

Interim Financial Report
for the quarter ended
September 30, 2019



Samin Textiles Limited

Contents

Company Information	01
Directors' Review	02
Condensed Interim Statement of Financial Position	04
Condensed Interim Statement of Profit or Loss and other comprehensive Income	05
Condensed Interim Statement of Cash Flows	06
Condensed Interim Statement of Changes in Equity	07
Notes to the Condensed Interim Financial Statements	08

Company Information

Board of Directors

Non-Executive Directors

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

Executive Directors

Mr. Jehanzeb Amin	Chief Executive
Mr. Safder Hussain Tariq	

Independent Director

Mr. Qamber Hamid

Audit Committee

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

Human Resource & Remuneration Committee

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

Chief Financial Officer

Mr. Safder Hussain Tariq

Company Secretary

Mr. Muhammad Tayyab

Chief Internal Auditor

Mrs. Nayab Ayaz

Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Imtiaz Saddiqui & Associates

Leading Banks

National Bank of Pakistan
Bank Alfalah Limited

Shares Registrar

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

Registered/Head Office

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

Directors' Review

The board of directors of your Company is pleased to present before you the un-audited financial statements for the 1st quarter ended September 2019. These financial statements have been prepared in compliance with IAS – 34 “Interim Financial Reporting” and provisions of, and directives issued under the Companies Act, 2017.

Financial Highlights

	Quarter ended September 30, 2019	Rupees in million Quarter ended September 30, 2018
Sales - Net	Nil	43.305
Gross Loss	Nil	(03.008)
Other Operating Income	25.967	00.011
Profit/Loss After Tax	15.383	(35.774)
Depreciation	00.297	00.273
Cash Profit / (Loss)	15.680	(35.501)

The figures tabulated above reveal that during the period under review the Company posted net sales amounting to Nil and a net profit of Rs. 15.383 million as compared to net sales of Rs. 43.305 million and a net loss of Rs. 35.774 million for the corresponding period of last financial year.

As you are aware of the fact that land, building, plant and machinery and other fixed assets of the Company were disposed off before 30 June, 2019 as authorized and approved by the shareholders on the Extra Ordinary General Meeting (EOGM) held on 26 October, 2018. As such there was no production activity during the quarter under review. However, the other income of Rs. 25.967 million is composed of agricultural income derived from sale of crops, goats, cows and written off old/unclaimed creditors.

Future Outlook / Strategy

As you are aware that Alternate Business Plan approved by the Board of Directors and shareholders is still kept in abeyance due to adverse business and investment environment in the Country.

In case the prevailing adverse climate persists for a longer period refraining the management to implement Alternate Business Plan, the Board will decide to exercise other options in order to keep the Company alive in the interest of the shareholders.

Acknowledgement:

We are grateful to all our stakeholders exclusively the employees of the Company for their hard work, dedication, commitment and faith in Company's survival.

For and on behalf of the Board



Jehanzeb Amin
Chief Executive

Lahore :

Dated : 30 October, 2019

ڈائریکٹر کا جائزہ

کمپنی کی مجلسِ نظامہ ستمبر 2019 کو ختم ہونے والی پہلی سہ ماہی کے لئے غیر نظر ثانی شدہ مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کر رہی ہے۔ یہ مالی حسابات آئی ایس اے 34 "عموری مالیاتی رپورٹنگ" اویکیٹیز ایکٹ 2017 کے تحت جاری کردہ ہدایات اور پروویڈنسی فیمل میں تیار کئے گئے ہیں۔

مالی جھلکیاں

روپے ملین میں

30 ستمبر 2018 ختم شدہ سہ ماہی	30 ستمبر 2019 ختم شدہ سہ ماہی	
43.305	Nil	فروخت - خالص
(03.008)	Nil	مجموعی نقصان
00.011	25.967	دیگرا پریٹنگ آمدن
(35.774)	15.383	منافع (نقصان) بعد ازنگس
00.273	00.297	قدر میں کمی
(35.501)	15.680	نقد منافع (نقصان)

مندرجہ بالا جدول کے اعداد و شمار سے ظاہر ہوتا ہے کہ گزشتہ مالی سال کی اسی مدت میں 43.305 ملین روپے خالص فروخت اور 35.774 ملین روپے خالص نقصان کے مقابلے میں 30 ستمبر 2019 کے دوران کمپنی نے Nil روپے کی خالص فروخت اور 15.383 ملین روپے خالص منافع درج کیا ہے۔

