

AMTEX LIMITED

Third Quarterly Report

March 31, 2023



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Company Information

Board of Directors

Mr. Muhammad Ahsan
Mr. Khurram Iftikhar
Mr. Shahzad Iftikhar
Mr. Nadeem Iftikhar
Mr. Suhail Maqsood Ahmed
Mr. Gul Muhammad Naz
Mrs. Bushra Bibi

Chairman
Chief Executive Officer

Chief Financial Officer

Mr. Waheed Aslam

Company Secretary

Mr. Muhammad Raza Farooq

Audit Committee

Mr. Suhail Maqsood Ahmed
Mr. Muhammad Ahsan
Mrs. Bushra Bibi

Chairman

Human Resource & Remuneration Committee

Mr. Gul Muhammad Naz
Mr. Suhail Maqsood Ahmed
Shahzad Iftikhar

Chairman

Auditors

Zahid Jamil & Co.
Chartered Accountants

Legal Advisor

Mr. Aamir Nawaz Bhatti
Advocate High Court

Share Registrar Office

Vision Consulting Limited
3-C, LDA Flats, Lawrance Road, Lahore

Registered Office

P-225 Tikka Gali # 2 Montgomery Bazar, Faisalabad

Projects Locations

Punj Pullian Daewoo Road Faisalabad

Processing & Stitching Unit

Website

www.amtextile.com

DIRECTORS' REPORT

The Board of Directors of Amtex Limited presents herewith the Directors' Report together with the Company's un-audited financial information for the half year ended March 31, 2023.

Financial Results

The financial results for the period under review with comparative figures of previous period are presented hereunder.

	QUARTER ENDED		PERIOD ENDED	
	MARCH 31		MARCH 31	
	2023	2022	2023	2022
	RUPEES	RUPEES	RUPEES	RUPEES
Sales	430,619,016	265,118,286	1,109,687,252	849,158,513
Cost of sales	428,170,998	219,881,706	988,709,112	756,527,777
Gross profit	2,448,018	45,236,580	120,978,140	92,630,736
Other income	5,832,000	5,796,000	282,719,540	32,255,171
Net Profit / (loss) for the period	(37,522,340)	(1,654,424)	222,239,452	(36,019,050)
Earnings per share - Basic and diluted	(0.14)	(0.01)	0.86	(0.14)

During 1st nine months under review company earned gross profit of Rs.120.97 million as compared to gross profit of Rs.92.63 million in the corresponding period of last year and net profit of Rs.222.23 million as compared to net loss of Rs.36.01 million in the corresponding period of last year. Sales volume has also increased as compared to previous corresponding period and the company's total sales are Rs.1,109.68 million in nine months against sales of Rs. 849.15 million in the corresponding period of last year.

As mentioned in Note 1.3 of these condensed interim financial statements that The Court Auctioneers in Execution Application filed by the Bank of Punjab auctioned the Company's Spinning Division's Land and Building at Rs.490 million. During the pendency of the execution petition, the Decree Holder bank, the Company as well as other first charge holder banks/financial institutions reached a negotiated deal and agreed to withdraw objection petitions on auction of land and building and also agreed for sale of Spinning Division's machinery to the Auction Purchaser (M/S Beacon Impex Private Limited) for Rs.315 million. Resultantly, the honorable court confirmed the auction and ordered for distribution of sale proceeds of Rs.490 million amongst first charge holder banks/financial institutions in proportion to the value of their charge. The entire sale proceeds of Land, Building and Machinery of Rs.805 million have been adjusted against the loans of the Company by the relevant banks / financial institutions. Other operating income of rupees 282.71 million includes an amount of Rs.265.22 million gain on disposal of land, building and machinery of Company's Spinning Division.

Certain banks / financial institutions have filed suit against the Company for recovery of its financing and mark up, therefore Company has not provided any markup / cost of funds on the outstanding amount as also stated in notes to the accounts. Based on the legal opinion, the Company feels that, after institution of the suit, bank/financial institution is only entitled to cost of funds if so awarded by the Court in case the suit is awarded against the company. The levy of cost of funds and the quantum thereof shall be contingent on passing of the decree and rate prescribed by the State Bank of Pakistan during the period of pendency of the claim and discharge of decree, if passed by the Court.

