	-	(304,871,600)	65,712,225	-	-	-	-	-	-	-	
Buildings on freehold land	237,325,891	-	(311,872,485)	74,546,594	-	10	23,732,592	21,359,328	(45,091,920)	-	-	
Plant and machinery	1,196,233,226	9,652,350	(1,205,885,576)	-	-	10	803,529,529	39,879,929	(843,409,458)	-	-	
Furniture and fittings	6,551,155	-	(6,551,155)	-	-	10	4,960,976	159,012	(5,119,988)	-	-	
Office equipment	32,347,323	-	(22,144,367)	(9,884,859)	318,097	10	19,897,479	1,244,988	(21,142,467)	-	318,097	
Vehicles	40,960,767	(5,068,914)	(5,284,158)	-	30,607,695	20	32,158,480	1,667,496	(3,984,543)	25,305,713	5,301,982	
		(5,068,914)	-	-				(4,535,720)	-			
Electric installation	33,945,322	-	(33,945,322)	-	-	10	21,376,428	1,256,892	(22,633,320)	-	-	
Tube well	2,602,423	-	(2,602,423)	-	-	10	1,398,092	120,432	(1,518,524)	-	-	
Arms and ammunition	5,500	-	(5,500)	-	-	10	5,036	48	(5,084)	-	-	
Sub-total	1,789,130,982	9,652,350	(1,893,162,587)	130,373,960	30,925,792		907,058,613	65,688,126	(942,905,305)	25,305,713	5,620,079	
		(5,068,914)	-	-				(4,535,720)	-			
Leased Assets												
Plant and machinery	-	-	-	-	-	10	-	-	-	-	-	
Vehicles	-	-	-	-	-	20	-	-	-	-	-	
Sub-total	-	-	-	-	-		-	-	-	-	-	
Total	1,789,130,982	9,652,350	(1,893,162,587)	130,373,960	30,925,792		907,058,613	65,688,126	(942,905,305)	25,305,713	5,620,079	
		(5,068,914)	-	-				(4,535,720)	-			

Note	2019	2018
	Rupees	Rupees

15.3 Depreciation for the year has been allocated as under:

Cost of sales	26	-	62,616,630
Administrative expenses	29	1,290,090	3,071,496
Total		1,290,090	65,688,126

15.4 Comparison of revalued book values with net book values, had there been no revaluation has not been given as assets that had been revalued have been disposed off.

Notes to the Financial Statements

For the year ended June 30, 2019

15.5 Disposal of property, plant and equipment

The following assets were disposed off during the year:

Description	Revalued amount / Book Value Rupees	Proceeds from disposal Rupees	Gain/(loss) on disposal of property, plant and equipment Rupees	Mode of disposal	Particulars of buyer
Freehold land and building	571,652,165	714,000,000	142,347,835	Negotiation	M/s Style Textile (Private) Limited
Plant & Machinery	104,192,000			Negotiation	M/s HTM Textile Trading LLC, Dubai, M/s Wali Tex (Pvt) Ltd, A-36/A, Manghopir Road, Pakistan and others
Furniture and fittings	480,000			Negotiation	
Office equipments	801,520			Negotiation	
Vehicles	1,299,615			Negotiation	
Electric installations	3,840,000			Negotiation	
Tube Well	1,083,900			Negotiation	
Arms and ammunition	416			Negotiation	
Stores, spare parts and loose tools	40,859,937			Negotiation	
	152,557,388	150,000,000	(2,557,388)		
Grand Total	724,209,552	864,000,000	139,790,448		

Description	Quantity	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Proceeds from disposal Rupees	Gain on disposal of property, plant and equipment Rupees	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
Vehicles									
Honda Civic VTI Oriol	1	1,679,685	1,490,860	188,825	1,220,000	1,031,175	Muhammad Anwar	Negotiation	None
Suzuki Swift	1	1,300,095	885,174	414,921	800,000	385,079	Mrs. Maimoona Tariq	---do---	None
Honda Civic VTI Red	1	1,877,893	1,548,763	329,130	1,050,000	720,870	Mr. Imran Arif	---do---	None
Honda Civic VTI Black	1	1,555,685	1,383,352	172,333	950,000	777,667	---do---	---do---	None
Suzuki Mehran LWP 4666	1	328,301	308,798	19,503	235,000	215,497	Mr. Hameed Shahzad	---do---	Ex-employee
Suzuki Swift LE-15-2434	1	1,329,540	703,179	626,361	1,000,000	373,639	Mr. Asif Sultan Pasha	---do---	None
Total		8,071,199	6,320,126	1,751,073	5,255,000	3,503,927			
2018		5,068,914	4,535,720	533,194	2,800,000	2,266,806	-	---do---	-

