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About the Company

Samin Textiles Limited is a weaving unit with an average annual production capacity of 27.00 million running meters of the best quality greige cloth based on three shifts a day and 360 working days per annum.

At its inception Samin was primarily involved with the manufacture of narrow width commodity textiles that were easy to produce and easy to sell in the export market.

The narrow width business has seen a significant change in the product mix as well as the targeted customers. From simple twills and drills, Samin has shifted to the manufacture of specialized and niche items such as abrasive fabric for industrial use, mechanical stretch items for specialized work wear and corduroy and dyed-yarn fabric for the high end fashion market.

With these changes in product range, so has the customer base shifted from the Far-East to Europe and where ever else in the world our top quality fabric required.

Over a period of twenty five years of its existence, Samin has established itself as an internationally renowned greige fabric specialist giving priority to quality and un-paralleled service.

Samin has its own gas fired generators for prime source of electricity and WAPDA connection for backup source of power.

The Board of Directors of the Company comprises of the leading business / professionals of Pakistan.

We believe in setting new benchmarks in quality and value. This is ensured by our undeterred focus right from a careful selection of raw materials and state-of-the-art production process to a laser focused and dedicated work force, thus creating a perfect mix of technology and expertise to enable us to exceed customer expectations.

Corporate Information

Board of Directors

Mr. Sarmad Amin	Chairman
Mr. Jehanzeb Amin	Chief Executive
Mr. Safder Hussain Tariq	
Mr. Tariq Ali	
Mr. Tariq Jillani	
Mr. Salman Chaudhary	
Mr. Jamil Masud	

Audit Committee

Mr. Jamil Masud	Chairman
Mr. Tariq Jillani	Member
Mr. Salman Chaudhary	Member
Mr. Wasim Abbas	Secretary

Human Resource & Remuneration Committee

Mr. Jamil Masud	Chairman
Mr. Tariq Jillani	Member
Mr. Salman Chaudhary	Member

Chief Financial Officer

Mr. Safder Hussain Tariq

Company Secretary

Mr. Sohail Omer

Chief Internal Auditor

Mr. Wasim Abbas

Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Legal Advisor

Imtiaz Siddiqui & 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
Orix Leasing Pakistan Limited
Pak China Investment Company 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

8th Kilometer,
Manga - Raiwaind Road,
District Kasur, Pakistan.

Vision & Mission Statement





Our Vision

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.

Our Mission

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.

Directors' Report



On behalf of the Board of Directors the undersigned takes pleasure to present before you the twenty fifth Annual Report for the financial year ended June 30, 2014 along with Auditors' Report there on.

OPERATING FINANCIAL RESULTS

During the financial year under review, Company's sales stood at Rs. 2.537 billion as compared to Rs. 2.709 billion of the corresponding last year.

The company posted net loss after tax of Rs. 147.740 million as compared to Rs. 139.623 million of the corresponding last year.

The major reasons of said losses of the Company are explained here under:-

1. Production losses due to erratic and inconsistent supply of energy by SNGPL and LESCO.

2. Heavy additional cost of utilizing furnace oil based electricity in the absence of SNGPL and Lesco.

3. Due to aforementioned reasons the optimum plant capacity/efficiency could not be achieved and the project incurred idle running costs.

4. Sluggish demand of cotton grey fabric in the international and local markets slashed down the prices of our finished goods. Whereas the prices of raw materials and conversion cost didn't trim down accordingly.

CHARTS OF SIGNIFICANT RATIOS AND COMPARISON WITH PREVIOUS YEARS

	2014	2013	2012	2011	2010	2009
Sales	2,534.67	2,709.12	2,434.66	3,096.48	1,810.68	1,585.78
Profit / (Loss) after tax	(147.74)	(139.69)	(122.69)	45.822	(29.468)	(76.210)
Reserves	701.451	1146.83	704.40	527.45	470.35	662.317
Gross Profit Ratio	1.22%	1.96%	3.58%	9.40%	4.50%	7.04%
Net Profit / (Loss) Ratio	(5.82%)	(5.15%)	(5.04%)	1.48%	(1.63%)	(4.81%)
Break-up Value /Share	46.45	65.53	36.35	37.72	62.01	64.55
Current Ratio	1.00	1.55	1.69	1.43	1.38	1.68
Debt/Equity Ratio	12:88	11:89	11:89	1:99	2:98	6:94
Dividend pay Out%	Nil	Nil	Nil	Nil	Nil	Nil
Earning/(Loss) per Share	(5.53)	(4.59)	(4.59)	2.28	(2.21)	(5.70)
Fixed Assets	903.518	965.959	994.49	789.657	837.842	631.361
Long Term Liabilities	126.184	191.763	121.486	10.898	19.566	59.590

FUTURE OUTLOOK / STRATEGY

Your management is putting its best efforts to resolve the core issues. Such as installation of Synchronizing Machines to curtail the down time of production machinery while switching over from one source of energy to another i-e from Gas to LESCO and vice versa.

In addition to this most of the looms have been reinforced by replacing old frames with new frames. The said replacement has started yielding 7% additional RPMS of the looms.

Your management is of the view that the present crisis is temporary. As soon as energy crisis is resolved and international demand for grey fabric picks up, you will see a turn around. This is why BMR&E plan for unit#1 which comprises of old machines is on the cards.

The management is committed to deploy all its resources to find a resolution of the issues and turnaround the project.

INVESTMENTS

The Company has following investments as on 30-06-2014:-

Security General Insurance Company Limited.	
10,214,914 shares	Rs. 1,460,166,830
Onetel Pakistan Private Limited.	
- 100,000 shares @ Rs. 10 each	Rs. 1,000,000
- Share Deposit Money	Rs. 1,150,000
	Rs. 2,150,000

The management is confident that the said investments will bring the company a good dividend yield and capital gain.

CORPORATE GOVERNANCE

The Board of Directors of Samin Textiles 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

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

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. Jamil Masud	Chairman
Mr. Tariq Jillani	Member
Mr. Salman Chaudhry	Member
Wasim Abbas	Secretary

7. Safety and Environment

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

8. Going Concern

There is no significant doubt upon the company's ability to continue as a going concern.

9. Internal Control System

The system of internal control is sound in design and has been effectively implemented and monitored. The review will continue in future for

the improvement in controls.

10. Trading Company's Shares

Board of Directors, CEO, CFO, Company Secretary, Executives and their spouse and minor children have made no transaction of company's shares during the year except that mentioned in "Pattern of shareholding".

11. Outstanding Statutory Dues

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on 30 June 2014 except for those disclosed in the financial statements.

12. Contingencies and Commitments

No material contingencies and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors' Report.

13. Dividend

Due to the circumstances already discussed the Board of Directors does not recommend any dividend for the year ended 30 June 2014.

14. Quality Control

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

15. Communication

Communication with the shareholders is given high priority. Annual, Half Yearly and Quarterly Accounts are distributed to them within the time specified in the Companies Ordinance, 1984. Every opportunity is given to the individual shareholders to attend and freely ask questions about the company operations at the Annual General Meeting.

16. Board Meetings

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

Mr. Sarmad Amin	05 Nos.
Mr. Jehanzeb Amin	05 Nos.
Mr. Safder Hussain Tariq	05 Nos.
Mr. Jamil Masud	03 Nos.
Mr. Tariq Ali	03 Nos.
Mr. Tariq Jillani	04 Nos.
Mr. Salman Chaudhry	03 Nos.

(However, leave of absence was granted to the Directors who could not attend the Board Meetings due to their preoccupations.)

17. Audit Committee Meetings

The Audit Committee held four (4) meetings during the year. Attendance by each member was as follows:-

Mr. Jamil Masud	04 Nos.
Mr. Tariq Jillani	04 Nos.
Mr. Salman Chaudhry	04 Nos.
Mr. Wasim Abbas	04 Nos.

18. HR Committee Meetings

The HR Committee held one (1) meeting during the year. Attendance by each member was as follows:-

Mr. Jamil Masud	01 Nos.
Mr. Tariq Jillani	01 Nos.
Mr. Salman Chaudhry	01 Nos.

19. Auditors

On the suggestion of Audit Committee, the Board of Directors of the Company recommended the re-appointment of M/s Anjum Asim Shahid Rahman, Chartered Accountants, as the auditors of the Company for the year ending June 30, 2015.

20. Staff Retirement Benefits

The Company is operating a provident fund scheme for its employees, for which a separate trust is operated.

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, 2014 is annexed.

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 Directors



Jehanzeb Amin
Chief Executive

Lahore: September 24, 2014

Pattern of shareholding

the Companies Ordinance, 1984 (Section 236(1) & 464)

Incorporation Number

0020624

FORM 34

Name of the Company

SAMIN TEXTILES LIMITED

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

June 30, 2014

No. of Shareholders	Shareholding		Total shares held
	From	To	
83	1	100	2,082
205	101	500	101,062
91	501	1,000	90,503
131	1,001	5,000	377,924
51	5,001	10,000	451,200
13	10,001	15,000	168,294
8	15,001	20,000	152,500
11	20,001	25,000	250,880
12	25,001	30,000	347,805
3	30,001	35,000	99,000
2	35,001	40,000	77,000
2	40,001	45,000	86,000
8	45,001	50,000	386,238
2	50,001	55,000	103,501
1	65,001	70,000	67,500
3	70,001	75,000	222,000
1	80,001	85,000	85,000
1	90,001	95,000	90,771
3	95,001	100,000	300,000
2	100,001	105,000	205,000
1	180,001	185,000	181,000
1	215,001	220,000	219,331
1	265,001	270,000	267,500
1	375,001	380,000	376,160
1	435,001	440,000	440,000
2	495,001	500,000	1,000,000
1	550,001	555,000	555,000
1	850,001	855,000	854,000
1	895,001	900,000	898,000
1	1,095,001	1,100,000	1,095,067
1	1,600,001	1,605,000	1,604,838
1	3,545,001	3,550,000	3,548,933
1	12,020,001	12,025,000	12,023,611
647			26,728,000