Future outlook

Continuous increase in energy tariffs, slowdown in global economies and decline in cotton production are key challenges the textile sector could face going ahead. Though, weakness in PKR would provide some cushion. We expect the textile industry to remain in turmoil as gas crisis has started to surface again. However, power blackouts in addition to the current macroeconomic conditions along with mini budget remain a challenge for the industry. Textile sector has begun to losing the orders. Despite this Company's management is doing its utmost effort to comply with export orders and becomes successful to increase the export volume in nine months under review. Further to regularize bank loans and to settle the litigations with banks, negotiations with them are at advance stage.

Acknowledgement

The Directors of your Company would like to place on record their deep appreciation for the support of the customers, banks, financial institutions, regulators and shareholders and hope that this cooperation and support will also continue in future.

The Directors of your Company would also like to express their appreciation for the services, loyalty and efforts being continuously rendered by the executives, staff members and workers of the Company and hope that they will continue to do so in future.

For and on behalf of the Board



CHIEF EXECUTIVE

KHURRAM IFTIKHAR



DIRECTOR

SHAHZAD IFTIKHAR

Faisalabad
April 29, 2023

ڈائریکٹرز کی رپورٹ:

Amtex Limited کے بورڈ آف ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالی معلومات کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہیں۔

مالی نتائج

زیرجائزہ مدت کے مالی نتائج گزشتہ مدت کے تقابلی اعداد و شمار کے ساتھ ذیل میں پیش کیے گئے ہیں۔

	QUARTER ENDED MARCH 31		PERIOD ENDED MARCH 31	
	2023 RUPEES	2022 RUPEES	2023 RUPEES	2022 RUPEES
Sales	430,619,016	265,118,286	1,109,687,252	849,158,513
Cost of sales	428,170,998	219,881,706	988,709,112	756,527,777
Gross profit	2,448,018	45,236,580	120,978,140	92,630,736
Other income	5,832,000	5,796,000	282,719,540	32,255,171
Net Profit / (loss) for the period	(37,522,340)	(1,654,424)	222,239,452	(36,019,050)
Earnings per share - Basic and diluted	(0.14)	(0.01)	0.86	(0.14)

پہلے نو ماہ کے دوران کمپنی کی کل فروخت مبلغ 1,109.68 ملین روپے کی مدتوں میں کل منافع مبلغ 120.97 ملین روپے ہوا جبکہ پچھلے نو ماہ کی کل فروخت مبلغ 849.15 ملین روپے اور کل منافع مبلغ 92.63 ملین روپے ہوا تھا۔ پہلے نو ماہ کے دوران کمپنی کو بعد از ٹیکس ادا کی گئی مبلغ 222.23 ملین روپے کا خالص منافع ہوا جبکہ پچھلے نو ماہ کے دوران بعد از ٹیکس ادا کی گئی مبلغ 36.01 ملین روپے کا خالص نقصان ہوا تھا۔ فروخت کے حجم میں بھی گزشتہ اسی مدت کے مقابلے میں اضافہ ہوا ہے اور کمپنی کی کل فروخت نو ماہ میں 1,109.68 ملین روپے رہی ہیں جبکہ پچھلے نو ماہ کی کل فروخت مبلغ 849.15 ملین روپے رہی تھیں۔