16 DEPOSITS - SECURITY

This deposit amounting to Rs. 5,355,000/- relates to security deposits for utility connections.

	2019 Rupees	2018 Rupees
17 STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	-	18,488,315
Spare parts	-	23,290,534
Loose tools	-	2,687,370
Total	-	44,466,219
18 STOCK IN TRADE		
Raw material	-	4,091,029
Work in process	-	1,620,514
Finished goods	-	14,923,102
Total	-	20,634,645

Notes to the Financial Statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
19 TRADE DEBTS			
Considered good			
Local - unsecured		872,441	13,339,625
		872,441	13,339,625
Considered doubtful			
Local - unsecured		-	-
Less: Provision for doubtful debts	19.1	-	-
		-	-
Total		872,441	13,339,625
19.1 Provision for doubtful debts			
Opening balance		-	1,029,203
Provision for the year		-	-
Write off during the year		-	(1,029,203)
Closing balance		-	-
20 LOANS AND ADVANCES - CONSIDERED GOOD			
Advances to:			
- Staff - secured		-	720,635
- Suppliers for goods and for services - unsecured		-	7,437,522
Total		-	8,158,157
21 TRADE DEPOSITS AND PREPAYMENTS			
Security deposits	21.1	1,085,424	2,793,663
Total		1,085,424	2,793,663
21.1	This relates to security deposit to Sindh Excise and Taxation Authority.		
22 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax - net		55,716,820	62,515,327
Sales tax refundable - net		45,442,963	50,844,556
Export rebate receivable		-	294,182
Excise duty receivable		-	4,479,873
Total		101,159,783	118,133,938
23 CASH AND BANK BALANCES			
Cash at bank:			
- current accounts		5,522,945	1,582,891
- deposit accounts	23.1	36,248	100,987
		5,559,193	1,683,878
Cash in hand		165,927	1,665,353
Total		5,725,120	3,349,231
23.1	The effective rate of return in respect of deposit accounts is 10.25% (2018: 3.75 %).		

Notes to the Financial Statements

For the year ended June 30, 2019

24 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

This represents realizable value of following assets classified as held for sale. Sales proceeds have been utilized to settle / reduce banks' finance facilities in order to reduce dependency on external debts and finance cost of the Company.

	2019	2018
	Rupees	Rupees
Property, plant and equipment		
-Land	-	304,871,600
-Building	-	266,780,565
-Plant and machinery	-	104,192,000
-Furniture and fittings	-	480,000
-Office equipment	-	801,520
-Vehicles	-	1,299,615
-Electric installation	-	3,840,000
-Tube well	-	1,083,899
-Arms and ammunition	-	416
Long term deposits	5,355,000	14,420,790
Transfer to current assets	(5,355,000)	
Total	-	697,770,405

25 SALES - NET

Local		
Cloth	42,099,760	368,000,033
Waste	2,653,242	28,593,241
Sub-total	44,753,002	396,593,274
Less: Sales tax		
Cloth	-	-
Waste	-	-
Sub-total	-	-
Total Sales	44,753,002	396,593,274
Less: Commission	-	(926,149)
Total	44,753,002	395,667,125