جیسا کہ آپ اس حقیقت سے واقف ہیں کہ 26 اکتوبر 2018 کو منعقدہ غیر معمولی اجلاس عام (EOGM) میں حصص داران کی اجازت اور منظوری کے مطابق کمپنی کا قیام، عمارت، پلانٹ اور مشینری اور دیگر مخصوص اثاثے 30 جون 2019 سے پہلے فروخت کر دیئے گئے تھے۔ اس لئے 30 ستمبر 2019 کے دوران کوئی پیداواری سرگرمی نہیں ہوئی۔ تاہم، 25.967 ملین روپے کی دیگرا آمدنی زرمی آمدنی پر مشتمل ہے جو وصولیوں، کیریوں، گائیوں کی فروخت اور پرانے / غیر دعوئی شدہ کریڈٹرز کو دی ہوئی حقیر سے حاصل ہوئی ہے۔

مستقبل کا نقطہ نظر / حکمت عملی

جیسا کہ آپ جانتے ہیں کہ پورڈ آف ڈائریکٹرز اور شیئرز ہولڈرز کی طرف سے منظور شدہ متبادل کاروباری منصوبہ ملک میں کاروبار اور سرمایہ کاری کے ضمنی ماحول کی وجہ سے بدستور زیر التوا رکھا گیا ہے۔

اگر موجودہ ضمنی ماحول یا صورتحال طویل مدت تک برقرار رہی تو انتظامیہ متبادل کاروباری منصوبے پر عمل درآمد سے پرہیز کرتے ہوئے، بورڈ حصص یافتگان کے مفاد میں کمپنی کو زندہ رکھنے کے لئے دیگر اختیارات پر عمل کرنے کا فیصلہ کرے گا۔

اظہارِ تشکر

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

مخارج پورڈ



جہانزیب امین

چیف ایگزیکٹو

لاہور، تاریخ: 30 اکتوبر 2019ء

Condensed Interim Statement of Financial Position (Un-audited)

as at September 30, 2019

	Note	Un-audited Sep 30, 2019 Rupees	Audited Jun 30, 2019 Rupees
Equity and liabilities			
Share capital and reserves			
Share capital	6	267,280,000	267,280,000
Loan from sponsor	7	58,671,481	58,271,947
Accumulated / unappropriated (loss)		(384,365,489)	(399,748,333)
Surplus on revaluation of property, plant and equipment		-	-
Total share capital and reserves		(58,414,008)	(74,196,386)
Liabilities			
Non-current			
Sub-ordinated loan - related party	8	-	-
Deferred liabilities		-	-
Total non-current liabilities		-	-
Current			
Sub-ordinated loan - related party	8	10,411,566	10,411,566
Deferred liabilities		1,277,250	1,277,250
Trade and other payables	9	58,670,600	79,878,720
Interest / markup accrued on borrowings		3,395,177	2,899,535
Short term borrowings - related party	10	100,000,000	100,000,000
Unclaimed dividend		8,200	8,200
Total current liabilities		173,762,793	194,475,271
Total liabilities		173,762,793	194,475,271
Total equity and liabilities		115,348,786	120,278,884
Contingencies and commitments			
	11		
Assets			
Non-current			
Property, plant and equipment	12	-	-
Total non-current assets		-	-
Current			
Property, plant and equipment	12	5,784,215	6,081,116
Deposits - Security		5,355,000	5,355,000
Stores, spare parts and loose tools		-	-
Stock in trade		-	-
Trade debts		2,121,170	872,441
Loans and advances		24,549	-
Trade deposits and prepayments		1,085,424	1,085,424
Tax refunds due from government		98,964,546	101,159,783
Cash and bank balances		2,013,882	5,725,120
Total current assets		115,348,786	120,278,884
Total assets		115,348,786	120,278,884

The annexed notes 1 to 19 form an integral part of these financial statements.



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 quarter ended September 30, 2019

	Note	For the quarter ended Sep 30, 2019	For the quarter ended Sep 30, 2018
		Rupees	Rupees
Sales		-	43,304,598
Cost of sales	13	-	(46,312,860)
Gross (loss)		-	(3,008,262)
Other income	14	25,967,385	10,761
Distribution cost		-	(2,243,311)
Administrative expenses		(4,828,034)	(11,267,067)
Other operating expenses		-	-
Operating Profit / (Loss)		21,139,351	(16,507,879)
Finance cost		(3,395,177)	(18,830,753)
Profit / (Loss) before taxation		17,744,174	(35,338,632)
Provision for taxation		(2,361,330)	(434,990)
Profit / (Loss) after taxation		15,382,844	(35,773,622)
Other comprehensive income / (loss) for the period		-	-
Total comprehensive income / (loss) for the year		15,382,844	(35,773,622)
Earning / (Loss) per share - basic and diluted	17	0.58	(1.34)

The annexed notes from 1 to 19 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 quarter ended September 30, 2019