Categories of shareholders	Share held	Percentage
Directors, Chief Executive Officers and their spouse and minor children	18,030,504	67.4592%
Associated Companies, undertakings and related parties	0	0.0000%
NIT and ICP	0	0.0000%
Banks Development Financial Institutions, Non Banking Financial Institutions	1,604,917	6.0046%
Insurance Companies	854,000	3.1952%
Modarabas and Mutual Funds	53,500	0.2002%
Share holders holding 10% or more	16,072,544	60.133%
General Public		
a. Local	5,806,090	21.7229%
b. Foreign		
Others (to be specified)		
1- Pension Funds	12,794	0.0479%
2- Joint Stock Companies	265,746	0.9943%
3- Others	100,449	0.3758%

Signature of Company Secretary



Name of Signatory

SAFDER HUSSAIN TARIQ

Designation

Company Secretary

NIC Number

35202-7560182-5

Date

30 06 2014

Categories of shareholders

required under Code of Corporate Governance (CCG) as at June 30, 2014

Sr.	Name	No. of shares held	Percentage
	ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES	-	-
	MUTUAL FUNDS (NAME WISE DETAIL)		
1	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	53,500	0.2002%
	DIRECTORS AND THEIR SPOUSE AND MINOR CHILDREN (NAME WISE DETAIL):		
1	MR. SARMAD AMIN	16,072,544	60.1337%
2	MR. SAFDER HUSSAIN TARIQ	500	0.0019%
3	MR. JEHANZEB AMIN (CDC)	181,000	0.6772%
4	MR. TARIQ JILLANI	500	0.0019%
5	MR. JAMIL MASUD	500	0.0019%
6	MR. TARIQ ALI	500	0.0019%
7	MR. SALMAN MAHMOOD CHAUDHRY	500	0.0019%
8	MRS. MEHVASH AMIN W/O SARMAD AMIN	1,774,460	6.6390%
	EXECUTIVES	-	-
	PUBLIC SECTOR COMPANIES & CORPORATIONS	-	-
	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE	2,471,711	9.2476%
	COMPANIES, INSURANCE COMPANIES, TAKAFUL, MODARABAS AND PENSION FUNDS:		
	SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL		
1	MR. SARMAD AMIN	16,072,544	62.1337%
2	MRS. MEHVASH AMIN W/O SARMAD AMIN	1,774,460	6.6390%
3	NATIONAL BANK OF PAKISTAN.(CDC)	1,604,917	6.0046%
	TRADING BY DIRECTORS, EXECUTIVE, THEIR SPOUSES AND MINOR CHILDREN	-	-
		Sale	Purchase
1	MR. SARMAD AMIN (CDC)	500,000	-

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2014



This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). At present the Board includes:

Category	Name
Independent	-----
Executive Directors	Mr. Jehanzeb Amin
	Mr. Safdar Hussain Tariq
	Mr. Tariq Ali and
	Mr. Salman Chaudhry
Non-Executive Director	Mr. Sarmad Amin
	Mr. Tariq Jilani and
	Mr. Jamil Masud

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs.
- No casual vacancy occurred on the Board during the current year.
- 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.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved and amended has been maintained.
- All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of

employment of the CEO and other executive and non-executive directors have been taken by the Board.

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 and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded and circulated.
9. In accordance with the criteria specified in clause (xi) of CCG, two directors of the company are exempted from the requirement of directors' training program and rest of the directors to be trained within specified time.
10. Mr. Waseem Abbas was assigned duties of Head of Internal Audit. The Board has approved appointment of Head of Internal Audit and the terms and conditions of his appointment.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by the CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors including chairman of the committee. The conditions of clause 1(b) of the CCG in relation to independent director will be applicable on election of next Board of Directors of the company.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two are non-executive directors including the chairman of the committee.
18. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the company's securities, was determined and intimated to the directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors



Jehanzeb Amin
Chief Executive

Lahore: September 24, 2014



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Review Report to the Members on Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance for the year ended June 30, 2014 prepared by the Board of Directors of Samin Textiles Limited (the Company) to comply with the Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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's statement covers all risks or controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub-Regulation (x) of Listing Regulation No. 35 of Karachi and Lahore Stock Exchanges requires the Company to place before the Board of Directors for their consideration and approval the related party transactions, distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine 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 best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2014.

CHARTERED ACCOUNTANTS

Engagement Partner: Imran Afzal

Lahore

Dated: September 26, 2014

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi and Islamabad



Financial Statements

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Auditors' Report to the Members

We have audited the annexed balance sheet of Samin Textiles Limited ("the Company") as at June 30, 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, 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, 2014 and of the loss, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Anjum Asim Shahid Rahman

CHARTERED ACCOUNTANTS
Engagement Partner: Imran Afzal
Lahore

Dated: September 26, 2014

Chartered Accountants

Member of Grant Thornton International Ltd

Offices in Karachi and Islamabad

Balance Sheet

as at June 30 2014

	Note	2014 Rupees	2013 Rupees
Equity and liabilities			
Share capital and reserves			
Share capital	4	267,280,000	267,280,000
Reserves	5	701,451,810	1,146,834,465
Total share capital and reserves		968,731,810	1,414,114,465
Surplus on revaluation of property, plant and equipment	6	272,880,194	283,956,964
Liabilities			
Non-current			
Sub-ordinated loan	7	10,411,566	10,411,566
Long term financing - secured	8	115,772,617	180,370,201
Liabilities against assets subject to finance lease	9	-	982,385
Deferred liabilities	10	307,974,194	566,119,499
Total non-current liabilities		434,158,377	757,883,651
Current			
Trade and other payables	11	247,892,382	317,466,054
Interest accrued on borrowings	12	35,687,172	35,143,861
Short term borrowings	13	896,175,554	788,512,850
Current portion of long term borrowings	14	110,301,440	63,073,011
Total current liabilities		1,290,056,548	1,204,195,776
Total liabilities		1,724,214,925	1,962,079,427
Total equity and liabilities		2,965,826,929	3,660,150,856
Contingencies and commitments	15		

The annexed notes 1 to 47 form an integral part of these financial statements.

Lahore
September 24, 2014


JEHANZEB AMIN
Chief Executive

Balance Sheet

as at June 30 2014

Assets	Note	2014 Rupees	2013 Rupees
Non-current			
Property, plant and equipment	16	903,518,334	965,959,871
Intangible assets	17	2,145,280	2,803,823
Long term investments	18	405,770,000	806,843,880
Long term deposits	19	12,823,739	12,823,739
Total non-current assets		1,324,257,353	1,788,431,313
Current			
Stores, spare parts and loose tools	20	76,754,664	82,369,105
Stock in trade	21	320,747,469	372,704,545
Trade debts	22	57,619,607	78,151,679
Loans and advances	23	20,245,940	19,323,133
Trade deposits and prepayments	24	1,228,640	3,204,779
Tax refunds due from government	25	91,398,423	96,632,764
Investments	26	705,330,000	1,197,224,966
Interest accrued	27	365,269	-
Cash and bank balances	28	17,812,734	22,108,572
Total current assets		1,291,502,746	1,871,719,543
Non-current assets classified as held for sale	29	350,066,830	-
Total assets		2,965,826,929	3,660,150,856

The annexed notes 1 to 47 form an integral part of these financial statements.


 SAFDAR HUSSAIN TARIQ
 Director

Profit and loss account

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Sales	30	2,537,083,201	2,708,857,306
Cost of sales	31	(2,506,058,719)	(2,655,850,024)
Gross profit		31,024,482	53,007,282
Other income	32	68,159,991	43,878,589
Distribution cost	33	(41,033,946)	(47,153,957)
Administrative expenses	34	(57,583,223)	(54,609,516)
Other operating expenses	35	(425,018)	(2,500)
Operating profit / (loss)		142,286	(4,880,102)
Finance cost	36	(143,352,674)	(136,251,324)
Loss before taxation		(143,210,388)	(141,131,426)
Taxation	37	(4,529,952)	1,508,368
Loss after taxation		(147,740,340)	(139,623,058)
Loss per share - basic and diluted	39	(5.53)	(5.22)

The annexed notes 1 to 47 form an integral part of these financial statements.

Lahore
September 24, 2014


JEHANZEB AMIN
Chief Executive


SAFDAR HUSSAIN TARIQ
Director

Statement of comprehensive income


for the year ended June 30, 2014

	2014 Rupees	2013 Rupees
Loss after taxation	(147,740,340)	(139,623,058)
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Surplus on investments categorized as 'available for sale' -net of tax	(308,719,085)	569,931,918
Other comprehensive income for the year	(308,719,085)	569,931,918
Total comprehensive income for the year	(456,459,425)	430,308,860

The annexed notes 1 to 47 form an integral part of these financial statements.

Lahore
September 24, 2014


JEHANZEB AMIN
Chief Executive


SAFDAR HUSSAIN TARIQ
Director

Cash flow statement

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Cash flows from operating activities			
Cash generated from operations	41	54,023,431	30,682,929
Finance cost paid		(142,246,235)	(137,042,759)
Taxes paid		(28,514,984)	(26,948,035)
Net cash used in operating activities		(116,737,788)	(133,307,865)
Cash flows from investing activities			
Increase in long term deposits		-	(3,192,000)
Decrease in long term investment		1,150,000	-
Proceeds from disposal of property, plant and equipment		608,000	3,500,000
Additions to property, plant and equipment		(18,923,745)	(58,750,850)
Dividend received		40,859,656	40,859,656
Net cash flows from / (used in) investing activities		23,693,911	(17,583,194)
Cash flows from financing activities			
Increase in short term borrowings		107,662,704	57,942,217
(Decrease) / Increase in long term financing		(17,869,485)	116,111,117
Repayment of liabilities against assets subject to finance lease		(1,045,180)	(5,847,221)
Net cash flows from financing activities		88,748,039	168,206,113
Net change in cash and cash equivalents		(4,295,838)	17,315,054
Cash and cash equivalents at beginning of the year		22,108,572	4,793,518
Cash and cash equivalents at end of the year	28	17,812,734	22,108,572

The annexed notes 1 to 47 form an integral part of these financial statements.