جیسا کہ نوٹ 1.3 میں بیان کیا گیا ہے کہ بینک آف پنجاب کی طرف سے دائر کی گئی ایگزیکٹو درخواست میں دی کورٹ آف سٹریٹس نے کمپنی کے اسپینڈ ڈویژن کی زمین اور عمارت کو 490 ملین روپے میں نیلام کیا ہے۔ عمل درآمد کی درخواست کے زیر التوا ہونے کے دوران، ڈیکوری ہولڈر بینک، کمپنی کے ساتھ دوسرے پہلے چارج ہولڈر بینک/مالیاتی ادارے اور گفٹ و شنید کے ذریعے ایک نتیجہ پر پہنچی گئی ہے اور زمین اور عمارت کی نیلامی پر اعتراضات کی درخواستیں واپس لینے پر رضامند ہو گئے۔ اور اسپینڈ ڈویژن کی مشینری نیلامی کے خریدار (Beacon Impex Private Limited) کو 315 ملین روپے میں فروخت کرنے پر بھی رضامندی ظاہر کی۔ نتیجے کے طور پر، معزز عدالت نے نیلامی کی توثیق کی اور فرسٹ چارج ہولڈر بینکوں/مالیاتی اداروں میں ان کے چارج کی مالیت کے تناسب سے 490 ملین روپے کی فروخت کی رقم تقسیم کرنے کا حکم دیا۔ 805 ملین روپے کی زمین، عمارت اور مشینری کی فروخت سے حاصل ہونے والی رقم کو متعلقہ بینکوں/مالیاتی اداروں کے ذریعے کمپنی کے قرضوں کے مد میں ایڈجسٹ کیا گیا ہے۔ اسپینڈ ڈویژن کی زمین، عمارت کی نیلامی اور پلانٹ اور مشینری کی فروخت پر 265.22 ملین روپے کا Gain دیگر آپریشننگ آمدنی 282.71 ملین روپے میں شامل ہے۔

کچھ بینکوں امانی ادارہ کی جانب سے سے کمپنی سے اپنی سرمایہ کاری رقم اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرض اور سرمایہ کاری کی رقم کی بابت مالی لاگت کو کاؤٹس میں نہیں لے رہی اور اس رقم کی وضاحت کھاتہ جات کے نوٹس میں بیان کی گئی ہے۔ قانونی رائے پر انحصار کرتے ہوئے کمپنی کی جانب سے اس بات کو محسوس کیا گیا ہے کہ دعویٰ کے دائرہ ہونے کے بعد، بینک امانی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے دعویٰ کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اس لیے عدالتی فیصلوں کے التوا اور سٹیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے بینکوں کی واجب الادا قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

مستقبل کے امکانات :

توانائی کے زخموں میں مسلسل اضافہ، عالمی معیشتوں میں سست روی اور کپاس کی پیداوار میں کمی کی وجہ سے ٹیکسٹائل کے شعبے کو آگے بڑھنے میں اہم چیلنجز کا سامنا ہے۔ اگرچہ، PKR میں کمزوری کچھ کشن فراہم کرے گی۔ ہم توقع کرتے ہیں کہ ٹیکسٹائل کی صنعت بد حالی کا شکار رہے گی کیونکہ گیس کا بحران دوبارہ سامنے آنا شروع ہو گیا ہے۔ تاہم، مٹی بجٹ کے ساتھ موجودہ میکر واکنٹا کے حالات کے علاوہ بجلی کی بندش صنعت کے لیے ایک چیلنج بنی ہوئی ہے۔ ٹیکسٹائل کا شعبہ غیر ملکی آرڈرز کو ہانک رہا ہے۔ اس کے باوجود کمپنی کی انتظامیہ برآمدی آرڈرز کی تعمیل کے لیے اپنی پوری کوشش کر رہی ہے اور زبرد جاڑہ نو ماہ میں برآمدی حجم کو بڑھانے میں کامیاب رہی ہے۔ مزید برآں بینک قرضوں کو ریگولائز کرنے اور بینکوں کے ساتھ قانونی چارہ جوئی کے لیے ہونیوالی بات چیت جاری تکمیل کے مراحل میں ہے۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیٹری معاونت قابل تحسین ہے اور مستقبل میں بھی ایسی ہی امید وابستہ کی جاتی ہے۔

نیز آپ کے کمپنی کے ڈائریکٹر صاحبان کی جانب سے کمپنی ہڈا کے سٹاف اور ورکرز کا پختہ عزم، محنت اور مستقل مزاجی قابل تحسین ہے۔

