

# Samin Textiles Limited

## Interim Financial Statements

For the Three Months Ended 30th September, 2021



Samin Textiles Limited

# **DIRECTORS' REPORT TO THE MEMBERS**

## **For the quarter ended September 30th, 2021**

Directors of Samin Textiles Limited (“the Company”) are pleased to present before you the un-audited financial statements for the 1st quarter ended September 30<sup>th</sup>, 2021. 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**

During the financial period under review, Company’s Net sales stood at Rs.33.26 million as compared to Rs. NIL for the corresponding period of last financial year.

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

	<b>Quarter ended September 30, 2021</b>	<b>Quarter ended September 30, 2020</b>
	<b><u>Rupees in million</u></b>	<b><u>Rupees in million</u></b>
<b>Net Sales</b>	<b>33.26</b>	<b>Nil</b>
<b>Gross Profit(Loss)</b>	<b>2.25</b>	<b>Nil</b>
<b>Operating Profit/(Loss)</b>	<b>1.53</b>	<b>(2.89)</b>
<b>Other Income/ Capital Gain</b>	<b>Nil</b>	<b>1.69</b>
<b>Taxation</b>	<b>0.44</b>	<b>Nil</b>
<b>Net (Loss)/ Profit for the year</b>	<b>1.08</b>	<b>(4.79)</b>

The figures tabulated above reveal that the Company has started implementation of its business plan achieving net sales amounting to Rs. 33.26 million and net profit of Rs. 1.08 million as compared to net sales of Rs.Nil and a net loss of Rs. 4.79 million for the corresponding period of last financial year.

Company has also been able to secure a long term trading contract for supply of appliances and other trading products worth Rupees 250 million during financial year ending June 30, 2022.

### **Future outlook / Strategy**

The Management team is holistically working towards full scale implementation of its business plan for trading activities and is also developing new channels like wholesales, E Commerce and Business to Business (B2B) to increase its sales.

Due to change in lifestyle and rapid urbanization, overall growth in business and improvement of economic climate will also take place and company will take appropriate steps to achieve a substantial footprint in the market.

The Management is confident that it will achieve viable and sustainable growth to support its operations.

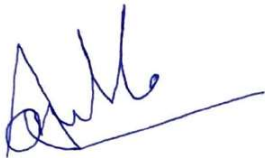
# **DIRECTORS' REPORT TO THE MEMBERS**

## **For the quarter ended September 30th, 2021**

### **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.

On behalf of the Board of Director



**Mustafa Kamal Lodhi**  
Chief Executive Officer



**Ammir Jamil**  
Director

**29 October 2021**  
**Lahore:**

## ڈائریکٹرز کی اراکین کو رپورٹ 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے

سمین ٹیکسٹائل لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والی پہلی سہ ماہی کے لئے غیر آڈٹ شدہ مالیاتی گوشوارے آپ کے سامنے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ یہ مالیاتی گوشوارے آئی اے ایس - 34 "عبوری مالیاتی رپورٹنگ" اور کمپنیز ایکٹ 2017 کے تحت جاری کردہ ہدایات کی تعمیل میں تیار کیے گئے ہیں۔

### مالیاتی اشاریے:

زیر نظر مالی مدت کے دوران کمپنی کی نیٹ سیلز 33.26 ملین روپے رہی جبکہ گزشتہ مالی سال کی اسی مدت کے دوران یہ فروخت صفر روپے تھی۔

خالص منافع / (نقصان) کی ترکیب حسب ذیل ہے:

	30 ستمبر 2021 کو ختم ہونے والی سہ ماہی ملین روپے	30 ستمبر 2020 کو ختم ہونے والی سہ ماہی ملین روپے
خالص فروخت	33.26	صفر
مجموعی منافع (نقصان)	2.25	صفر
آپریٹنگ منافع/(نقصان)	1.53	(2.89)
دیگر آمدنی / کپیٹل گین	صفر	1.69
ٹیکس	0.44	صفر
خالص (نقصان)/ سال کے لئے منافع	1.08	(4.79)