Notes to the Financial Statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
26 COST OF SALES			
Raw material consumed	26.1	4,130,703	68,318,207
Fuel and power		20,278,717	182,968,399
Stores, spare parts and loose tools consumed		7,070,339	53,480,005
Salaries, wages and other benefits		28,809,240	136,754,227
Processing charges		-	32,900
Repairs and maintenance		952,078	3,683,687
Communication		256,071	642,634
Insurance		995,073	4,040,986
Depreciation	15.3	-	62,616,630
Traveling and conveyance		863,045	2,058,629
Other expenses		1,127,276	9,112,950
		64,482,542	523,709,254
Adjustment of work in process			
Opening work in process		1,620,514	1,329,570
Closing work in process	18	-	(1,620,514)
		1,620,514	(290,944)
Total		66,103,056	523,418,310
Adjustment of finished goods			
Opening stock		14,923,102	249,908,464
Fabric purchases		-	-
Closing stock	18	-	(14,923,102)
		14,923,102	234,985,362
Less: Export rebate		-	-
Total		81,026,158	758,403,672
26.1 Raw material consumed			
Opening stock		4,091,029	21,732,124
Purchases		39,674	50,677,112
		4,130,703	72,409,236
Closing stock	18	-	(4,091,029)
Total		4,130,703	68,318,207
27 OTHER INCOME			
Markup on deposit accounts		30,472	32,468
Liabilities written back		78,032,519	-
Exchange gain on sale of assets		20,361,304	-
Settlement of long term deposits		642,710	-
Gain on disposal of property, plant and equipment -net	27.1	143,294,375	2,266,806
Waiver of lease		2,290,522	-
Rebate on GIDC		4,638,257	30,675,713
Miscellaneous income		98,586	1,029,825
Total		249,388,746	34,004,812

Notes to the Financial Statements

For the year ended June 30, 2019

27.1

Description	Revalued amount / Book Value	Proceeds from disposal	Gain/(loss) on disposal of property, plant and equipment
	Rupees	Rupees	Rupees
Freehold land and building	571,652,165	714,000,000	142,347,835
Plant & Machinery	104,192,000		
Furniture and fittings	480,000		
Office equipments	801,520		
Vehicles	1,299,615		
Electric installations	3,840,000		
Tube Well	1,083,900		
Arms and ammunition	416		
Stores, spare parts and loose tools	40,859,937		
Total	152,557,388	150,000,000	(2,557,388)
Vehicles	1,751,073	5,255,000	3,503,927
Grand Total	725,960,625	869,255,000	143,294,375

	Note	2019	2018
		Rupees	Rupees
28 DISTRIBUTION COST			
Salaries and other benefits		3,848,332	9,380,194
Traveling and conveyance		1,543,585	1,831,217
Communication		126,300	273,608
Vehicle running and maintenance		99,235	865,184
Insurance		125,580	875,580
Other selling expenses		747,795	1,052,990
Total		6,490,827	14,278,773

29 ADMINISTRATIVE EXPENSES

Salaries, wages and other benefits		30,836,853	30,679,765
Rent, rates and taxes		1,200,000	1,200,000
Repairs and maintenance		901,021	739,162
Insurance		530,946	882,393
Printing and stationery		266,486	522,496
Communication		1,018,425	1,151,200
Electricity, gas and water		3,142,794	4,215,257
Traveling and conveyance		1,915,653	4,010,209
Entertainment		277,435	567,749
Fee and subscription		1,049,512	1,894,648
Legal and professional		1,801,352	912,000
Vehicle running and maintenance		279,901	2,547,883
Auditor's remuneration	29.1	1,288,000	1,230,670
Depreciation	15.3	1,290,090	3,071,496
Bad debts written off		7,247,354	2,101,890
Miscellaneous		413,865	897,659
Total		53,459,686	56,624,477

Notes to the Financial Statements

For the year ended June 30, 2019

	2019	2018
	Rupees	Rupees
29.1 Auditor's remuneration:		
Audit fee	665,500	605,000
Fee for half yearly review and other certifications	150,000	150,000
Taxation services	472,500	475,670
Total	1,288,000	1,230,670

30 OTHER OPERATING EXPENSES

Impairment on non current assets classified as held for sale	-	419,705,566
Workers profit participation fund	4,940,399	-
Total	4,940,399	419,705,566

	2019	2018
	Rupees	Rupees
31 FINANCE COST		
Mark up on:		
- Long term financing	22,624,171	7,439,524
- Short term borrowings	10,482,959	53,657,325
Bank charges and others	1,556,589	942,187
Interest on subordinated loan -related Party	1,239,450	901,117
Interest on sponsor's loan	12,416,095	7,758,274
Interest on provident fund	230,210	1,154,218
Total	48,549,474	71,852,645

32 PROVISION FOR TAXATION

Current	1,688,889	4,957,416
Prior period	6,834,476	1,967,328
Total	8,523,365	6,924,744

The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

Tax Year	Provision as per financial statements	Tax assessment
	Rupees	Rupees
2016	12,828,269	12,706,691
2017	10,027,194	10,027,194
2018	6,924,744	4,957,416

32.1 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.