Lahore
September 24, 2014


JEHANZEB AMIN
Chief Executive


SAFDAR HUSSAIN TARIQ
Director

Statement of changes in equity

for the year ended June 30, 2014

	Issued, subscribed and paid-up capital	Reserves		Sub total	Total equity
		Capital reserve- Surplus on revaluation of investment to fair value	Revenue reserve- Accumulated losses		
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2012	267,280,000	830,798,453	(126,393,892)	704,404,561	971,684,561
Loss for the year	-	-	(139,623,058)	(139,623,058)	(139,623,058)
Other comprehensive income for the year	-	569,931,918	-	569,931,918	569,931,918
Total comprehensive income for the year	-	569,931,918	(139,623,058)	430,308,860	430,308,860
Transfer from surplus on revaluation of property, plant and equipment-net of tax	-	-	12,121,044	12,121,044	12,121,044
Balance as at June 30, 2013	267,280,000	1,400,730,371	(253,895,906)	1,146,834,465	1,414,114,465
Balance as at July 01, 2013	267,280,000	1,400,730,371	(253,895,906)	1,146,834,465	1,414,114,465
Loss for the year	-	-	(147,740,340)	(147,740,340)	(147,740,340)
Other comprehensive income for the year	-	(308,719,085)	-	(308,719,085)	(308,719,085)
Transfer from surplus on revaluation of property, plant and equipment-net of tax	-	(308,719,085)	(147,740,340)	(456,459,425)	(456,459,425)
Transfer from surplus on revaluation of property, plant and equipment-net of tax	-	-	11,076,770	11,076,770	11,076,770
Balance as at June 30, 2014	267,280,000	1,092,011,286	(390,559,476)	701,451,810	968,731,810

The annexed notes 1 to 47 form an integral part of these financial statements.

Lahore
September 24, 2014


JEHANZEB AMIN
Chief Executive


SAFDAR HUSSAIN TARIQ
Director

Notes to the financial statements

for the year ended June 30, 2014

1 STATUS AND ACTIVITIES

Samin Textiles Limited ("the Company") was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984. The registered office of the Company is situated at 50-C, Main Gulberg, Lahore and the plant is located at 8 Kilometer, Manga Raiwind Road, Kasur. The Company is currently listed on Karachi and Lahore Stock Exchanges in Pakistan. The principal business of the Company is manufacturing and sale of cloth.

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 of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Standards, amendments or interpretations that became effective during the year

The Company has adopted the following revised standard, amendments and interpretation of IFRSs which became effective for the current year:

- IAS 19 – Employee Benefits – (Revised)

- IFRS 7 – Financial Instruments: Disclosures – (Amendments)

Amendments enhancing disclosures about offsetting of financial Assets and financial liabilities

- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

- IFAS 3 – Profit and Loss Sharing on Deposits

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not affect the company financial statements in the period of initial application.

2.3 Improvements to Accounting Standards Issued by the IASB

- IAS 1 – Presentation of Financial Statements – Clarification of the requirements for comparative information

- IAS 16 – Property, Plant and Equipment – Clarification of Servicing Equipment

- IAS 32 – Financial Instruments: Presentation – Tax Effects of Distribution to Holders of Equity Instruments

- IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities.

2.4 Standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 10 Consolidated Financial Statements	01 January 2015
IFRS 11 Joint Arrangements	01 January 2015
IFRS 12 Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 Fair Value Measurement	01 January 2015
IAS 16 and 38 Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016

Notes to the financial statements

for the year ended June 30, 2014

Standard or Interpretation		Effective Date (Annual periods beginning on or after)
IAS 16 and 41	Agriculture: Bearer Plants	01 January 2016
IAS 19	Employee Contributions	01 July 2014
IAS 32	Offsetting Financial Assets and Financial liabilities (Amendment)	01 January 2014
IAS 36	Recoverable Amount for Non-Financial Assets (Amendment)	01 January 2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting - (Amendment)	01 January 2014
IFRIC 21	Levies	01 January 2014

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard		IASB effective date (Annual periods beginning on or after)
IFRS 9	Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2017

2.4 Accounting convention

These accounts have been prepared under the historical cost convention, except for revaluation of free hold land and building on freehold land and investment at fair value.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards 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.

-assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment;

-assumptions and estimates used in determining the useful lives and residual values of intangibles assets;

-assumptions and estimates used in writing down items of stock in trade to their net realizable value;

-assumptions and estimates used in calculating the provision for impairment for trade debts;

-assumptions and estimates used in determining fair value of available-for-sale investment;

-assumptions and estimates used in the recognition of income taxes; and

-assumptions and estimates used in disclosure and assessment of provision for contingencies.

Notes to the financial statements

for the year ended June 30, 2014

2.6 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency. Figures in the financial statements have been rounded off to the nearest Rupee unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Employee benefits

Defined contribution plan

The Company operates unapproved funded contributory provident fund for all its employees who have completed minimum qualifying period of service as defined under the respective scheme. Equal monthly contributions are made both by the Company and the employees at the rate of 8.33% of basic salary.

3.2 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemption available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In this regard the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of "Technical Release - 27" issued by the Institute of Chartered Accountants of Pakistan.

Deferred income tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits, if any, to the extent that it is probable that taxable profits will be available against which such temporary differences and tax losses and credits can be utilized. Deferred tax liabilities are recognized for all major taxable temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

3.3 Property, plant and equipment

Property, plant and equipment except freehold land and building on freehold land are stated at cost less accumulated depreciation and impairment in value. Freehold land and building on freehold land are stated at revalued amount. Capital work in progress and stores held for capital expenditure are stated at cost less impairment loss, if any. Cost also includes borrowing cost as referred in the relevant accounting policy.

Depreciation is charged to income applying the reducing balance method over the estimated useful life at the rates specified in property, plant and equipment note 16.

Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant.

Maintenance and normal repairs are charged to 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.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

Any surplus arising on revaluation of property, plant and equipment is credited to the "Surplus on revaluation of property, plant and equipment" account. Revaluation is carried out sufficiently to ensure that the carrying amounts of assets does not differ materially from the fair value. The surplus on revaluation on these assets can only be utilized in the manner specified in section 235 of the Companies Ordinance, 1984 and Notification No. S.R.O.45(I)/2003 dated January 13, 2003.

Notes to the financial statements

for the year ended June 30, 2014

3.4 Accounting for finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognized as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as liabilities against assets subject to finance lease. Lease payments are appropriated between finance costs and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Assets so acquired are amortized over their expected useful life at the rates specified in property, plant and equipment note 16.

3.5 Foreign currencies

Transactions in currencies other than Pakistan Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date except where forward exchange contracts have been entered into wherein the rates contracted for are used.

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

3.6 Financial instruments

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs. Subsequent measurement of financial assets are described below. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

For the purpose of subsequent measurement financial assets of the Company are classified into the following categories upon initial recognition.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. These are included in current assets, except for maturities for greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables with less than twelve months maturities are classified as current assets. The Company's cash and cash equivalents, trade debts, deposits and other receivables fall into this category of financial instruments. Loans and receivables are subject to review for impairment at each reporting date to identify whether there is objective evidence that the financial asset is impaired.

b) Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the categories of loans and receivables, financial assets at fair value through profit or loss and financial assets held to maturity. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the end of reporting period.

After initial recognition, available-for-sale investments are measured at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement". Gains or losses on available-for-sale investments are recognized through other comprehensive income until the investment is sold or de-recognized, at which time the cumulative gain or loss previously reported is included in profit or loss.

Dividends on available-for-sale equity instruments are recognized in the profit or loss when the Company's right to receive payments is established.

Financial assets are derecognized 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.

The Company assesses at each balance sheet date whether there is objective evidence, that a financial asset or group of financial assets is impaired. If any such evidence exists for 'available-for-sale' financial assets, the cumulative loss is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit and loss account.

Notes to the financial statements

for the year ended June 30, 2014

Financial liabilities

The Company's financial liabilities include borrowings, accrued mark-up and trade and other payables.

Financial liabilities are measured initially at fair value, less attributable transaction costs. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, if any, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, if any, pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized as expense in the period in which they are incurred.

A financial asset and financial liability is offset and the net amount is reported in the balance sheet 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 realize the asset and settle the liability simultaneously.

3.7 Investment in associate - equity method

Entities in which the Company has significant influence but not control and which are neither its subsidiaries nor joint ventures are associates and are accounted for by using the equity method of accounting.

These investments are initially recognized at cost, thereafter the carrying amount is increased or decreased to recognize the Company's share of profit or loss of associates. Share of post acquisition profit or loss of associates is accounted for in the Company's profit or loss. Distribution received from investee, reduces the carrying amount of investment. The Company's share of changes recognized in other comprehensive income by the associate are recognized by the Company in other comprehensive income.

3.8 Cash and cash equivalents

For the purpose of cash flow statement, 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.

3.9 Non-current assets held for sale

Non-current assets classified as assets held for sale are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recoverable principally through a sale transaction rather than through a continuing use.

3.10 Stores, spare parts and loose tools

These are valued at moving average cost except goods in transit, which are valued at cost comprising invoice value plus other charges incurred thereon.

3.11 Stock in trade

These are valued at the lower of cost and net realizable value applying the following basis:

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

Raw material in transit is stated at invoice price plus other charges paid thereon up to the balance sheet date.

Average manufacturing cost in relation to work in process and finished goods consists of direct material and labor and a proportion of manufacturing overheads based on normal capacity.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

3.12 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

- Export sales are accounted for on shipment basis and exchange differences, if any on account of export proceeds are adjusted in the period of realization.

Notes to the financial statements

for the year ended June 30, 2014

- Local sales are recorded on dispatch of goods to customers.
- Rebate income is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive payment is established.
- Interest income is recognized on time proportion basis.

3.13 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 balance sheet date and adjusted to reflect the current best estimate.

3.14 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of that asset or group of assets is estimated and impairment loss is recognized in the profit or loss.

