Annual Report 2009

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Samin Textiles Limited

Vision & Mission

Vision Statement

"EXCELLENCE THROUGH CONTINUOUS IMPROVEMENT"
To establish Samin as a top of the line, modern and dynamic greige cloth and processed fabric manufacturing industrial unit.

To run the company purely on professional grounds and keep on including the latest high-tech equipment in order to meet the challenging requirement of our customers.

Mission Statement

- The management of Samin Textiles Limited (Weaving Unit) resolves to contribute within our resourcefulness to manufacture quality product as well as to protect and improve the ecosphere and more so of our only habitat, the planet earth.
- The management regards customer satisfaction and prevention of pollution as the key performance indicators and is committed to meet and exceed customer requirements and continually improve the environmental performance.
- The management believes in innovative technology applications to achieve continuous improvement in a creative, fulfilling and eco-friendly environment.
- The provision of pollution free environment will be maintained in compliance with NEQS and other legislative requirements appropriate to the identified significant environmental aspects.
- The management is committed for emergency preparedness, in order to avoid the events which are dangerous to human health and the environment.
- A Quality & Environmental Council has been formulated to ensure employee involvement in developing and implementing a comprehensive Quality & Environmental Management System and to monitor and review its performance.
- The Council is also responsible to maintain, achieve and update quality and environmental objectives and targets for improved corporate performance.
- This policy is documented, implemented, maintained and communicated to all employees and is available to the public for review.

Human Resource Development

Employee development is one of the pivotal areas for Organizational development.

The Company has a range of training programs, both core management and technical, which are conducted on a regular basis to develop skills and knowledge. In addition, specific ff programs may be developed on a need basis. Alternatively, individuals may attend externally run programs and there may be cases where learning by planned job experience is the best answer. Employee's contributions to assessing their own training needs are welcomed as the suggestions for suitable programs.

SAMIN is setting process benchmarks across all areas and utilizing it as a management system to execute its strategic objectives. Employees will drive improvements in other areas; speed, innovation, perfection and in becoming world class professionals. It helps ensure that SAMIN sustains its promise of delivering high quality products and services to its customers ñ on time, every time.

Kaizen

Kaizen is a Japanese word meaning gradual and orderly continuous improvement. The Kaizen business strategy involves every one in an organization working together to make improvements "without large capital investments".

In Samin the vision lExcellence through continuous improvement" is being achieved through implementation of Kaizen.

SAMIN is implementing Kaizen by the lower / middle management and the workers, with the encouragement and direction of the top. The top management is cultivating a KAIZEN working climate and culture in the organization.

All processes, from preparation to quality assurance to packaging, are undertaken employing state-of-the-art technology and equipment. Therefore, we take great pride in the fact that SAMIN is the only textile unit in Pakistan that has the following international certifications of quality and prestige:

SA 8000:2001
(Social Management System)

ISO-14001
(Environmental Management System)

BS EN ISO 9001:2000
(Quality Management System)

Oeko-Tex Standard 100
(Product Class II - Products with direct contact to skin)

GOTS
(Global Organic Textiles Standards)

Notice of 20th Annual General Meeting

Notice is hereby given that the twentieth annual general meeting of the shareholders of the Company will be held on Wednesday, September 30, 2009 at 4:00 pm at the registered office of the Company, 50-C Main Gulberg, Lahore, to transact the following business:

Ordinary Business

1 To confirm the minutes of last AGM held on October 29,2008.

2 To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2009 together with the Directors and Auditor's Report there on.

3 To appoint auditors of the Company for the year ending June 30, 2010 and fix their remuneration.

The retiring auditors M/S Anjum Asim Shahid Rahman, Chartered Accountant, being eligible, offer themselves for re-appointment.

Special Business

4 To consider and pass if deem fit, the following resolutions with or without modification(s).

i) Resolved that approval be and is hereby accorded for conversion of Rs. 35 million of interest free Sponsor's loan from Mr. Sarmad Amin (Chief Executive Officer) into interest bearing loan at the average borrowing cost of the Company as will prevail at the time of accruing quarterly interest on the said loan w.e.f. July 01, 2009.

ii) Resolved that approval be and is hereby accorded for issuance of Company's 9,807,208 shares otherwise than right issue, at par against interest free sponsor's loan of Rs. 98,072,075, subject to approval of the SECP. In case of failure of said approval from SECP the said loan will be converted into interest bearing loan at the average borrowing cost of Company as will prevail at the time of accruing quarterly interest on the said loan w.e.f. July 1, 2009.

iii) Resolved that Mr. Safder Hussain Tariq, Director/Secretary of the Company is hereby authorized to do the needful for finalization of the above transactions and ensure compliance with the relevant regulatory authorities."

5 To transact any other business with the permission of the chair.

By order of the Board

Lahore:
September 09, 2009

Safder Hussain Tariq
Company Secretary

Statement u/s 160(1)(b) of Companies Ordinance 1984.

Justifications

1 Company has interest free subordinated loan of Rs. 133.072 million from its Sponsors which was provided by the Sponsors from time to time for fulfillment of different financial needs of the Company since its commencement of business;

2 This loan was given with the intention to subsequently convert it into equity subject to the approval of shareholders and SECP;

3 International Accounting Standard (IAS) 39-Financial Instruments, "Recognition and Measurement has required us that if the interest free loan was given to Company by the Sponsors as share deposit money then convert it into equity otherwise categorize it as a financial liability and measure and present according to any one of two prescribed methods of measurement i.e. treat it interest free loan and discounted it over its repayment period or convert it into interest bearing loan at prevailing average borrowing cost of Company."

4 The Sponsors are no more willing to keep their loan as interest free because they have provided loan to Company out of their personal borrowed funds from financial institution on which they have been paying financial cost. The Company's financial positions does not allow to bear additional finance cost of approximate Rs. 20.626 million at Company's average borrowing cost, if the said loan is converted into interest bearing loan. Company has paid financial expenses of Rs. 134.367 million during the year ended June 30, 2009 which is already on higher side;

5 Due to liquidity shortage, Company is unable to repay the loan amount to the Sponsors;

6 Presently the performance of the textile sector is not encouraging because of stiff competition, deteriorating law and order situation, high interest rates, costly inputs, gas load shedding and global economic slow down have further reduced demand of textile products. These factors have adversely effected the Company's financial position as it already has incurred losses of Rs. 20.080 million in year ended June 30, 2008 and Rs. 76.213 million in year ended June 30, 2009;

7 The equity base of the Company has been eroded rapidly because of continuous losses, which is making it vulnerable to the lending institutions to maintain existing debts and further lending. Company has been facing increasing pressure from lending institutions to increase capital base. In the present non conducive conditions of capital markets, it is highly unlikely to raise money and increase equity base of the Company through issue of right shares of the Company;

8 The purposes of issuance of shares against loan are to:-

   a) save annual interest cost on interest bearing sponsor's loan of Rs. 98.07 million;

   b) increase the equity base of the Company by Rs. 98.07 million without issuing right shares;

   c) ensure compliance with the requirements of the IAS-39-Financial Instruments: Recognition and Measurement.

9 The Company will issue 9,807,208 shares at par (Rs. 10/- per share) against interest free sponsor's loan of Rs. 98,072,075 to the Sponsor's i-e Mr.Sarmad Amin and family, subject to approval of the Commission

10 Following are the status of existing shareholding of the Company before proposed issuance of the shares and after issuance of shares to the Sponsors viz-a-viz to increased Paid up capital of the Company

11 Weighted average market price of the share of Company is Rs. 6.96/- based on share transactions during last six months starting from 1st March 2009 to August 31, 2009;

12 Currently the share of the Company is traded around Rs. 8~9 in the market;

13 The break up value of the share of Company share is Rs.59.56 based on the audited Financial Statements for the year ended June 30, 2009;

14 The company has paid 5% cash dividend during last five years;

15 The proposed shares issued against Sponsor's loan of Rs. 98.07 million will rank pari passu in all respects with the existing shares of the Company.

16 The consents of the Sponsors for conversion of interest free Sponsor's loan of Rs.98.07 million into shares of the Company have been received by the Company

17 The Authorised Capital of the Company is Rs. 300 million with subscribed and paid-up capital of Rs. 133.640 million. The production facilities are located at 8th Kilometer Manga Raiwind Road, District Kasur and annual gross sales revenue is Rs.1,585.780 million for the year ended June 30, 2009.

Notes:

i. The share transfer books of the Company will be closed from September 24, 2009 to September 30, 2009(both days inclusive).

ii. A member eligible to attend and vote at the meeting is entitled to appoint a proxy. Proxies in order to be effective must be received at 50-C Main Gulberg, Lahore, the Registered Officer of the Company not less than 48 hours before the time fixed for holding the meeting and must be duly stamped, signed and witnessed.

iii. a) CDC shareholders are requested to bring with them their National Identity Cards along with the participants ID numbers in CDC for the identification purposes at the time of attending the Annual General Meeting.

   b) In case of Corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provide earlier) at the time of meeting.

Shareholder are requested to promptly notify any change in their addresses to Company's share register i.e. M/S Corplink (Private) Ltd, Wings Arcade, 1-K Commercial, Model Town, Lahore.

Shareholders	Status of Share holding before Issuance of Shares		Status of Share Holding after Issuance of Shares	
	No. of Shares held as at June 30, 2009	% to Total Share Capital	No. of Shares held as at June 30, 2009	% to Total Share Capital
i. Mr.Sarmad Amin and family holding	6,723,300	50.31%	16,530,508	71.34%
ii. General public and others shareholders holding	6,640,700	49.69%	6,640,700	28.66%
Total Shareholdings	13,364,000	100.00%	23,171,208	100.00%

Brief History of the Company

Samin Textiles Limited is a weaving unit with an average annual production capacity of 23.00 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.

