

Annual Report 2021



Samin Textiles Limited

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SAMIN TEXTILES LIMINTED

BOARD OF DIRECTORS

- | | |
|-----------------------------|-------------------------------|
| 1. Mr. Khalid Azeem | Chairman/Independent Director |
| 2. Mr. Aamir Jamil | Independent Director |
| 3. Mr. Riaz Ahmad | Non-Executive Director |
| 4. Mr. Zaheer Jamil | Non-Executive Director |
| 5. Mr. Abdul Hameed Shiekh | Non-Executive Director |
| 6. Ms. Tooba Tariq | Executive Director |
| 7. Mr. Safder Hussain Tariq | Chief Executive Officer |

AUDIT COMMTEE

- | | |
|----------------------------|-------------------------------|
| 1. Mr. Aamir Jamil | Chairman/Independent Director |
| 2. Mr. Abdul Hameed Sheikh | Member/Non-Executive Director |
| 3. Mr. Zaheer Jamil | Member/Non-Executive Director |
| 4. Mr. Muhammad Tayyab | Secretary of Audit Committee |

HR & REMUNERATION COMMTEE

- | | |
|----------------------------|-------------------------------|
| 1. Mr. Aamir Jamil | Chairman/Independent Director |
| 2. Mr. Abdul Hameed Sheikh | Member/Non-Executive Director |
| 3. Mr. Riaz Ahmad | Member/Non-Executive Director |
| 4. Ms. Tooba Tariq | Member/Executive Director |
| 5. Mr. Muhammad Tayyab | Secretary of HR & R Committee |

DIRECTOR FINANCE/CFO

Mr. Muhammad Usman, ACA

COMPANY SECRETARY

Muhammad Tayyab

HEAD OF INTERNAL AUDITOR

Mr. Waleed Afzal

LEGAL ADVISOR

Imtiaz Siddiqui & Associates

EXTERNAL AUDITORS

Grant Thornton Anjum Rehman
Chartered Accountants, Lahore

SHARE REGISTRAR

Corplink (Private) Limited
Wings Arcade, I-K Commercial Model Town
Lahore

RESISTERED OFFICE

15/3 Block A Model Town Lahore.
Head Office: 8.7-Km Multan Road,
Opposite Mansorah Lahore -54790, Pakistan
Ph: 042-35415421-5, 04235421502-4 UAN:
+92(42)111-31-32-33

COMPANY REGISTRATION NO.

L 02004

COMPANY'S BANKER

National Bank of Pakistan
Bank Al-Falah Limited
JS Bank Limited

Habib Bank Limited
MCB Bank Limited

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 period under review there was no business activity of The Company as its operations remained suspended.

During the year new business revival plan of trading of home appliances was also formulated and intimated to all stakeholders, implementation of which is started from Aug 2021 and your company has achieved turnover of 11 million.

The board is confident that by implementing the plan of trading of home appliance will convert your company into going concern.

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

Hope that performance during the coming years will improve further.



Mr. Khalid Azeem

Chairman

Lahore: Oct 06, 2021

چيئر مين كى جائزه رپورٽ

زير نظر مدت كے دوران كمپنى كى كوئى كاروبارى سرگرمى نهيں تھى كيونكہ اس كا آپريشن بند تھيا۔

سال كے دوران گھريلو آلات كى تجارت كا نيا كاروبارى احيا منصوبہ بهى بنايا گيا اور تمام ريگوليٽرز اور سٽيڪ هولڊرز كو آگاه كيا گيا ، جس پر عملدرآمد آگسٽ 2021 سے شروع ٿيا هيا اور آپ كى كمپنى نے آگسٽ 2021 ميں 11 ملين سے زائد كا كاروبار حاصل كيا هيا .

بورڊ كو يقين هيا هيا ته گھريلو آلات كى تجارت كے منصوبے پر عمل درآمد سے آپ كى كمپنى تشویش ميں بدل جائے گی۔

بورڊ كى مجموعى كار كردگى كو تسلى بخش قرار ديا گيا هيا۔ تاہم ، بهتري كى گنجائش ہميشه موجود ريتى هيا كيونكہ يہ كمپنى اور آٽو كمپنى كى كار كردگى كى تشخيص ان كى اہليت ، كام كى كار كردگى ، تاثير ، HR ايڪ جا رى رجحان هيا۔ سہولت اور بورڊ كو مدد پر مبنى هيا۔

اميد هيا ته انے والے سالوں ميں كار كردگى مزيد بهتر هونگی۔



خالد اعظم
چيئر مين

لاہور: 6 اکتوبر 2021

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

Directors of Samin Textiles Limited ("the Company") are pleased to present before you the 32nd (thirty second) Annual Report for the financial year ended June 30, 2021 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.

The Board of Directors of the Company as at June 30, 2021 consists of:

Total number of Directors:	
a) Male	06
b) Female	01

Composition:	
a) Independent directors	02
b) Non- Executive Directors	04
c) Executive Directors	01

Operating Financial Results

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

The Company has posted net Loss of Rs. 18.694 million as compared to net Loss of Rs. 1.90 million of the corresponding last year.

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

	<u>Rupees in million</u>	
	2021	2020
• Sales	Nil	Nil
• Gross (Loss)	Nil	Nil
• Operating Loss	(12.916)	(17.468)
• Other Income/ Capital Gain	1.693	28.991
• Taxation	Nil	Nil
• Net (Loss)/ Profit for the year	(18.694)	(1.903)

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

- i Company's operations remained closed during the year 2021. Since company didn't carry out any business activity during the year under review and the other

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

income realized was lessor than the fixed cost to run the Company therefore it resulted in a negative bottom line of Rs. 18.694 million.

Charts of Significant Ratios and Comparison with Previous Years

	2021	2020	2019	2018	2017
Sales	N/A	N/A	44.753	395.67	973.65
(Loss) / Profit after tax	(18.694)	(1.903)	91.151	(898.12)	(283.10)
Reserves	(420.346)	(401.651)	(399.748)	(1,099.37)	(215.74)
Gross Profit/(Loss) Ratio	N/A	N/A	(81.05%)	(91.68%)	(13.38%)
Net (Loss) / Profit Ratio	N/A	N/A	(203.67%)	(226.99%)	(29.08%)
Break-up Value /Share	1.60	(2.30)	(2.78)	(6.75)	16.18
Current Ratio	2.05	0.59	0.62	0.20	0.59
Debt/Equity Ratio	(0:100)	(163:100)	(153:100)	(29:100)	10:90
Dividend pay Out%	Nil	Nil	Nil	Nil	Nil
Earnings/(Loss)per Share	(0.70)	(0.07)	3.41	(33.60)	(10.59)
Fixed Assets	Nil	Nil	Nil	5.620	882.07
Long Term Liabilities	Nil	Nil	Nil	54.071	120.99
Short Term Liabilities	40.739	175.918	194.475	1,040.699	576.97

Future outlook / Strategy

During the year previous Sponsors of the company have sold 67% shareholding to Mr. Haroon Ahmad Khan and Pakistan Stock Exchange Limited (PSX) vide its letter dated 30 April 2021 approved the transfer of the shares of previous Sponsors to new Sponsor.

Thereafter, new Board of Directors were appointed in replacement of the out-going Directors on 26 May 2021.

Subsequently new Board have submitted Revival Plan, and progress has being initiated on following areas to achieve revival plan.

- 1) Induction / appointment of business professionals experienced in retail sale
- 2) Sponsors' subordinated loan and working capital from lenders

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

3) Retail space and areas of operation

We are pleased to inform you that the management of the Company is in the process of hiring dedicated manpower having retail business expertise. Simultaneously senior management has drafted strategic and operations business projections keeping in view the recent market dynamics especially the impact of COVID19 (variant) on retail businesses. Arrangements with the Lenders has already been initiated for working capital requirements. Since the Company was not active therefore, it will take some time before an interest is received from the potential Lenders.

The new Management team is holistically working towards the implementation of revival plan and is dedicatedly working towards developing an infrastructure to support the network of retail outlets and sale of home appliances.

Further we are pleased to inform that the Company is moving towards resumption of business operations and has achieved a turnover of Rs. 10 million during August 2021.

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

There are certain new standards interpretations and amendments to approved accounting standards which are mandatory for the company's accounting

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

periods but have not any significant effect on the company's financial statements.

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. Aamir Jamil	Chairman/Independent Director
Mr. Abdul Hameed Sheikh	Member/Non-Executive Director
Mr. Zaheer Jamil	Member/Non-Executive Director
Mr. Muhammad Tayyab	Secretary of Audit Committee

7. HR and Remuneration Committee

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

Mr. Aamir Jamil	Chairman/Independent Director
Mr. Abdul Hameed Sheikh	Member/Non-Executive Director
Mr. Riaz Ahmad	Member/Non-Executive Director
Ms. Tooba Tariq	Member/Executive Director
Mr. Muhammad Tayyab	Secretary of HR & R Committee

8. Safety and Environment

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

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

9. 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.

10. 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.

11. 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".

12. Outstanding Statutory Dues

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30 June 2021 except for those disclosed in the financial statements.