3.15 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognized when it is probable that the expected future economic benefits will flow to the entity and the cost of the assets can be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining computer software are recognized as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is charged over the estimated useful life of the asset on a systematic basis applying the straight line method.

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

	2014 Rupees	2013 Rupees
4 SHARE CAPITAL		
4.1 Authorized share capital		
30,000,000 (2013: 30,000,000) ordinary shares of Rs. 10 each	300,000,000	300,000,000
4.2 Issued, subscribed and paid-up capital		
26,728,000 (2013: 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 RESERVES		
Surplus on remeasurement of investment	1,899,295,419	1,126,506,377
Less: Deferred tax on remeasurement of investment	(498,565,048)	(295,707,924)
Opening balance of surplus on remeasurement of investment- net of tax	1,400,730,371	830,798,453
Increase in surplus during the year:		
Gain on remeasurement of available-for-sale investment to fair value	(541,752,016)	772,789,042
Less: Deferred tax on remeasurement of investment	233,032,931	(202,857,124)
	(308,719,085)	569,931,918
Closing balance of surplus on remeasurement of investment- net of tax	1,092,011,286	1,400,730,371
Accumulated loss	(390,559,476)	(253,895,906)
Total	701,451,810	1,146,834,465

Notes to the financial statements

for the year ended June 30, 2014

6 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The surplus on revaluation of property, plant and equipment represents surplus over book value resulting from revaluation of freehold land and building on freehold land.

Last revaluation of freehold land and building on freehold land was carried out as on June 30, 2012 by M/s Asif Associates (Private) Limited on the basis of market value.

Revaluation surplus can only be utilized in the manner specified in section 235 of the Companies Ordinance, 1984 and Notification No. S.R.O.45(I)/2003 dated January 13, 2003.

	Note	2014 Rupees	2013 Rupees
7 SUB-ORDINATED LOAN			
Sub-ordinated loan-unsecured	7.1	10,411,566	10,411,566
Total		10,411,566	10,411,566

7.1 This interest bearing loan from a member of the Company is subordinated to the main lenders. The loan was designated as an interest bearing loan with effect from 1st July 2010 and carries interest @ 15% per annum. Repayment terms of the loan have not yet been finalized. However, the loan is not repayable within next twelve months.

	Note	2014 Rupees	2013 Rupees
8 LONG-TERM FINANCING - SECURED			
From financial institutions	8.1	224,852,747	242,722,232
		224,852,747	242,722,232
Less:			
Payable within next twelve months	14	(107,953,880)	(60,662,656)
		116,898,867	182,059,576
Transaction cost	8.2	(1,689,375)	(2,252,500)
Amortization of transaction cost	8.2	563,125	563,125
		(1,126,250)	(1,689,375)
Total		115,772,617	180,370,201

Salient terms and conditions are as follows:

Description	Interest	Detail of Securities	Re-payment terms	2014 Rupees	2013 Rupees
8.1 National Bank of Pakistan					
Term Finance Facility	Six month average KIBOR ask rate plus 2.5% per annum to be reset on semi-annual basis	*Ranking charge on the fixed and current assets of the Company covering the 25% margin over the facility. Physical pledge of 2,381,000 shares of Security General Insurance Limited (SGI) including 30% margin with underlying price of PKR 90/share. Samin Textiles Limited shall commit to top up equivalent amount of shares in case price of shares decreases below PKR 90/share. Personal guarantees of Mr. Sarmad Amin and Mr. Jehanzeb Amin. Assignment of all dividends receivable from 10,214,914 shares of SGI.*	Principal to be repaid in 8 equal installments, the first installment shall fall due on at the end of 6th month from the Facility Effective Date of the facility or the receipt of dividend from SGI whichever occur earlier.	117,857,143	137,350,809
Pak Oman Investment Company Limited and Pak Libya Holding Company (Private) Limited					
Syndicated Term Finance Facility	Six month KIBOR plus 3.00% per annum.	*First exclusive charge on imported 25 sets of Air Jet looms and Air Compressor with all standard accessories and essential parts. First Pari passu charge on the company's fixed assets covering the 25% margin over the facility. Personal guarantees of Mr. Sarmad Amin and Mr. Jehanzeb Amin.*	16 quarterly installments, commencing from the 5th quarter after disbursement of first tranche.	106,995,604	123,410,678
Sub total				224,852,747	260,761,487
total				224,852,747	260,761,487

Notes to the financial statements

for the year ended June 30, 2014

8.2 Transaction cost paid to Pak China Investment Company Limited as arrangement fee is amortized over the period of loan.

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

This represents plant and machinery and vehicles obtained under finance lease from various leasing companies. The financing rates used as discounting factor is 15.7% (2013: 11.96% to 15.24%) per annum.

Taxes, repairs, replacements and insurance costs are born by the Company. The Company intends to exercise its option to purchase the above assets upon completion of lease period.

	Note	2014 Rupees	2013 Rupees
Present value of minimum lease payments		2,347,560	3,392,740
Less: current portion shown under current liabilities	14	(2,347,560)	(2,410,355)
Total		-	982,385

The reconciliation between gross minimum lease payments, future financial charges and present value of minimum lease payments is as under:

Particulars	Upto one year	From one to five	Total	Upto one year	From one to five	Total
	Rupees	years Rupees	2014 Rupees	Rupees	years Rupees	2013 Rupees
Minimum lease payments	2,405,345	-	2,405,345	2,646,765	1,039,137	3,685,902
Future financial charges	(57,785)	-	(57,785)	(236,410)	(56,752)	(293,162)
Present value of minimum lease payments	2,347,560	-	2,347,560	2,410,355	982,385	3,392,740
Less: Current portion shown under current liabilities			(2,347,560)			(2,410,355)
			-			982,385

	Note	2014 Rupees	2013 Rupees
10 DEFERRED LIABILITIES			
Deferred tax	10.1	306,412,094	564,557,399
Staff gratuity	10.2	1,562,100	1,562,100
Total		307,974,194	566,119,499

10.1 This includes deferred tax on:

Investments		265,532,118	498,565,047
Surplus on revaluation of land and machinery		60,286,137	65,992,352
Unabsorbed depreciation		(19,406,161)	-
	10.1.1	306,412,094	564,557,399

10.1.1 Deferred tax asset amounting to Rs. 129.576 million (2013: Rs 155.839 million) arising on account of un-used tax losses and tax credits have not been accounted for due to uncertainty regarding its recoverability in the foreseeable future.

10.2 The Company had operated an unfunded gratuity scheme up to the year ended September 30, 1999 covering all its employees who had completed prescribed qualifying period of service. The unfunded gratuity scheme has been substituted by the provident fund scheme operated by the Company for all employees as defined in note 3.1. This balance of gratuity payable represents the entitlement of current employees as at September 30, 1999, as reduced by the payments made to employees who have left the Company.

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
11 TRADE AND OTHER PAYABLES			
Creditors			
- for goods		87,617,263	107,585,320
- for supplies		42,043,192	50,731,713
- for services	11.1	60,243,460	36,451,613
		<u>189,903,915</u>	<u>194,768,646</u>
Accrued liabilities		31,586,936	74,108,922
Advances from customers		16,317,480	36,555,832
Security deposits		513,630	513,630
Withholding tax payable		2,896,976	5,281,361
Payable to Workers' Welfare Fund	11.2	1,891,540	1,891,540
Provident fund payable	44	1,315,741	879,859
Unclaimed dividend		3,466,164	3,466,264
Total		<u>247,892,382</u>	<u>317,466,054</u>

11.1 This includes amount of Rs 4.3 million (2013: Rs. 3.4 million) payable to Security General Insurance Company Limited, a related party on account of insurance services.

11.2 Workers' Welfare Fund Ordinance, 1971 has been amended through Finance Acts 2006 and 2008. These amendments were held unconstitutional and struck down by the Honorable Lahore High Court, Lahore (HLHC) on August 05, 2011. The decision of the HLHC has been challenged in the august Supreme Court of Pakistan decision of which is still pending. Therefore, the Company has not yet made payment of this amount.

		2014 Rupees	2013 Rupees
12 INTEREST / MARKUP ACCRUED ON BORROWINGS			
Markup accrued on:			
Long term financing		1,746,267	2,298,743
Liabilities against assets subject to finance lease		3,217,396	3,217,396
Short term borrowings		22,067,766	22,538,287
Subordinated loan		8,655,743	7,089,435
Total		<u>35,687,172</u>	<u>35,143,861</u>

	Note	Sectioned Limit Rupees	2014 Rupees	2013 Rupees
13 SHORT TERM BORROWINGS				
From banking companies:				
Pre-shipment - own sources	13.2	390,000,000	389,460,883	453,778,021
Cash finance	13.3	545,000,000	506,714,671	334,734,829
Total			<u>896,175,554</u>	<u>788,512,850</u>

13.1 The securities registered with SECP against short term borrowing from one financial institution is utilized for various facilities sanctioned by the said financial institution.

Notes to the financial statements

for the year ended June 30, 2014

- 13.2 These are secured against first joint pari passu charge on current assets ranging from 80 million to 176 million, second joint pari passu charge on fixed assets of the Company amounting to Rs. 60 million and ranking charge on current assets of the Company amounting to Rs. 40 million, lien on export bills and personal guarantee of the sponsoring director of the Company and carrying markup at rates ranging from one to six months KIBOR plus 1.5% to 4% per annum (2013: one to six months KIBOR plus 2.25% to 4% per annum). The facilities expire on various dates from July 10, 2014 to April 30, 2015.
- 13.3 The facility is secured against first pari passu charge amounting to Rs. 340 million on fixed assets of the Company, first joint pari passu charge over the current assets of the Company amounting to Rs. 295 million and second pari passu charge amounting to Rs. 100 Million over the fixed assets of the company and personal guarantee of the sponsoring director and carrying markup at rate ranging from three to six month KIBOR average ask rate plus 3% per annum (2013: six month KIBOR average ask rate plus 3% per annum). The facilities expire on various dates from June 30, 2014 to September 30, 2014.