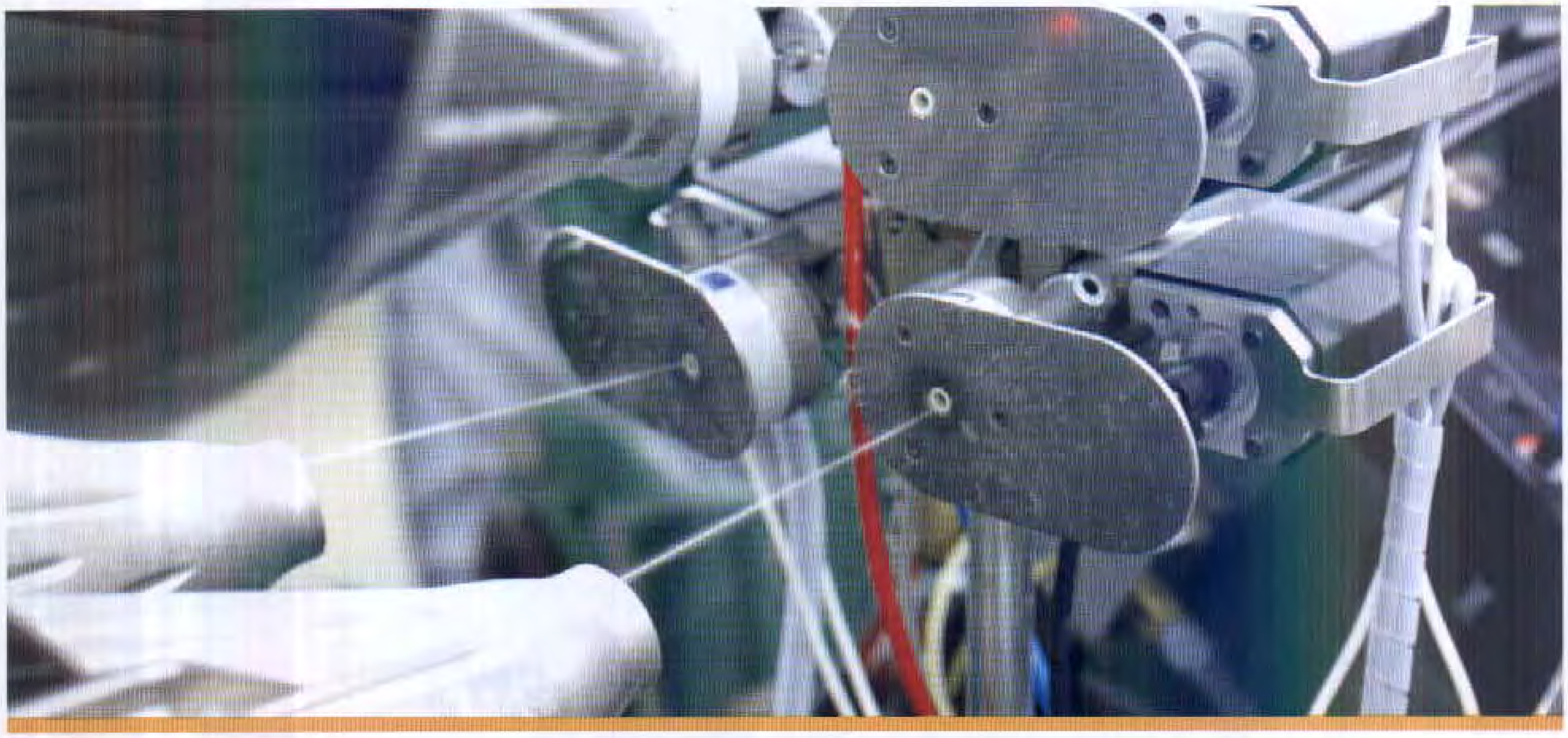
The narrow width business has seen a significant change in the product mix as well as the targeted customers. From simple twills and drills, Samin has shifted to the manufacture of specialized and niche items such as abrasive fabric for industrial use, mechanical stretch items for specialized work wear 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 whenever else in the world our top quality fabric is required.

Furthermore, in 2003 Samin expanded its production capacities to include wider width fabric. This comprises Samin's Home textile division which concentrates on all sorts of fabric for the Home Textiles market including specialized dobby and dyed yarn items.

In the nineteen year period of its existence, Samin has established itself as an internationally renowned greige fabric specialist giving priority to quality and un–paralleled service.

Samin has set up its own gas fired generators and is now self sufficient in power generation having constant supply of un–interrupted electricity



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

Mr. Sarmad Amin
Chairman / Chief Executive

Mr. Jamil Masud
Director

Mr. Safder Hussain Tariq
Director

Mr. Nadeem Saeed
Director

Mr. Asad Ahmad Jan
Director

Mr. Bunyad Hussain Shah
Director

Mr. Tariq Jilani
Director

Directors' Report to the Members

On behalf of the Board of Directors the undersigned takes pleasure to present before you the twentieth Annual report for the financial year ended June 30, 2009 along with Auditors Report there on. During the financial year under review, Company's total sales stood at Rs.1.586 (Billion) and incurred a loss of Rs.76 (Million) as compared to Rs.1.687 (Billion) and Rs.20.080 (Million) respectively for the corresponding period of last year.

The year too, was a test of strength, professionalism and management skills for the people associated with the textile industry. Those who have managed to survive during this period will stay long in the industry and encash the upcoming opportunities.

Following are the major reasons of loss incurred during the year under review:-

i) As stated in our 3rd quarter's report, company incurred a total loss of Rs.74.832 upto March 31, 2009. This includes loss due to gas shut down by SNGPL which lasted for two months amounting to Rs.55(Million). The following table identifies two significant points.

   a) Incremental loss for 4th quarter ended June 30, 2009 is Rs.1.381(Million) only and

   b) had there been no gas shut the loss figure would have been contained to Rs.21.213(Million) only.

	As on 31-03-09	As on 30-06-09	Increase/ Decrease
		Million	
Total amount of loss	74.832	76.213	1.381
Less: Loss due to gas shutdown	55.000	55.000	-
Loss without gas shut down cost	19.832	21.213	1.381

ii) Squeeze in the working capital facilities by the financial institutions for textile sector and increase in the borrowing cost.

iii) Sluggish trend in the demand of grey fabric in the international market and volatility in the prices of raw materials.

A table showing significant financial figures for the year along with their comparison with last five years is exhibited below.

(Rupees In Millions)	2009	2008	2007	2006	2005 Restated	2004
Sales	1,585.78	1,687.14	1,687.50	1,613.88	1,281.56	1,541.24
(Loss) / Profit after tax	(76.21)	(20.08)	4.392	35.101	(18.863)	(54.925)
Reserves	662.317	854.772	61.487	57.094	28.382	23.160
Gross Profit Ratio	7.04%	2.84%	8.97%	11.82%	10.47%	7.67%
Net (Loss) / Profit Ratio	(4.81%)	(1.19%)	.26%	2.17%	(1.47%)	(3.56%)
Break-up Value Per Share	64.55	78.94	19.59	19.26	12.12	11.73
Current Ratio	1.68:1	1.85:1	.68:1	.80:1	.83:1	.95:1
Debt / Equity Ratio	5.65:94.35	6:94	24:76	32:68	44:56	53:47
Dividend Pay Out	Nil	5%	Nil	Nil	Nil	Nil
(Loss) / Earning Per Share	(5.70)	(1.5)	0.33	2.63	(1.41)	(4.11)
Fixed Assets	631.361	678.626	733.698	745.533	642.962	573.824
Long Term Liabilities	59.59	77.513	120.784	184.079	236.187	195.96

Sponsors Loan / Share Deposit Money

This represented amount of interest free loan injected by the sponsors of the company from time to time to cater for the additional liquidity requirement of the company towards working capital and capital investments. As such the total amount of Rs.133.072(Million) is subordinated with the financial institutions. It has been quite a long period that the sponsors are not getting any yield nor repayment of their principal amount. The sponsors raised these funds through their own sources and from personal bank borrowing. As such they are incurring the borrowing and opportunity costs.

In the light of the aforementioned facts and keeping in view the requirements of IAS-39, the sponsors have demanded to break-up the total amount of sponsors loan as under:-

i)	To convert into interest bearing loan	Rs.35.000(Million)
ii)	To convert into paid-up capital	Rs.98.072(Million)
	Total	Rs.133.072(Million)

Further details in this regard have been given in the draft of Special Resolution to be passed by the members in the annual general meeting to be held on September 30, 2009 and the statement U/S 160(1)(b) of Companies Ordinance.

Investment

As on June 30, 2009 Company had the following investments:-

i)	Security General Insurance Company (12,349,916 shares @ Rs.87.32 each)	1,078,386,378
ii)	Onetel Pakistan (Pvt.) Limited (100,000 shares @ Rs.10 each)	1,000,000

The management is confident that both the aforementioned investments will bring the company a good 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 Accounts

The company has maintained proper books of Accounts.

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 Accounting Standards (IAS)

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

5 Accounting Year

The accounting year of the company is from 1st July to 30th June.

6 Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee and the following non-executive directors are its members:

Mr. Jamil Masud	Chairman
Mr Tariq Jillani	Member
Mr. Asad Ahmad Jan	Member
Miss Saila Siddique	Secretary

7 Safety and Environments

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

Directors, CEO, CFO, Company Secretary and their spouse and minor children have made no transaction of company's shares during the year.

11 Outstanding Statutory Dues

Detail of outstanding statutory dues is given in note No. 10 to the Accounts.

12 Dividend

Since the profit declared is not in the shape of realized profit, therefore, dividend will be declared in subsequent period when the accounting profit is actually realized.

13 Quality Control

To ensure implementation of the Management System, Internal Quality Audits, Surveillance audits and Management review meetings are conducted regularly.

14 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.

15 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	04 Nos.
Mr. Jamil Masud	01 Nos.
Mr. Safder Hussain Tariq	04 Nos.
Mr. Nadeem Saeed	02 Nos.
Mr. Tariq Jillani	02 Nos.
Mr. Bunyad Hussain Shah	04 Nos.
Mr. Asad Ahmad Jan	04 Nos.

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

16 Auditors

The Auditors of the Company shall be appointed in the forthcoming AGM for the next year
2009-10 and fix their remuneration.