خرم افشار
چیف ایگزیکٹو

شعراوانفشار
ڈائریکٹر

فیصل آباد

تاریخ: 29 اپریل 2023

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

		UN-AUDITED	AUDITED
		MARCH 31	JUNE 30
		2023	2022
	NOTE	RUPEES	RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3	638,398,174	1,147,302,917
Investment property - fair value		1,244,234,522	1,244,234,522
Long term deposits	4	22,558,676	50,719,526
		1,905,191,372	2,442,256,965
CURRENT ASSETS			
Stores, spares and loose tools		175,252,349	171,619,648
Stock in trade		401,689,251	465,483,553
Trade debts	5	198,609,295	186,814,853
Loans and advances		24,630,887	28,560,338
Deposits and prepayments		4,799,126	4,799,126
Other receivables		78,552,057	77,888,459
Tax refunds due from the Government		202,512,223	201,028,015
Cash and bank balances		134,945,271	82,722,503
		1,220,990,459	1,218,916,495
		3,126,181,831	3,661,173,460
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
260,000,000 (2022: 260,000,000)			
ordinary shares of Rs.10/- each		2,600,000,000	2,600,000,000
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Reserves		531,039,330	531,039,330
Accumulated loss		(12,612,455,678)	(13,032,072,797)
Surplus on revaluation of property, plant and equipment		616,470,451	813,848,118
		(8,870,644,557)	(9,092,884,009)
NON-CURRENT LIABILITIES			
Redeemable capital	6	-	-
Long term financing	7	134,835,000	319,546,196
Deferred liabilities		1,433,104,180	1,399,489,375
		1,567,939,180	1,719,035,571
CURRENT LIABILITIES			
Trade and other payables		207,315,827	132,917,383
Contract Liabilities		58,784,208	20,594,554
Interest / markup payable		2,730,625,453	2,735,143,547
Short term borrowings	8	5,468,108,144	5,968,108,144
Current portion of non current liabilities		1,964,053,576	2,178,258,270
		10,428,887,208	11,035,021,898
Contingencies and commitments	9	-	-
		3,126,181,831	3,661,173,460

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023

	NOTE	QUARTER ENDED		PERIOD ENDED	
		MARCH 31		MARCH 31	
		2023 RUPEES	2022 RUPEES	2023 RUPEES	2022 RUPEES
Sales		430,619,016	265,118,286	1,109,687,252	849,158,513
Cost of sales	10	428,170,998	219,881,706	988,709,112	756,527,777
Gross profit		2,448,018	45,236,580	120,978,140	92,630,736
Other income		5,832,000	5,796,000	282,719,540	32,255,171
		8,280,018	51,032,580	403,697,680	124,885,907
Selling and distribution expenses		14,185,661	13,374,643	40,811,951	34,729,303
Administrative expenses		24,990,298	15,581,604	67,965,235	54,557,084
Finance cost		6,569,820	19,237,249	42,618,623	59,452,596
		45,745,779	48,193,496	151,395,809	148,738,983
Profit / (Loss) for the period before taxation		(37,465,761)	2,839,084	252,301,871	(23,853,076)
Provision for taxation		56,579	4,493,508	30,062,419	12,165,974
Net Profit / (loss) for the period		(37,522,340)	(1,654,424)	222,239,452	(36,019,050)
Earnings per share - Basic and diluted		(0.14)	(0.01)	0.86	(0.14)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023

	QUARTER ENDED		PERIOD ENDED	
	MARCH 31		MARCH 31	
	2023	2022	2023	2022
	RUPEES	RUPEES	RUPEES	RUPEES
Net (loss) / profit for the period	(37,522,340)	(1,654,424)	222,239,452	(36,019,050)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(37,522,340)</u>	<u>(1,654,424)</u>	<u>222,239,452</u>	<u>(36,019,050)</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2023