	Note	2014 Rupees	2013 Rupees
14 CURRENT PORTION OF LONG-TERM BORROWINGS			
Long term financing	8	107,953,880	60,662,656
Liabilities against assets subject to finance lease	9	2,347,560	2,410,355
Total		110,301,440	63,073,011

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

- i) A suit for declaration with consequential relief and damages has been filed against the Company to challenge the purchase of land in village Rousa, Kasur. The same is pending adjudication before Civil Judge, Kasur.
- ii) A petition has been filed by the Company challenging calculation and demand of electricity duty. The matter of revised calculations made by the Electricity Inspector of Lahore region is still pending adjudication before the Honorable Lahore High Court, Lahore.
- iii) During the year ended 30 June 2011, an order u/s 161/205 of the Income Tax Ordinance, 2001 was received for recovery of tax arrears amounting to Rs. 70.868 million for tax year 2004. The Company was contesting the above order in appeal before the Commissioner Inland Revenue Appeals-II, Lahore (CIR-A). The said CIR-A has remanded back the order u/s 161/205 to the assessing officer.

During last year, in respect of such case, the Company also filed a writ petition before the Honorable Lahore High Court, Lahore wherein the Company has sought declaration vis-a-vis the amendment in section 174(3) of the Income Tax Ordinance, 2001 incorporated vide Finance Act, 2010 whereby period to maintain record was extended from 5 years to 6 years which is prospective and cannot be applied retrospectively to open past and closed matters. Decision of the petition is still pending.

- iv) Guarantees of Rs. 35.655 million (2013: Rs. 35.655 million) have been given by the National bank of Pakistan on behalf of the Company to Sui Northern Gas Pipelines Limited, Excise and Taxation Authorities and Lahore Electric Supply Company Limited (LESCO).
- v) A petition is pending in the Honorable Lahore High Court, Lahore for waiver of security amounting to Rs. 5,355,000 (2013: Rs. 5,355,000) demanded by LESCO.
- vi) The Company has filed a writ petition against imposition of EQ Surcharge on consumption of electricity whereby the Honorable Lahore High Court, Lahore has stayed the recovery of 2% EQ surcharge.
- vii) Amendment proceedings u/s 122(5A) for tax years 2007 and 2008 were initiated in 2013. Amendment Order u/s 122(5A) for Tax Year 2007 raising demand of Rs. 3,637,393 on account of charge of minimum tax u/s 113 in respect of local sales only was passed on 24-05-2013. This order was contested before CIR-A. During the year, an order partially in favour of the Company was passed by the CIR-A. However, 2nd appeal has been filed before Appellate Tribunal Inland Revenue (ATIR) on the same grounds, which is pending for adjudication.
- viii) The appeals filed by company against add backs amounting to Rs. 5,046,872 and Rs. 13,423,297 in respect of tax year 2007 and 2008 are also pending for adjudication at Appellate Tribunal Inland Revenue (ATIR).

Management is hopeful of favorable decisions of all pending cases above and accordingly there is no likelihood of any financial liability.

Notes to the financial statements

for the year ended June 30, 2014

15.2 Commitments

Commitments against foreign bills purchased by bank amounting to Rs. 8.999 million (2013: Rs. 91.299 million).

	Note	2014 Rupees	2013 Rupees
Operating fixed assets	16.1 & 16.2	899,247,429	961,201,348
Capital work in progress	16.6	4,270,905	4,758,523
Total		903,518,334	965,959,871

16 PROPERTY, PLANT AND EQUIPMENT

16.1 Operating fixed assets - 2014

Description	Cost				Rate %	Depreciation			Net book value Rupees
	As at July 01, 2013 Rupees	Additions/ (deletions) Rupees	Transfers / (adjustments) Rupees	As at June 30, 2014 Rupees		As at July 01, 2013 Rupees	For the year / (adjustments) Rupees	As at June 30, 2014 Rupees	
Owned Assets									
Freehold land	176,500,000	-	-	176,500,000	-	-	-	-	176,500,000
Buildings on freehold land	251,867,140	5,903,569	-	257,770,709	10	25,180,232	23,065,760	48,245,992	209,524,717
Plant and machinery	1,079,536,937	9,260,726	1,620,714	1,090,418,377	10	613,421,539	47,297,052	660,718,591	429,699,786
Furniture and fittings	6,182,155	-	-	6,182,155	10	4,180,255	200,196	4,380,451	1,801,704
Office equipment	27,565,053	1,078,747	-	28,563,800	10	14,580,791	1,356,719	15,921,860	12,641,940
Vehicles	35,773,858	377,607	-	34,580,535	20	23,251,443	2,536,565	24,359,248	10,221,287
Electric installation	32,389,022	1,170,000	-	33,505,322	10	15,041,793	1,781,787	16,775,555	16,729,767
Tube well	2,602,423	-	-	2,602,423	10	766,832	183,564	950,396	1,652,027
Arms and ammunition	5,500	-	-	5,500	10	4,796	72	4,868	632
Sub-total	1,612,422,088	17,790,649	-	1,630,128,821		696,427,681	76,421,715	771,356,961	858,771,860
		(1,704,630)					(1,492,435)		
Leased Assets									
Plant and machinery	99,821,877	-	-	99,821,877	10	56,721,703	4,310,016	61,031,719	38,790,158
Vehicles	4,261,252	-	-	4,261,252	20	2,154,485	421,356	2,575,841	1,685,411
Sub-total	104,083,129	-	-	104,083,129		58,876,188	4,731,372	63,607,560	40,475,569
Total	1,716,505,217	17,790,649	-	1,734,211,950		755,303,869	81,153,087	834,964,521	899,247,429
		(1,704,630)					(1,492,435)		

16.2 Operating fixed assets - 2013

Description	Cost				Rate %	Depreciation			Net book value Rupees
	As at July 01, 2012 Rupees	Additions/ (deletions) Rupees	Transfers / (adjustments) Rupees	As at June 30, 2013 Rupees		As at July 01, 2012 Rupees	For the year / (adjustments) Rupees	As at June 30, 2013 Rupees	
Owned Assets									
Freehold land	176,500,000	-	-	176,500,000	-	-	-	-	176,500,000
Buildings on freehold land	250,577,572	389,044	900,524	251,867,140	10	-	25,180,232	25,180,232	226,686,908
Plant and machinery	903,989,108	13,962,853	171,785,536	1,079,536,937	10	573,347,958	49,127,002	613,421,539	466,115,398
		(10,200,560)					(9,053,421)		
Furniture and fittings	6,182,155	-	-	6,182,155	10	3,957,823	222,432	4,180,255	2,001,900
Office equipment	26,332,153	1,232,900	-	27,565,053	10	13,197,703	1,383,088	14,580,791	12,984,262
Vehicles	26,144,263	1,339,595	8,290,000	35,773,858	20	16,882,941	1,963,895	23,251,443	12,522,415
Electric installation	25,595,204	1,743,818	5,050,000	32,389,022	10	12,118,907	1,431,626	15,041,793	17,347,229
Tube well	786,423	1,816,000	-	2,602,423	10	623,358	143,474	766,832	1,835,591
Arms and ammunition	5,500	-	-	5,500	10	4,712	84	4,796	704
Sub-total	1,416,112,378	20,484,210	186,026,060	1,612,422,088		620,133,402	79,451,833	696,427,681	915,994,407
		(10,200,560)					(9,053,421)		
Leased Assets									
Plant and machinery	99,821,877	-	-	99,821,877	10	51,932,791	4,788,912	56,721,703	43,100,174
Vehicles	12,551,252	-	(8,290,000)	4,261,252	20	5,061,048	1,498,044	2,154,485	2,106,767
Electric Installation	5,050,000	-	(5,050,000)	-	10	1,095,848	395,412	(1,491,260)	-
Sub-total	117,423,129	-	(13,340,000)	104,083,129		58,089,687	6,682,368	58,876,188	45,206,941
Total	1,533,535,507	20,484,210	172,686,060	1,716,505,217		678,223,089	86,134,201	755,303,869	961,201,348
		(10,200,560)					(9,053,421)		

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
16.3 Depreciation for the year has been allocated as under:			
Cost of sales	31	77,059,607	82,564,786
Administrative expenses	34	4,093,480	3,569,415
Total		81,153,087	86,134,201

16.4 Had there been no revaluation, the cost, accumulated depreciation, and book value of the revalued property, plant and equipment as on June 30, 2014 would have been as follows:

	Cost as at June 30, 2014 Rupees	Accumulated depreciation as at June 30, 2014 Rupees	Book value as at June 30, 2014 Rupees
Freehold land	15,100,263	-	15,100,263
Building on freehold land	145,611,085	(91,313,819)	54,297,266
Total	160,711,348	(91,313,819)	69,397,529

16.5 Disposal of property, plant and equipment

Description	Quantity	Cost Rupees	Accumulated depreciation Rupees	Net book value Rupees	Proceeds from disposal Rupees	Gain on disposal of property, plant and equipment Rupees	Mode of disposal	Particulars of buyer
Mitsubishi Van	1	1,495,500	1,356,449	139,051	550,000	410,949	Negotiation	Adnan Nazir
Honda CG 125	1	75,430	72,311	3,119	30,000	26,881	Negotiation	Shaukat Hayat
Air Conditioner	1	53,700	48,025	5,675	8,000	2,325	Negotiation	Sohail Ahmed
Ipad-Mini	1	80,000	15,650	64,350	20,000	(44,350)	Negotiation	Techno plus
Total		1,704,630	1,492,435	212,195	608,000	395,805		

16.6 Capital work in progress

Description	As at 01 July 2013 Rupees	During the year		As at 30 June 2014 Rupees
		Additions Rupees	Transfers Rupees	
Building	3,137,809	1,133,096	-	4,270,905
Plant and machinery	1,620,714	-	(1,620,714)	-
Total	4,758,523	1,133,096	(1,620,714)	4,270,905

17 INTANGIBLE ASSETS

DESCRIPTION	Note	Cost			Useful life	Amortization			Net book value Rupees
		As at July 01, 2013 Rupees	Transfers Rupees	As at June 30, 2014 Rupees		As at July 01, 2013 Rupees	For the year Rupees	As at June 30, 2014 Rupees	
License		400,000	-	400,000	3 years	277,777	122,223	400,000	-
SAP-computer software	17.1	4,190,000	-	4,190,000	5 years	1,508,400	536,320	2,044,720	2,145,280
Total June 30, 2014		4,590,000	-	4,590,000		1,786,177	658,543	2,444,720	2,145,280
Total June 30, 2013		400,000	4,190,000	4,590,000		11,111	971,333	982,444	3,607,556

17.1 Amortization for the year has been allocated to administrative expenses.

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
18 LONG TERM INVESTMENT			
Investments in related parties			
Using equity method			
Onetel Pakistan (Private) Limited	18.1	1,000,000	2,150,000
Available for sale			
Security General Insurance Company Limited	26.4	404,770,000	804,693,880
Total		405,770,000	806,843,880

18.1 This represents the Company's investment in the associate company, Onetel Pakistan (Private) Limited. The Company has common directorship with the associate and holds 24% (2013: 24%) equity in the associate while Rs. Nil (2013: Rs. 1,150,000) is held as share deposit money. The associate company has not yet started operations, therefore share of post acquisition reserves of the associate does not exist. The breakup value per share based on unaudited accounts works out to Rs. 10 per share at 30 June 2013 (2013: un-audited Rs. 10 per share).