17 Staff Retirement Benefits

The Company is operating a provident fund scheme for its employees, which is kept in a separate PLS bank account. The balance of Provident Fund Account as at June 30, 2009 was Rs.10.285(M). Un-audited

Acknowledgement

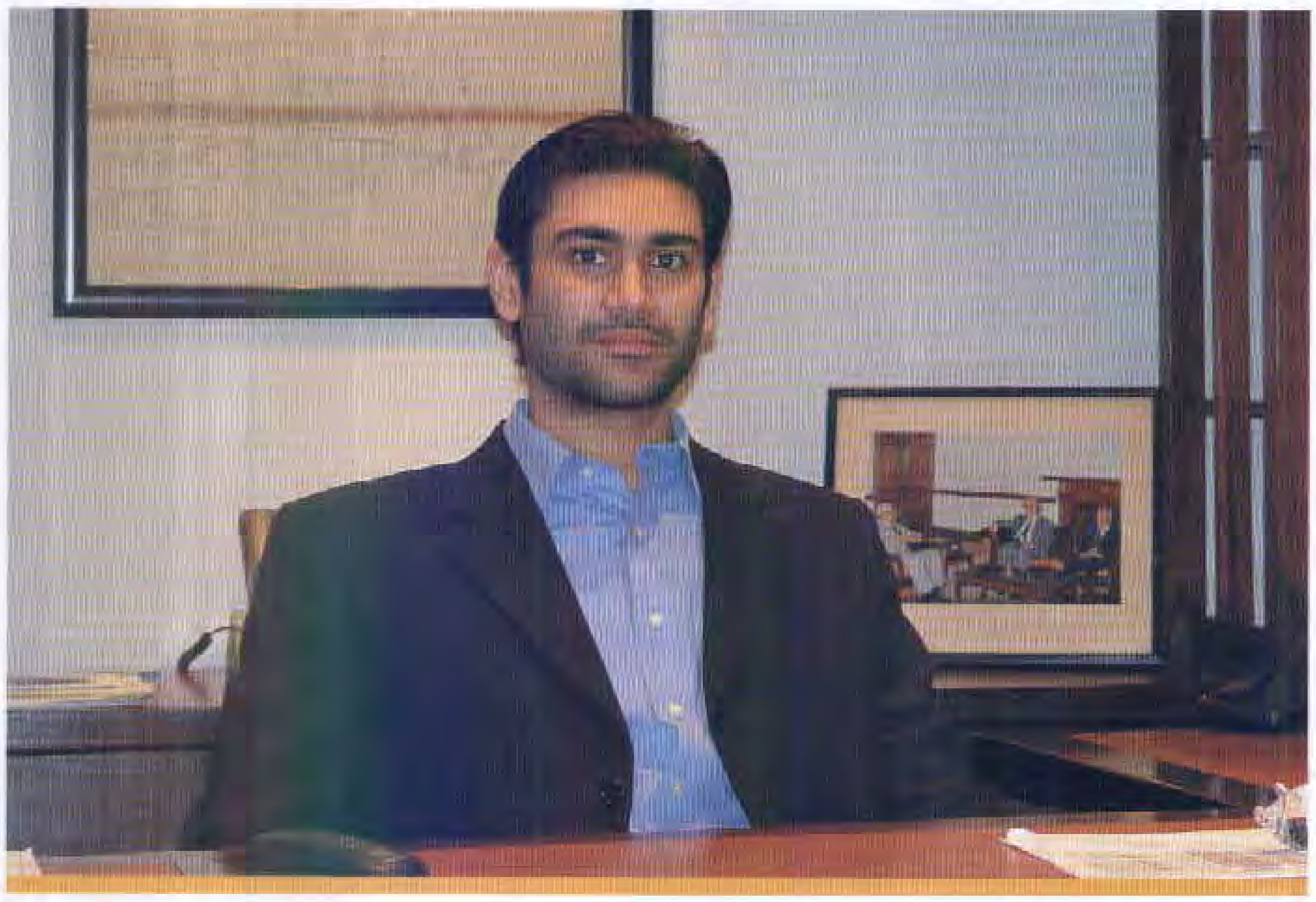
We take the opportunity to appreciate the valued support of our bankers and the hard work and devotion of all employees of the company. We also take this opportunity to put on record our appreciation of the Government's new textile policy, and feel if implemented in Letter and Spirit it will go a long way in resolving the problem of the textile industry.

For and on behalf of the Board

Lahore:
September 03, 2009

Sarmad Amin
Chairman / Chief Executive

Operative Director's Message



The world economic recession has had an adverse effect on the international textile market. In addition, shortage of power and unannounced gas shut downs for longer periods than ever before forced Samin to reduce production, as our backup diesel generation was not a viable option. Cotton prices also remained volatile and resulted in limited supply and sub-standard quality throughout the year.

Samin's major business – industrial fabrics – a segment that normally fetches good margins and year round orders, has been greatly affected due to the slump in Auto and Housing industry in Europe and USA. This segment has historically constituted about 20% of the total production, whereas during the year under review it had come down to 2%. To counter this, Samin had to divert all business from European and US markets to the Far East at very low inflows only to keep the company's cash flows running and to wait for our target markets to revive. However, this situation put pressure on the marketing team to find new businesses and as a result they managed to find and develop substitutes which, though not as lucrative as the industrial fabric segment, are fetching good margins.

To tackle the increasing problem of unscheduled gas shutdowns, Samin has opted for a WAPDA connection for backup and, by the grace of God, we will be running on WAPDA during the Gas shutdown period of three months in the current year.

Despite all these set backs, the plan to completely overhaul the company has gone on with full force.

The first step in the restructuring was a complete replacement of the production team, and the fruits of this decision are now beginning to show with increased efficiencies and higher RPMs. There has also been a dramatic reduction in customer complaints vis-à-vis weaving issues.

Moving on, yarn accounts for 70% of production cost and is the most important raw material in the weaving industry. As part of the effort to revamp the entire company, the yarn department has been completely reorganized, with a more competent team in place and reporting directly to the operative director to take full advantage of improved quality and prices. Key suppliers have been identified and will be developed with close coordination.

To complete the overhauling of the company and to make sure the changes are long-term, the company has invested in an ERP system. SAP has been chosen as the most appropriate solution after a long and careful assessment process. This system will allow the new vision to be truly implemented and the young and highly motivated team will now have the ideal tools to help them make the most beneficial decisions in the shortest time.

To make sure that the new vision is carried through with dedication, the balance score card system is being researched and will start to be implemented in 2010. This will help the management accurately assess performance and be able to provide bonuses and rewards based on this.

With these bold steps, I am sure that by 2012 Samin Textiles will be one of the most efficiently run mills with state of the art management tools, and will be able to retake its position as the most innovative weaving unit in the country.

As the final quarter of FY2008 has proven, despite a global recession, and numerous domestic problems, Samin has managed to improve sales and profitability with sheer determination and team work, and these efforts will continue into the future.

Statement of Compliance

With The Code of Corporate Governance For The Year Ended June 30, 2009

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 (Chapter XI) of Listing Regulations of The Karachi Stock Exchange (Guarantee) Limited and Clause 40 (Chapter XIII) of the Listing Regulations of Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practice of corporate governance.

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

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

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.

3. All the resident directors of the company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFI or, being a member of stock exchange, has been declared as a defaulter by the stock exchange.

4. No casual vacancy occurred in the Board during the year.

5. The company has prepared a "Statement of Ethics and Business Practice" which has been signed by all the directors and employees of the company

6. 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 or amended has been maintained.

7. All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of CEO and other 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 notice of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.

9. The Board has established a system of sound internal control, which is effectively implemented at all levels within the company. The company include all the necessary aspects of internal control given in the code.

10. No specific orientation course for directors was arranged during the year. However, the management continues to apprise and formalize them with the changes in law to discharge their duties and responsibilities.

11. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

Statement of Compliance
With The Code of Corporate Governance For The Year Ended June 30, 2009

12 The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13 The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

14 The directors, CFO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

15 The company has complied with all the corporate and financial reporting requirements of the Code.

16 The Board has formed an Audit Committee. It comprises three members, of whom two are non-executive directors.

17 The meetings of the committees were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the audit committee have been formed and advised to the audit committee for compliance.

18 The Board has set up an effective internal audit function with suitably qualified and experienced staff, conversant with the policies and procedures of the Company and involved in the internal audit function on a full time basis.

19 The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (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 ICAP.

20 The statutory auditors or the sponsors 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 We confirm that all other material principles contained in the Code have been complied with.

Lahore:
September 03, 2009

Sarmad Amin
Chairman/Chief Executive

Grant Thornton

Anjum Asim Shahid Rahman
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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 prepared by the Board of Directors of Samin Textiles Limited ("the Company") to comply with the Listing Regulations of Karachi and Lahore Stock Exchanges.

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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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, 2009.

Anjum Asim Shahid Rahman.
CHARTERED ACCOUNTANTS

Lahore:
September 03, 2009

Grant Thornton

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AUDITOR's REPORT TO THE MEMBERS
of Samin Textile Mills Limited

We have audited the annexed balance sheet of Samin Textiles Limited ("the Company") as at June 30, 2009 and the related profit and loss account, 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 purpose 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, 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, 2009 and of the loss, 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 (XVIII of 1980).

Anjum Asim Shahid Rahman.

CHARTERED ACCOUNTANTS

Lahore:
September 03, 2009

Balance Sheet
As At June 30, 2009

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	4	133,640,000	133,640,000
Reserves	5	662,317,494	854,772,675
		795,957,494	988,412,675
Surplus on revaluation of property, plant and equipment	6	66,649,737	66,649,737
Subordinated loan- Unsecured	7	133,072,075	133,072,075
NON CURRENT LIABILITIES			
Long-term financing	8	20,835,760	25,550,424
Liabilities against assets subject to finance lease	9	38,759,204	51,963,129
Deferred tax and other liabilities	10	263,606,263	305,208,843
		323,201,227	382,722,397
CURRENT LIABILITIES			
Trade and other payables	11	264,059,847	243,073,459
Accrued mark-up	12	26,196,999	23,696,002
Short term borrowings	13	654,974,288	691,489,081
Current portion of long term financing	14	55,175,311	75,610,532
		1,000,406,446	1,033,869,074
CONTINGENCIES AND COMMITMENTS	15		
		2,319,286,979	2,604,725,957

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore:
September 03, 2009

Sarmad Amin
Chief Executive

	Note	June 30, 2009 Rupees	June 30, 2008 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	16	631,361,103	678,626,464
LONG TERM DEPOSITS	17	6,254,259	6,254,259
INVESTMENT IN EQUITY ACCOUNTED INVESTEE	18	1,000,000	-
CURRENT ASSETS			
Stores, spares and loose tools	19	40,713,535	43,532,316
Stock in trade	20	345,220,898	311,067,995
Trade debts	21	118,099,962	244,038,133
Loans and advances	22	80,867,403	53,049,627
Trade deposits	23	2,911,563	2,911,563
Investments	24	1,078,386,378	1,236,002,684
Other receivables– Unsecured but considered good	25	6,004,313	6,518,336
Cash and bank balances	26	8,467,565	22,724,579
		1,680,671,617	1,919,845,234
		2,319,286,979	2,604,725,957