اوپر ٹیبل میں دیئے گئے اعداد و شمار سے پتہ چلتا ہے کہ کمپنی نے اپنے کاروباری منصوبے پر عمل درآمد شروع کر دیا ہے جس کے تحت 33.26 ملین روپے کی خالص فروخت اور 1.08 ملین روپے کا خالص منافع حاصل کیا گیا ہے جبکہ گزشتہ مالی سال کی اسی مدت کے دوران فروخت صفر روپے رہی جبکہ 4.79 ملین روپے کا خالص نقصان ہوا تھا۔

کمپنی 30 جون 2022ء کو ختم ہونے والے مالی سال کے دوران 250 ملین روپے مالیت کے آلات اور دیگر تجارتی مصنوعات کی فراہمی کے لئے طویل مدتی تجارتی معاہدہ بھی حاصل کرنے میں کامیاب رہی ہے۔

### مستقبل کا نقطہ نظر / حکمت عملی

مینجمنٹ ٹیم تجارتی سرگرمیوں کے لئے اپنے کاروباری منصوبے پر مکمل عمل درآمد کے لئے مجموعی طور پر کام کر رہی ہے اور اپنی فروخت بڑھانے کے لئے ہول سیل، ای کامرس اور بزنس ٹو بزنس (بی 2 بی) جیسے نئے چینلز بھی تیار کر رہی ہے۔

طرز زندگی میں تبدیلی اور تیزی سے شہروں کی طرف رجحان کی وجہ سے کاروبار میں مجموعی ترقی اور معاشی ماحول کی بہتری بھی ہوگی اور کمپنی مارکیٹ میں خاطر خواہ قدم اٹھانے کے لئے مناسب اقدامات کرے گی۔

انتظامیہ کو یقین ہے کہ وہ اپنے کاموں میں مدد کے لئے قابل عمل اور پائیدار ترقی حاصل کرے گی۔

ڈائریکٹرز کی اراکین کو رپورٹ  
30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لئے

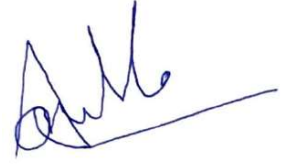
اعتراف

ہم اپنے تمام اسٹیک ہولڈرز کے خصوصی طور پر کمپنی کے ملازمین کے شکر گزار ہیں کہ اجنبیوں نے کمپنی کی بقا پر محنت، لگن، عزم اور اعتماد کا اظہار کیا۔

بورڈ آف ڈائریکٹرز کی جانب سے



عامر جمیل  
ڈائریکٹر



مصطفیٰ کمال لودھی  
چیف ایگزیکٹو آفیسر  
لاہور: 29 اکتوبر 2021ء

# Condensed Interim Statement of Financial Position

## As at September 30, 2021



	Note	Un-audited Sep 30, 2021 Rupees	Audited Jun 30, 2021 Rupees
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up share capital	6	267,280,000	267,280,000
Loan from sponsors	7	196,170,321	195,735,271
Accumulated / unappropriated (loss)		(419,263,389)	(420,346,482)
<b>Total equity</b>		<b>44,186,932</b>	<b>42,668,789</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	8	52,818,848	40,739,263
<b>Total current liabilities</b>		<b>52,818,848</b>	<b>40,739,263</b>
<b>Total liabilities</b>		<b>52,818,848</b>	<b>40,739,263</b>
<b>Total equity and liabilities</b>		<b>97,005,780</b>	<b>83,408,052</b>
<b>Assets</b>			
<b>Current</b>			
Non-current assets held for sale	10	1,469,999	1,469,999
Receivable		15,730,660	-
Tax refunds due from government		79,511,766	81,879,894
Cash and bank balances		293,355	58,159
<b>Total current assets</b>		<b>97,005,780</b>	<b>83,408,052</b>
<b>Total assets</b>		<b>97,005,780</b>	<b>83,408,052</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