13. 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.

14. Dividend

Due to the circumstances already discussed the Board of Directors does not recommend any dividend for the year ended 30 June 2021.

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

15. Quality Control

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

16. 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.

17. Board Meetings

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

1. Mr. Jehanzeb Amin	05 Nos.
2. Mr. Shehryar Amin	04 Nos.
3. Mr. Jamil Masud	05 Nos.
4. Mr. Safder Hussain Tariq	05 Nos.
5. Mr. Tariq Jillani	02 Nos.
6. Mr. Qamber Hamid	02 Nos.
7. Amir Jameel	03 Nos.
8. Khalid Azeem	03 Nos.

18. 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. Amir Jameel	04 Nos.
Mrs. Nayab Ayaz	04 Nos.

19. HR Committee Meetings

DIRECTORS' REPORT TO THE MEMBERS

For the financial year ended 30 June 2021

One (1) meeting of HR & Remuneration Committee were held during the year. Attendance by each member was as follows:-

Mr. Shehryar Amin	01 Nos.
Mr. Tariq Jilani	01 Nos.
Mr. Amir Jameel	01 Nos.

20. 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, 2022.

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, 2021 is annexed.

22. Director Training Program

In accordance with the criteria specified in clause (xi) of CCG, 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 its corporate social responsibilities and is supporting social sector organizations in the fields of educations, health and environment.

24. Significant features of remuneration policy of Non-Executive Directors

Details of the remuneration of directors including Chief Executive Officer is detailed in the note no. 19 in annexed financial statements' notes.

DIRECTORS' REPORT TO THE MEMBERS
For the financial year ended 30 June 2021

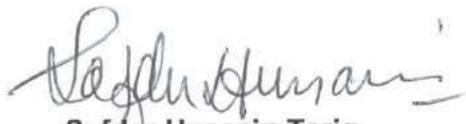
Acknowledgement

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

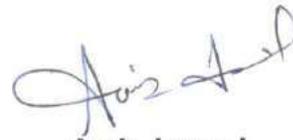
Lahore:

06 Oct, 2021



Safdar Hussain Tariq

Chief Executive Officer



Amir Jameel

Director

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

سمین ٹیکسٹائل لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے 32 ویں (بتیسویں) سالانہ رپورٹ آپ کے سامنے آڈیٹرز کی رپورٹ کے ساتھ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں:

سالانہ مالیاتی گوشوارے آئی اے ایس - 1 "مالیاتی گوشواروں کی پیشکش" اور کمپنیز ایکٹ 2017 کی تعمیل میں تیار کیے گئے ہیں۔

30 جون 2021 کو کمپنی کا بورڈ آف ڈائریکٹرز ان ڈائریکٹرز مشتمل ہے

ڈائریکٹرز کی کل تعداد:	
06	الف) مرد
01	ب) عورت
ساخت:	
02	الف) آزاد ڈائریکٹرز
04	ب) نان ایگزیکٹو ڈائریکٹرز
01	ج) ایگزیکٹو ڈائریکٹرز

آپریٹنگ مالی نتائج

زیر جائزہ مالی سال کے دوران کمپنی کی فروخت گزشتہ سال صفر کے مقابلے میں صفر رہی۔

کمپنی نے اس سال 18.694 ملین روپے کا خالص نقصان ظاہر کیا جو کہ گزشتہ سال کے اس حصہ میں 1.90 ملین روپے تھا۔

خالص منافع / (نقصان) کی ترتیب درج ذیل ہے:

روپے ملین میں

	2021	2020
سیلز	صفر	صفر
مجموعی (نقصان)	صفر	صفر
آپریٹنگ نقصان	(12.916)	(17.468)
دیگر آمدنی / کیپیٹل گین	1.693	28.991
ٹیکسیشن	صفر	صفر
سال کے لئے خالص (نقصان) / منافع	(18.694)	(1.903)

خالص نقصان کی وجوہات مندرجہ ذیل ہیں؛

1. کمپنی کی پیداواری سرگرمی 2020 کے دوران بند تھی۔ چونکہ کمپنی نے زیر جائزہ سال کے دوران کوئی کاروباری سرگرمی نہیں کی اور دوسری آمدنی کا احساس کمپنی کو چلانے کے لئے مقررہ لاگت سے کم تھا لہذا اس کے نتیجے میں 18.694 ملین روپے کی منفی نچلی لائن سامنے آئی۔

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

اہم تناسب اور پچھلے سالوں کے ساتھ موازنہ کا چارٹ

	2021	2020	2019	2018	2017
سیلز	صفر	دستیاب نہیں	44.753	395.67	973.65
منافع / (نقصان) بعد از ٹیکس	(18.694)	(1.903)	91.151	(898.12)	(283.10)
ذخائر	(420.346)	(401.651)	(399.748)	(1,099.37)	(215.74)
مجموعی منافع/(نقصان) کا تناسب	دستیاب نہیں	دستیاب نہیں	(81.05%)	(91.68%)	(13.38%)
خالص منافع/(نقصان) کا تناسب	دستیاب نہیں	دستیاب نہیں	(203.67%)	(226.99%)	(29.08%)
بریک اپ قدر / شیئر	1.60	(2.30)	(2.78)	(6.75)	16.18
حالیہ تناسب	2.05	0.59	0.62	0.20	0.59
قرض / ایکویٹی تناسب	(0:100)	(163:100)	(153:100)	(29:100)	10:90
ادا کردہ منافع فی صد میں	صفر	صفر	صفر	صفر	صفر
فی حصص آمدنی/(نقصان)	(0.70)	(0.07)	3.41	(33.60)	(10.59)
مقررہ اثاثے	صفر	صفر	صفر	5.620	882.07
طویل مدتی واجبات	صفر	صفر	صفر	54.071	120.99
قلیل مدتی واجبات	40.739	175.918	194.475	1,040.699	576.97

مستقبل کا نقطہ نظر / حکمت عملی

سال کے دوران کمپنی کے گزشتہ اسپانسرز نے مسٹر ہارون احمد خان کو 67 فیصد شیئر ہولڈنگ فروخت کی ہے اور پاکستان اسٹاک ایکسچینج لمیٹڈ (پی ایس ایکس) نے 30 اپریل 2021 کو اپنے خط میں سابق اسپانسرز کے حصص کو نئے اسپانسرز میں منتقل کرنے اس کے بعد 26 مئی 2021 کو آؤٹ آؤٹ ہونے والے ڈائریکٹرز کی کی منظوری دے دی تھی۔ جگہ نئے بورڈ آف ڈائریکٹرز کا تقرر کیا گیا۔

اس کے بعد نئے بورڈ نے بحالی کا منصوبہ پیش کیا ہے اور منصوبے کے نفاذ پر مندرجہ ذیل پیش رفت حاصل کی گئی ہے۔

1. خوردہ فروخت میں تجربہ کار کاروباری پیشہ ور افراد کی شمولیت / تقرری
2. قرض دہندگان سے اسپانسرز کا ماتحت قرض اور ورکنگ کیپیٹل
3. خوردہ جگہ اور آپریشن کے علاقے

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

ہمیں آپ کو یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی کی انتظامیہ نے پہلے ہی خوردہ کاروباری مہارت رکھنے والی وقف افرادی قوت کی خدمات حاصل کر لی ہیں۔ اس کے ساتھ ساتھ سینئر مینجمنٹ نے مارکیٹ کی حالیہ حرکیات خصوصاً خوردہ کاروباروں پر کوویڈ 19 (ویرینٹ) کے اثرات کو مدنظر رکھتے ہوئے اسٹریٹجک اور آپریشنز بزنس پروجیکشن کا مسودہ تیار کیا ہے۔ قرض دہندگان کے ساتھ کام کرنے والے سرمائے کی ضروریات کے لئے پہلے ہی انتظامات شروع کر دیئے گئے ہیں۔ چونکہ کمپنی فعال نہیں تھی اس لئے ممکنہ قرض دہندگان سے سود وصول ہونے میں کچھ وقت لگے گا۔

نئی مینجمنٹ ٹیم مجموعی طور پر بحالی کے منصوبے کے نفاذ کی سمت میں کام کر رہی ہے اور خوردہ دکانوں کے نیٹ ورک اور گھریلو آلات کی فروخت میں معاونت کے لئے ایک بنیادی ڈھانچہ تیار کرنے کی سمت میں وقف طور پر کام کر رہی ہے۔

مزید برآں ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ کمپنی کاروباری کارروائیوں کی بحالی کی طرف بڑھ رہی ہے اور اگست 2021 کے دوران اس نے ایک کروڑ روپے کا کاروبار حاصل کیا ہے۔

کارپوریٹ گورننس

سمین ٹیکسٹائل لمیٹڈ کا بورڈ آف ڈائریکٹرز اور اس کی انتظامیہ اپنی ذمہ داریوں سے مکمل طور پر واقف ہیں جیسا کہ کوڈ آف کارپوریٹ گورننس میں وضع کیا گیا ہے جیسا کہ ایس ای سی پی کی جانب سے جاری کردہ اسٹاک ایکسچینج کے لسٹنگ ضوابط میں شامل کیا گیا ہے۔ کمپنی میں مقررہ طریقوں پر موثر طور پر عمل درآمد جاری ہے اور کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی ہے جیسا کہ لسٹنگ ضوابط میں تفصیل سے بیان کیا گیا ہے۔