Safder Hussain Tariq
Director

Profit and Loss Account
For The Year Ended June 30, 2009

	Note	Year ended June 30, 2009 Rupees	Year ended June 30, 2008 Rupees
Sales – net	27	1,585,780,581	1,687,140,677
Cost of goods sold	28	1,474,120,379	1,639,194,358
Gross profit		111,660,202	47,946,319
Other operating income	29	34,999,819	140,926,260
Selling and distribution expenses	30	43,043,459	50,631,803
Administrative expenses	31	33,879,341	37,813,835
Other operating expenses	32	4,605,458	3,423,301
		81,528,258	91,868,939
Finance cost	33	134,367,341	108,784,131
Loss before taxation		(69,235,579)	(11,780,491)
Provision for taxation	34	(6,977,577)	(8,300,000)
Loss after taxation		(76,213,156)	(20,080,491)
Loss per share – basic and diluted	36	(5.70)	(1.50)

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore:
September 03, 2009

Sarmad Amin
Chief Executive

Safder Hussain Tariq
Director

Cash Flow Statement

For The Year Ended June 30, 2009

	Note	Year ended June 30, 2009 Rupees	Year ended June 30, 2008 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	200,048,201	51,630,309
Finance cost paid		(131,866,344)	(109,071,412)
Employees benefits paid		(228,300)	(12,300)
Taxes paid		(21,796,659)	(13,532,309)
		(153,891,302)	(122,616,021)
Net cash flow from / (used in) operating activities		46,156,898	(70,985,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term investment in associate		(1,000,000)	-
Proceeds from disposal of property, plant and equipment		245,000	754,000
Purchase of property, plant and equipment		(15,647,395)	(13,877,567)
Dividend received		30,874,785	24,699,831
Net cash flow from investing activities		14,472,390	11,576,264
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings		(36,514,793)	68,250,058
Proceeds from investments		-	123,420,000
Repayment of long term financing		(15,049,902)	(90,724,389)
Repayment of finance lease liabilities		(23,303,908)	(29,506,135)
Dividend paid		(17,700)	(3,536,549)
Net cash (used in) / generated from financing activities		(74,886,304)	67,902,985
Effects of exchange rate changes on cash and cash equivalents		-	137,602
NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS		(14,257,016)	8,631,138
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		22,724,579	14,093,441
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		8,467,563	22,724,579

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore:
September 03, 2009

Sarmad Amin
Chief Executive

Safder Hussain Tariq
Director

Statement of Changes In Equity
For The Year Ended June 30, 2009

	Issued subscribed and paid-up capital	Surplus on revaluation of investment to fair value	Revenue Reserves		Total
			Unappropriated profit / (accumulated losses)	Sub Total	
	Rupees				
Balance as at July 01, 2007	133,640,000	-	61,486,699	61,486,699	195,126,699
Loss for the year	-	-	(20,080,491)	(20,080,491)	(20,080,491)
Interim dividend	-	-	(6,682,000)	(6,682,000)	(6,682,000)
Revaluation of investment to fair value – net of deferred tax	-	820,048,468	-	820,048,468	820,048,468
Balance as at June 30, 2008	133,640,000	820,048,468	34,724,208	854,772,676	988,412,676
Loss for the year	-	-	(76,213,156)	(76,213,156)	(76,213,156)
Revaluation of investment to fair value – net of deferred tax	-	(116,242,026)	-	(116,242,026)	(116,242,026)
Balance as at June 30, 2009	133,640,000	703,806,442	(41,488,948)	662,317,494	795,957,494

The annexed notes 1 to 44 form an integral part of these financial statements.

Lahore:
September 03, 2009

Sarmad Amin
Chief Executive

Safder Hussain Tariq
Director

Notes To The Financial Statements
For The Year Ended June 30, 2009

1 STATUS AND ACTIVITIES

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 8th kilometer, Manga Raiwand 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 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 Initial Application of a standard or an interpretation

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard did not have significant impact on the Company's financial statements other than increase in disclosures.
- IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard did not affect the Company's financial statements.
- IFRIC 13 – Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 did not affect the Company's financial statements.
- IFRIC 14 – IAS 19 – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 1 January 2008) clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements for such asset. The application of IFRIC 14 did not affect the Company's financial statements.

2.3 Forthcoming requirements

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than increased disclosures in certain cases:

- Revised IAS 1 – Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009).
- Revised IAS 23 – Borrowing costs (effective for annual periods beginning on or after 1 January 2009).
- Amendments to IAS 32 Financial instruments: Presentation and IAS 1 Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009).
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible hedged Items (effective for annual periods beginning on or after 1 July 2009).
- Amendments to IAS 39 and IFRIC 9 – Embedded derivatives (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 2 – Share-based Payment – Group Cash-settled Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2010).
- Revised IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 July 2009).
- IFRS 4 – Insurance Contracts (effective for annual periods beginning on or after 1 January 2009).
- Amendment to IFRS 7 – Improving disclosures about Financial Instruments (effective for annual periods beginning on or after 1 January 2009).
- IFRIC 15– Agreement for the Construction of Real Estate (effective for annual periods beginning on or after 1 October 2009).
- IFRIC 16– Hedge of Net Investment in a Foreign Operation (effective for annual periods beginning on or after 1 October 2008).
- IFRIC 17 – Distributions of Non-cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009).
- IFRIC 18 Transfers of Assets from Customers (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009).
- The International Accounting Standards Board made certain amendments to existing standards as part of its first annual and second annual improvements projects. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements.

2.4 Accounting convention

These accounts have been prepared under the historical cost convention, except for revaluation of free hold land and Investments at Fair value.

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards require 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 in note 41.

2.6 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the company's functional currency. All financial information presented in Pak Rupees have been rounded to nearest rupee.

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 rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any, and tax paid on presumptive basis.

Deferred

Deferred tax is provided using the liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amount 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 , if any , to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

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 statements, 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 capital work in progress are stated at cost less accumulated depreciation and impairment in value, if any. Freehold land is 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 and loss account.

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.

Capital Work in Progress is stated at cost less identified impairment loss, if any, and includes the expenditure on material, labour and appropriate overheads directly attributable to the project. These costs are transferred to property, plant and equipment as and when assets are available for their intended use.

3.4 Intangible assets

Intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded when these assets are available for use using straight line method whereby the cost of an intangible asset is written off over its estimated useful life.

3.5 Accounting for finance lease

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.

3.6 Foreign currencies

Transactions in currencies other than Pak 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 net profit or loss for the period.

3.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, 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 pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.8 Investments (Available–for–sale)

Investments which are intended to be held for an undefined period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available–for–sale.

Subsequent to initial recognition at cost, these are remeasured at fair value. The Company uses latest stock exchange quotations to determine the fair value of its quoted investments whereas fair value of investments in un–quoted companies is determined by

Notes To The Financial Statements

For The Year Ended June 30, 2009

applying the appropriate valuation techniques as permissible under IAS – 39 (Financial Instruments: Recognition and Measurement). Any resultant gains or losses are recognized directly in equity.

3.9 Investments 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 and loss of associates is accounted for in the Company's profit and loss account. Distribution received from investee, reduces the carrying amount of investment. The Company's share of changes in the associate's equity which have not been recognized in the associates' profit and loss account, are recognized directly in the equity of the Company.

3.10 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at period end. Balances considered bad and irrecoverable are written off when identified.

3.11 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, 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 and short term running finances under mark up arrangements. In the balance sheet, finances under mark up arrangements are included in current liabilities.

3.12 Loans and borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and are included in markup accrued on finances to the extent of amount remaining unpaid, if any.

3.13 Trade and other payables

Liabilities for trade and other payables are carried at their cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.14 Financial instruments

Financial assets and liabilities are recognized at the fair value of the consideration given or received at the time when the Company becomes a party to the contractual provisions of the instrument by following the trade dated accounting. A financial asset or part thereof is de-recognized when the Company loses control of the contractual rights that comprise the financial asset or part thereof. Such control is deemed to be lost if the Company realizes the rights to the benefits specified in the contracts, the right expires or the Company surrenders those rights. A financial liability or part thereof is removed from the balance sheet when it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legal 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.

The particular recognition methods adopted by the Company are disclosed in the individual policy statements associated with each item of financial instruments.

3.15 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.

3.16 Stores and spares 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.

3.17 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.

3.18 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.
- 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.

3.19 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.

3.20 Related party transactions

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

3.21 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 exits, the recoverable amount of that asset or group of assets is estimated and impairment loss is recognized in the profit and loss account.

			2009 Rupees	2008 Rupees
4	**ISSUED SUBSCRIBED AND PAID-UP CAPITAL**			
4.1	**Autorized share capital**			
	30,000,000 ordinary shares of Rs. 10 each		300,000,000	300,000,000
4.2	**Issued, subscribed and paid-up capital**			
	2009 (Number of shares)	2008 (Number of shares)	2009 Rupees	2008 Rupees
	13,364,000	13,364,000	133,640,000	133,640,000
	13,364,000	13,364,000	133,640,000	133,640,000
5	**RESERVES**			
	These are made up as under:			
	Surplus on remeasurement of investment		954,313,820	1,111,930,126
	Less: Deferred tax on remeasurement of investment		(250,507,378)	(291,881,658)
	Surplus on remeasurement of investment- net of tax		703,806,442	820,048,468
	(Accumulated loss) / Unappropriated profit		(41,488,948)	34,724,208
			662,317,494	854,772,675

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 carried out by an independent valuer M/s Unit - 3 consultants as on March 15, 2006 on the basis of market value, especially in forced sale situation. Had there been no revaluation, the carrying amount of the land would have been lower by Rs. 66.6 million. It 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 13th January, 2003.

7 SUBORDINATED LOAN - UNSECURED

These are interest free loans from directors of the Company and are subordinated to the main lenders. The directors have decided to designate Rs. 35 million from these interest free funds as an interest bearing loan with effect from 1st July 2009. The remaining amount will be available for conversion into shares. Necessary approvals from the members and / or the Regulatory Authorities, where required, are being obtained.