Notes to the Financial Statements

For the year ended June 30, 2019

33 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:

2019				
Particulars	Chief Executive	Executive Directors	Non Executive Directors	Executives
	Rupees	Rupees	Rupees	Rupees
Remuneration	1,920,000	2,753,416	1,920,000	6,734,621
Utilities	33.1, 33.3	217,800	275,342	673,462
House rent	33.3	1,162,200	1,101,366	2,693,849
P Fund Contribution	33.2	-	-	-
Bonus	33.3	275,000	344,177	841,828
Reimbursable expenses	33.3	3,413,937	-	-
Total		6,988,937	4,474,301	10,943,760
Number of person(s)		1	2	4

2018				
Particulars	Chief Executive	Executive Directors	Non Executive Directors	Executives
	Rupees	Rupees	Rupees	Rupees
Remuneration	1,920,000	2,753,416	1,920,000	19,048,240
Utilities	33.1, 33.3	217,800	275,342	1,904,824
House rent	33.3	1,162,200	1,101,366	7,619,296
Provident fund contribution	33.2	159,936	229,360	1,586,718
Reimbursable expenses	33.3	4,757,890	-	-
Total		8,217,826	4,359,484	30,159,078
Number of person(s)		1	2	4

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

33.2 Provident fund contributions are made by the Company @ 8.33% (2018: 8.33%) of the basic salaries of executive directors, chief executive and executives.

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

34 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

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

	2019	2018
Profit / (loss) after tax (Rupees)	91,151,839	(898,117,941)
Weighted average number of ordinary shares	26,728,000	26,728,000
Earning / (loss) per share - basic and diluted (Rupees)	3.41	(33.60)

No figure for diluted earnings 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, 2019

35 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's activities expose it to certain financial risks. Such financial risks emanate from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risks measured and managed by the Company are explained in notes below.

35.1 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, other receivables, interest accrued and bank balances. Out of total financial assets of Rs. 7.68 million (2018: Rs. 20.203 million), the financial assets that are subject to credit risk amounted to Rs. 1.958 million (2018: Rs. 16,853 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 reporting date.

Banks	Rating		Agency	June 2019	June 2018
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A 1+	AAA	PACRA	-	2
MCB Bank Limited	A 1+	AAA	PACRA	3,893,389	72,752
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	8,177	41,797
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	512,569	(103,888)
National Bank of Pakistan	A 1+	AAA	VIS	1,924	525,608
Habib Bank Limited	A 1+	AAA	VIS	60,388	18,342
Askari Bank Limited	A 1+	AA+	PACRA	25,752	57,767
Soneri Bank Limited	A 1+	AA-	PACRA	5	24,065
Summit Bank Limited	A-3	BBB-	VIS	(78,683)	327,478
Faysal Bank Limited	A 1+	AA	PACRA	449,679	181,024
JS Bank Limited	A 1+	AA-	PACRA	14,436	14,436
Sindh Bank Limited	A - 1	A+	VIS	28,655	28,655
Bank Al Falah Limited	A 1+	AA+	PACRA	108,810	12,580
Bank Al Habib Limited	A 1+	AA+	PACRA	246,736	425,410
Mib Bank Ltd	A1	A	PACRA	16,707	16,707
Meezan Bank Ltd	A-1+	AA+	VIS	172,062	40,959
Total				5,460,606	1,683,693

The aging of trade receivables at the reporting date is:

	2019	2018
	Rupees	Rupees
Past due but not impaired		
1 to 120 days	-	4,790,751
121 to 240 days	-	2,002,890
240 to 365 days	45,544	4,453,798
past due 365 days	826,896	2,092,186
	872,440	13,339,625
Not yet due	-	-
Total	872,440	13,339,625

Notes to the Financial Statements

For the year ended June 30, 2019

35.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its 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 2019:

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Measured at Amortized Cost				
Sub-ordinated loan - related party	10,411,566	10,411,566	-	-
Loan from Sponsor	100,000,000	100,000,000	-	-
Trade and other payables	79,878,720	79,878,720	-	-
Interest / markup accrued on borrowings	2,899,535	2,899,535	-	-
Total	193,189,821	193,189,821	-	-

The following are contractual maturities of financial liabilities as at 30 June 2018:

	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
Loan from sponsor	160,000,000	-	-	160,000,000
Long term financing - banks and financial institutions	180,328,119	180,328,119	-	-
Liabilities against assets subject to finance lease	1,381,365	1,381,365	-	-
Short term borrowings - banks and financial institutions	441,869,259	441,869,259	-	-
Trade and other payables	165,278,430	165,278,430	-	-
Interest / markup accrued on borrowings	56,442,394	56,442,394	-	-
Total	1,015,711,133	845,299,567	-	170,411,566

35.3 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.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are conducted in foreign currency.

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 was as follows:

Notes to the Financial Statements

For the year ended June 30, 2019

	Effective rate of interest		Carrying value in Rupees	
	2019	2018	2019 Rupees	2018 Rupees
Variable rate instruments				
Financial Liabilities				
Measured at Amortized Cost				
Long term financing	-	7.5% to 9.5%	-	160,000,000
Liabilities against assets subject to finance lease	-	15.7%	-	180,328,119
Sponsor's loan	7.43% to 11.63%	6.9%	100,000,000	160,000,000
Short term borrowings	-	7.43% to 9.93%	-	441,869,259
Total			100,000,000	942,197,378
Financial assets				
Measured at amortized cost				
Cash at bank - deposit accounts	10.25%	3.75%	36,248	100,987
Total			36,248	100,987

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

	Effective rate of interest		Carrying value in Rupees	
	2019	2018	2019 Rupees	2018 Rupees
Fixed rate instrument				
Financial liabilities				
Subordinated loan	11.92%	9.15%	10,411,566	10,411,566
Total			10,411,566	10,411,566

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	
	Decrease	Increase
As at June 30, 2019		
Cash flow sensitivity -variable rate financial liabilities	(1,000,000)	1,000,000
As at June 30, 2018		
Cash flow sensitivity -variable rate financial liabilities	(7,835,787)	7,835,787

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.

Notes to the Financial Statements

For the year ended June 30, 2019

	2019	2018
	Rupees	Rupees
35.4 Financial instruments by categories		
Financial assets at amortized cost		
Trade debts	872,441	13,339,625
Loans and advances	-	720,635
Trade deposits	1,085,424	2,793,663
Cash and bank balances	5,725,120	3,349,231
Total	7,682,985	20,203,154
Financial liabilities at amortized cost		
Sub-ordinated loan	10,411,566	10,411,566
Loan from Sponsor	100,000,000	160,000,000
Long term financing	-	180,328,119
Liabilities against assets subject to finance lease	-	1,381,365
Short term borrowings	-	441,869,259
Trade and other payables	79,878,720	165,278,430
Interest accrued on loans	2,899,535	56,442,394
Total	193,189,821	1,015,711,133

35.5 Fair values of financial assets and liabilities

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

As at June 30, 2019, all financial assets and financial liabilities are carried at amortised cost.

35.6 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of non financial assets by valuation technique:

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

Level 2: Techniques for which all inputs which have a significant effect on the recorded fair value are observable either, directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 30 June 2019, the Company held no non-financial assets that require fair value measurement.

35.7 Capital risk management

The Company's objectives when managing capital are to safeguard the entity'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".