کارپوریٹ گورننس کے ضابطہ کے مطابق بیانات ذیل میں دیئے گئے ہیں:

ا۔ مالیاتی بیان کی پیشکش

کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے اس کی صورتحال، اس کی کارروائیوں کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

ب۔ کتاب الحساب

کمپنی نے اکاؤنٹ کی مناسب کتابیں برقرار رکھی ہیں۔

ج۔ اکاؤنٹنگ پالیسیاں

منظور شدہ اکاؤنٹنگ معیارات میں کچھ نئے معیارات کی تشریحات اور ترامیم ہیں جو کمپنی کے اکاؤنٹنگ ادوار کے لئے لازمی ہیں لیکن کمپنی کے مالی گوشواروں پر کوئی خاص اثر نہیں ہے۔

د۔ بین الاقوامی مالیاتی رپورٹنگ معیارات (آئی ایف آر ایس)

مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات پر عمل کیا گیا ہے جیسا کہ پاکستان میں لاگو ہوتا ہے۔

ط۔ اکاؤنٹنگ سال

کمپنی کا اکاؤنٹنگ سال 01 جولائی سے 30 جون تک ہے۔

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

ع. آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے ضابطہ کی تعمیل کرتے ہوئے ایک آڈٹ کمیٹی قائم کی ہے اور اس کے ارکان درج ذیل ہیں:

چیئرمین/آزاد ڈائریکٹر
ممبر/نان ایگزیکٹو ڈائریکٹر
ممبر/نان ایگزیکٹو ڈائریکٹر
سیکرٹری آڈٹ کمیٹی

جناب عامر جمیل
جناب عبدالحمید شیخ
جناب ظہیر جمیل
جناب محمد طیب

ف. ایچ آر اور معاوضہ کمیٹی

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے ضابطہ کی تعمیل کرتے ہوئے ایک ایچ آر اور معاوضہ کمیٹی قائم کی ہے اور اس کے ارکان درج ذیل ہیں:

چیئرمین/آزاد ڈائریکٹر
ممبر/نان ایگزیکٹو ڈائریکٹر
ممبر/نان ایگزیکٹو ڈائریکٹر
ممبر/ایگزیکٹو ڈائریکٹر
ایچ آر اور آر کمیٹی کے سیکرٹری

جناب عامر جمیل
جناب عبدالحمید شیخ
جناب ریاض احمد
محترمہ توپا طارق
جناب محمد طیب

ک. حفاظت اور ماحولیات

کمپنی حفاظتی قواعد و ضوابط کے معیارات کی سختی سے تعمیل کرتی ہے۔ یہ ماحول دوست پالیسیوں پر بھی عمل پیرا ہے۔

ل. تشویش کی طرف جانا

یہ مالیاتی گوشوارے بالترتیب اثاثوں اور واجبات کی تخمینہ قابل ادراک/ تصفیہ اقدار کی بنیاد پر اکاؤنٹنگ کی غیر جاری تشویش کی بنیاد کا استعمال کرتے ہوئے تیار کیے گئے ہیں۔

م. داخلی کنٹرول نظام

اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اس پر موثر طور پر عمل درآمد اور نگرانی کی گئی ہے۔ کنٹرول میں بہتری کے لئے مستقبل میں بھی جائزہ جاری رہے گا۔

ن. ٹریڈنگ کمپنی کے حصص

بورڈ آف ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکرٹری، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے سال کے دوران سی کمپنی کے حصص کا کوئی لین دین نہیں کیا ہے سوائے اس کے کہ "پیٹرن آف شیئر ہولڈنگ" میں ذکر کیا گیا ہے۔

و. بقایا قانونی واجبات

ٹیکسوں، ڈیوٹیوں، لیویز اور چارجز کی وجہ سے کوئی قانونی ادائیگی نہیں ہے جو 30 جون 2021 تک واجب الادا ہے سوائے مالی گوشواروں میں ظاہر کردہ ادائیگیوں کے۔

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

ھ. ہنگامی حالات اور وعدے
مالی سال کے اختتام کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں جس سے یہ بیلنس شیٹ اور ڈائریکٹرز رپورٹ کی تاریخ سے متعلق ہے۔

ی. منافع .
پہلے سے زیر بحث حالات کی وجہ سے بورڈ آف ڈائریکٹرز ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لئے کسی منافع کی سفارش نہیں کرتا ہے۔

ا. کوالٹی کنٹرول
مینجمنٹ سسٹم کے نفاذ کو یقینی بنانے کے لئے انٹرنل کوالٹی آڈٹ، سرویلنس آڈٹ اور مینجمنٹ ریویو میٹنگز باقاعدگی سے منعقد کی جاتی ہیں۔

ب. مواصلات
شیئر ہولڈرز کے ساتھ مواصلات کو اعلیٰ ترجیح دی جاتی ہے۔ کمپنیز ایکٹ 2017 میں متعین کردہ وقت کے اندر ان میں سالانہ، نصف سالانہ اور سہ ماہی اکاؤنٹس تقسیم کیے جاتے ہیں۔ انفرادی شیئر ہولڈرز کو سالانہ جنرل میٹنگ میں کمپنی کے کاموں میں شرکت کرنے اور آزادانہ طور پر سوالات پوچھنے کا ہر موقع دیا جاتا ہے۔

ج. بورڈ میٹنگز
زیر جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے اور ڈائریکٹرز کی حاضری اتنی ہی کم تھی:

1	جناب جہانزیب امین	5 عدد
2	جناب شہریار امین	4 عدد
3	جناب جمیل مسعود	5 عدد
4	جناب صفدر حسین	5 عدد
5	جناب طارق جیلانی	2 عدد
6	جناب قمبر حامد	2 عدد
7	عامر جمیل	3 عدد
8	خالد عظیم	3 عدد

اد. آڈٹ کمیٹی کے اجلاس

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

1	جناب جمیل مسعود	4 عدد
2	جناب طارق جیلانی	4 عدد
3	عامر جمیل	4 عدد
4	مسز نیاب ایاز	4 عدد

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

اط ایچ آر کمیٹی کے اجلاس

سال کے دوران ایچ آر اور معاوضہ کمیٹی کا ایک (1) اجلاس منعقد ہوا۔ ہر رکن کی حاضری درج ذیل تھی:

1	جناب شہریار امین	1 عدد
2	جناب طارق جیلانی	1 عدد
3	عامر جمیل	1 عدد

اص۔ آڈیٹرز

آڈٹ کمیٹی کی تجویز پر کمپنی کے بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے سال کے لئے میسرز گرانٹ تھارنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کو کمپنی کا آڈیٹر دوبارہ مقرر کرنے کی سفارش کی ہے۔

اع۔ عملہ ریٹائرمنٹ کے فوائد

کمپنی نے ملک میں مروجہ لیبر قوانین کے مطابق کمپنی کے ملازمین کے لئے گریجویٹی اسکیم متعارف کرائی ہے۔

اط کارپوریٹ گورننس کے ضابطہ کی شق سولہویں (جے) کے تحت شیئر بولڈنگ اور معلومات کا نمونہ

30 جون 2021 تک اس سربراہ کے تحت معلومات کا الحاق کیا گیا ہے۔

اف۔ ڈائریکٹر ٹریننگ پروگرام

سی سی جی کی شق () میں متعین معیار کے مطابق چار ڈائریکٹرز نے ڈائریکٹرز ٹریننگ پروگرام (ڈی ٹی پی) مکمل کر لیا ہے۔ کمپنی کا ایک ڈائریکٹر 14 سال کی تعلیم اور بورڈ آف لسٹڈ کمپنی (انیز) میں 15 سال کے تجربے کی وجہ سے مستثنیٰ ہے، اور باقی ڈائریکٹرز کو مخصوص وقت کے اندر تربیت دی جائے گی۔

اک۔ کارپوریٹ سماجی ذمہ داری

کمپنی اپنی کارپوریٹ سماجی ذمہ داریوں سے پوری طرح واقف ہے اور تعلیم، صحت اور ماحولیات کے شعبوں میں سماجی شعبے کی تنظیموں کی مدد کر رہی ہے۔ کمپنی خیراتی تنظیموں کو مالی امداد کے طور پر عطیات دیتی ہے اور ساتھ ہی طلباء کو کالج اور یونیورسٹیاں بنانے کے لئے سال بھر انٹرن شپ بھی فراہم کرتی ہے۔

ال۔ نان ایگزیکٹو ڈائریکٹرز کی معاوضہ پالیسی کی اہم خصوصیات

چیف ایگزیکٹو آفیسر سمیت ڈائریکٹرز کے معاوضے کی تفصیلات نوٹ نمبر 19 میں ضم شدہ مالیاتی گوشواروں کے نوٹوں میں تفصیل سے بیان کی گئی ہیں۔