		Note	2009 Rupees	2008 Rupees
8	**LONG TERM FINANCING**			
	From banking companies	8.2	50,555,424	65,605,326
	Less:			
	Payable within next twelve months		(29,719,664)	(40,054,902)
		14	(29,719,664)	(40,054,902)
			20,835,760	25,550,424

8.1 The aggregate unavailed long term financing facilities available amounted to Rs. Nil (2008: Rs. Nil).

Notes To The Financial Statements
For The Year Ended June 30, 2009

8.2	Description	Interest	Security	Payment Terms	Amount 2009 (Rupees)	Amount 2008 (Rupees)
	National Bank of Pakistan					
	Demand Finance	Six month average KIBOR ask rate plus 2.5% per annum reset semi-annually on the last working day before start of calendar semi annual period.	First charge over fixed assets of the Company for Rs. 340 million. 2nd joint Pari Passu charge of Rs. 100 million over fixed assets of the company and personal guarantee of Mr. Sarmad Amin (sponsoring director of the Company).	Bank has allowed a Moratorium period of twelve months in repayment of principal starting from 1-1-2009 to 30-12-2009. After wards the outstanding loan will be paid in six quarterly installments of Rs. 6.946 million.	41,673,760	41,673,760
	Demand Finance - LTF - EOP	SBP Refinance rate plus 2% per annum w.e.f December 26, 2006.	First charge over fixed assets of the Company for Rs. 340 million and personal guarantee of Mr. Sarmad Amin (sponsoring director of the Company).	Four half yearly equal installments commencing from April 30, 2007.	-	1,519,476
					41,673,760	43,193,236
	Askari Commercial Bank Ltd.					
	Term Finance	"6 month KIBOR + 2.5% up to Dec. 21, 2006. On conversion to Long Term Finance - Export Oriented Project scheme, SBP Refinance rate plus 2% per annum w.e.f December 26, 2006. Repaid on quarterly basis."	First exclusive charge for Rs. 28 million on imported 12 sets of Toyota Air Jet Loom Model: JAT-710 with all standard accessories and essential parts through pari passu charge over fixed assets of the Company for Rs. 60 million and personal guarantee of Mr. Sarmad Amin (sponsoring director of the Company).	Six equal half yearly installments commencing from December 07, 2006.	8,881,664	17,763,332
					8,881,664	17,763,332
	Allied Bank Limited					
	Demand finance - I	Three month average KIBOR plus 2% per annum, reset and repaid on quarterly basis.	First pari passu charge to the extent of Rs. 60 million with 33% margin on present and future fixed assets by way of equitable mortgage of land, building and machinery of the Company and personal guarantee of Mr. Sarmad Amin (sponsoring director of the Company).	Eight half yearly installments, commencing from March 17, 2005.	-	4,648,758
					-	4,648,758
	Total				50,555,424	65,605,326

9 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

This represents plant and machinery obtained under finance lease from various leasing companies. The financing rate used as discounting factor ranges from 7 % to 18.25 % (2008: 7 % to 12.665 %) 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	2009 Rupees	2008 Rupees
Present value of minimum lease payments	9.1	64.,214,851	87,518,759
Less: current portion	14	(25,455,647)	(35,555,630)
		38,759,204	51,963,129

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

	Not Late Than One Year Rupees	Later Than One Year But Not Later Than Five Years Rupees	Total 2009 Rupees	Total 2008 Rupees
Gross minimum lease payments	31,173,397	40,897,405	72,070,802	98,010,626
Less: Financial charges	(5,717,750)	(2,138,201)	(7,855,951)	(10,491,867)
Net lease liability	25,455,647	38,759,204	64,214,851	87,518,759

		Note	2009 Rupees	2008 Rupees
10	**DEFERRED TAX AND OTHER LIABILITIES**			
	Deferred tax	10.1	261,776,863	303,151,143
	Staff gratuity	10.2	1,829,400	2,057,700
			263,606,263	305,208,843

10.1 This mainly represents deferred tax liability arising on surplus on revaluing available for sale investments to fair value. No provision for deferred tax on temporary differences was considered necessary as the Company's future tax liability is expected to be limited to tax under section 169 of the Income Tax Ordinance 2001. Accordingly, the temporary differences are not likely to reverse 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 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.

		Note	2009 Rupees	2008 Rupees
11	**TRADE AND OTHER PAYABLES**			
	Creditors			
	- for goods		113,316,112	103,251,846
	- for supplies		22,290,458	13,469,181
	- for services		35,493,388	35,077,733
			171,099,958	151,798,760
	Accrued expenses		46,598,179	47,552,802
	Advances from customers		2,545,993	5,297,951
	Security deposits		1,313,630	1,213,630
	Withholding tax payable		1,753,608	1,300,760
	Workers' profit participation fund	11.1	34,219,845	29,756,387
	Workers' welfare fund		631,068	631,068
	Provident fund payable		608,532	123,507
	Unclaimed dividend		5,288,284	5,305,984
	Others payable		750	92,610
			264,059,847	243,073,459
11.1	**Workers' profit participation fund**			
	Balance at the beginning of the year		29,756,387	26,333,086
	Interest on funds utilized in company's business	11.2	4,463,458	3,423,301
			34,219,845	29,756,387

11.2 Mark up on workers' profit participation fund has been provided @ 15 % per annum (2008: 13% per annum).

11.3 The company retains workers' participation funds for its business operations and pays mark up at prescribed rate under the Companies Profit (Workers' Participation Act, 1968).

Notes To The Financial Statements
For The Year Ended June 30, 2009

		Note	2009 Rupees	2008 Rupees
12	**ACCRUED MARK-UP**			
	Markup accrued on secured:			
	Long term financing		2,127,061	1,484,793
	Liabilities against assets subject to finance lease		175,153	197,666
	Short term borrowings		23,894,785	22,013,543
			26,196,999	23,696,002
13	**SHORT TERM BORROWINGS**			
	From banking companies:			
	Pre-shipment - own sources	13.2	389,143,356	431,988,488
	Post-shipment - own sources		5,900,000	-
	Cash finance	13.3	259,930,932	259,500,593
			654,974,288	691,489,081

13.1 The aggregate unavailed short term borrowing facilities available amounted to Rs. 11.9 million (2008: Rs. 30.5) million. The securities registered with SECP against short term financing from one financial institution is utilized for various facilities sanctioned by the said financial institution.

13.2 These are secured against first joint pari passu charge on current assets, second joint pari passu charge on fixed assets of the Company, lien on confirmed export orders and personal guarantee of the sponsoring director of the Company and carries markup at the rate, ranging from one to three months KIBOR plus 2.5% to 3.5% per annum (2008: one to three months KIBOR plus 2.5% to 3.5% per annum). The facilities expire on various dates from September 30, 2009 to June 30, 2010.

13.3 The facility is secured against first joint pari passu charge over present and future assets of the Company for Rs. 295 million and personal guarantee of sponsoring directors of the Company and carries markup at the rate of six month KIBOR average ask rate plus 2.5% per annum (2008: six month KIBOR average ask rate plus 2.2% per annum). The facility will expire on September 30, 2009.

		Note	2009 Rupees	2008 Rupees
14	**CURRENT PORTION OF LONG-TERM FINANCING**			
	Long term financing	8	29,719,664	40,054,902
	Liabilities against assets subject to finance lease	9	25,455,647	35,555,630
			55,175,311	75,610,532

15 CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

i) The Company through APTMA has obtained a stay order against levy of central excise duty on advances by financial institutions. The case was decided in the High Court in favour of the Company. The case is pending for decision in the Honorable Supreme Court of Pakistan and in view of the Company's expectation of a favorable result, the amount deducted in this respect amounting to Rs. 4,367,366 (2008: Rs.4,367,366) has been treated as excise duty receivable.

ii) A suit for declaration with consequential relief and damages has been filed against Samin Textiles Ltd to challenge the purchase of land at Rousa Kasur. The same is pending adjudication before civil judge.

iii) A suit for recovery of money along with damages has been filed against Samin Textiles Limited is pending before the honorable Civil Court Lahore. The Company is hopeful of a favorable decision of this case.

iv) Guarantees of Rupees 26.3 million (2008: Rs. 25 million) have been given by the banks of the company to Sui Northern Gas pipelines Company Limited against gas connection.

15.2 Commitments

i) Commitments against foreign bills purchased by bank and Inland bill discount is Rs. 121 million (2008: Rs. 12.7 million) and Rs. 11.5 million (2008: Rs. Nil) respectively.

ii) Commitment against irrevocable letters of credit for import of stores and spares is Rs. 2.02 million (2008: Rs. 6.4 million) at the year end.

16. PROPERTY, PLANT AND EQUIPMENT

16.1 Property, Plant and Equipment - 2009

	COST				DEPRECIATION			
Description	As at July 01, 2008	Additions/ (Deletions)/ Transfer in	As at June 30, 2009	Rate %	As at July 01, 2008	For the period/ Adjustment	As at June 30, 2009	Net book value
	Rupees				Rupees			
Company owned								
Freehold land	81,750,000	-	81,750,000		-	-	-	81,750,000
Building on freehold land	130,945,662	397,045	131,342,707	10	68,809,197	6,243,429	75,052,626	56,290,081
Plant and machinery	828,425,136	10,173,673	838,598,809	10	412,912,030	42,148,448	455,060,478	383,538,331
Furniture and fixtures	5,345,520	763,041	6,108,561	10	2,844,302	293,044	3,137,346	2,971,215
Office equipment	18,451,422	1,531,665	19,983,087	10	8,152,631	1,082,927	9,235,558	10,747,529
Vehicles	33,800,024	2,400,506 (290,950)	35,909,580	20	11,675,394	4,661,970 (267,047)	16,070,317	19,839,263
Electric installation	11,230,148	381,465	11,611,613	10	7,781,369	373,686	8,155,055	3,456,558
Tube well	786,423	-	786,423	10	537,882	24,852	562,734	223,689
Arms and ammunition	5,500	-	5,500	10	4,304	120	4,424	1,076
	1,110,739,835	15,647,395 (290,950)	1,126,096,279		512,717,109	54,828,476 (267,047)	567,278,538	558,817,741
Leased								
Plant and machinery	110,625,360	-	110,625,360	10	30,021,622	8,060,376	38,081,998	72,543,362
	110,625,360	-	110,625,360		30,021,622	8,060,376	38,081,998	72,543,362
June 30, 2009	1,221,365,195	15,647,395 (290,950)	1,236,721,639		542,738,731	62,888,852 (267,047)	605,360,536	631,361,103

