



Interim Financial Report
for the half year ended
December 31, 2018



Samin Textiles Limited

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Company Information

Board of Directors

Non-Executive Directors

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

Executive Directors

Mr. Jehanzeb Amin	Chief Executive
Mr. Safder Hussain Tariq	

Independent Director

Mr. Qamber Hamid

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Qamber Hamid	Chairman
Mr. Tariq Jilani	Member
Mr. Shehryar Amin	Member

Chief Financial Officer

Mr. Safder Hussain Tariq

Company Secretary

Mr. Muhammad Tayyab

Chief Internal Auditor

Ms. Nayab Ayaz

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Imtiaz Saddiqui & Associates

Leading Banks

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

Shares Registrar

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

Registered/Head Office

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

Mills

8km Kilometer,
Manga - Raiwind Road,
District Kasur, Pakistan.

Directors' Review

The Board of Directors of your Company is pleased to present before you the un-audited financial statements duly reviewed by the auditors for the half year ended December 31, 2018. These financial statements have been prepared in compliance with IAS – 34 "Interim Financial Reporting" and are submitted under the Companies Act, 2017.

Financial Highlights

	Half Year ended December 31, 2018	Half Year ended December 31, 2017
	----- Rupees in million -----	
Sales - Net	44.559	200.824
Gross (Loss)	(19.728)	(94.381)
Other Operating Income	159.891	2.360
Profit / (Loss) After Tax	68.915	(167.300)
Depreciation	0.546	36.673
Cash Profit / (Loss)	68.369	(130.627)

The figures tabulated above reveal that during the period under review the Company posted net sales amounting to Rs. 44.559 million and a net profit of Rs. 68.915 million as compared to net sales of Rs. 200.824 million and net loss of Rs. 167.300 million for the corresponding period of last financial year.

Following are the major factors for the reported results:

- i. The production operations of the Company were closed during the month of September. As such there was no production activity during the period under review.
- ii. Since the production operations were closed therefore the project had to bear the entire fixed cost like markup and other fixed overheads of the Company.
- iii. During the period under review, leftover stock of finished goods and raw material was disposed of in order to settle the liabilities there against.
- iv. Other Operating Income mainly comprises of gain on disposal of fixed assets amounting to Rs. 139.790 million.

Future Outlook / Strategy

As approved by the shareholders in the Extraordinary General Meeting held on 26 October, 2018 the Company is in the process of disposal of its assets and settlement of its liabilities.

Since the process of disposal of assets has not been completed, therefore, implementation on the alternate business plan has not been commenced as yet.

As soon as the process of disposal of assets and settlement of liabilities is completed, the Company will start implementing its approved alternate business plan which is expected from the last quarter of the current financial year.

We hope that the new alternate business plan will bring fruitful results for the Company.

Acknowledgement:

We are grateful to all our stakeholders exclusively the bankers for their ongoing support and the employees of the Company for their commitment and hard work.

For and on behalf of the Board



Jehanzeb Amin
Chief Executive

Lahore :

Dated : 27th February, 2019

ڈائریکٹر کا جائزہ

کمپنی کی مجلسِ نظامہ، 31 دسمبر 2018ء کو ختم ہونے والی پہلی ششماہی کے لئے آڈیٹرز کی طرف سے باقاعدہ دوبارہ جائزہ شدہ غیر نظر ثانی شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ یہ مالی حسابات آئی ایس اے 34 "عمومی مالیاتی رپورٹنگ" اور کمپنیز ایکٹ 2017 کے تحت جاری کردہ ہدایات اور پروویژنز کی تعمیل میں تیار کئے گئے ہیں۔

مالی جھلکیاں

31 دسمبر 2017 مختصر ششماہی		31 دسمبر 2018 مختصر ششماہی	
200.824	44.559	200.824	44.559
(94.381)	(19.728)	(94.381)	(19.728)
2.360	159.891	2.360	159.891
(167.300)	68.915	(167.300)	68.915
36.673	0.546	36.673	0.546
(130.627)	68.369	(130.627)	68.369

مندرجہ بالا جدول کے اعداد و شمار سے ظاہر ہوتا ہے کہ گزشتہ مالی سال کی اسی مدت میں 200.824 ملین روپے خالص فروخت اور 167.300 ملین روپے خالص نقصان کے مقابلے میں زبردستی جائزہ مدت کے دوران کمپنی نے 44.559 ملین روپے کی خالص فروخت اور خالص منافع 68.915 ملین روپے درج کیا ہے۔