ڈائریکٹرز کی اراکین کو رپورٹ 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے

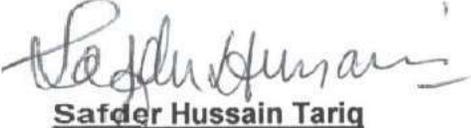
اعتراف

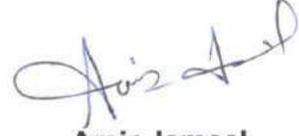
بورڈ اپنے بینکاروں کی مسلسل حمایت، لگن اور کمپنی کے تمام ملازمین کی محنت کو خوش کرتا ہے اور اس کی تعریف کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

لاہور:

06 اکتوبر 2021


Safdar Hussain Tariq
Chief Executive Officer


Amir Jameel
Director

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting (AGM) of the shareholders of Samin Textiles Limited (the "Company") will be held on Thursday, October 28, 2021 at 11:00 A.M. at 8.7 Km Multan Road, Opposite Mansoorah Lahore, being the Head Office of the Company, physically and as well as electronically to transact the following businesses:

ORDINARY BUSINESS:

1. To confirm the minutes of the previous AGM held on Monday, October 26, 2020.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2021, together with the Chairman's Review, Directors' and Auditors' Reports.
3. To appoint Statutory Auditors of the Company for the year ending June 30, 2021 and to fix their remuneration. The retiring auditors, M/s Grant Thornton Anjum Rehman, Chartered Accountants, being eligible, have offered themselves for re-appointment.

By the order of the Board

Muhammad Tayyab
Company Secretary

07 October 2021, Lahore

Notes:

1. Due to current COVID-19 situation, the Company has decided that it will be advisable and appropriate for the Company to hold its AGM physically as well as electronically for the safety and well-being of shareholders and the public at large. The shareholders of the Company interested to participate in the AGM through video link are requested to send their particulars (as given below) along with a valid copy of their CNIC (both sides)/passport, attested copy of the board resolution / power of attorney (in case of corporate shareholders) through email at tayyab@samintextile.com (or through post/courier) with the subject similar to "Registration for AGM June 30, 2021 of Samin Textiles Limited" at least 48 hours before the holding of the AGM. The original signed documents are required to be sent to the Company separately through courier or post, for record purposes.

Name of Shareholder	CNIC No.	Folio No.	Cell / WhatsApp No.	Email Address

The video link and login credential will be shared with only those members whose emails, containing all the required particulars are received well within time.

2. The share transfer Books of the Company will remain closed from October 22, 2021 to October 28, 2021 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore at the close of business on October 21, 2021 will be treated in time for the purposes of entitlement to the transferees.
3. A Member entitled to attend and vote at the Meeting may appoint another Member as his/her Proxy to attend, speak and vote at the Meeting on his/her behalf. Instrument appointing Proxy must be deposited at the Head Office of the Company not less than 48 hours before the time of holding the meeting. CDC Accounts Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan. Proxy form is available at the Company's website i.e., www.samintextiles.com. However, in case of electronic attendance, the relevant procedure given in the precedent paragraph may be followed.
4. Shareholders are requested to notify the Company's Share Registrar if there is any change in their registered postal addresses.
5. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location other than the city of the Meeting, to participate in the meeting through video conference at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard, please fill the following and submit to Head Office address of the Company at least 10 (ten) days before the date of AGM.

I/We _____ of _____, being member(s) of Samin Textiles Limited holder of _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.

6. The Company can transmit annual financial statements through email for which shareholders may provide their relevant information to Share Registrar or the Company Secretary.
7. The Annual Audited Accounts have also been placed at the Company's website at www.samintextiles.com

سمین ٹیکسٹائلز لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ سمین ٹیکسٹائلز لمیٹڈ ("کمپنی") کے حصص داران کا سالانہ اجلاس عام (AGM) بروز جمعرات 28 اکتوبر 2021ء کو صبح 11:00 بجے فزیکلی اور الیکٹرونیکلی کمپنی کے ہیڈ آفس 8.7 کلومیٹر ملتان روڈ، بالمقابل منصورہ لاہور میں مندرجہ ذیل امور کی انجام دہی کے لئے منعقد ہوگا۔
عمومی امور:

- 1- پیر 26 اکتوبر 2020 کو منعقد ہونے والے AGM کی کاروائی کی توثیق کرنا۔
- 2- 30 جون 2021ء کو ختم ہونے والے مالی سال کیلئے آڈیٹڈ اکاؤنٹس کا حصول اور اس پر غور و خوض اور اس پر چیئرمین ڈائریکٹرز اور آڈیٹرز کی رپورٹ۔
- 3- 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے Statutory Auditors مقرر کرنا اور ان کا معاوضہ طے کرنا ریٹائر ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، اہل ہوتے ہوئے، دوبارہ تقرری کے لیے اپنے آپ کو پیش کرتے ہیں

بحکم بورڈ
(محمد طیب)
کمپنی سیکریٹری

لاہور
07 اکتوبر 2021

نوٹ:

1) COVID-19 کی موجودہ صورتحال کی وجہ سے، کمپنی نے فیصلہ کیا ہے کہ کمپنی کے حصص یافتگان اور عوام الناس کی حفاظت اور فلاح و بہبود کے لئے سالانہ اجلاس عام فزیکلی کے ساتھ ساتھ الیکٹرانک طور پر منعقد کرنا موزوں اور مناسب ہوگا۔ ویڈیو لنک کے ذریعے AGM میں شرکت کے خواہشمند کمپنی کے حصص یافتگان سے درخواست ہے کہ وہ اپنے کوائف (حسب ذیل کے مطابق) کے ہمراہ اپنے CNIC (دونوں اطراف) / پاسپورٹ، بورڈ کی قرارداد کی تصدیق شدہ کاپی / مختار نامہ (کارپوریٹ حصص یافتگان کی صورت میں) tayyab@samintextile.com پر ای میل کے ذریعے جس کا عنوان (Subject) "رجسٹریشن برائے AGM 30 جون 2021 آف سمین ٹیکسٹائلز لمیٹڈ" (یا پوسٹ / کوریئر کے ذریعے) AGM کے انعقاد سے کم از کم 48 گھنٹے پہلے ارسال کرنے چاہئیں۔ دستخط شدہ اصل دستاویزات ریکارڈ کے مقاصد کے لئے کمپنی کو علیحدہ سے کوریئر یا ڈاک کے ذریعے بھیجنا ضروری ہیں۔

نام حصص دار	CNIC نمبر	فولیو	موبائل نمبر/WhatsApp	ای میل ایڈریس

وڈیولنک اور لاگ ان کریڈنشل صرف ان ارکان کے ساتھ شیئر کیا جائے گا جن کی ای میلز جس میں تمام مطلوبہ کوائف شامل ہوں مقررہ مدت کے اندر موصول ہو چکی ہوں گی۔

(2) کمپنی کی حصص منتقلی کی کتابیں 22 اکتوبر 2021ء تا 28 اکتوبر 2021ء (بشمول ہر دو ایام) سالانہ اجلاس عام میں شرکت کے مقصد کے لئے بند رہیں گی۔ ہمارے شیئر رجسٹرار کے دفتر میسرز کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل ماڈل ٹاؤن، لاہور میں 21 اکتوبر 2021ء کو کاروبار کے اختتام پر موصولہ منتقلیاں، ٹرانسفریز کے بالا استحقاق کے مقاصد کیلئے بروقت تصور ہوں گی۔

(3) اجلاس ہذا میں شرکت اور ووٹ دینے کے مستحق تمام ممبران، شرکت اور ووٹ دینے کیلئے اپنے بجائے کسی دیگر شخص کو اپنا پراکسی مقرر کر سکتے / سکتی ہیں۔ پراکسیاں تا نیکہ موثر ہو سکیں، کمپنی کے ہیڈ آفس پر اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔ سی ڈی سی اکاؤنٹ ہولڈرز کو مزید براں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری شدہ سرکلر نمبر 1 مورخہ 26 جنوری 2000 میں دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔ پراکسی فارم کمپنی کی ویب سائٹ یعنی www.samintextiles.com پر دستیاب ہے۔

(4) شیئر ہولڈرز سے درخواست ہے کہ رجسٹرڈ پتہ میں کسی بھی تبدیلی کی صورت میں کمپنی کے شیئر رجسٹرار مطلع کریں۔

(5) بحوالہ SECP سرکلر نمبر 10 بتاریخ 21 مئی 2014ء کے مطابق اگر کمپنی کو کسی جغرافیائی مقام سے جو کہ اجلاس کا مقام نہیں ہے پر مقیم 10% یا اس سے زیادہ حصص یافتہ حصص رکھنے والے ممبران سے اجلاس کی تاریخ سے کم از کم 10 دن قبل ویڈیو کانفرنس کے ذریعے اجلاس میں حصہ لینے کیلئے رضامندی پہنچتی ہے تو کمپنی اس شہر میں ویڈیو کانفرنس سہولت کا بندوبست کرے گی جو کہ اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہوگا اس سلسلے میں برائے کرم درج ذیل کو پر کریں اور AGM کی تاریخ سے کم از کم 10 دن پہلے کمپنی کے رجسٹرڈ ایڈریس پر جمع کروائے۔