16.2 Property, Plant and Equipment - 2008

	COST				DEPRECIATION			
Description	As at July 01, 2007	Additions/ (Deletions)/ Transfer in	As at June 30, 2008	Rate %	As at July 01, 2007	For the period/ Adjustment	As at June 30, 2008	Net book value
	Rupees				Rupees			
Company owned								
Freehold land	81,750,000	-	81,750,000		-	-	-	81,750,000
Building on freehold land	130,445,662	500,000	130,945,662	10	61,946,812	6,862,385	68,809,197	62,136,465
Plant and machinery	827,409,001	1,016,135	828,425,136	10	366,763,514	46,148,516	412,912,030	415,513,106
Furniture and fixtures	5,335,520	10,000	5,345,520	10	2,566,389	277,913	2,844,302	2,501,218
Office equipment	17,637,499	1,285,298 (471,375)	18,451,422	10	7,388,550	1,080,609 (316,528)	8,152,631	10,298,791
Vehicles	23,566,100	11,066,134 (832,210)	33,800,024	20	7,449,427	4,734,281 (508,314)	11,675,394	22,124,630
Electric installation	11,230,148	-	11,230,148	10	7,398,171	383,198	7,781,369	3,448,779
Tube well	786,423	-	786,423	10	510,266	27,616	537,882	248,541
Arms and ammunition	5,500	-	5,500	10	4,171	133	4,304	1,196
	1,098,165,853	13,877,567 (1,303,585)	1,110,739,835		454,027,300	59,514,651 (824,842)	512,717,109	598,022,726
Leased								
Plant and machinery	110,625,360	-	110,625,360	10	21,065,651	8,955,971	30,021,622	80,603,738
	110,625,360	-	110,625,360		21,065,651	8,955,971	30,021,622	80,603,738
June 30, 2008	1,208,791,213	13,877,567 (1,303,585)	1,221,365,195		475,092,951	68,470,622 (824,842)	542,738,731	678,626,464

Notes To The Financial Statements
For The Year Ended June 30, 2009

		Note	2009 Rupees	2008 Rupees
16.3	**deprecation for the period has been allocated as under:**			
	Cost of goods sold	28	56,850,911	62,377,819
	Administrative expenses	31	6,037,941	6,092,803
			62,888,852	68,470,622

16.4 Disposal of property, plant and equipment

Description	Cost	Accumulated depreciation	Net book value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, pland and equipment	Mode of disposal	Particulars of buyer
Vehicles							
LOW-800	290,950	267,047	23,903	245,000	221,097	Negotiation	Mr. Muhammad Waqas H/15, ST#5, Mirage Park, Hussain Town Lahore.
June 30, 2009 Rupees	290,950	267,047	23,903	245,000	221,097		
June 30, 2008 Rupees	1,303,585	824,842	478,743	754,000	275,257		

		Note	2009 Rupees	2008 Rupees
17	**LONG TERM DEPOSITS**			
	Long term deposits	17.1	6,254,259	6,254,259
			6,254,259	6,254,259

17.1 Long term deposits represent security deposits against the finance leases.

18 INVESTMENT IN EQUITY ACCOUNTED INVESTEE

This represents the Company's investment in the associated company, Onetel Pakistan (Private) Limited, in the form of advance for shares. The Company has common directorship with the associate and will hold around 20% equity in the associate. The associated company has not yet commenced operations and the breakup value per share based on the unaudited accounts works out to Rs. 10 per share at 30th June 2009.

		Note	2009 Rupees	2008 Rupees
19	**STORES, SPARES AND LOOSE TOOLS**			
	Stores and spares	19.1	40,713,535	43,532,316
			40,713,535	43,532,316

19.1 Stores and spares include items which may result in fixed capital expenditures but are not distinguishable.

		Note	2009 Rupees	2008 Rupees
20	**STOCK IN TRADE**			
	Raw materials		48,627,112	62,702,788
	Work in process		11,242,169	5,683,205
	Finished goods	20.1	285,351,617	242,682,002
			345,220,898	311,067,995

20.1 This includes goods in transit amounting to Rs.47,485,250 (2008: Rs. 20,419,894).

		Note	2009 Rupees	2008 Rupees
21	**TRADE DEBTS**			
	Considered good:			
	Export – secured against export documents		34,475,292	93,696,445
	Local – unsecured		83,624,670	150,341,688
			118,099,962	244,038,133
	Considered doubtful:			
	Export debtors		-	6,728,572
	Local debtors		129,234	1,611,504
			129,234	8,340,076
	Less: Provision for doubtful debts		(129,234)	(8,340,076)
			118,099,962	244,038,133
22	**LOANS AND ADVANCES**			
	Advances to:			
	Staff – secured		2,050,807	1,968,006
	Suppliers and for services – unsecured but considered good		13,207,285	6,803,025
	Letters of credit		2,677,045	1,671,771
	Advance income tax		33,477,217	18,658,135
	Sales tax refundable		29,455,049	23,948,691
			80,867,403	53,049,627
23	**TRADE DEPOSITS**			
	Security deposits		2,911,563	2,911,563
24	**INVESTMENTS (Available-for-Sale)**			
	Security General Insurance Company Limited 12,349,916 fully paid ordinary shares	24.1	1,078,386,378	1,236,002,684
			1,078,386,378	1,236,002,684
24.1	This is made-up as under:			
	Transferred from investment in associates		110,198,608	110,198,608
	Transferred from non-current assets classified as held for sale in 2008		13,873,950	13,873,950
	Add: Adjustment arising from measurement to fair value		954,313,820	1,111,930,126
			1,078,386,378	1,236,002,684

24.2 As the management intends to sell this investment, this has been classified under current assets.

24.3 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).

24.4 The company holds 18.14% (2008: 18.14%) of the investee company's total equity.

		Note	2009 Rupees	2008 Rupees
25	**OTHER RECEIVABLES – UNSECURED BUT CONSIDERED GOOD**			
	Export rebate receivable		1,479,634	1,829,158
	Excise duty receivable		4,370,838	4,367,423
	Other receivables		153,841	321,755
			6,004,313	6,518,336

Notes To The Financial Statements
For The Year Ended June 30, 2009

		Note	2009 Rupees	2008 Rupees
26	**CASH AND BANK BALANCES**			
	Cash with banks on:			
	- current accounts		4,478,013	16,689,809
	- PLS accounts		865,406	3,202,052
	- escrow account		-	187,117
	- foreign currency accounts		1,483,349	1,242,320
			6,826,767	21,321,298
	Cash in hand		1,640,797	1,403,281
			8,467,565	22,724,579

26.1 The effective rate of return in respect of PLS and foreign currency account ranges from 3% to 5% (2008: 1% to 3%).

		Note	2009 Rupees	2008 Rupees
27	**SALES - net**			
	Export:			
	Cloth		845,763,136	875,751,022
	Rebate		326,468	641,833
			846,089,604	876,392,855
	Local - gross			
	Cloth		757,699,884	821,902,201
	Waste / commercial sizing		3,202,400	5,347,000
			760,902,284	827,249,201
			1,606,991,888	1,703,642,056
	Commission		(21,211,307)	(16,501,379)
			1,585,780,581	1,687,140,677

		Note	2009 Rupees	2008 Rupees
28	**COST OF GOODS SOLD**			
	Raw materials consumed	28.1	1,124,934,830	1,197,602,804
	Power and fuel		74,888,287	63,722,806
	Stores, spares and loose tools consumed		100,039,912	130,060,097
	Salaries, wages and other benefits	28.2	68,409,905	60,934,723
	Processing charges		4,870,313	4,056,844
	Repairs and maintenance		3,725,488	4,638,863
	Communication		263,162	221,777
	Insurance		2,612,884	3,083,187
	Depreciation	16.3	56,850,911	62,377,819
	Traveling and conveyance		742,436	522,887
	Other expenses		8,072,724	7,836,442
			1,445,410,852	1,535,058,249
	Adjustment of work in process			
	Opening work in process		5,683,205	9,347,829
	Closing work in process		(11,242,169)	(5,683,205)
			(5,558,964)	3,664,624
			1,439,851,888	1,538,722,873
	Adjustment of finished goods			
	Opening stock		242,682,002	319,735,060
	Fabric purchases		76,938,105	23,418,427
	Closing stock		(285,351,617)	(242,682,002)
			34,268,490	100,471,485
			1,474,120,379	1,639,194,358

		2009 Rupees	2008 Rupees
28.1	**Raw materials consumed**		
	Opening stock	62,702,788	60,603,163
	Purchases	1,110,859,154	1,199,702,429
		1,173,561,942	1,260,305,592
	Closing stock	(48,627,112)	(62,702,788)
		1,124,934,830	1,197,602,804

28.2 This includes employees' benefits amounting to Rs. 1,743,687 (2008: Rs. 1,203,773)

		Note	2009 Rupees	2008 Rupees
29	**OTHER OPERATING INCOME**			
	Income from financial assets			
	Profit on PLS and foreign currency accounts		110,167	161,797
	Foreign currency translation differences		1,711,892	7,112,599
	Income from investments			
	Profit on realization of investment		-	108,676,776
	Dividend income		30,874,785	24,699,831
	Income from assets other than financial assets			
	Gain on disposal of property, plant and equipment		221,097	275,257
	Other income		2,081,878	-
			34,999,819	140,926,260
30	**SELLING AND DISTRIBUTION EXPENSES**			
	Salaries and other benefits	30.1	8,664,076	8,347,291
	Outward freight		22,077,593	31,504,916
	Cloth export expenses		940,162	838,152
	Traveling and conveyance		8,970,749	6,330,158
	Communication		834,698	1,062,521
	Vehicle running and maintenance		970,313	931,409
	Other selling expenses		585,869	1,617,356
			43,043,459	50,631,803

30.1 This includes employees' benefits amounting to Rs. 730,421 (2008: Rs. 651,988).

Notes To The Financial Statements
For The Year Ended June 30, 2009

		Note	2009 Rupees	2008 Rupees
31	**ADMINISTRATIVE EXPENSES**			
	Salaries, wages and other benefits	31.1	17,111,205	15,078,281
	Office rent		811,500	660,000
	Repairs and maintenance		726,253	419,225
	Insurance		2,171,577	1,446,634
	Printing and stationery		736,173	420,017
	Communication		519,579	220,388
	Electricity, gas and water		1,148,088	966,518
	Traveling and conveyance		920,503	554,626
	Entertainment		214,741	145,898
	Fee and subscription		444,881	856,313
	Legal and professional		232,600	221,500
	Vehicle running and maintenance		620,235	801,332
	Provision for doubtful debts		129,234	8,340,076
	Auditors' remuneration	31.2	525,000	275,000
	Depreciation	16.3	6,037,941	6,092,803
	Miscellaneous		1,529,831	1,315,224
			33,879,341	37,813,835

31.1 This includes employees' benefits amounting to Rs. 276,083 (2008: Rs. 375,999)

31.2 Auditors' remuneration includes services for audit of annual financial statements, limited review of condensed interim financial statements for the six months period, review report on Statement of Compliance with best Practices Code of Corporate Governance and other certifications.