**Khalid Azeem**  
Director

**Amir Jameel**  
Director

**Muhammad Usman**  
Chief Financial Officer



Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (un-audited)  
For the quarter ended September 30, 2021

	Note	For the quarter Ended Sep 30, 2021 Rupees	For the quarter Ended Sep 30, 2020 Rupees
Sales - Net		33,259,024	-
Cost of sales		(31,013,654)	-
<b>Gross Profit</b>		<b>2,245,370</b>	-
Other income		-	1,693,409
Distribution cost		-	-
Administrative expenses	12	(719,886)	(4,584,215)
Other operating cost		-	-
<b>Operating Profit /(Loss)</b>		<b>1,525,484</b>	<b>(2,890,806)</b>
Finance cost		-	(1,898,901)
<b>Profit/(Loss) before taxation</b>		<b>1,525,484</b>	<b>(4,789,707)</b>
Provision for taxation		(442,390)	-
<b>Profit/(Loss) after taxation</b>		<b>1,083,093</b>	<b>(4,789,707)</b>
<b>Earning / (Loss) per share - basic and diluted</b>	15	<b>0.04</b>	<b>(0.18)</b>

The annexed notes from 1 to 17 form an integral part of this interim financial information.

Khalid Azeem  
Director

Amir Jameel  
Director

Muhammad Usman  
Chief Financial Officer

## Condensed Interim Statement of Cash Flows (un-audited)



For the quarter ended September 30, 2021

	Note	For the quarter ended	For the quarter ended
		Sep 30, 2021	Sep 30, 2020
		Rupees	Rupees
<b>Cash flows from operating activities</b>			
Cash Generated from / (used in) operations	13	265,687	(9,993,874)
Income tax		(465,541)	8,537,324
<b>Net cash (used in) operating activities</b>		<b>(199,854)</b>	<b>(1,456,550)</b>
<b>Cash flows from Investing activities</b>			
Proceeds from realization of Long Term Deposits		-	5,355,000
Proceeds from Disposal of Property, Plant & Equipment		-	6,100,000
<b>Net cash (Generated)from Investing activities</b>		<b>-</b>	<b>11,455,000</b>
<b>Cash flows from financing activities</b>			
Increase / (Decrease) in Sponsor's loan		435,050	(3,387,344)
Finance cost paid		-	(8,620,115)
<b>Net cash Generated from / (used in) financing activities</b>		<b>435,050</b>	<b>(12,007,459)</b>
Net change in cash and cash equivalents		235,196	(2,009,009)
Cash and cash equivalents at the beginning of the year		58,159	2,484,192
<b>Cash and cash equivalents at end of the period</b>		<b>293,355</b>	<b>475,183</b>

The annexed notes from 1 to 17 form an integral part of this interim financial information.

**Khalid Azeem**  
Director

**Amir Jameel**  
Director

**Muhammad Usman**  
Chief Financial Officer



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



For the quarter ended September 30, 2021

Particulars	Issued, subscribed and paid up share capital	Loan from sponsor	Capital Reserve	Revenue reserve	Sub-total	Total Equity
			Revaluation surplus on property, plant and equipment	Revenue reserve- Accumulated Profits/(Loss)		
Rupees						
	A	B	C	D	E=B+C+D	F=A+E
Balance as at June 30, 2020	267,280,000	73,018,587	-	(401,651,721)	(328,633,134)	(61,353,134)
Profit/Loss for the period	-	-	-	(4,789,707)	(4,789,707)	(4,789,707)
Loan repaid during the period	-	(3,387,344)	-	-	(3,387,344)	(3,387,344)
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	(3,387,344)	-	(4,789,707)	(8,177,051)	(8,177,051)
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	-	-	-	-
Balance as at September 30, 2020	267,280,000	69,631,243	-	(406,441,428)	(336,810,185)	(69,530,185)
Loss for the period	-	-	-	(13,905,054)	(13,905,054)	(13,905,054)
Loan obtained during the period	-	126,104,028	-	-	126,104,028	126,104,028
Sub-ordinated loan converted into interest free loan during the period	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	126,104,028	-	(13,905,054)	112,198,974	112,198,974
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	-	-	-	-
Balance as at June 30, 2021	267,280,000	195,735,271	-	(420,346,482)	(224,611,211)	42,668,789
Profit for the period	-	-	-	1,083,093	1,083,093	1,083,093
Loan obtained during the period	-	435,050	-	-	435,050	435,050
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	435,050	-	1,083,093	1,518,143	1,518,143
Transfer from surplus on revaluation of property, plant and equipment -net of tax	-	-	-	-	-	-
Balance as at September 30, 2021	267,280,000	196,170,321	-	(419,263,388)	(223,093,067)	44,186,933