میں / ہم _____ ساکن _____ بحیثیت رکن سمینٹیکسٹائلز لمیٹڈ، مالک
عام حصص بمطابق رجسٹرڈ فولیو نمبر _____ بذریعہ
ہذا _____ میں ویڈیو کانفرنس سہولت اختیار کرنا چاہتا ہوں۔

(6) کمپنی سالانہ مالی گوشوارے بذریعہ ای میل ترسیل کر سکتی ہے جس کے لئے حصص داران کو اپنی متعلقہ معلومات شیئر رجسٹرار کو فراہم کرنا ہوں گی۔

(7) سالانہ آڈٹ شدہ اکاؤنٹس کمپنی کی ویب سائٹ www.samintextiles.com پر بھی دستیاب ہیں۔

FORM 34

**THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING**

1.1 Name of the Company

SAMIN TEXTILES LIMITED

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

30-06-2021

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
89	1	100	2,346
198	101	500	96,014
74	501	1,000	70,178
119	1,001	5,000	336,900
41	5,001	10,000	344,943
15	10,001	15,000	195,294
8	15,001	20,000	150,520
9	20,001	25,000	211,870
5	25,001	30,000	142,500
6	35,001	40,000	232,000
5	45,001	50,000	239,000
5	50,001	55,000	265,501
2	55,001	60,000	112,000
2	60,001	65,000	123,000
2	65,001	70,000	138,500
2	70,001	75,000	145,025
2	75,001	80,000	154,500
1	105,001	110,000	110,000
1	140,001	145,000	145,000
1	150,001	155,000	155,000
2	180,001	185,000	363,000
1	195,001	200,000	200,000
1	205,001	210,000	210,000
1	250,001	255,000	255,000
1	305,001	310,000	310,000
1	350,001	355,000	355,000
2	495,001	500,000	1,000,000
1	505,001	510,000	509,000
1	605,001	610,000	609,000
1	1,095,001	1,100,000	1,095,067
1	1,600,001	1,605,000	1,604,838
3	2,495,001	2,500,000	7,500,000
1	9,345,001	9,350,000	9,347,004
604			26,728,000

2.3 Categories of Shareholders**Shares Held****Percentage**

2.3.1 Directors, Chief Executive Officer,

5,500

0.0206%

and their spouse and minor children

2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	0	0.0000%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,604,917	6.0046%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	53,500	0.2002%
2.3.7 Shareholders holding 10% or more	9,347,004	34.9708%
2.3.8 General Public		
a. Local	24,322,839	91.0013%
b. Foreign	500	0.0019%
2.3.9 Others (to be specified)		
1-Pension Funds	12,794	0.0479%
2- Joint Stock Companies	727,501	2.7219%
3-Others	449	0.0017%

SAMIN TEXTILES LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

- -

Mutual Funds (Name Wise Detail)

1	CDC - TRUSTEE AKD OPPRTUNITY FUND (CDC)	53,500	0.2002%
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Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. SAFDER HUSSAIN TARIQ	500	0.0019%
2	MR. AAMIR JAMIL	500	0.0019%
3	MR. KHALID AZIM	500	0.0019%
4	MR. ZAHEER JAMIL	1,000	0.0037%
5	MR. RIAZ AHMED	1,000	0.0037%
6	MR. AHMED HAMEED SHEIKH	1,000	0.0037%
7	MISS TOOBA TARIQ	1,000	0.0037%

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

1,617,711 6.0525%

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	MR. HAROON AHMED KHAN (CDC)	9,347,004	34.9708%
2	MR. MOAZZAM AHMAD KHAN (CDC)	2,500,000	9.3535%
3	MST. SADIA ALI (CDC)	2,500,000	9.3535%
4	MR. SHAHEER AHMED BUTT (CDC)	2,500,000	9.3535%
5	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
1	MR. AAMIR JAMIL	0	500
2	MR. KHALID KAZIM	0	500
3	MR. ZAHEER JAMIL	0	1,000
4	MR. RIAZ AHMED	0	1,000
5	MR. AHMED HAMEED SHEIKH	0	1,000
6	MISS TOOBA TARIQ	0	1,000

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

Name of the Company : Samin Textiles Limited (the “Company”)
 Year ending : June 30, 2021

The Company has complied with the requirements 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
i. Independent directors	<ul style="list-style-type: none"> • Mr. Khalid Azeem • Mr. Aamir Jamil
ii. Non-executive directors	<ul style="list-style-type: none"> • Mr. Riaz Ahmad • Mr. Zaheer Jamil • Mr. Abdul Hameed Sheikh
iii. Executive directors	<ul style="list-style-type: none"> • Mr. Safdar Hussain Tariq CEO • Ms. Tooba Tariq
iv. Female directors	<ul style="list-style-type: none"> • Ms. Tooba Tariq

3. The Board comprises of minimum number of members which is seven (7). Requirement of independent directors are higher of two (2) or one third of The Board. The fraction of 0.33 for independent directors has not been rounder up as one (1), due to the reason that the existing independent directors have requisite skills and knowledge to take independent decisions.
4. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
5. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
7. 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;

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
9. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-
 - a. Audit Committee**

i. Mr. Aamir Jamil	Chairman
ii. Mr. Abdul Hameed Sheikh	Member
iii. Mr. Zaheer Jamil	Member
 - b. HR and Remuneration Committee**

i. Mr. Aamir Jamil	Chairman
ii. Mr. Abdul Hameed Sheik	Member
iii. Mr. Riaz Ahmad	Member
iv. Ms. Tooba Tariq	Member

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

13. The frequency of meetings of the committees were as per following:-
 - a. **Audit Committee:** Four quarterly meetings during the financial year ended June 30, 2021;
 - b. **HR and Remuneration Committee:** One meeting during the financial year ended June 30, 2021;
14. The Board has set-up an effective internal audit function / or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
15. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they or any of the partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company;
16. 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;

17. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the CCG Regulations have been complied with.

On behalf of the Board of Directors



(Khalid Azeem)
Chairman

Lahore: Oct 06, 2021

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, 2019

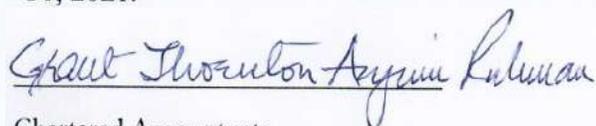
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Samin Textiles Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions 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, 2021.



Chartered Accountants

Place: Lahore

Date: October 07, 2021



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 *Samín Textiles Limited* (the Company), which comprise the statement of financial position as at June 30, 2021, 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, 2021 and of the loss and other comprehensive loss, 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 annexed financial statements have been prepared on non-going concern basis, as management plans devised by new management of are in preliminary implementation phase and commitment from sponsors is not substantiated due to non-establishment of viable plans. 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.

During our audit, except for emphasis of matter paragraph nothing has come to our attention that needs to be reported as key audit matter.

Chartered Accountants

Member of Grant Thornton International Ltd

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, 2021, 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 The 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.

GT

- 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.

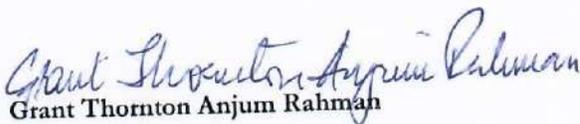
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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
Chartered Accountants
Lahore

Date: October 07, 2021

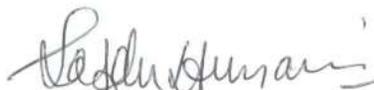
SAMIN TEXTILES LIMITED
Statement of Financial Position

As at June 30, 2021



	Note	2021 Rupees	2020 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 sponsors	5	195,735,271	73,018,587
Revenue reserves			
Accumulated loss		(420,346,482)	(401,651,721)
Total equity		42,668,789	(61,353,134)
Liabilities			
Current			
Trade and other payables	6	40,739,263	58,785,750
Interest accrued on borrowings	7	-	6,721,214
Short term borrowings - related party	8	-	100,000,000
Total current liabilities		40,739,263	165,506,964
Total liabilities		40,739,263	165,506,964
Total equity and liabilities		83,408,052	104,153,830
Contingencies and commitments	9		
Current Assets			
Non-current assets held for sale	10	1,469,999	5,876,699
Deposits	11	-	5,355,000
Tax refunds due from government	12	81,879,894	90,437,939
Cash and bank balances	13	58,159	2,484,192
Total current assets		83,408,052	104,153,830
Total assets		83,408,052	104,153,830

The annexed notes 1 to 26 form an integral part of these financial statements.


Safdar Hussain Tariq
 Chief Executive Officer


Amir Jameel
 Director


Muhammad Usman
 Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income



For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Other income	14	1,693,409	28,991,438
Administrative expenses	15	(14,609,781)	(17,468,340)
Operating loss / profit		(12,916,372)	11,523,098
Finance cost	16	(5,778,389)	(13,426,486)
(Loss) / profit before taxation		(18,694,761)	(1,903,388)
Provision for taxation	17	-	-
(Loss) / profit after taxation		(18,694,761)	(1,903,388)
<hr/>			
Total comprehensive (loss) / income for the year		(18,694,761)	(1,903,388)
(Loss) per share - basic and diluted	18	(0.70)	(0.07)

The annexed notes 1 to 26 form an integral part of these financial statements.