		Note	2009 Rupees	2008 Rupees
32	**OTHER OPERATING EXPENSES**			
	Interest on workers' profit participation fund	11.1	4,463,458	3,423,301
	Donations	32.1	142,000	-
			4,605,458	3,423,301
32.1	No director or his spouse had any interest in the donee.			
33	**FINANCE COST**			
	Mark up on secured :			
	Long term finances		8,319,487	10,886,865
	Liabilities against assets subject to finance lease		8,036,187	9,183,886
	Short term finances		110,434,979	83,252,869
	Bank charges and others		7,576,689	5,460,511
			134,367,341	108,784,131
34	**TAXATION**			
	For the year			
	Current		9,056,112	11,300,000
	Deferred		-	(3,000,000)
			9,056,112	8,300,000
	Prior year		(2,078,535)	-
			6,977,577	8,300,000

34.2 The company is under the ambit of final tax up to the extent of export sales u/s 169 of Income Tax Ordinance 2001. Provision for income tax is made accordingly. No provision for income tax considered necessary for income which is not subject to final tax under section 169 of Income Tax Ordinance 2001 as the company has assessed tax losses. No provision for deferred tax has been charged except as explained in note: 10. Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate is not required in view of presumptive taxation.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008	June 30, 2009	June 30, 2008
	Rupees					
Remuneration	1,920,000	1,920,000	2,751,368	3,303,728	6,961,728	4,496,230
Utilities	217,800	217,800	275,137	330,373	696,173	449,623
House rent	862,200	862,200	1,100,547	1,321,491	2,784,691	1,798,492
	3,000,000	3,000,000	4,127,052	4,955,592	10,442,592	6,744,345
Number of person (s)	1	1	3	4	7	5

35.1 In addition, Chief Executive, Directors and Executive are provided with free use of Company owned and maintained cars.

35.2 Provident fund contribution are made by the Company @ 8.33% (2008: 8.33%) on the basic salary of Directors and Executive.

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

36. LOSS PER SHARE – BASIC AND DILUTED

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

	2009	2008
	Rupees	Rupees
Loss after tax	(76,213,156)	(20,080,491)
Weighted average number of ordinary shares	13,364,000	13,364,000
Loss per share – Basic and diluted	(5.70)	(1.50)

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.

37 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's exposure to interest rate risk on its financial assets and liabilities at the balance sheet date based on contractual re–pricing or maturity dates, whichever is earlier are summarised as follows:

37.1 Financial assets and liabilities

	Interest / mark-up bearing			Non interest / mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	Grand total 2009
	Rupees						
Financial assets							
Trade debts	-	-	-	118,099,962	-	118,099,962	118,099,962
Trade deposits	-	-	-	-	2,911,563	2,911,563	2,911,563
Investments	-	-	-	1,078,386,378	-	1,078,386,378	1,078,386,378
Other receivables	-	-	-	6,004,313	-	6,004,313	6,004,313
Cash and bank balances	865,406	-	865,406	7,602,159	-	7,602,159	8,467,565
	865,406	-	865,406	1,210,092,812	2,911,563	1,213,004,375	1,213,869,781
Financial liabilities							
Long term financing	29,719,664	20,835,760	50,555,424	-	-	-	50,555,424
Liabilities against assets subject to finance lease	25,455,647	38,759,204	64,214,851	-	-	-	64,214,851
Trade and other payables	34,219,845	-	34,219,845	225,540,401	-	225,540,401	259,760,246
Accrued markup	-	-	-	26,196,999	-	26,196,999	26,196,999
Short term borrowings	654,974,288	-	654,974,288	-	-	-	654,974,288
	744,369,444	59,594,964	803,964,409	251,737,400	-	251,737,400	1,055,701,809
On balance sheet gap 2009	(743,504,038)	(59,594,964)	(803,099,003)	958,355,411	2,911,563	961,266,975	158,167,972
Off balance sheet items							
Commitment against bills purchased	120,951,738	-	120,951,738	-	-	-	120,951,738
Commitment against Inland letters of credit	11,480,000	-	11,480,000	-	-	-	11,480,000
Letters of credit for import of stores and spares	-	-	-	2,020,811	-	2,020,811	2,020,811
	132,431,738	-	132,431,738	2,020,811	-	2,020,811	134,452,549

Notes To The Financial Statements
For The Year Ended June 30, 2009

37.2 Financial assets and liabilities

	Interest / mark-up bearing			Non interest / mark-up bearing			
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	Grand total 2008
	Rupees						
Financial assets							
Trade debts	-	-	-	244,038,133	-	244,038,133	244,038,133
Trade deposits	-	-	-	-	2,911,563	2,911,563	2,911,563
Investments	-	-	-	1,236,002,684	-	1,236,002,684	1,236,002,684
Other receivables	-	-	-	6,196,581	-	6,196,581	6,196,581
Cash and bank balances	4,444,371	-	4,444,371	18,280,208	-	18,280,208	22,724,579
	4,444,371	-	4,444,371	1,504,517,606	2,911,563	1,507,429,169	1,511,873,540
Financial liabilities							
Long term financing	40,054,902	25,550,424	65,605,326	-	-	-	65,605,326
Liabilities against assets subject to finance lease	35,555,630	51,963,129	87,518,759	-	-	-	87,518,759
Trade and other payables	-	-	-	236,474,748	-	236,474,748	236,474,748
Accrued markup	23,696,002	-	23,696,002	-	-	-	23,696,002
Short term borrowings	691,489,081	-	691,489,081	-	-	-	691,489,081
	790,795,615	77,513,553	868,309,168	236,474,748	-	236,474,748	1,104,783,915
On balance sheet gap 2008	(786,351,245)	(77,513,553)	(863,864,797)	1,268,042,858	2,911,563	1,270,954,421	407,089,624
Off balance sheet items							
Commitment against foreign bill purchased	12,664,903	-	12,664,903	-	-	-	12,664,903
Commitment against Inland letters of credit	-	-	-	-	-	-	-
Letters of credit for import of stores and spares and plant and machinery	-	-	-	6,449,000	-	6,449,000	6,449,000
	12,664,903	-	12,664,903	6,449,000	-	6,449,000	19,113,903

EFFECTIVE INTEREST RATES

Financial liabilities

Long term financing	7% to 18.25% percent per annum
Liabilities against leased assets	7% to 18.25% percent per annum
Short term borrowings	14% to 19% percent per annum

Financial assets

Cash with banks on saving accounts	3% to 5% percent per annum

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 Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

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 from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institution, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 1,213 million (2008: Rs. 1,511 million), the financial assets that are subject to credit risk amounted to Rs. 133.8 million (2008: Rs.265 million).

For trade recievable, internal risk assessments process determines the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the management. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

Concentration of the credit risk arises when the number of counter parties engaged in similar business activitiesor have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The company believes that it is not exposed to major concentration risk.

The carrying amount of the financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2009 Rupees	2008 Rupees
Trade debts	118,099,962	244,038,133
Trade deposits	2,911,563	2,911,563
Other receivables	6,004,313	6,196,581
Bank balances	6,826,767	21,321,298
	133,842,605.89	274,467,574.92

The breakup of amount due from customers other than related parties as stated in note 20 is presented.

Due from foreign customers	34,475,292	93,696,445
Due from local customers	83,624,670	150,341,688
	118,099,962	244,038,133

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 is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Significant balances of financial assets and liabilities shall mature within twelve months as evident from the information presented in the note 37.1.

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.

Currency risk

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 and on foreign currency bank accounts. The Company's exposure to foreign currency risk for US Dollars is as follows:

	2009 Rupees	2008 Rupees
Foreign debtors	34,475,292	93,696,445
Foreign currency bank account	2	2
Gross balance sheet exposure	34,477,303	93,698,455
Letters of credit	2,677,045	1,671,771
Net exposure	37,154,348	95,370,226

The following significant exchange rate has been applied:

	Average rate		Reporting date rate	
	2009	2008	2009	2008
USD to PKR	78.89	62.77	81.10	68.20

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax loss / profit for the year would have been lower by the amount shown below, mainly as a result of net foreign exchange gain on translation of foreign currency bank account and foreign creditors.

	2009 Rupees	2008 Rupees
Effect on profit or loss		
USD	(9,363,116)	(10,042,501)

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post tax loss / profits.

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

Interest rate risk

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

	Effective Rate in Percentage		Carrying Amount	
	2009	2008	2009 Rupees	2008 Rupees
Financial liabilities				
Variable rate instruments				
Loan	7 to 18.25	7 to 12.71	50,555,424	65,605,326
Short term borrowings	14 to 19	9 to 14	654,974,288	691,489,081

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit and loss 100 bp	
	Increase	Decrease
As at 30 June 2009 Cash flow sensitivity–Variable rate financial liabilities	1,267,907	(1,267,907)
As at 30 June 2008 Cash flow sensitivity–Variable rate financial liabilities	1,033,236	(1,033,236)

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

Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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 or/and 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".

The salient information relating to capital risk management of the Company as of June 30, 2009 and 2008 were as follows:

Notes To The Financial Statements
For The Year Ended June 30, 2009

	Note	2009 Rupees	2008 Rupees
Total Borrowings		730,985,359	792,650,037
Less: Cash and cash equivalents		8,467,565	22,724,579
Net Debt		722,517,795	769,925,458
Total Equity		795,957,494	988,412,675
Total Capital		1,518,475,289	1,758,338,133
Gearing Ratio		47.58	43.79

38 CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2009 Rupees	2008 Rupees
Loss before tax		(69,235,579)	(11,780,491)
Adjustments for non-cash charges and other items:			
Depreciation on property, plant and equipment		62,888,852	68,470,622
Gain on disposal of property, plant and equipment		(221,097)	(275,257)
Gain on disposal of investment		-	(109,744,298)
Mark-up on workers' profit participation fund		4,463,458	3,423,301
Dividend income		(30,874,785)	(24,699,831)
Foreign exchange differences		-	(137,602)
Finance costs		134,367,341	108,784,131
Working capital changes	38.1	98,660,010	17,589,734
		200,048,201	51,630,309

38.1 Working capital changes

	2009 Rupees	2008 Rupees
(Increase) / decrease in current assets		
Stores, spares and loose tools	2,818,782	(7,092,466)
Stock in trade	(34,152,903)	78,618,057
Trade debts	125,938,171	(83,390,178)
Loans and advances	(12,998,693)	(9,097,254)
Other receivables	514,023	467,396
	82,119,380	(20,494,445)
Increase in current liabilities		
Trade and other payables	16,540,631	38,084,179
	98,660,010	17,589,734

39 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated undertaking, 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 35 are as follows:

	2009 Rupees	2008 Rupees
Onetel Pakistan Private Limited		
Investment	1,000,000	-
Muslim Commercial Bank Limited		
Interest income	18,289	15,701
Mrs. Mehwish Amin		
Office rent	811,500	660,000

39.1 Transactions with related parties are carried out at arm's length price determined in accordance with comparable uncontrolled price method.