		For the quarter ended Sep 30, 2019	For the quarter ended Sep 30, 2018
	Note	Rupees	Rupees
Cash flows from operating activities			
Cash (used in) operations	15	(1,140,309)	(13,217,252)
Taxes paid		(70,930)	(323,639)
Net cash (used in) operating activities		(1,211,239)	(13,540,891)
Cash flows from investing activities			
Additions in property, plant and equipment		-	-
Dividend received		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
(Decrease) in short term borrowings		-	-
(Decrease) in long term financing - net		-	(781,000)
Increase in Sponsor's loan		399,534	20,264,406
Finance cost paid		(2,899,534)	(4,720,799)
Net cash (used in) / from financing activities		(2,500,000)	14,762,607
Net change in cash and cash equivalents		(3,711,239)	1,221,716
Cash and cash equivalents at beginning of the year		5,725,120	3,349,231
Cash and cash equivalents at end of the year		2,013,882	4,570,947

The annexed notes from 1 to 19 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 quarter ended September 30, 2019

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, 2018	267,280,000	85,488,373	566,097,186	(1,099,369,878)	(447,784,319)	(180,504,319)
Loss for the period	-	-	-	(35,773,622)	(35,773,622)	(35,773,622)
Obtained during the period	-	20,264,406	-	-	20,264,406	20,264,406
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	20,264,406	-	(35,773,622)	(15,509,216)	(15,509,216)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	(4,025,950)	4,025,950	-	-
Balance as at September 30, 2018	267,280,000	105,752,779	562,071,236	(1,131,117,530)	(463,293,536)	(196,013,536)
Profit for the period	-	-	-	126,925,461	126,925,461	126,925,461
Repaid during the year	-	(47,480,832)	-	-	(47,480,832)	(47,480,832)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	(47,480,832)	-	126,925,461	79,444,629	79,444,629
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	(562,071,236)	604,443,756	42,372,521	42,372,521
Balance as at June 30, 2019	267,280,000	58,271,947	-	(399,748,333)	(341,476,386)	(74,196,386)
Profit for the period	-	-	-	15,382,844	15,382,844	15,382,844
Obtained during the period	-	399,534	-	-	399,534	399,534
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	399,534	-	15,382,844	15,782,387	15,782,387
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	-	-	-	-
Balance as at September 30, 2019	267,280,000	58,671,481	-	(384,365,489)	(325,694,008)	(58,414,008)

The annexed notes from 1 to 19 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 quarter ended September 30, 2019

1 General information and nature of operations

- 1.1 Samin Textiles Limited ("the Company") was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984 (repealed with enactment of Companies Act, 2017). The registered office of the Company is situated at 50-C, Main Gulberg, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is trading, import and export of textile products.
- 1.2 During the period ended September 30, 2019 the Company has incurred net profit amounting to Rs. 15.383 million. In September 2018, the operations of the mill were suspended. Later on, members, through a special resolution, approved the disposal of all manufacturing related assets of the Company in an EOGM held on 26 October, 2018 and an alternate business plan for trading, import and export of textile products was adopted.

Non-Going Concern Basis of Accounting

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

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

2 Basis of preparation

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 and 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 three month ended 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, 2019. Currently, the Company is assessing the impact of these requirements on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in subsequent financial statements of the Company.

3 Significant accounting policies

The accounting policies, related judgements, estimates, assumptions 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, 2019.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2019, 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.

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, 2019.

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2019

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, 2019.

	Un-audited Sep 30, 2019	Audited Jun 30, 2019
Note	Rupees	Rupees
6 Share capital		
Authorized share capital		
30,000,000 (June 30, 2019: 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, 2019: 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	58,671,481	58,271,947
Total	7.1 58,671,481	58,271,947
7.1 Opening balance	58,271,947	105,752,779
Received/repaid during the period/year	399,534	(47,480,832)
Closing balance	7.1.1 58,671,481	58,271,947

7.1.1 This represents interest free loan from a member (ex-director) of the Company to meet working capital requirements. This loan is designated interest free and is repayable at the discretion of the Company. Further, in accordance with Technical Release - 32 "Accounting Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan, such loan has been classified as part of equity.

8 Subordinated loan - Related Party

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

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2019

	Un-audited Sep 30, 2019	Audited Jun 30, 2019
	Rupees	Rupees
9 Trade And Other Payables		
Creditors		
- for goods	-	14,066,597
- for supplies	7,412,362	7,363,138
- for services	1,816,502	9,699,411
	9,228,864	31,129,146
Accrued liabilities	28,444,916	29,211,669
Advances from customers	18,833,508	17,341,923
Withholding tax payable	2,163,312	2,195,983
Total	58,670,600	79,878,721

10 Short Term Borrowings - Related Party

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

11 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, 2019.