Safder Hussain Tariq
 Chief Executive Officer


Amir Jameel
 Director


Muhammad Usman
 Chief Financial Officer



Statement of Cash Flows
For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Cash flows from operating activities			
Cash generated from / (used in) operations	21	(24,200,452)	1,647,005
Net cash generated from / (used in) operating activities		(24,200,452)	1,647,005
Cash flows from investing activities			
Proceeds from disposal of non-current assets held for sale		6,100,000	390,000
Proceeds from realization of long term deposits		5,355,000	-
Net cash from investing activities		11,455,000	390,000
Cash flows from financing activities			
Increase/(Decrease) in short term borrowings		-	-
(Decrease) in long term financing		-	-
(Decrease) / Increase in Sponsor's loan		18,839,971	4,335,074
Dividend paid		-	(8,200)
Finance cost paid		(8,520,552)	(9,604,806)
Net cash (used in) financing activities		10,319,419	(5,277,932)
Net change in cash and cash equivalents		(2,426,033)	(3,240,927)
Cash and cash equivalents at the beginning of the year		2,484,192	5,725,120
Cash and cash equivalents at the end of the year	13	58,159	2,484,192

The annexed notes 1 to 26 form an integral part of these financial statements.

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Safder Hussain Tariq
Chief Executive Officer

Amir Jameel
Director

Muhammad Usman
Chief Financial Officer

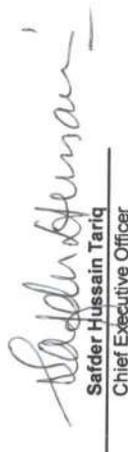
SAMIN TEXTILES LIMITED

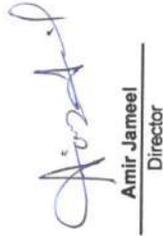
**Statement of Changes in Equity
For the year ended June 30, 2021**



Particulars	A	B	C	Capital Reserve		Revenue reserve		Sub-total	Total Equity
				Issued, subscribed and paid up share capital	Loan from sponsors	Revaluation surplus on property, plant and equipment	Revenue reserve		
Rupees									
Balance as at July 01, 2019	267,280,000	58,271,947	-	-	-	(399,748,333)	(341,476,365)	(74,196,386)	
Total comprehensive income for the year	-	-	-	-	-	(1,903,388)	(1,903,388)	(1,903,388)	
Loan obtained during the year	-	4,335,074	-	-	-	-	4,335,074	4,335,074	
Sub-ordinated loan converted into interest free loan during the year	-	10,411,566	-	-	-	-	-	10,411,566	
Balance as at June 30, 2020	267,280,000	73,018,587	-	-	-	(401,651,721)	(328,633,133)	(61,353,134)	
Total comprehensive loss for the year	-	-	-	-	-	(18,694,761)	(18,694,761)	(18,694,761)	
Loan obtained during the year	-	122,716,684	-	-	-	-	122,716,684	122,716,684	
Balance as at June 30, 2021	267,280,000	195,735,271	-	-	-	(420,346,482)	(224,611,210)	42,668,789	

The annexed notes 1 to 26 form an integral part of these financial statements.


Safdar Hussain Tariq
Chief Executive Officer


Amir Jameel
Director


Muhammad Usman
Chief Financial Officer

Notes to the financial statements

For the year ended June 30, 2021

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 15/3 Block A, Model Town, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is trading, import and export of textile products and appliances.
- 1.2 Accumulated losses of the Company as on the reporting date are Rs. 420.34 million. During the year, major shares of the Company were sold by Mr. Sarmad Amin (Ex- Sponsor) to M. Haroon Ahmad Khan and new management has taken charge of the Company with effect from January 2021. Subsequent to the year end, the new management has devised and formulated a new plan for revival of the Company which was shared with Pakistan Stock Exchange (PSX) as well. The new management is currently in process to implement the said business plan. Subsequent to reporting date the Company has achieved turnover of Rs. 11 million and is in the process of securing a long term contract to supply products worth Rupees 250 million during financial year ending June 30, 2022. However, the new business plan is still in the preliminary implementation phases and therefore, viability thereof is to be established. In view of the aforesaid reasons, the Company is not considered to be going concern. Accordingly, these financial statements have been prepared using the non going concern basis of accounting.

Financial commitment from sponsors:

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

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 were certain amendments to accounting and reporting standards which became effective for the Company for the current year. However, these are considered not to be relevant or to have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

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

There is a standard and certain other amendments to accounting and reporting standards that are not yet effective and are considered either not to be relevant or to have any significant impact on the Company's financial statements and operations 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. Basis of measurement of individual assets and liabilities are disclosed in accounting policies.

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.

SMC

Notes to the financial statements

For the year ended June 30, 2021

2.6 Estimated realizable / settlement values of assets and liabilities

The Company started preparing its financial statements using non-going concern 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. Realizable / settlement values of assets and liabilities respectively as disclosed in these financial statements are based on the managements' estimates.

2.7 Functional and presentation currency

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Taxation

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.

3.2 Foreign currencies

Transactions in currencies other than Pakistani 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 statement of profit or loss for the year.

3.3 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 assets give rise on specified dates to cash flows that are solely payments of principal and interest/markup on the principal amount outstanding. Interest/markup income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in statement of profit or loss.

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 assets give rise on specified dates to cash flows that are solely payments of principal and interest/markup 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 investment that is subsequently measured at fair value through profit or loss is recognised in statement of profit or loss in the period in which it arises.

Financial assets are initially measured at 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 statement of profit or loss for the period in which it

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.

GAPK

Notes to the financial statements

For the year ended June 30, 2021

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 statement of profit or loss.

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 statement of profit or loss.

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.

Impairment of financial assets

These financial assets are carried at realisable value i.e. at amount of cash & cash equivalents that would currently be obtained by selling assets in ordinary course of business. Accordingly, impairment is computed by assessing realisable amount of assets.

3.4 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.

3.5 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts 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.

An impairment 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.

3.6 Revenue recognition

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

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

3.8 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.

4/11/21

Notes to the financial statements

For the year ended June 30, 2021

3.9 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.

3.10 Fixed Assets

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and impairment in value including any costs directly attributable in bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Depreciation is charged to income applying the reducing balance method over the estimated useful life at specified rates.

Depreciation on additions is charged from the date in which the property, plant and equipment is acquired, capitalized or on commencement of commercial production while no depreciation is charged from the date in which property, plant and equipment 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 income 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.

3.11 Trade and other payables

Creditors relating to trade and other payables are carried at amortised cost.

3.12 Loan from Sponsor

Loan from Sponsor is accounted for using Technical Release-32 "Accounting Directors Loan" (TR 32) issued by the Institute of Chartered Accountant of Pakistan (ICAP):

- Sponsor's loan that is interest free and payable at the discretion of the Company is to be recorded as equity at face value and is not to be subsequently remeasured; and
- Sponsor's loan that is interest free and payable on demand is to be recorded under current liabilities.

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Notes to the financial statements

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
4 SHARE CAPITAL			
4.1 Authorized share capital			
30,000,000 (2020: 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 (2020: 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 SPONSORS			
Loan from sponsors	5.1	173,674,926	73,018,587
Others	5.2	22,060,345	-
Total		195,735,271	73,018,587

5.1 These represent interest free loans from members of the Company to meet working capital requirements. These loan are designated interest free and are 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, the loan has been classified as part of equity.

5.2 This includes interest accrued, short term borrowings obtained from sponsors and segment payables and other liabilities etc.

	Note	2021 Rupees	2020 Rupees
6 TRADE AND OTHER PAYABLES			
Creditors			
- for goods		-	-
- for supplies		7,105,727	7,105,727
- for services		4,564,338	3,821,061
		11,670,065	10,926,788
Accrued liabilities	6.1	12,043,081	26,234,341
Employee benefits payable	6.2	3,634,038	4,732,542
Advances from customers		13,392,079	16,892,079
Total		40,739,263	58,785,750

6.1 This includes remuneration payable to directors & executives amounting to Rs. 2.28 million (2020: Rs. 19.6 million).

6.2 This includes bonus employee benefits payable to directors & executives amounting to Rs. 1.208 million (2020: Rs. 1.208 million).

	Note	2021 Rupees	2020 Rupees
7 INTEREST ACCRUED ON BORROWINGS			
Interest accrued on:			
Short term borrowings - related party	7.1	-	6,721,214
Total		-	6,721,214

7.1 During the year, this has been converted into sponsor's loan.

	Note	2021 Rupees	2020 Rupees
8 SHORT TERM BORROWINGS - RELATED PARTY			
Loan from sponsors	8.1	-	100,000,000
Total		-	100,000,000

8.1 This loan was obtained from a member of the Company. During the year, this has been converted into interest free loan payable at the discretion of the Company and accordingly, added in sponsor's loan as part of equity.