The annexed notes from 1 to 17 form an integral part of this interim financial information.

**Khalid Azeem**  
Director

**Amir Jameel**  
Director

**Muhammad Usman**  
Chief Financial Officer

## Notes to the Condensed Interim Financial Statements (un-audited) For the quarter ended September 30, 2021

### 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 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 and appliances products.

1.2 During the period ended 30 September 2021 company has achieved net revenue of Rs. 33,259 million and net profit of Rs. 1,083 million and has secured a long term contract to supply of appliance and other trading products worth Rupees 250 million during financial year ending June 30, 2022.

In 2021 major shares of the Company were sold to Mr. Haroon Ahmad Khan and new management has taken charge of the Company with effect from January 2021. 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. 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.

### 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, 2021. 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 judgments, 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, 2021.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2021, 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, 2021.

### 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, 2021.

	Note	Un-audited Sep 30, 2021 ( Rupees )	Audited Jun 30, 2021 ( Rupees )
<b>6 Share capital</b>			
<b>Authorized share capital</b>			
30,000,000 (June 30, 2021: 30,000,000) ordinary shares of Rs. 10/- each		300,000,000	300,000,000
<b>Total</b>		<b>300,000,000</b>	<b>300,000,000</b>
<b>Issued, subscribed and paid-up capital</b>			
26,728,000 (June 30, 2021: 26,728,000) ordinary shares of Rs. 10/- each		267,280,000	267,280,000
<b>Total</b>		<b>267,280,000</b>	<b>267,280,000</b>
<b>7 Loan From Sponsors</b>			
Loan from sponsors		173,674,926	173,674,926
Others		22,495,395	22,060,345
<b>Total</b>	<b>7.1</b>	<b>196,170,321</b>	<b>195,735,271</b>

7.1 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.

Notes to the Condensed Interim Financial Statements (un-audited)  
For the quarter ended September 30, 2021

	Un-audited Sep 30, 2021 ( Rupees )	Audited Jun 30, 2021 ( Rupees )
<b>8 Trade And Other Payables</b>		
Creditors		
- for goods	12,109,244	-
- for supplies	7,105,727	7,105,727
- for services	4,564,338	4,564,338
	23,779,309	11,670,065
Accrued liabilities	11,513,423	12,043,081
Employee benefits payable	3,634,037	3,634,038
Advances from customers	13,892,079	13,392,079
<b>Total</b>	<b>52,818,848</b>	<b>40,739,263</b>

**9 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, 2021.

**Commitments**

There are no Commitments.