بیان کردہ نتائج کے اہم عناصر مندرجہ ذیل ہیں:

- کمپنی کے پیداواری آپریشنز ماہِ تمہیر کے دوران بند ہو گئے۔ چنانچہ زبردستی جائزہ مدت کے دوران کوئی پیداواری سرگرمی نہیں ہوئی۔
- چونکہ پیداواری آپریشنز بند ہو گئے تھے لہذا پراجیکٹ کو مارک اپ کی طرح کے تمام قلمزد لاگت اور کمپنی کے دیگر قلمزد اخراجات برداشت کرنا پڑے تھے۔
- زبردستی جائزہ مدت کے دوران، تیار ایشیا کا باقی ماندہ اسٹاک اور خام مال واجب ذمہ داریوں کی ادائیگیوں کے لئے فروخت کیا گیا۔
- دیگر آپریشنز آمدنی بنیادی طور پر قلمزد اثاثوں کی فروخت سے حاصل ہونے والی رقم 139.790 ملین روپے پر مشتمل ہے۔

مستقبل کا نقطہ نظر/حکمت عملی

126 اکتوبر 2018ء کو منظور شدہ غیر معمولی اجلاس عام میں حصص داران کی منظوری کے مطابق کمپنی اپنی ذمہ داریوں کی ادائیگی اور اپنے اثاثوں کو فروخت کرنے کے پراسس میں ہے۔

چونکہ اثاثوں کی فروخت کا پراسس مکمل نہیں ہوا لہذا متبادل کاروباری منصوبہ پر عملدرآمد ابھی شروع نہیں کیا گیا ہے۔

اثاثوں کی فروخت اور واجب ذمہ داریوں کی ادائیگیوں کا پراسس جتنا جلدی مکمل ہو گیا، کمپنی اپنا منظور شدہ متبادل کاروباری منصوبہ پر عملدرآمد شروع کر دے گی جو موجودہ مالی سال کی آخری ہی میں شروع ہونے کی توقع کی جاتی ہے۔

ہم امید کرتے ہیں کہ نیا متبادل کاروباری منصوبہ کمپنی کے لئے منافع بخش نتائج سے بھرپور ہوگا۔

اظہار تشکر

ہم اپنے تمام اسٹیک ہولڈرز خاص طور پر بینکرز کی مسلسل حمایت اور کمپنی کے ملازمین کے عزم اور سخت محنت کے شکر گزار ہیں۔

منجانب ایورڈ

جہانزیب اسٹین

چیف ایگزیکٹو



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Samin Textiles Limited Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Samin Textiles Limited as at December 31, 2018 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 1.2 to the accompanying condensed interim financial information which describes that the manufacturing activities of the Company were discontinued during the month of September 2018 while implementation of new business plan approved by the shareholders of the Company on September 26, 2018 is in process. These conditions may cast a significant doubt on the entity's ability to continue as going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on a going concern basis due to mitigating factors, as more fully explained in note 1.2 to the financial information. Our conclusion is not qualified in respect of this matter.

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

Grant Thornton Anjum Rahman

February 27, 2019

Lahore

Chartered Accountants

Member of Grant Thornton International Ltd
 Offices in Karachi & Islamabad

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2018

	Notes	Un-audited Dec 31, 2018 Rupees	Audited Jun 30, 2018 Rupees
Equity and liabilities			
Equity			
Share capital			
Issued, subscribed and paid-up share capital	6	267,280,000	267,280,000
Loan from sponsor	7	71,288,373	85,488,373
Capital reserves			
Revaluation surplus on property, plant and equipment		-	566,097,186
Revenue reserves			
Accumulated loss		(421,984,993)	(1,099,369,878)
Total equity		(83,416,620)	(180,504,320)
Liabilities			
Non-current			
Subordinated loan-related party		10,411,566	10,411,566
Deferred liabilities	8	1,277,250	43,659,621
Total non-current liabilities		11,688,816	54,071,187
Current			
Trade and other payables		147,286,240	165,278,430
Interest /markup accrued on financing	9	25,522,128	56,442,394
Short term borrowings - banks and financial institutions	10	-	441,869,259
Short term borrowings - related party		160,000,000	160,000,000
Current portion of long term financing	11	-	181,709,484
Unclaimed dividend		3,466,164	3,466,164
Contribution to Provident Fund Payable		-	31,933,363
Total current liabilities		336,274,532	1,040,699,094
Total liabilities		347,963,348	1,094,770,281
Total equity and liabilities		264,546,728	914,265,962
Contingencies and commitments 12			
Assets			
Non-current			
Property, plant and equipment	13	5,073,976	5,620,079
Total Non-current assets		5,073,976	5,620,079
Current			
Stores, spare parts and loose tools	17.1	-	44,466,219
Stock in trade		-	20,634,645
Trade debts	14	112,519,951	13,339,625
Loans and advances		8,869,980	8,158,157
Trade deposits and prepayments		1,085,424	2,793,663
Tax refunds due from government		117,229,523	118,133,938
Cash and bank balances		14,412,874	3,349,231
Total Current assets		254,117,752	210,875,478
Non-current assets classified as held for sale	15	5,355,000	697,770,405
Total assets		264,546,728	914,265,962