	2009 Rupees	2008 Rupees
40 CAPACITY INSTALLED AND ACTUAL PRODUCTION		
Number of looms installed	189	189
Number of looms worked	189	189
Shifts per day	3	3
No. of days actually worked	360	360
Rated capacity (running meters) per annum	23,869,561	23,869,561
Actual commercial production (running meters)	18,465,160	21,740,396

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 increase in actual commercial production include factors like manufacturing different qualities, speed, width and construction of the cloth, etc.

41 ACCOUNTING ESTIMATES AND JUDGEMENTS

Income taxes

In making the estimates for income taxes currently payable by the company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgement basis, which provisions may differ in the future years based on the actual experience. The difference in provision if any, is recognized in the future period.

Property, plant and equipment

The company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of different classes of property, plant and equipment, are based on valuation performed by externl professional valuers and recommendations of technical teams of the company. The said recommendation also include estimates with respect to residual values and depreciable lives. Further, the company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

Stock in trade and stores and spares

The company's management reviews the net realizable value (NRV) and impairment of stock in trade and stores and spares to access any diminution in the respecting carrying values and wherever required provision for NRV / impairment is made. The difference in provision, if any, is recognised in the future period.

	2009	2008
42 NUMBER OF EMPLOYEES		
Number of employees at year end.	627	586

43 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 03, 2009.

44 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore:
September 03, 2009

Sarmad Amin
Chief Executive

Safder Hussain Tariq
Director

Pattern of Shareholding

The Companies Ordinance, 1984 (Section 236(1) and 464)

FORM 34

1. **Incorporation Number**
2. **Name of the Company** SAMIN TEXTILES LIMITED
3. **Pattern of holding of the shares held by the shareholders as at** 30-06-2009

4. No. of Shareholdings	Shareholding From	To	Shares Held
20	1	100	1,137
230	101	500	114,288
97	501	1,000	97,000
150	1,001	5,000	440,584
48	5,001	10,000	394,100
26	10,001	15,000	345,000
5	15,001	20,000	81,000
12	20,001	25,000	279,000
5	25,001	30,000	138,500
2	30,001	35,000	67,500
3	35,001	40,000	110,991
3	40,001	45,000	126,000
5	45,001	50,000	244,000
1	50,001	55,000	51,000
1	55,001	60,000	55,500
1	60,001	65,000	65,000
1	65,001	70,000	69,000
1	75,001	80,000	80,000
1	100,001	105,000	105,000
1	135,001	140,000	139,945
1	140,001	145,000	144,155
1	180,001	185,000	181,000
1	220,001	225,000	225,000
1	250,001	255,000	253,000
1	265,001	270,000	267,500
1	425,001	430,000	427,000
2	495,001	500,000	1,000,000
1	625,001	630,000	629,500
1	695,001	700,000	697,000
1	895,001	900,000	898,300
1	990,001	995,000	993,000
1	1,345,001	1,350,000	1,349,700
1	1,355,001	1,360,000	1,358,800
1	1,935,001	1,940,000	1,935,500
628			13,364,000

5. Categories of shareholders		Share Held	Percentage
5.1	Directors, Chief Executive Officers, and their spouse and minor children	3,260,100	24.3946%
5.2	Associated Companies, undertakings and related parties	-	0.0000%
5.3	NIT and ICP	284,100	2.1259%
5.4	Banks Development, Financial Institutions, Non Banking Financial Institutions	298,500	2.2336%
5.5	Insurance Companies	1,124,000	8.4107%
5.6	Modarabas and Mutual Funds	2,500	0.0187%
5.7	Shareholders holding 10%	6,542,300	48.9547%
5.8	General Public		
	a. Local	6,274,000	46.9470%
	b. Foreign		
5.9	Others (to be specified)		
	Joint Stock Companies	2,040,500	15.2686%
	Others	80,300	0.6009%

6. **Signature of Company Secretary**
7. **Name of Signatory** SAFDER HUSSAIN TARIQ
8. **Designation** Company Secretary
9. **NIC Number**
10. **Date** 30-06-2009

Categories of Shareholders
As Required Under C.C.G. As on June 30, 2009

S.No.	Name	Holding	Percentage
	ASSOCIATED COMPANIES	0	0.0000%
	NIT & ICP		
1	NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT.	139,945	1.0472%
2	NBP TRUSTEE – NI(U)T (LOC) FUND	144,155	1.0787%
		284,100	2.1259%
	DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN		
1	MR. SARMAD AMIN	1,358,800	10.1676%
2	MR. SARMAD AMIN (CDC)	500,000	3.7414%
3	MR. SAFDER HUSSAIN TARIQ	500	0.0037%
4	MR. BUNYAD HUSSAIN SHAH	500	0.0037%
5	MR. NADEEM SAEED	500	0.0037%
6	MR. ASAD AHMED JAN	500	0.0037%
7	MR. TARIQ JILLANI	500	0.0037%
8	MR. JAMIL MASUD	500	0.0037%
9	MRS. MEHVASH AMIN W/O SARMAD AMIN	898,300	6.7218%
10	MRS. MEHVASH AMIN W/O SARMAD AMIN (CDC)	500,000	3.7414%
		3,260,100	24.3946%
	PUBLIC SECTOR COMPANIES & CORPORATIONS		
1	128 SECURITIES (PVT.) LTD. (CDC)	10,000	0.0748%
2	ACE SECURITIES (PVT) LTD.	105,000	0.7857%
3	ALI HUSAIN RAJABALI LTD. (CDC)	25,000	0.1871%
4	B & B SECURITIES (PVT.) LIMITED. (CDC)	500	0.0037%
5	CREATIVE CAPITAL SECURITIES (PVT) LIMITED. (CDC)	993,000	7.4304%
6	DARSON SECURITIES (PVT) LIMITED	4,500	0.0337%
7	DARSON SECURITIES (PVT) LIMITED	35,500	0.2656%
8	DOSSLANI'S SECURITIES (PVT) LTD. (CDC)	12,500	0.0935%
9	FAIRTRADE CAPITAL SECURITIES (PVT.)LTD. (CDC	1,000	0.0075%
10	GENERAL INVEST. SECURITIES (PVT) LTD.	11,000	0.0823%
11	H.S.Z. SECURITIES (PVT.) LTD. (CDC)	1,000	0.0075%
12	HARVEST SMARTREND SECURITIES (PVT) LTD. (CDC)	1,000	0.0075%
13	HK SECURITIES (PVT) LTD. (CDC)	500	0.0037%
14	HUM SECURITIES (PVT.) LTD. (CDC)	10,000	0.0748%
15	IMERIAL INVESTMENT (PVT.) LTD. (CDC)	3,000	0.0224%
16	ISMAIL IQBAL SECURITIES (PVT.) LTD. (CDC)	50,000	0.3741%
17	KHAWAJA SECURITIES (PVT.) LTD. (CDC)	1,000	0.0075%
18	KOHINOOR MILLS LIMITED	500	0.0037%
19	KOHINOOR TEXTILE MILLS LIMITED (CDC)	30,000	0.2245%
20	M.R. SECURITIES (SMC-PVT) LTD. (CDC)	3,500	0.0262%
21	MONEY LINE SECURITIES (PVT) LIMITED (CDC)	629,500	4.7104%
22	MONEY LINE SECURITIES (PVT) LIMITED (CDC)	69,000	0.5163%
23	MOONACO SECURITIES (PVT) LTD. (CDC)	25,000	0.1871%
24	MUHAMMAD AHMAD NADEEM SEC (SMC-PVT) LTD. (CDC)	500	0.0037%
25	MUHAMMAD AHMAD NADEEM SEC (SMC-PVT) LTD. (CDC)	2,000	0.0150%
26	PROGRESSIVE SECURITIES (PVT) LTD. (CDC)	10,000	0.0748%
27	SAT SECURITIES (PVT) LTD.	1,000	0.0075%
28	TIME SECURITIES (PVT.) LTD. (CDC)	5,000	0.0374%
		2,040,500	15.2686%
	BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE INSTITUTIONS		
1	HABIB BANK AG ZURICH, ZURICH, SWITZERLAND (CDC)	40,000	0.2993%
2	SAUDI PAK INV. CO. (CDC)	253,000	1.8931%
3	INVEST CAPITAL INVESTMENT BANK LIMITED. (CDC)	5,500	0.0412%
		298,500	2.2336%
	INSURANCE COMPANIES		
1	EFU GENERAL INSURANCE LIMITED. (CDC)	427,000	3.1952%
2	EFU LIFE ASSURANCE LTD. (CDC)	697,000	5.2155%
		1,124,000	8.4107%
	MODARABAS & MUTUAL FUNDS		
1	FIRST PRUDENTIAL MODARABA. (CDC)	2500	0.0187%
		2,500	0.0187%
	OTHERS		
1	FDIBL TRUSTEE - NAMCO BALANCED FUND (CDC)	80,000	0.5986%
2	ISLAMABAD STOCK EXCHANGE (G) LIMITED (CDC)	300	0.0022%
		80,300	0.6009%
	SHARES HELD BY THE GENERAL PUBLIC	6,274,000	46.9470%
	TOTAL:	13,364,000	100.0000%
	SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL		
1	MR. MUHAMMAD AMIN	1,935,500	14.4829%
2	MR. SARMAD AMIN	1,858,800	13.9090%
3	MRS. ZAKIA AMIN	1,349,700	10.0995%
4	MRS. MEHVASH AMIN	1,398,300	10.4632%
		6,542,300	48.9547%

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows — NIL

Form of Proxy
Samin Textiles Limited

I/We ____

of ______________________________ being member(s) of SAMIN TEXTILES 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 20th Annual General Meeting of the Company at the Registered Office of the Company, 50-C, Main Gulberg, Lahore on Wednesday, September 30, 2009 at 4:00 p.m. or at any adjournment thereof.

As witness my/our hand this ______________________________ day of 2009

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 an 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.