Notes to the Financial Statements

For the year ended June 30, 2019

	Note	2019 Rupees	2018 Rupees
36 CASH GENERATED FROM OPERATIONS			
Profit / (Loss) before taxation		99,675,204	(891,193,197)
		99,675,204	(891,193,197)
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment		1,290,090	65,688,126
Gain on disposal of property, plant and equipment		(143,294,375)	(2,266,806)
Gain on disposal of stores, spare parts and loose tools		(40,859,937)	-
Settlement of long term deposits		(642,710)	-
Gain on waiver of lease		(2,290,522)	-
Impairment loss on property, plant and equipment		-	419,705,566
Provision for worker's profit participation fund		4,940,399	-
Provision for 10C bonus		1,671,526	-
Finance cost		48,549,474	71,852,645
Working capital changes	36.1	(33,169,383)	240,586,038
Income tax		5,109,618	-
		(158,695,820)	795,565,569
Total		(59,020,617)	(95,627,628)

36.1 Working capital changes

(Increase) / decrease in current assets

Stores, spare parts and loose tools	44,466,219	7,610,892
Stock in trade	20,634,645	252,335,513
Trade debts	12,467,184	6,074,794
Loans and advances	8,158,157	(787,399)
Trade deposits, prepayments and balances with statutory authorities	5,049,411	(7,254,021)
	90,775,616	257,979,779

(Decrease) / increase in current liabilities

Trade and other payables	(92,011,636)	(33,593,311)
Provident fund payable	(31,933,363)	16,199,570
Total	(33,169,383)	240,586,038

37 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associates, companies where directors also held 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 are as follows:

Name	Relationship with the Company	Nature of transaction	Note	2019 Rupees	2018 Rupees
Sarmad Amin	Sponsor	Loan	Note 5, 10, 12	158,271,947	253,246,647
Shehla Saigol	Member	Loan	Note 7	10,411,566	23,495,592
Sarmad Amin	Sponsor	Expense	Note 31	12,416,095	7,758,274
Shehla Saigol	Member	Expense	Note 31	2,439,450	2,101,117

Notes to the Financial Statements

For the year ended June 30, 2019

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

Name of Company	Basis of relationship	Aggregate % of Shareholding in the Company	
		2019 Rupees	2018 Rupees
Elan Facon (SMS-PVT) Ltd	Common Director	100%	

38 CAPACITY INSTALLED AND ACTUAL PRODUCTION

Number of looms installed	-	214
Number of looms worked	-	154
Shifts per day	-	3
No. of days actually worked	-	365
Rated capacity (running meters) per annum	-	18,276,685
Actual commercial production (running meters)	-	13,861,623
Actual commercial production (running meters) - conversion	-	
- Production - own	-	521,114
- Production - conversion basis	-	10,295,703
- Total Production	-	10,816,817

As described more fully in note 1.2 the Company has disposed off all its plant and machinery related to production during the year. With very sporadic production before disposal of such assets, it is impracticable to disclose actual versus rated production capacity for the year.

	2019 Rupees	2018 Rupees
--	----------------	----------------

39 PROVIDENT FUND RELATED DISCLOSURES

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

Size of the fund - Total assets	-	60,106,593
Cost of investments made	-	221,974
Percentage of investments made	0.0%	0.4%
Fair value of investment made	-	230,338

The break-up of fair value of investments is:

	2019		2018	
	Rupees	--- % ---	Rupees	--- % ---
Mutual funds				
MCB-Asset Management Company Limited	-	0%	192,165	83.4%
NBP Fullerton Asset Management (NAFA)	-	0%	4,673	2.0%
Balance with brokerage house:				
Money Line Securities (Pvt.) Ltd.	-	0%	33,500	14.5%
	-	0%	230,338	100%

Notes to the Financial Statements

For the year ended June 30, 2019

Contributions and investment have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for the purpose. During the year all contributions have been paid off to the respective employees.