The annexed notes from 1 to 24 form an integral part of this interim financial information.



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)


For the half year ended December 31, 2018

	Notes	For the half year ended	For the half year ended	For the quarter ended	For the quarter ended
		Dec 31, 2018	Dec 31, 2017	Dec 31, 2018	Dec 31, 2017
		Rupees	Rupees	Rupees	Rupees
Sales - net		44,558,608	200,823,669	1,254,010	83,348,233
Cost of sales	16	(64,286,256)	(295,205,035)	(17,973,396)	(130,051,160)
Gross loss		(19,727,648)	(94,381,366)	(16,719,386)	(46,702,927)
Other income	17	159,891,402	2,359,762	159,880,641	2,346,793
Distribution cost		(3,539,496)	(6,633,245)	(1,296,184)	(3,411,241)
Administrative expenses		(21,958,143)	(26,672,636)	(10,691,076)	(13,065,754)
Other expenses		(4,977,276)	(2,106,253)	(4,977,276)	(2,106,253)
Operating profit/(loss)		109,688,839	(127,433,738)	126,196,719	(62,939,382)
Finance cost		(40,214,248)	(35,384,627)	(21,383,495)	(17,865,697)
(Loss) / Profit before taxation		69,474,591	(162,818,365)	104,813,224	(80,805,079)
Taxation	18	(559,413)	(4,482,128)	(124,423)	(3,304,839)
(Loss) / Profit for the period		68,915,178	(167,300,493)	104,688,801	(84,109,918)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income /(loss) for the period		68,915,178	(167,300,493)	104,688,801	(84,109,918)
Earning / (loss) per share - basic & diluted		2.58	(6.26)	3.92	(3.15)

The annexed notes from 1 to 24 form an integral part of this interim financial information.



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO

Condensed Interim Statement of Cash Flows (Un-audited)

For the half year ended December 31, 2018

	Notes	For the half yearly ended	For the half yearly ended
		Dec 31, 2018	Dec 31, 2017
		Rupees	Rupees
Cash flows from operating activities			
Cash (used in) operations	19	(156,171,323)	(45,006,680)
income tax paid		(440,950)	(1,537,792)
Gratuity paid		(9,850)	-
Net cash (used in) operating activities		(156,622,123)	(46,544,472)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		864,000,000	2,800,000
Proceeds from realization of long term deposits		9,708,500	-
Additions in property, plant and equipment		-	(9,158,680)
Net cash from investing activities		872,000,261	(6,358,680)
Cash flows from financing activities			
(Decrease)/ increase in short term borrowings		(441,869,259)	157,227,000
(Decrease) in long term financing		(180,328,119)	(63,744,289)
(Decrease)/ Increase in Sponsor's loan - net		(14,200,000)	8,288,373
Finance cost paid		(67,917,117)	(46,112,867)
Net cash (used in) / from financing activities		(704,314,495)	55,658,217
Net change in cash and cash equivalents		11,063,643	2,755,065
Cash and cash equivalents at beginning of the year		3,349,231	5,058,157
Cash and cash equivalents at the end of the year		14,412,874	7,813,222

The annexed notes from 1 to 24 form an integral part of this interim financial information.