	Note	Un-audited Sep 30, 2021 ( Rupees )	Audited Jun 30, 2021 ( Rupees )
<b>10 Non-current assets held for sale</b>			
Operating fixed assets	10.1	1,469,999	1,469,999
<b>Total</b>		<b>1,469,999</b>	<b>1,469,999</b>

	Note	Un-audited Sep 30, 2021 ( Rupees )	Audited Jun 30, 2021 ( Rupees )
<b>10.1 Operating fixed assets</b>			
Written down value - opening		1,469,999	5,876,699
Add: Cost of additions during the period / year		-	-
		1,469,999	5,876,699
Disposals during the period / year (W.D.V)		-	(4,406,700)
Less: Depreciation		-	-
<b>Written down value - closing</b>		<b>1,469,999</b>	<b>1,469,999</b>

	Un-audited Sep 30, 2021 ( Rupees )	Un-audited Sep 30, 2020 ( Rupees )
<b>11 Other Income</b>		
<b>Income from financial assets</b>		
Profit on deposit accounts	-	109
Agriculture and livestock income	-	-
Liabilities written back	-	-
Gain on disposal of assets	-	1,693,300
<b>Total</b>	-	<b>1,693,409</b>

**12 Administrative Expenses**

Salaries, wages and other benefits	-	2,123,222
Rent, rates and taxes	-	300,000
Repair and maintenance	-	128,667
Insurance	-	-
Printing and stationery	-	49,537
Communication	-	100,141
Electricity, gas and water	-	671,258
Traveling and conveyance	-	329,200
Entertainment	-	25,054
Fee and subscription	719,016	43,842
Legal and professional	-	180,000
Vehicle running and maintenance	-	489,780
Miscellaneous	870	143,514
<b>Total</b>	<b>719,886</b>	<b>4,584,215</b>

## Notes to the Condensed Interim Financial Statements (un-audited) For the quarter ended September 30, 2021

	Un-audited Sep 30, 2021 ( Rupees )	Un-audited Sep 30, 2020 ( Rupees )
<b>13 Cash (used in) operations</b>		
(Loss)/ Profit before taxation	1,525,484	(4,789,707)
<b>Adjustments for:</b>		
Depreciation on property, plant and equipment	-	-
Gain on Disposal of Assets		(1,693,300)
Finance cost	-	1,898,901
Operating(loss)/ profit before changes in working capital	1,525,484	(4,584,106)
<b>Changes in working capital</b>		
<b>(Increase) /decrease in current assets</b>		
Trade debts	(15,730,659)	-
Loans and advances	-	-
Trade deposits, prepayments and balances with statutory authorities	(3,935,689)	(1,633,182)
<b>(Decrease) /increase in current liabilities</b>		
Trade and other payables	18,406,551	(3,776,586)
<b>Total</b>	<b>265,687</b>	<b>(9,993,874)</b>

**14 Transactions with related parties**

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

	Relationship	Note	Un-audited Sep 30, 2021 ( Rupees )	Un-audited Sep 30, 2020 ( Rupees )
<b>Mrs. Mehvash Amin</b>	Ex Member			
Office rent			-	300,000
<b>Mr. Sarmad Amin</b>	Ex Sponsor			
Proceeds from disposal of property, plant & equipment			-	6,100,000
<b>Directors and other key management personnel</b>	Directors and executives			
Remuneration and benefits			-	1,854,776

	Relationship	Note	Un-audited Sep 30, 2021 ( Rupees )	Audited Jun 30, 2021 ( Rupees )
Loan from Haroon Ahmad Khan	Sponsor	7	196,170,321	-

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

	Relationship	Note	Un-audited Sep 30, 2021 ( Rupees )	Un-audited Sep 30, 2020 ( Rupees )
Loan from Haroon Ahmad Khan	Sponsor	7	196,170,321	-

**15 Earnings / (Loss) per share - basic and diluted**

Profit / (Loss) for the period	1,083,093	(4,789,707)
Weighted average number of ordinary shares	26,728,000	26,728,000
<b>Earning / (Loss) per share (Rupees)</b>	<b>0.04</b>	<b>(0.18)</b>

**16 General**

- 16.1 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 statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of condensed interim financial information of comparable period.

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

**17 Date of authorization for issue**

This financial information was authorized for issue on 29 October, 2021 by the Board of Directors of the Company.



**Khalid Azeem**  
Director



**Amir Jameel**  
Director



**Muhammad Usman**  
Chief Financial Officer