WAC

Notes to the financial statements

For the year ended June 30, 2021

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

- i) A petition for execution of decree of the Civil Court relating to land of the Company situated in village Rousa, Kasur which has been sold last year is pending before Civil Judge, Kasur.
- ii) An appeal effect order u/s 124 for Tax Year 2008 in the light of direction given in the CIR(A)-II dated 16-04-2014 where total losses amounting to Rs. 128,915,283 has been determined and a demand of Rs. 28,482,019 has been vacated. However, the Company and tax department have approached ATIR against the order of CIR(A)-II, which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- iii) 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 against export sale, whereas, the Company has approached ATIR on 17-05-2015 against the order of CIR-Appeals which is pending adjudication till date. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- iv) 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. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- v) 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. There is likelihood that matter will be resolved in favour of the Company. Accordingly, no provision/liability is required in these financial statements.
- vi) In respect of the Audit proceedings for the Tax Year 2012. The Add. CIR (ACIR) 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, that passed the Appellate Order no. 18/A-V dated 26-07-2021 wherein addition made on account of 'Markup' amounting to Rs. 22,530,747/- has been deleted and remaining additions have been remanded back to the ACIR for reexamination. The department has not been challenged this order of CIR-A so far.
- vii) 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, that passed the appellate order no. 33/A-V dated 25-06-2021 wherein additions made on account of salaries amounting to Rs. 900,000/- were reduced by 50% and disallowance of 'power and fuel charges' amounting to Rs. 1,500,000/- has been deleted and remaining additions have been remanded back to the ACIR for reexamination. The department has not been challenged this order of CIR-A so far.
- viii) 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 Commissioner Inland Revenue Appeal (CIR-A) who passed the appellate order no. 19/A-V dated 26-07-2021 wherein additions made on account of donations amounting to Rs. 300,000/- has been deleted and remaining additions have been remanded back to the ACIR for reexamination. The department has not been challenged this order of CIR-A so far.

Notes to the financial statements

For the year ended June 30, 2021

- ix) 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. 7.1 million and is confident that no additional liability is required in these financial statements.
- x) An appeal has been preferred against the Company in a recovery suit instituted against it by a customer of the Company 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. Accordingly, no provision/liability is required in these financial statements.

10 NON-CURRENT ASSETS HELD FOR SALE

	Note	2021 Rupees	2020 Rupees
Non-current assets held for sale	10.1, 10.2 & 10.3	1,469,999	5,876,699
Total		1,469,999	5,876,699
10.1 Office equipment			
Opening balances		286,285	-
Carrying value transferred from property, plant & equipment		-	286,285
Disposal during the year		-	-
Closing balance		286,285	286,285
10.2 Vehicles			
Opening balances		-	-
Carrying value transferred from property, plant & equipment		5,590,414	5,794,831
Disposal during the year	10.4	(4,406,700)	(204,417)
Closing balance		1,183,714	5,590,414

10.3 Estimated realisable value of these non-current assets exceeds carrying value by approximately Rs. 5.212 million (2020: 3.809 million). This amount has not been incorporated in these financial statements. It will be recognised at the time of actual sale.

10.4 Disposal of vehicles

Description	Quantity	Cost	Accumulated depreciation	Net book value	Proceeds from disposal	Gain / (loss) on disposal	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
Motor Vehicle	1	4,868,236	4,268,390	609,846	2,400,000	1,790,164	Mr. Sarmad Amin	Negotiation	Sponsor
Motor Vehicle	1	6,779,528	6,467,689	311,839	1,100,000	788,131	Mr. Sarmad Amin	Negotiation	Sponsor
Motor Vehicle	1	3,502,200	291,860	3,210,340	2,300,000	(910,340)	Mr. Sarmad Amin	Negotiation	Sponsor
Motor Vehicle	1	718,360	443,716	274,644	300,000	26,365	Mr. Sarmad Amin	Negotiation	Sponsor
Total		14,868,314	10,461,614	4,406,700	6,100,000	1,693,300			

11 DEPOSITS

	Note	2021 Rupees	2020 Rupees
Deposits - Security	11.1	-	5,355,000
Total		-	5,355,000

11.1 Deposit amounting to Rs. 5,355,000/- was related to security deposits for utility connections. During the year, this has been adjusted.

12 TAX REFUNDS DUE FROM GOVERNMENT

	2021 Rupees	2020 Rupees
Advance income tax - net	46,704,169	55,364,552
Sales tax refundable - net	35,175,725	35,073,387
Total	81,879,894	90,437,939

4/10/21

Notes to the financial statements

For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
13 CASH AND BANK BALANCES			
Cash at bank:			
- current accounts		57,947	2,158,616
- deposit accounts	13.1	-	36,987
		57,947	2,195,603
Cash in hand		212	288,589
Total		58,159	2,484,192

13.1 The effective rate of return in respect of deposit accounts is Nil (2020: 5.5% to 11.5%).

	2021 Rupees	2020 Rupees
14 OTHER INCOME		
Markup on deposit accounts	109	4,769
Liabilities written back	-	22,735,468
Gain on disposal of non-current assets	1,693,300	185,583
Sale of biological assets	-	3,854,000
Miscellaneous income	-	2,211,618
Total	1,693,409	28,991,439

	Note	2021 Rupees	2020 Rupees
15 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits		6,737,122	9,298,092
Rent, rates and taxes		2,401,255	1,200,000
Repair and maintenance		183,317	142,479
Printing and stationery		42,905	31,585
Communication		232,411	533,615
Electricity, gas and water		1,286,039	2,050,096
Traveling and conveyance		423,466	568,792
Entertainment		30,594	262,661
Fee and subscription		1,344,291	477,838
Legal and professional		348,689	182,000
Vehicle running and maintenance		509,780	386,140
Auditors' remuneration	15.1	815,500	2,088,500
Miscellaneous		254,412	246,542
Total		14,609,781	17,468,340

15.1 Auditor's remuneration:

Audit fee	665,500	665,500
Fee for half yearly review and other certifications	150,000	150,000
Taxation services	-	1,273,000
Total	815,500	2,088,500

	2021 Rupees	2020 Rupees
16 FINANCE COST		
Bank charges	3,703	9,480
Interest on sponsor's loan - related party	5,774,686	13,417,006
Total	5,778,389	13,426,486

Notes to the financial statements

For the year ended June 30, 2021

17 PROVISION FOR TAXATION

Current	-	-
Prior period	-	-
Total	-	-

17.1 Income tax provision for income has been calculated in accordance with section 113 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 of Income Tax Ordinance, 2001.

17.2 Deferred tax asset amounting to Rs. 373.71 million (2020: Rs. 390.271 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.

18 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:

	2021	2020
Loss after tax (Rupees)	(18,694,761)	(1,903,388)
Weighted average number of ordinary shares	26,728,000	26,728,000
Loss per share - basic and diluted (Rupees)	(0.70)	(0.07)

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.

19 REMUNERATION OF CHIEF EXECUTIVE OFFICER, 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:

		2021			
Particulars	Note	Chief Executive Officer	Executive Directors	Non Executive Directors	Executives
		Rupees			
Remuneration / Salary	19.1 , 19.2 & 19.3	-	2,960,947	-	-
Utilities		-	-	-	-
House rent	19.3	-	-	-	-
Reimbursable expenses	19.3	-	-	-	-
Total		-	2,960,947	-	-
Number of person(s)		1	1	3	1

19.1 During the year, executive director has been appointed as Chief Executive Officer.

		2020			
Particulars	Note	Chief Executive Officer	Executive Directors	Non Executive Directors	Executives
		Rupees			
Remuneration / Salary		-	2,153,416	-	-
Utilities	19.2, 19.3	-	215,342	-	-
House rent	19.3	-	861,366	-	-
Reimbursable expenses	19.3	1,135,287	-	-	-
Total		1,135,287	3,230,124	-	-
Number of person(s)		1	2	4	0

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

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

GM

Notes to the financial statements

For the year ended June 30, 2021

20 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.

20.1 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 deposits, other receivables and bank balances. Out of total financial assets of Rs. 0.058 million (2020: Rs. 2.48 million), the financial assets that are subject to credit risk amounted to Rs. Nil (2020: Rs. Nil).

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 with some major counterparties at the reporting date.

Banks	Rating		Agency	June 2021 (Rupees)	June 2020 (Rupees)
	Short term	Long term			
MCB Bank Limited	A 1+	AAA	PACRA	15,447	1,046,306
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	-	28,596
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	-	1,013,612
National Bank of Pakistan	A 1+	AAA	PACRA	3,209	43,887
Habib Bank Limited	A 1+	AAA	VIS	17,063	24,859
Askari Bank Limited	A 1+	AA+	PACRA	-	11,725
Soneri Bank Limited	A 1+	AA-	PACRA	-	7,259
Faysal Bank Limited	A 1+	AA	PACRA	-	-
JS Bank Limited	A 1+	AA-	PACRA	10,812	7,812
Sindh Bank Limited	A - 1	A+	VIS	-	-
Bank Al Falah Limited	A 1+	AA+	PACRA	11,426	11,547
Bank Al Habib Limited	A 1+	AA+	PACRA	-	-
Mib Bank Ltd	A1	A	PACRA	-	-
Meezan Bank Ltd	A-1+	AA+	VIS	-	-
Total				57,947	2,195,603

20.2 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 obligations.