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO

Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2018

Particulars			Capital Reserve	Revenue reserve		
	Issued, subscribed and paid up share capital	Loan from sponsor	Revaluation surplus on property, plant and equipment	Revenue reserve- Accumulated Profits/(Loss)	Sub-total	Total Equity
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	A	B	C	D	E=B+C+D	F=A+E
Balance as at June 30, 2017	267,280,000	41,000,000	339,791,266	(215,745,357)	165,045,909	432,325,909
Loss for the period	-	-	-	(167,300,493)	(167,300,493)	(167,300,493)
Obtained during the period	-	8,288,373	-	-	8,288,373	8,288,373
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	8,288,373	-	(167,300,493)	(159,012,120)	(159,012,120)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	(7,246,710)	7,246,710	-	-
Balance as at December 31, 2017 - (Un-audited)	267,280,000	49,288,373	332,544,556	(375,799,140)	6,033,789	273,313,789
Loss for the period	-	-	-	(730,817,448)	(730,817,448)	(730,817,448)
Obtained during the period	-	36,200,000	-	-	36,200,000	36,200,000
Other comprehensive income for the period	-	-	240,799,340	-	240,799,340	240,799,340
Total comprehensive income for the period	-	36,200,000	240,799,340	(730,817,448)	(453,818,108)	(453,818,108)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	(7,246,710)	7,246,710	-	-
Balance as at June 30, 2018 - (Audited)	267,280,000	85,488,373	566,097,186	(1,099,369,878)	(447,784,319)	(180,504,319)
Gain for the period	-	-	-	68,915,178	68,915,178	68,915,178
Loan repaid during the period	-	(14,200,000)	-	-	(14,200,000)	(14,200,000)
Transfer from revaluation surplus due to disposal of assets - net of tax	-	-	(566,097,186)	608,469,707	42,372,521	42,372,521
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	(14,200,000)	(566,097,186)	677,384,885	97,087,699	97,087,699
Balance as at December 31, 2018 - (Un-audited)	267,280,000	71,288,373	-	(421,984,993)	(350,696,621)	(83,416,620)

The annexed notes from 1 to 24 form an integral part of this interim financial information.

JEHANZEB AMIN
Chief Executive

SHEHRYAR AMIN
Director

SAFDER HUSSAIN TARIQ
Director / CFO

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

1 General information and nature of operations

- 1.1** Samin Textiles Limited (the "Company") is a public limited company incorporated in Pakistan on November 27, 1989 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange. The principal business of the Company is purchase, sale, import, export and trading in cloth. The address of its registered head office is 50-C, Main Gulberg, Lahore.
- 1.2** The manufacturing activities of the Company were discontinued during the month of September 2018 while plant and machinery were disposed off during December 2018. Disposal proceeds have been partially utilized in settlement of its bank borrowings while remaining liabilities are in process of settlement.

Disposal of such assets and implementation of business plan approved by the shareholders of the Company on September 26, 2018 may cast a significant doubt on the entity's ability to continue as going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on a going concern basis due to following mitigating factors:

- Future Outlook / Strategy

The implementation of business plan is in process. As soon as process of settlement of its liabilities is completed, the Company will commence alternate business i.e trading activity.

- Financial commitment from sponsors

The sponsors of the Company have also explicitly provided a commitment to provide necessary financial support to the Company, if the need arises, to enable the Company to resume and continue alternate business i.e trading activities.

2 Basis of preparation

This condensed interim financial information is un-audited and is being submitted to shareholders, as required by the Companies Act, 2017.

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies 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.

This condensed interim financial report does not include all the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2018.

3 Significant Accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2018.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2018, were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

Adoption of IFRS-9 has been deferred till 30 June 2019 and accordingly, changes, if any, would be incorporated in annual financial statements for the year ended June 30, 2019.

4 Critical accounting estimates and judgments

Judgments and estimates made by the management in the preparation of this condensed interim financial report are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2018.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

5 Financial risk management

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2018.