Commitments

There are no Commitments.

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

for the quarter ended September 30, 2019

	Note	Un-audited Sep 30, 2019 Rupees	Audited Jun 30, 2019 Rupees
12 Property, plant and equipment			
Operating fixed assets	12.1	5,784,215	6,081,116
Total		5,784,215	6,081,116
12.1 Operating fixed assets			
Written down value - opening		6,081,116	5,620,079
Add: Cost of additions during the period / year	12.1.1	-	3,502,200
		6,081,116	9,122,279
Disposals during the period / year (W.D.V)		-	(1,751,073)
Less: Depreciation		(296,901)	(1,290,090)
Written down value - closing		5,784,215	6,081,116
12.1.1 Cost of additions during the period			
Office equipment		-	3,502,200
Total		-	3,502,200
		Un-audited Sep 30, 2019 Rupees	Un-audited Sep 30, 2018 Rupees
13 Cost of Sales			
Raw material consumed		-	3,746,122
Salaries, wages and other benefits		-	18,069,582
Factory Overhead		-	11,211,401
		-	33,027,105
(Increase)/decrease in Work In process			
Opening work in process		-	1,620,514
Closing work in process		-	-
Adjustment of work in process		-	1,620,514
Cost of goods manufactured		-	34,647,619
(Increase) / decrease in finished goods			
Opening Stock		-	14,923,102
Closing Stock		-	(3,257,861)
Adjustment of finished goods		-	11,665,241
Total		-	46,312,860

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2019

	Un-audited Sep 30, 2019	Un-audited Sep 30, 2018
	Rupees	Rupees
14 Other Income		
Income from financial assets		
Profit on deposit accounts	1,139	10,761
Agriculture and livestock income	3,854,000	-
Liabilities written back	22,112,246	-
Total	25,967,385	10,761
15 Cash (used in) operations		
Profit/Loss before taxation	17,744,174	(35,338,632)
Adjustments for:		
Depreciation on property, plant and equipment	296,901	273,051
Finance cost	3,395,177	18,830,753
Operating profit/loss before changes in working capital	21,436,252	(16,234,828)
Changes in working capital		
(Increase) /decrease in current assets		
Stores, spare parts and loose tools	-	3,606,281
Stock in trade	-	17,022,703
Trade debts	(1,248,729)	2,369,447
Loans and advances	(24,549)	(401,652)
Trade deposits, prepayments and balances with statutory authorities	(95,163)	(106,029)
(Decrease) /increase in current liabilities		
Trade and other payables	(21,208,120)	2,621,447
Provident fund payable	-	(22,094,621)
Total	(1,140,309)	(13,217,252)

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2019

16 Transactions with related parties

Significant transactions with related parties during three months are as follows:

		Un-audited Sep 30, 2019	Un-audited Sep 30, 2018
		Rupees	Rupees
	Relationship		
Ms. Shehla Saigol	Member of the Company		
Office rent		300,000	300,000
Markup on subordinated loan		-	3,191,122
MCB Bank Limited	Associated company		
Profit received on PLS account		1,139	10,761
Directors and other key management personnel	Directors and executives		
Remuneration and benefits		596,975	8,632,201

Significant balances with related parties as on balance sheet date are as follows:

		Un-audited Sep 30, 2019	Audited Jun 30, 2019
		Rupees	Rupees
Payable to Sponsors	Sponsor	172,478,224	171,583,048
		Un-audited Sep 30, 2019	Un-audited Sep 30, 2018
		Rupees	Rupees

17 Earnings / (loss) per share - basic and diluted

Profit / (Loss) for the period	15,382,844	(35,773,622)
Weighted average number of ordinary shares	26,728,000	26,728,000
Earnings / (loss) per share	0.58	(1.34)

Notes to the Condensed Interim Financial Statements (Un-audited) for the quarter ended September 30, 2019

18 General

18.1 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 and loss account, condensed interim statement of 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 financial information of comparable period.

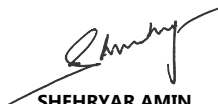
18.2 Figures have been rounded off to the nearest rupees unless otherwise stated.

19 Date of authorization for issue

This financial information was authorized for issue on 30 October 2019 by the Board of Directors of the Company.



JEHANZEB AMIN
Chief Executive



SHEHRYAR AMIN
Director



SAFDER HUSSAIN TARIQ
Director / CFO



Samin Textiles Limited

50-C, Main Gulberg, Lahore, Pakistan.

Tel: +92 42 3575 3761

Fax: +92 42 3575 3688

www.samintextile.com