The following are contractual maturities of financial liabilities as at 30 June 2021

	Carrying amount Rupees	Less than one year	One to five years	More than five years
		Rupees	Rupees	Rupees
Loan from Sponsor	195,735,271	195,735,271	-	-
Trade and other payables	40,739,263	40,739,263	-	-
Interest accrued on borrowings	-	-	-	-
Total	236,474,534	236,474,534	-	-

The following are contractual maturities of financial liabilities as at 30 June 2020:

CPM

Notes to the financial statements

For the year ended June 30, 2021

	Carrying amount Rupees	Less than one year Rupees	One to five years Rupees	More than five years Rupees
Sub-ordinated loan	10,411,566	10,411,566	-	-
Loan from Sponsor	100,000,000	100,000,000	-	-
Trade and other payables	81,155,970	81,155,970	-	-
Interest accrued on borrowings	2,899,535	2,899,535	-	-
Total	194,467,071	194,467,071	-	-

20.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest/markup 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/ markup rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market interest/markup rates.

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

Variable rate instruments	2021	2020	2021	2020
	Effective rate of interest		Carrying value in Rupees	
Financial Liabilities				
Sponsor's loan	7.53% to 7.80%	7.43% to 11.63%	195,735,271	100,000,000
Total			195,735,271	100,000,000
Financial assets				
Cash at bank - deposit accounts		10.25%	-	36,248
Total			-	36,248

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, 2021		
Cash flow sensitivity -variable rate financial liabilities	(1,957,353)	1,957,353
As at June 30, 2020		
Cash flow sensitivity -variable rate financial liabilities	(1,000,000)	1,000,000

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

GRX

Notes to the financial statements

For the year ended June 30, 2021

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.

20.4 Financial instruments by categories

	2021 Rupees	2020 Rupees
Financial assets at fair value through profit or loss		
Trade debts	-	-
Trade deposits	-	-
Cash and bank balances	58,159	2,484,192
Total	58,159	2,484,192
Financial liabilities at fair value through profit or loss		
Short Term Borrowings	195,735,271	100,000,000
Trade and other payables	40,739,263	58,785,750
Interest accrued on loans	-	6,721,214
Total	236,474,534	165,506,964

20.5 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.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date (level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2).
- Unobservable inputs for the asset or liability (level 3).

The Company has not disclosed fair values of these financial assets and liabilities as these are for short term or repriced over short term. Therefore, carrying amounts of material assets and liabilities are reasonable approximation of fair value.

As at 30 June 2021, the Company do not held any non-financial assets that require fair value measurement.

20.6 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".

AMC

Notes to the financial statements
For the year ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
21 CASH GENERATED FROM OPERATIONS			
Loss before taxation		(18,694,761)	(1,903,388)
		(18,694,761)	(1,903,388)
Adjustments for non-cash charges and other items:			
Gain on disposal of property, plant and equipment		(1,693,300)	(185,583)
Finance cost		5,778,389	13,426,486
Working capital changes	21.1	(18,148,825)	(10,042,778)
Income tax		8,660,383	352,268
		(5,505,691)	3,550,393
Total		(24,200,452)	1,647,005
21.1 Working capital changes			
(Increase) / decrease in current assets			
Trade debts		-	872,441
Trade deposits and balances with statutory authorities		(102,338)	11,455,000
		(102,338)	12,327,441
(Decrease) / increase in current liabilities			
Trade and other payables		(18,046,487)	(22,370,219)
Total		(18,148,825)	(10,042,778)

22 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 balance	2021 Rupees	2020 Rupees
Sarmad Amin	Ex Sponsor	Loan		162,607,021
Shehla Saigol	Ex Member	Loan		10,411,566
Haroon Ahmad Khan	New Sponsor	Loan	195,735,271	

Name	Relationship with the Company	Nature of balance	2021 Rupees	2020 Rupees
Sarmad Amin	Ex Sponsor	Expense	-	13,417,006
Mehvash Amin	Ex Member	Expense	-	1,200,000

23 NUMBER OF EMPLOYEES

	2021	2020
Number of employees at year end	2	10
Average number of employees during the year	11	12

4000

Notes to the financial statements

For the year ended June 30, 2021

24 IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. The Company's operations remained suspended during the year . Accordingly, management has assessed that there is no significant accounting impact of the effects of COVID-19 on these financial statements.

25 GENERAL

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

25.2 Corresponding figures have been re-arranged and/ or reclassified, wherever considered necessary, for the purpose of better presentation of the financial statements. However, no significant presentation changes and / or reclassifications have been made in these financial statements.

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on 06 October, 2021.

Signature



Safder Hussain Tariq
Chief Executive Officer



Amir Jameel
Director



Muhammad Usman
Chief Financial Officer

**SAMIN TEXTILES LIMITED
FORM OF PROXY**

The Company Secretary
Samin Textiles Limited
Head Office: 8.7 Km Multan Road
Lahore

I/ We _____

of _____

being a member of **Samin Textiles Limited** hereby appoint _____

of _____

or failing him _____

of _____

as my proxy in my absence to attend, speak and vote for me on my behalf at the Annual General Meeting of the Company to be held on Thursday October 28, 2021 at 11:00 AM and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2021.



Witness No.1

Name : _____

Address: _____

CNIC No.: _____

Signature of Member(s)

Witness No. 2

Name : _____

Address: _____

CNIC No.: _____

(Name in Block letters)

Folio No. _____

Participant ID No. _____

Account No. in CDC _____

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.

2. A Member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
3. Members are requested:
 - (a) To affix Revenue Stamp of Rs. 5/- at the place indicated above.
 - (b) To sign across the Revenue Stamp in the same style of signature as is registered with the Company.
 - (c) To write down their Folio Numbers.
4. This form of proxy, duly completed and signed across a Rs. 5/- revenue stamp, must be deposited/sent at the Company's Head Office not less than 48 hours before the time for holding the meeting or may be sent through the email as given in this notice followed by courier/post to the Company's Head office.

سمین ٹیکسٹائل لمیٹڈ پراکسی فارم

کمپنی سکریٹری
سمین ٹیکسٹائل لمیٹڈ
ہیڈ آفس: 8.7 کلومیٹر ملتان روڈ
لاہور

میں / ہم _____ رہائشی _____
بحیصیت ممبر سمین ٹیکسٹائل لمیٹڈ اس پراکسی کے ذریعے _____ کو مختار [پراکسی] مقرر
کرتا/کرتی ہوں جو کہ میری غیر موجودگی میں میری پراکسی کی حیصیت میں جمعرات 28 اکتوبر 2021 کو صبح 11:00 بجے اور اس
کے کسی بھی التوا میں کمپنی کے سالانہ جنرل اجلاس میں شرکت، گفتگو اور ووٹ کا میری طرف سے ادراج کراسکے۔

دستخط آج بروز _____ بتاریخ _____

Rs. 5/-

ریونیو اسٹامپ

گواہ [الف]

دستخط _____

نام _____

پتہ _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

دستخط ممبر

نام _____

فوٹو نمبر _____

پارٹیسپینٹ آئی ڈی نمبر _____

سی ڈی سی نمبر _____

گواہ [ب]

دستخط _____

نام _____

پتہ _____

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

اہم:

۱۔ سی ڈی سی اکاؤنٹ ہولڈرز سے درخواست ہے کہ وہ اجلاس کے نوٹس میں مذکور رہنما خطوط پر سختی سے عمل
کریں۔

۲۔ جنرل میٹنگ میں شرکت کا حقدار رکن اس کی بجائے شرکت اور ووٹ ڈالنے کے لئے پراکسی مقرر کرنے کا حق دار ہے۔

۳۔ اراکین سے درخواست کی جاتی ہے:

(الف) اوپر بتائی گئی جگہ پر 5/- روپے کی ریونیو اسٹامپ لگانا۔

(ب) ریونیو اسٹامپ کے پار دستخط کرنے کے لئے اسی طرز پر دستخط کرنا جس طرح کمپنی کے پاس رجسٹرڈ ہے۔

(ج) ان کے فولیو نمبر لکھنا۔

۴۔ پراکسی کی یہ شکل، جو باضابطہ طور پر مکمل ہوئی اور 5/- روپے کے ریونیو اسٹامپ پر دستخط کی گئی ہے، کو میٹنگ کے انعقاد
کے لئے وقت سے کم از کم 48 گھنٹے پہلے کمپنی کے ہیڈ آفس میں جمع کرانا/بھیجا جانا چاہئے یا ای میل کے ذریعے بھیجا جاسکتا ہے
جیسا کہ اس نوٹس میں دیا گیا ہے اور اس کے بعد کمپنی کے ہیڈ آفس کو کوریئر/پوسٹ بھیجی جاسکتی ہے۔



samintextile.com

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8.7 Km Multan Road Lahore
Tel: 042 35415421-5