	Note	2014 Rupees	2013 Rupees
19 LONG TERM DEPOSITS			
Long term deposits	19.1	12,823,739	12,823,739
Total		12,823,739	12,823,739

19.1 Long term deposits include security deposits against the finance leases, electricity connection and bank guarantee given to Lahore Electric Supply Company Limited.

	Note	2014 Rupees	2013 Rupees
20 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		34,828,009	39,375,604
Spare parts		36,620,364	37,299,066
Loose tools		5,306,291	5,694,435
Total		76,754,664	82,369,105
21 STOCK IN TRADE			
Raw material		111,205,229	103,819,873
Work in process		6,779,303	11,397,288
Finished goods	21.1	202,762,937	257,487,384
Total		320,747,469	372,704,545

21.1 This includes goods in transit amounting to Rs. Nil (2013: Rs. 28,649,436).

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
22 TRADE DEBTS			
Considered good			
Export - secured against export documents		6,089,605	23,127,110
Local - unsecured		51,530,002	55,024,569
		<u>57,619,607</u>	<u>78,151,679</u>
Considered doubtful			
Local - unsecured		610,944	15,213,426
Less: Provision for doubtful debts	22.1	(610,944)	(15,213,426)
		<u>-</u>	<u>-</u>
Total		<u>57,619,607</u>	<u>78,151,679</u>
22.1 Provision for doubtful debts			
Opening balance		-	15,213,426
Provision for the year		610,944	-
Closing balance		<u>610,944</u>	<u>15,213,426</u>
23 LOANS AND ADVANCES - CONSIDERED GOOD			
Loan to related party	23.1	1,150,000	-
Advances to:			
- Staff - secured		924,312	1,068,636
- Suppliers for goods and for services - unsecured		17,968,181	17,329,242
Letters of credit		203,447	925,255
Total		<u>20,245,940</u>	<u>19,323,133</u>
23.1 This carries markup @ the rate of 12.70% (2013: Nil)			
24 TRADE DEPOSITS AND PREPAYMENTS			
Security deposits		1,085,424	3,061,563
Prepayments		143,216	143,216
Total		<u>1,228,640</u>	<u>3,204,779</u>
25 TAX REFUNDS DUE FROM GOVERNMENT			
Advance income tax - net		46,570,094	47,697,438
Sales tax refundable - net		40,338,666	44,288,973
Export rebate receivable		9,790	166,480
Excise duty receivable	15.1	4,479,873	4,479,873
Total		<u>91,398,423</u>	<u>96,632,764</u>
26 INVESTMENTS (AVAILABLE-FOR-SALE)			
Security General Insurance Company Limited			
10,214,914 fully paid ordinary shares	26.1	705,330,000	1,197,224,966
Total		<u>705,330,000</u>	<u>1,197,224,966</u>

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
26.1 This is made-up as under:			
Opening investment		1,197,224,966	1,229,129,804
(Loss) / Gain on remeasurement of available-for-sale investment to fair value		(541,752,016)	772,789,042
Transferred to long term investments	26.4	49,857,050	(804,693,880)
Investments (available-for-sale)		705,330,000	1,197,224,966

26.2 "Fair value of available for sale unquoted investment of Rs. 170 per share (2013: Rs. 195.98 per share) is determined by using appropriate valuation techniques as permissible under IAS 39 (Financial Instruments: Recognition and Measurement). Related assumptions in such valuation technique are:"

- Discount to adjust net asset value to market values 25%
- Liquidity discount 10%

26.3 The investee is associated of the Company due to common directorship. The Company holds 15% (2013: 15%) of the investee company's total equity.

26.4 2,381,000 (2013: 2,381,000) shares have been physically pledged against loan facilities from different financial institutions. Therefore, these shares have been classified as investments.

27 INTEREST ACCRUED

This represents income earned on loan to associate company Onetel Pakistan (Private) Limited against equity participation.

	Note	2014 Rupees	2013 Rupees
28 CASH AND BANK BALANCES			
Cash at bank:			
- current accounts		5,263,998	17,532,508
- deposit accounts	28.1	7,423,609	1,960,547
- foreign currency accounts		1,800,155	1,801,015
		14,487,762	21,294,070
Cash in hand		3,324,972	814,502
Total		17,812,734	22,108,572

28.1 The effective rate of return in respect of deposit accounts 7% (2013: 3% to 5%).

	2014 Rupees	2013 Rupees
29 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
Investment	350,066,830	-
Total	350,066,830	-

29.1 The company entered into a MOU with Adamjee Insurance Company Limited for disposing of 3,684,914 shares of Security General Insurance Company Limited. However, such assets could not be disposed off as Adamjee Insurance Company Limited is associate undertaking of the Security General Insurance Company Limited and accordingly approval of their share holders was needed. Subsequent to the year end Adamjee Insurance Company Limited held an EOGM in which share holders approved acquisition of such shares at Rs. 95 per share. Accordingly, such investment has been classified as non current assets held for sale.

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
30 SALES - NET			
Export			
Cloth		696,140,498	918,721,721
Sub-total		696,140,498	918,721,721
Local			
Cloth		1,903,554,374	1,812,578,016
Waste		3,654,194	6,273,102
Sub-total		1,907,208,568	1,818,851,118
Less: Sales tax			
Cloth		(47,426,326)	(9,408,409)
Waste		(286,530)	(209,821)
Sub-total		(47,712,856)	(9,618,230)
Total Sales		2,555,636,210	2,727,954,609
Less: Commission		(18,553,009)	(19,097,303)
Total		2,537,083,201	2,708,857,306
31 COST OF SALES			
Raw material consumed	31.1	1,828,880,589	2,093,350,388
Power and fuel		228,508,619	184,577,722
Stores, spare parts and loose tools consumed		120,938,407	137,604,491
Salaries, wages and other benefits	31.2	139,711,420	126,502,241
Processing charges		11,812,371	9,506,842
Repairs and maintenance		9,461,347	12,799,198
Communication		681,879	484,781
Insurance		4,895,517	5,075,359
Depreciation	16.3	77,059,607	82,564,786
Traveling and conveyance		4,656,897	4,101,805
Other expenses		12,312,857	7,767,148
		2,438,919,510	2,664,334,761
Adjustment of work in process			
Opening work in process		11,397,288	8,514,215
Closing work in process	21	(6,779,303)	(11,397,288)
		4,617,985	(2,883,073)
		2,443,537,495	2,661,451,688
Adjustment of finished goods			
Opening stock		257,487,384	252,146,946
Fabric purchases		8,078,876	-
Closing stock	21	(202,762,937)	(257,487,384)
		62,803,323	(5,340,438)
Less: Export rebate		(282,099)	(261,226)
Total		2,506,058,719	2,655,850,024

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
31.1 Raw material consumed			
Opening stock		103,819,873	76,404,121
Purchases		1,836,265,945	2,120,766,140
		1,940,085,818	2,197,170,261
Closing stock	21	(111,205,229)	(103,819,873)
Total		1,828,880,589	2,093,350,388

31.2 This includes contribution of Rs. 3,689,254 (2013: Rs. 2,423,833) on account of provident fund.

	Note	2014 Rupees	2013 Rupees
32 OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		273,664	181,414
Dividend income		40,859,656	40,859,656
Interest income		365,269	-
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment	16.5	395,805	2,352,861
Foreign currency translation differences-net		-	479,458
Liabilities written back		26,265,597	5,200
Total		68,159,991	43,878,589

33 DISTRIBUTION COST			
Salaries and other benefits	33.1	8,139,349	6,748,722
Outward freight		17,293,579	27,427,318
Cloth export expenses		1,428,364	1,688,327
Traveling and conveyance		8,467,426	8,619,075
Communication		147,446	325,202
Vehicle running and maintenance		441,880	509,356
Insurance		1,747,971	1,281,833
Other selling expenses		3,367,931	554,124
Total		41,033,946	47,153,957

33.1 This includes contribution of Rs. 407,524 (2013 : Rs. 297,564) on account of provident fund.

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
34 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	34.1	28,924,518	25,908,233
Rent, rates and taxes		900,000	900,000
Repairs and maintenance		1,474,325	1,840,084
Insurance		866,741	1,063,696
Printing and stationery		1,041,825	921,800
Communication		1,146,089	992,291
Electricity, gas and water		1,827,082	1,250,019
Traveling and conveyance		3,241,626	2,986,460
Entertainment		402,593	386,493
Fee and subscription		5,085,693	6,006,021
Legal and professional		2,374,450	1,965,289
Vehicle running and maintenance		1,597,144	1,649,476
Provision for doubtful debts	22.1	610,944	-
Auditors' remuneration	34.2	1,009,700	1,492,420
Depreciation	16.3	4,093,480	3,569,415
Amortization	17	658,542	803,733
Miscellaneous		2,328,471	2,874,086
Total		57,583,223	54,609,516