	2019	2018
40 NUMBER OF EMPLOYEES		
Number of employees at year end	38	443
Average number of employees during the year	112	502
41 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS		Note
41.1 The Company has disposed off its manufacturing related assets amounting to Rs. 692,415,405.		24
41.2 The Company has adopted revenue from contracts with customers (IFRS-15) and Financial Instruments (IFRS-9) during the year.		3.6 , 3.11
41.3 The Company has changed its operations from manufacturing to trading of fabric.		1.2
41.4 The Company has disposed off vehicles amounting to Rs.1,751,073.		15.5
41.5 The Company has made additions in vehicles amounting to Rs. 3,502,200.		15.1
41.6 Loan has been repaid to sponsors amounting to Rs. 105,159,191.		5, 10, 12
41.7 The Company has written back its liabilities amounting to Rs. 78,032,519.		27
41.8 The Company has written off its debtors amounting to Rs.7,247,354.		29
42 GENERAL		
42.1 Figures in these financial statements have been rounded off to the nearest rupee.		
42.2 Corresponding figures have been re-arranged and/ or reclassified, wherever considered necessary, for the purpose of better presentation of the financial statements. No significant presentation changes and / or reclassifications have been made.		
43 DATE OF AUTHORIZATION FOR ISSUE		
These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 September 2019.		


JEHANZEB AMIN
 Chief Executive


SHEHRYAR AMIN
 Director


SAFDER HUSSAIN TARIQ
 Director / CFO

Lahore

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Form of Proxy

Samin Textiles Limited

I/We _____
 of _____ being member(s) of SAMIN TEXTILES LIMITED under
 Member Register Folio No. _____ and/or CDC Participant ID No./Sub-Account No./Investor
 Account No. _____ and holder of _____ ordinary shares hereby appoint
 Mr./Mrs./Miss _____ 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 30th Annual General
 Meeting of the Company to be held at the Registered Office of the Company, 50-C, Main Gulberg, Lahore on Monday, October 28,
 2019 at 11:30 a.m. or at any adjournment thereof.

As witness my/our hand(s) this _____ day of 2019
 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 any vote at this meeting, must bring his/her NIC/Passport to prove his/her identity, and in case of proxy must enclose 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.





Samin Textiles Limited

پراکسی فارم (مختار نامہ)

ثمین ٹیکسٹائل لمیٹڈ

میں اہم

ساکن

بحیثیت رکن ثمین ٹیکسٹائل لمیٹڈ بمطابق ممبر رجسٹرڈ فولیو نمبر _____ اور ایسی ڈی سی پارٹیسپنٹ آئی ڈی نمبر اسب اکاؤنٹ نمبر انویسٹرا کاؤنٹ نمبر _____

اور مالک _____ عام حصص بذریعہ ہذا محترم / محترمہ _____

جو کمپنی کارکن بھی ہے،

کو اپنے / ہمارے ایماء پر کمپنی کے رجسٹرڈ دفتر C-50، مین گلبرگ، لاہور میں بروز ہفتہ 28 اکتوبر 2019ء کو صبح 11:30 بجے منعقد ہونے والے کمپنی کے 30 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 کرتا ہوں / کرتے ہیں۔

آج بروز تاریخ 2019ء کو میرے / ہمارے دستخط اور گواہوں کی تصدیق سے جاری ہوا۔

گواہان

-1

5/- روپے کارسیدی ٹکٹ

یہاں چسپاں کریں

دستخط: _____

نام: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پتہ: _____

دستخط رکن: _____

-2

دستخط: _____ شیئر ہولڈر کا فولیو نمبر: _____

نام: _____ سی ڈی سی پارٹیسپنٹ آئی ڈی اذیلی اکاؤنٹ نمبر: _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____ کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____

پتہ: _____

نوٹ:

1- پراکسیاں تا نئے 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۔

2- دستخط کمپنی کے ہاں رجسٹرڈ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔

3- سی ڈی سی کا ایک انفرادی پینشنل اوزر، اجلاس ہذا میں شرکت اور حق رائے دہی استعمال کرنے کا اہل، اپنی شناخت ثابت کرنے کے لئے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ پاسپورٹ لازماً ہمراہ لائے، اور پراکسی

کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ پاسپورٹ کی مصدقہ نقل لازماً منسلک کریں۔ کارپوریٹ ممبران کے نمائندہ کو ایسے مقصد کے لئے ضروری معمول کی اصل دستاویزات ہمراہ لانی چاہئیں۔

4 کوئی شخص بطور پراکسی کام نہیں کر سکتا جب تک وہ کمپنی کا ممبر نہ ہو۔





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