	Un-audited Dec 31, 2018	Audited Jun 30, 2018
Notes	Rupees	Rupees
6 Share capital		
Authorized share capital		
30,000,000 (June 30, 2018: 30,000,000) ordinary shares of Rs. 10/- each	300,000,000	300,000,000
Total	300,000,000	300,000,000
Issued, subscribed and paid-up capital		
26,728,000 (June 30, 2018: 26,728,000) ordinary shares of Rs. 10/- each	267,280,000	267,280,000
Total	267,280,000	267,280,000
7 Loan from sponsor - related party		
Loan from sponsor- unsecured	71,288,373	85,488,373
Total	7.1 71,288,373	85,488,373
7.1 Opening balance	85,488,373	41,000,000
(Repaid) / obtained during the period/year	(14,200,000)	44,488,373
Closing balance	7.1.1 71,288,373	85,488,373
7.1.1 This represents interest free loan from a member of the Company. This loan is designated interest free and is repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan, such loan has been classified as part of equity instead of long term borrowing.		
	Un-audited Dec 31, 2018	Audited Jun 30, 2018
	Rupees	Rupees
8 Deferred Liabilities		
Deferred tax	-	42,372,521
Staff gratuity	1,277,250	1,287,100
Total	1,277,250	43,659,621
9 Interest /markup accrued on financing		
Markup accrued on:		
Long term borrowings	-	1,943,840
Liabilities against assets subject to finance lease	-	3,217,396
Short term borrowings	-	30,438,858
Subordinated loan - related party	25,522,128	20,842,300
Total	25,522,128	56,442,394

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

	Un-audited Dec 31, 2018 Rupees	Audited Jun 30, 2018 Rupees
10 Short term borrowings - banks and financial institutions		
From banking companies:		
Pre & Post-shipment - own sources	-	106,869,778
Cash finance	-	334,999,481
Total	-	441,869,259
11 Current portion of long term financing		
Long term borrowings	-	180,328,119
Liabilities against assets subject to finance lease	-	1,381,365
Total	-	181,709,484

12 Contingencies and commitments

Contingencies

There is no material change in contingencies as disclosed in the notes to the financial statements for the year ended June 30, 2018 except as follows:

- (i) An order u/s 122(5A) for Tax Year 2011 had been passed on 02-02-2016 by Comissioner Inland Revenue (CIR) reducing the Income Tax Refunds from Rs. 8,939,819 to Rs. 2,925,744 . Appeal against order of CIR has been filed before CIR Appeals-II, Lahore. After considering the arguments, CIR Appelas-II has deleted the addition made under u/s 158(a) of the Ordinance alongwith the direction to re-examine the matter of refunds to the Department through an order dated 06-02-2019.The management of the Company expects favourable outcome of the case and accordingly, no provision in this regard has been made in this condensed interim financial information.
- (ii) During last year, orders for Tax Year 2010 u/s 122(5A) dated 16-09-2015 and 26-11-2015, had been passed by CIR disallowing expenses claimed and creating a liability of Rs. 1,640,269 and 1,775,510 respectively. In appeal relating to demand of Rs. 1,640,269, CIR Appeals remanded back the case to the Department for re examination through his Order dated 06-02-2019. CIR Appeals-II in reference to Order creating of Rs. 1,775,510, has deleted the disallowance made under u/s 158(a) of the Ordinance while remanding back the case with the direction to re-examine the matter of salaries to the Department through his order dated 06-02-2019.The management of the Company expects favourable outcome of such cases and accordingly, no provision in this regard has been made in this condensed interim financial information.
- (iii) Guarantees of Rs. 1,000,000 (2018: Rs. 29.655 million) have been given by the National Bank of Pakistan (NBP) on behalf of the Company.

Commitments

There were no commitments outstanding at period end.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

	Notes	Un-audited Dec 31, 2018 Rupees	Audited Jun 30, 2018 Rupees
13 Property, plant and equipment			
Operating fixed assets	13.1	5,073,976	5,620,079
Total		5,073,976	5,620,079

13.1 This represents vehicles and office equipment.

14 Trade debts

Considered good

Export	14.1	107,491,989	-
Local		5,027,962	13,339,625
Total		112,519,951	13,339,625

14.1 These are receivables against sale of machinery.

15 Non current assets classified as held for sale

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

	Notes	Un-audited Dec 31, 2018 Rupees	Audited Jun 30, 2018 Rupees
Property, plant and equipment	17.1		
-Land		-	304,871,600
-Building		-	266,780,565
-Plant and machinery		-	104,192,000
-Furniture and fittings		-	480,000
-Office equipment		-	801,520
-Vehicles		-	1,299,615
-Electric installation		-	3,840,000
-Tube well		-	1,083,899
-Arms and ammunition		-	416
Long term deposits		5,355,000	14,420,790
		5,355,000	697,770,404