34.1 This includes contribution of Rs. 1,262,150 (2013: Rs. 1,171,642) of the Company on account of provident fund.

	Note	2014 Rupees	2013 Rupees
34.2 Auditors' remuneration:			
Audit fee		500,000	500,000
Fee for half yearly review and other certifications		150,000	150,000
Taxation services		359,700	842,420
Total		1,009,700	1,492,420

35 OTHER OPERATING EXPENSES

Donations	35.1	-	2,500
Foreign currency translation differences-net		425,018	-
Total		425,018	2,500

35.1 None of the directors of the Company or their spouses had any interest in the donee.

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
36 FINANCE COST			
Mark up on:			
- Long term financing		30,158,520	18,361,186
- Liabilities against assets subject to finance lease		107,445	698,055
- Short term borrowings		99,610,115	104,605,061
Bank charges and others		11,347,161	10,457,589
Amortization of transaction cost	8.2	563,125	563,125
Interest on sponsor's loan		1,566,308	1,566,308
Total		143,352,674	136,251,324

37 PROVISION FOR TAXATION

Current	29,642,328	5,018,348
Deferred	(25,112,376)	(6,526,716)
Total	4,529,952	(1,508,368)

37.1 The Company is under the ambit of final tax up to the extent of export sales under section 169 of Income Tax Ordinance, 2001. Provision for income tax is made accordingly. Last year the Company has taken credit of 65(b). Income tax provision for income which is not subject to final tax under section 169 of Income Tax Ordinance, 2001 has been calculated in accordance with section 113 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 (a) turnover tax provided under section 113 and (b) tax on dividend income under section 5 of the Income Tax Ordinance, 2001.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, full time working directors and executives of the Company is as follows:

Particulars	2014		
	Chief Executive	Directors	Executives
	Rupees	Rupees	Rupees
Remuneration	1,920,000	6,428,320	14,187,963
Utilities	217,800	668,632	1,418,796
House rent	1,162,200	2,965,528	5,675,185
Provident fund contribution	159,936	535,479	1,181,857
Total	3,459,936	10,597,959	22,463,801
Number of person(s)	1	4	25

Notes to the financial statements

for the year ended June 30, 2014

Particulars	2013		
	Chief Executive	Directors	Executives
	Rupees	Rupees	Rupees
Remuneration	1,920,000	5,755,984	9,507,495
Utilities	217,800	601,398	950,749
House rent	1,162,200	2,696,594	3,802,998
Provident fund contribution	159,936	479,473	403,387
Total	3,459,936	9,533,449	14,664,629
Number of person(s)	1	4	25

38.1 In addition, chief executive, directors and executives are provided with free use of company owned and maintained cars.

38.2 Provident fund contribution are made by the Company @ 8.33% (2013: 8.33%) on the basic salaries of directors and executives.

38.3 Chief executive is provided with mobile phone, private security guard at residence and medical facilities.

39 LOSS PER SHARE - BASIC AND DILUTED

Loss per share is calculated by dividing loss after tax for the period by weighted average number of shares outstanding during the period as follows:

	2014	2013
	Rupees	Rupees
Loss after tax (Rupees)	(147,740,340)	(139,623,058)
Weighted average number of ordinary shares	26,728,000	26,728,000
Loss per share - basic and diluted (Rupees)	(5.53)	(5.22)

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.

40 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market Risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

40.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk arises principally from loans and advances, trade debts, deposits, other receivables and bank balances. Out of total financial assets of Rs. 1,539.423 million (2013: Rs. 2,124.579 million), the financial assets that are subject to credit risk amounted to Rs. 1,536.098 million (2013: Rs. 2,123.783 million).

The Company monitors the credit quality of the financial assets with reference to the historical performance of such assets and available external credit ratings.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate. The table below shows the bank balances and investment held with some major counterparties at the balance sheet date.

Notes to the financial statements

for the year ended June 30, 2014

Banks	Rating		Agency	June 2014	June 2013
	Short term	Long term		Rupees	Rupees
Allied Bank Limited	A 1+	AA+	PACRA	748,837	43,020
MCB Bank Limited	A 1+	AAA	PACRA	7,654,662	234,850
Standard Chartered Bank (Pakistan) Limited	A 1+	AAA	PACRA	1,817,246	2,920,249
Habib Metropolitan Bank Limited	A 1+	AA+	PACRA	183,213	109,066
National Bank of Pakistan	A - 1+	AAA	JCR-VIS	442,341	343,325
NIB Bank Limited	A 1+	AA-	PACRA	174,486	201,416
Habib Bank Limited	A - 1+	AAA	JCR-VIS	727,759	10,750,171
Askari Bank Limited	A 1+	AA	PACRA	3,300	767,329
Soneri Bank Limited	A 1+	AA-	PACRA	756,488	1,913,517
Summit Bank Limited	A - 3	A-	JCR-VIS	1,401,475	3,957,239
Faysal Bank Limited	A 1+	AA-	PACRA	534,629	10,400
JS Bank Limited	A - 1	A+	PACRA	22,338	22,500
Sindh Bank Limited	A 1+	AA-	JCR-VIS	20,988	20,988
Total				14,487,762	21,294,070

The aging of trade receivables at the reporting date is:

	2014	2013
	Rupees	Rupees
Past due but not impaired		
1 to 120 days	25,624,415	18,434,844
120 to 180 days	6,806,863	8,765,832
180 to 365 days	5,330,504	17,162,377
past due 365 days	610,944	15,213,426
	38,372,726	59,576,479
Not yet due	16,697,495	18,575,200
Total	55,070,221	78,151,679

40.2 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 to always have sufficient liquidity to meet its liabilities when due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation.

The following are the contractual maturities of financial liabilities as at 30 June 2014:

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Sub-ordinated loan	10,411,566	-	-	10,411,566
Long term financing	224,852,747	107,953,880	116,898,867	-
Liabilities against assets subject to finance lease	2,347,560	2,347,560	-	-
Short term borrowings	896,175,554	896,175,554	-	-
Trade and other payables	247,892,382	247,892,382	-	-
Interest accrued on loans	35,687,172	35,687,172	-	-
Total	1,417,366,981	1,290,056,548	116,898,867	10,411,566

Notes to the financial statements

for the year ended June 30, 2014

The following are the contractual maturities of financial liabilities as at 30 June 2013:

	Carrying amount	Less than one year	One to five years	More than five years
	Rupees	Rupees	Rupees	Rupees
Sub-ordinated loan	10,411,566	-	-	10,411,566
Long term financing	242,722,232	60,662,656	182,059,576	-
Liabilities against assets subject to finance lease	3,392,740	2,410,355	982,385	-
Short term borrowings	788,512,850	788,512,850	-	-
Trade and other payables	317,466,054	317,466,054	-	-
Interest accrued on loans	35,143,861	35,143,861	-	-
Total	1,397,649,303	1,204,195,776	183,041,961	10,411,566

40.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in foreign exchange rates.

The Company is exposed to currency risk on import of raw materials and stores and spares and export of goods mainly denominated in US dollars. The Company's exposure to foreign currency risk for US Dollars is as follows:

	2014 Rupees	2013 Rupees
Foreign debtors-USD	6,089,605	23,127,110
Total	6,089,605	23,127,110

The following significant exchange rates have been applied:

Rupees per USD

	2014	2013
Average rate	98.28	96.00
Reporting date rate	98.35	98.20

As at year end, had the exchange of USD depreciated or appreciated against the currency with all other variables held constant, the change in post tax profit/(loss), mainly as a result of foreign exchange gain/loss on translation of foreign currency denominated payables, would have been as follows:

Currency	% change	2014 Rupees	2013 Rupees
US \$	10	608,961	2,312,711

b) Interest rate risk

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

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

Notes to the financial statements

for the year ended June 30, 2014

	Effective rate of interest		Carrying value	
	2014	2013	June 2014	June 2013
Variable rate instruments			Rupees	Rupees
Financial liabilities				
Long term financing	10.9% to 12.65%	11.81% to 15%	224,852,747	242,722,232
Liabilities against assets subject to finance lease	15.7%	11.96% to 15.24%	2,347,560	3,392,740
Short term borrowings	11.22% to 14.19%	11.44% to 15.99%	896,175,554	788,512,850
Total			1,123,375,861	1,034,627,822
Financial assets				
Cash at bank - deposit accounts	7.0%	3% to 5%	7,423,609	1,960,547
Total			7,423,609	1,960,547

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

	Effective rate of interest		Carrying value	
	2014	2013	June 2014	June 2013
Fixed rate instrument			Rupees	Rupees
Financial liabilities				
Subordinated loan	15%	15%	10,411,566	10,411,566
Total			10,411,566	10,411,566

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

Currency	Profit and loss 100 bp	
	Increase	Decrease
As at June 30, 2014		
Cash flow sensitivity -variable rate financial liabilities	11,233,759	(11,233,759)
As at June 30, 2013		
Cash flow sensitivity -variable rate financial liabilities	10,346,278	(10,346,278)

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

c) Equity price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is exposed to equity price risk as the Company holds investments whose fair value or future cash flows will fluctuate because of changes in fair value.

40.4 Financial instruments by categories

	Available for sale		Loans and receivables		Total	
	June 2014	June 2013	June 2014	June 2013	June 2014	June 2013
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets						
Investments	1,461,166,830	2,004,068,846	-	-	1,461,166,830	2,004,068,846
Trade debts	-	-	58,230,551	93,365,105	58,230,551	93,365,105
Loans and advances	-	-	1,127,759	1,993,891	1,127,759	1,993,891
Trade deposits	-	-	1,085,424	3,061,563	1,085,424	3,061,563
Cash and bank balances	-	-	17,812,734	22,108,572	17,812,734	22,108,572
Total	1,461,166,830	2,004,068,846	78,256,468	120,529,131	1,539,423,298	2,124,597,977

Notes to the financial statements

for the year ended June 30, 2014

	Financial liabilities at amortised cost	
	June 2014	June 2013
	Rupees	Rupees
Financial liabilities		
Sub-ordinated loan	10,411,566	10,411,566
Long term financing	224,852,747	242,722,232
Liabilities against assets subject to finance lease	2,347,560	3,392,740
Short term borrowings	896,175,554	788,512,850
Trade and other payables	247,892,382	317,466,054
Interest accrued on loans	35,687,172	35,143,861
Total	1,417,366,981	1,397,649,303

40.5 Fair values of financial assets and liabilities

Fair value of available for sale unquoted investment is determined by using appropriate valuation techniques as permissible under IAS 39 (Financial Instruments: Recognition and Measurement).