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

16 Cost of sales

	For the Half Year Ended December 31, 2018	For the Half Year Ended December 31, 2017	For the Quarter Ended December 31, 2018	For the Quarter Ended December 31, 2017
	Rupees	Rupees	Rupees	Rupees
Raw material consumed	4,130,703	53,189,230	384,581	3,641,357
Salaries, wages and other benefits	25,877,639	64,135,931	7,808,057	33,173,862
Other factory Overheads	17,734,298	148,189,119	6,522,897	78,371,866
	47,742,640	265,514,280	14,715,535	115,187,085
(Increase)/decrease in work in process				
Opening work in process	1,620,514	1,329,570	-	1,143,169
Closing work in process	-	(1,035,650)	-	(1,035,650)
Adjustment of work in process	1,620,514	293,920	-	107,519
Cost of goods manufactured	A 49,363,154	265,808,200	14,715,535	115,294,604
(Increase)/decrease in finished goods				
Opening stock	14,923,102	249,908,464	3,257,861	235,268,185
Closing stock	-	(220,511,629)	-	(220,511,629)
Adjustment of finished goods	B 14,923,102	29,396,835	3,257,861	14,756,556
Total	A+B 64,286,256	295,205,035	17,973,396	130,051,160

17 Other income

	Notes	Un-audited Dec 31, 2018	Un-audited Dec 31, 2017
		Rupees	Rupees
Income from financial assets			
Markup on deposit accounts		22,682	19,931
Interest income		-	73,025
Income from assets other than financial assets			
Gain on realization of long term deposits		642,710	-
Gain on disposal of property, plant and equipment during the period	17.1	139,790,448	2,266,806
Gain on settlement of lease		2,290,522	-
Liabilities written back during the period		17,145,040	-
Total		159,891,402	2,359,762

Notes to the Condensed Interim Financial Statements (Un-audited)
For the half year ended December 31, 2018

17.1 Description	Opening balance	Proceeds from disposal	Gain/(loss) on disposal of property, plant and equipment
	Rupees	Rupees	Rupees
Freehold land and building	571,652,165	714,000,000	142,347,835
Plant & Machinery	104,192,000		
Furniture and fittings	480,000		
Office equipments	801,520		
Vehicles	1,299,615		
Electric installations	3,840,000		
Tube Well	1,083,900		
Arms and ammunition	416		
Stores, spare parts and loose tools	40,859,937		
	152,557,388	150,000,000	(2,557,388)
Total	876,766,940	864,000,000	139,790,448

18	Provision for taxation	Notes	Un-audited Dec 31, 2018	Un-audited Dec 31, 2017
			Rupees	Rupees
	Current		559,413	2,514,800
	Prior period		-	1,967,328
	Deferred	18.1	-	-
	Total		559,413	4,482,128

- 18.1 Deferred tax asset amounting to Rs. 43.903 million arising on account of temporary differences mainly for property, plant and equipment, unused tax losses and unused tax credits has not been accounted for due to uncertainty regarding its recoverability in foreseeable future.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

	Un-audited Dec 31, 2018	Un-audited Dec 31, 2017
	Rupees	Rupees
19 Cash (used in) / generated from operations		
Profit / (Loss) before taxation	69,474,591	(162,818,365)
Adjustments for:		
Depreciation on property, plant and equipment	546,102	36,673,026
Gain on disposal of property, plant and equipment	(139,790,448)	(2,266,806)
Gain on disposal of stores, spare parts and loose tools	(40,859,937)	-
Settlement of long term deposits	(642,710)	-
Gain on waiver of lease	(2,290,522)	-
Impairment loss on Investment	-	73,025
Interest Income	-	(73,025)
Provision for worker's profit participation fund	3,506,561	-
Finance cost	40,214,248	35,384,627
Operating profit before changes in working capital	(69,842,116)	(93,027,518)
Changes in working capital		
(Increase) /decrease in current assets		
Stores, spare parts and loose tools	44,466,219	3,988,565
Stock in trade	20,634,645	32,290,606
Trade debts	(99,180,326)	(346,882)
Loans and advances	(711,823)	(5,752,026)
Trade deposits, prepayments and balances with statutory authorities	2,494,191	8,230,709
(Decrease) /increase in current liabilities		
Trade and other payables	(22,098,751)	9,609,866
Provident fund payable	(31,933,363)	-
Total	(156,171,323)	(45,006,680)

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

20 Transactions with related parties

Significant transactions with related parties during the period are as follows:

	Relationship	Note	Un-audited Dec 31, 2018 Rupees	Un-audited Dec 31, 2017 Rupees
Mrs. Mehvish Amin	Director			
Office rent			600,000	600,000
Mrs. Shehla Segal	Sponsor			
Markup on subordinated loan			454,527	454,000
Mr. Sarmad Amin	Sponsor			
Markup on loan			6,725,299	2,385,264
Directors and other key management personnel	Directors and executives			
Remuneration and benefits			13,432,024	16,393,230
Provident Fund expense including interest	Provident Fund	20.1	-	10,223,733

Significant balances with related parties as at the reporting date are as follows:

	Relationship	Notes	Un-audited Dec 31, 2018 Rupees	Un-audited June 30, 2018 Rupees
Payable to Sponsors	Loan and markup payable			
Mr. Sarmad Amin			243,271,947	253,246,647
Mrs. Mahvish Amin			23,950,119	23,495,592
Payable to Provident Fund	Provident fund	20.1	-	31,933,363

20.1 During the period, the Company has discontinued its provident fund scheme.

	Un-audited Dec 31, 2018 Rupees	Un-audited Dec 31, 2017 Rupees
21 Earnings (loss) per share - basic and diluted		
Profit/(loss) for the period	68,915,178	(167,300,493)
Weighted average number of ordinary shares	26,728,000	26,728,000
Earning/ (loss) per share (Rupees)	2.58	(6.26)

Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended December 31, 2018

22 Fair Values of Financial Assets And Liabilities

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

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

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

Financial instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Notes to the Condensed Interim Financial Statements (Un-audited)

For the half year ended December 31, 2018

	Carrying Amount				Fair Value				
	Loans and receivables	Available for sale instruments	Fair value		Total	Level 1	Level 2	Level 3	Total
			through income statement	Other financial instruments					
December 31, 2018 (Un-audited)									
Financial assets not measured at fair value									
Current									
Trade debts	112,519,951	-	-	-	112,519,951	-	-	-	-
Loans and advances	8,869,980	-	-	-	8,869,980	-	-	-	-
Trade deposits	1,085,424	-	-	-	1,085,424	-	-	-	-
Cash and bank balances	14,412,874	-	-	-	14,412,874	-	-	-	-
	136,888,229	-	-	-	136,888,229	-	-	-	-
Financial liabilities not measured at fair value									
Non-current									
Subordinated loan-related party	-	-	-	10,411,566	10,411,566	-	-	-	-
Current									
Trade and other payables	-	-	-	147,286,240	147,286,240	-	-	-	-
Interest accrued	-	-	-	25,522,128	25,522,128	-	-	-	-
Short term borrowings	-	-	-	160,000,000	160,000,000	-	-	-	-
	-	-	-	343,219,934	343,219,934	-	-	-	-
June 30, 2018 (Audited)									
Financial assets not measured at fair value									
Current									
Trade debts	13,339,625	-	-	-	13,339,625	-	-	-	-
Loans and advances	8,158,157	-	-	-	8,158,157	-	-	-	-
Trade deposits	2,793,663	-	-	-	2,793,663	-	-	-	-
Cash and bank balances	3,349,231	-	-	-	3,349,231	-	-	-	-
	27,640,676	-	-	-	27,640,676	-	-	-	-
Financial liabilities not measured at fair value									
Non-current									
Subordinated loan-related party	-	-	-	10,411,566	10,411,566	-	-	-	-
Current									
Trade and other payables	-	-	-	165,278,430	165,278,430	-	-	-	-
Interest accrued	-	-	-	56,442,394	56,442,394	-	-	-	-
Short term borrowings	-	-	-	601,869,259	601,869,259	-	-	-	-
	-	-	-	834,001,649	834,001,649	-	-	-	-

Notes to the Condensed Interim Financial Statements (Un-audited) For the half year ended December 31, 2018

23 General

23.1 Corresponding figures have been rearranged wherever necessary, for the purpose of comparison. However, there were no material reclassification or rearrangement to report.

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim Statement of Financial Position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the Condensed Interim Profit or Loss Account and Other Comprehensive Income, Condensed Interim Statement of Changes in Equity and Condensed Interim Statement of Cash Flows have been compared with the balances of condensed interim half yearly financial information of comparable period.

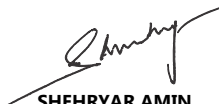
23.2 Figures have been rounded off to the nearest rupees unless otherwise stated.

24 Date of authorization for issue

This interim financial information was authorized for issue on 27 February 2019 by the Board of Directors of the Company.



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO



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