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

40.6 Fair value hierarchy

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

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

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

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

As at 30 June 2014, the Company held the following financial instruments carried at fair value:

	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees
Available for sale investment	-	1,110,100,000	-
Non-current assets classified as held for sale	-	350,066,830	-

As at 30 June 2013, the Company held the following financial instruments carried at fair value:

	Level 1	Level 2	Level 3
	Rupees	Rupees	Rupees
Available for sale investment	-	2,001,918,846	-

40.7 Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves and/or issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term loan" 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".

The salient information relating to capital risk management of the Company as of June 30, 2014 and 2013 were as follows:

Notes to the financial statements

for the year ended June 30, 2014

	Note	2014 Rupees	2013 Rupees
Total borrowings		1,168,348,349	1,078,493,874
Less: Cash and cash equivalents		(17,812,734)	(22,108,572)
Net debt		1,150,535,615	1,056,385,302
Total equity		1,241,612,004	1,698,071,429
Total capital		2,392,147,619	2,754,456,731
Gearing ratio		48.10	38.35

41 CASH GENERATED FROM OPERATIONS

Loss before taxation		(143,210,388)	(141,131,426)
		(143,210,388)	(141,131,426)
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment	16.3	81,153,087	86,134,201
Amortization	34	658,542	803,733
Gain on disposal of property, plant and equipment	32	(395,805)	(2,352,861)
Dividend income	32	(40,859,656)	(40,859,656)
Finance cost		143,352,674	135,688,199
Provision for doubtful debts	34	610,944	-
Working capital changes	41.1	13,079,302	(7,599,261)
Interest income		(365,269)	-
		197,233,819	171,814,355
Total		54,023,431	30,682,929

		2014 Rupees	2013 Rupees
41.1 Working capital changes			
(Increase) decrease in current assets			
Stores, spare parts and loose tools		5,614,441	(15,010,658)
Stock in trade		51,346,132	(35,639,263)
Trade debts		20,532,072	54,292,372
Loans and advances		(922,807)	9,281,764
Trade deposits, prepayments and balances with statutory authorities		6,083,136	(9,567,781)
		82,652,974	3,356,434
(Decrease) in current liabilities			
Trade and other payables		(69,573,672)	(10,955,695)
Total		13,079,302	(7,599,261)

42 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated company, associate, companies where directors also held directorship, directors and key management personnel. Transactions with associated undertakings and other related parties other than remuneration and benefits to key management personnel under the terms of their employment as disclosed in Note 36 are as follows:

Notes to the financial statements

for the year ended June 30, 2014

	Relationship	2014 Rupees	2013 Rupees
Receivables from related parties			
Onetel Pakistan (Private) Limited	Associate		
Investment		1,000,000	2,150,000
Loan		1,150,000	-
Interest accrued		365,269	-
Security General Insurance Company Limited Associated undertaking			
Investment		1,459,016,830	2,001,918,846
Outstanding balance of insurance premium		3,471,852	3,471,852
Payable to related parties		19,909,804	18,343,496
Payable to Provident Fund		1,315,741	879,859

	Nature of transaction	2014 Rupees	2013 Rupees
Transactions with related parties			
Associated undertaking	Income	41,224,925	40,859,656
Associated undertaking	Payments	4,903,026	4,903,026
Other related party	Expense	2,466,308	1,566,308

43 CAPACITY INSTALLED AND ACTUAL PRODUCTION

	2014	2013
Number of looms installed	214	214
Number of looms worked	214	214
Shifts per day	3	3
No. of days actually worked	365	365
Rated capacity (running meters) per annum	29,920,127	29,920,127
Actual commercial production (running meters)	15,814,042	17,546,407

It is difficult to determine precisely the production / rated capacity in the textile industry since it fluctuates widely depending on various factors such as speed, width and construction of the cloth, etc. The reasons for decrease in actual commercial production include factors like manufacturing different qualities, speed, width and construction of the cloth, etc.

	2014 Rupees	2013 Rupees
44 PROVIDENT FUND RELATED DISCLOSURES		
The following information is based on latest un-audited financial statements of the Fund:		
Size of the fund - Total assets	40,062,258	31,387,987
Cost of investments made	15,632,283	10,684,619
Percentage of investments made	39%	35%
Fair value of investment made	17,739,270	11,058,121

Notes to the financial statements

for the year ended June 30, 2014

The break-up of fair value of investment is:

	2014		2013	
	Rupees	--- % ---	Rupees	--- % ---
Mutual funds				
Arif Habib Investment Limited	1,338,700	8%	1,237,376	11%
MCB-Asset Management Company Limited	6,800,972	38%	6,136,126	55%
NBP Fullerton Asset Management (NAFA)	5,230,817	29%	-	-
Balance with brokerage house:				
Money Line Securities (Pvt.) Ltd.	836,265	5%	836,265	8%
Bank balances	3,532,516	20%	2,848,354	26%
	<u>17,739,270</u>	<u>100%</u>	<u>11,058,121</u>	<u>100%</u>

The investments out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

	2014	2013
45 NUMBER OF EMPLOYEES		
Number of employees at year end	626	732
Average number of employees during the year	679	739

46 GENERAL

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

46.2 Corresponding figures have been re-arranged and/ or reclassified, where ever considered necessary, for the purpose of better presentation of the financial statements.

47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 24, 2014.

Lahore
September 24, 2014



JEHANZEB AMIN
Chief Executive



SAFDAR HUSSAIN TARIQ
Director

Notice of Annual General Meeting

Notice is hereby given that the 25th Annual General Meeting of the shareholders of Samin Textiles Limited (the "Company") will be held on Monday, 27 October 2014 at 4:00 pm at the registered office of the Company, 50-C Main Gulberg, Lahore, to transact the following business:

ORDINARY BUSINESS

- i) To confirm the minutes of last AGM held on October 30, 2013.
- ii) To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2014 together with the Directors' Report and Auditors' Report there on.
- iii) To appoint auditors of the Company for the year ending June 30, 2015 and fix their remuneration. The retiring auditors M/S Anjum Asim Shahid Rahman, Chartered Accountant, being eligible, offer themselves for re-appointment.
- iv) To elect seven Directors of the company as fixed by the Board of Directors under Section 178 of the Companies Ordinance 1984.

The names of the retiring Directors are:

- i) **Mr. Sarmad Amin**
- ii) **Mr. Jehanzeb Amin**
- iii) **Mr. Jamil Masood**
- iv) **Mr. Safer Hussain Tariq**
- v) **Mr. Tariq Ali**
- vi) **Mr. Tariq Jillani**
- vii) **Mr. Salman Mahmood Chaudhary**

All the retiring directors shall be eligible to offer themselves for re-election.

In terms of section 178(3) of the Companies Ordinance 1984, any person who seeks to contest an election to the office of director, whether he is a retiring director or otherwise, shall file with the company not later than fourteen (14) days before the date of the meeting, a notice of his intention to offer himself for election as a director.

- v) To transact any other business with the permission of the chairman.

By order of Board

Lahore:
October 02, 2014

Sohail Omer
Company Secretary

Notes:

- i). The share transfer books of the Company will remain closed from October 20, 2014 to October 27, 2014 (both days inclusive). Transfers received at the 50-C, Main Gulberg, Lahore at the close of business on October 19, 2014 will be treated in time for the purpose of above entitlement to the transferees.

- ii). Shareholders are requested to promptly notify any change in their addresses to the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
- iii). A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her.
- iv). The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
- v). Members who have deposited their shares into Central Depository Company of Pakistan limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
- vi). Shareholders who have not yet submitted attested photocopy of their Computerized national Identity Card (CNIC) to the Company are requested to send the same at the earliest.

A. For Attending the Meeting

- a) In case of Individuals, the account holder and /or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC, or, original passport at the time of attending the Meeting.
- b) In case of corporate entity, the Board's resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- a) In case of Individuals, the account holder and /or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b) The proxy form shall be witnessed two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with proxy form.
- d) The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

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**From of Proxy
Samin Textiles Limited**

I/We _____
of _____ being member(s) of SAMIN TEXTILS LIMITED registered
at Folio No. _____ holder of _____
ordinary shares hereby appoint Mr./Mrs./Miss _____

who is also a member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at
the 25th Annual General Meeting of the Company at the Registered Office of the Company, 50-C, Main Gulberg Lahore on Monday
October 27, 2014 at 4:00 p.m or at any adjournment thereof.

As witness my/our hand this _____ day of 2014
signed by the said _____ in the presence of

1. Witness:

Signature _____
Name _____
Address _____

Affix Revenue
Stamps of Rs. 5/-

Signature of Member

2. Witness:

Signature _____
Name _____
Address _____

Shareholder's Folio No. _____
CDC Participant I.D/Sub A/c # _____
CNIC No. _____

NOTES:

1. Proxies, in order to be effective, must be received at the Company's Registered Office 50-C, Main Gulberg, Lahore. not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. Signature must agree with the specimen signature registered with the Company.
3. An individual beneficial owner of CDC, entitled to attend and vote at this meeting, must bring his/her NIC/Passport to prove his/her identity, and in case of proxy must enclosed an attested copy of his/her NIC/Passport. Representative of corporate members should bring the original usual documents required of such purpose.
4. No person shall act as proxy unless he is member of the Company.



AFFIX
CORRECT
POSTAGE

Company Secretary
Samin Textiles Limited
50-C, Main Gulberg,
Lahore, Pakistan.