	PERIOD ENDED	
	MARCH 31	
	2023 RUPEES	2022 RUPEES
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the period before taxation	252,301,871	(23,853,076)
Adjustments for:		
Depreciation of property, plant and equipment	23,167,285	35,365,594
Provision for staff retirement gratuity	3,108,233	3,175,379
Gain on disposal of property, plant and equipment	(265,223,540)	(14,582,171)
Finance cost	42,618,623	59,452,596
Operating cash flows before working capital changes	55,972,472	59,558,322
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(3,632,701)	(10,507,777)
Stock in trade	63,794,302	23,586,206
Trade debts	(11,794,442)	(39,135,247)
Loans and advances	3,929,451	(23,515,482)
Deposits and prepayments	-	(135,440)
Other receivables	(663,598)	370,847
Tax refunds due from the Government	(17,077,575)	(17,527,655)
Increase / (decrease) in current liabilities		
Trade and other payables	80,841,532	7,401,042
Contract liabilities	38,189,654	3,954,400
	153,586,623	(55,509,106)
Cash generated from/(used in) operations	209,559,095	4,049,216
Income tax paid	(14,469,052)	(8,734,389)
Finance cost paid	(16,630,141)	(6,332,177)
WPPF Paid	(6,443,088)	-
Net cash generated from/(used in) operating activities	172,016,814	(11,017,350)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(19,089,235)	(20,335,465)
Capital work in progress	(6,788,921)	-
Sale proceed from disposal of fixed assets	805,000,000	40,072,295
Net cash generated from investing activities	779,121,844	19,736,830
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing	(398,915,890)	(9,373,000)
Short term borrowings - net	(500,000,000)	-
Net cash used in financing activities	(898,915,890)	(9,373,000)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	52,222,768	(653,520)
Cash and cash equivalents at the beginning of the period	82,722,503	149,640,033
Cash and cash equivalents at the end of the period	134,945,271	148,986,513

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2023

	CAPITAL RESERVES			REVENUE RESERVES		TOTAL	
	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	MERGER RESERVE	SHARE PREMIUM	SURPLUS ON REVALUA-TION OF PROPERTY, PLANT AND EQUIPMENT	GENERAL RESERVE		ACCUMULATED LOSS
	-----Rupees-----						
Balances as at July 01, 2021	2,594,301,340	98,039,330	183,000,000	829,180,098	250,000,000	(13,152,591,765)	(9,198,070,997)
Loss for the period	-	-	-	-	-	(36,019,050)	(36,019,050)
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	-	-	(36,019,050)	(36,019,050)
Transfer to accumulated loss in respect of incremental depreciation for the period	-	-	-	(2,463,856)	-	2,463,856	-
Transfer to accumulated loss in respect of surplus realized on disposal of assets during the period	-	-	-	(12,073,638)	-	12,073,638	-
	-	-	-	(14,537,494)	-	14,537,494	-
Balances as at March 31, 2022	2,594,301,340	98,039,330	183,000,000	814,642,604	250,000,000	(13,174,073,321)	(9,234,090,047)
Profit for the period	-	-	-	-	-	139,508,070	139,508,070
Other comprehensive income for the period	-	-	-	-	-	-	-
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,697,968	1,697,968
Total comprehensive income for the period	-	-	-	-	-	141,206,038	141,206,038
Transfer to accumulated loss in respect of incremental depreciation for the period	-	-	-	(794,486)	-	794,486	-
	-	-	-	(794,486)	-	794,486	-
Balances as at June 30, 2022	2,594,301,340	98,039,330	183,000,000	813,848,118	250,000,000	(13,032,072,797)	(9,092,884,009)
Profit for the period	-	-	-	-	-	222,239,452	222,239,452
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	222,239,452	222,239,452
Transfer to accumulated loss in respect of incremental depreciation for the period	-	-	-	(2,054,840)	-	2,054,840	-
-disposal of fixed assets	-	-	-	(195,322,827)	-	195,322,827	-
	-	-	-	(197,377,667)	-	197,377,667	-
Balances as at March 31, 2023	2,594,301,340	98,039,330	183,000,000	616,470,451	250,000,000	(12,612,455,678)	(8,870,644,557)

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

Khurram Iftikhar
Chief Executive Officer

Shahzad Iftikhar
Director

Waheed Aslam
Chief Financial Officer

AMTEX LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED MARCH 31, 2023

1. STATUS AND ACTIVITIES

- 1.1. Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017) and listed on Pakistan Stock Exchange limited (formerly Karachi Stock Exchange Limited) in Pakistan. The registered office of the Company is situated at P-225, Tikka Gali No. 2, Montgomery Bazar, Faisalabad. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. The Company is also engaged in the business of manufacturing and sale of yarn and fabrics on its own & conversion basis. The cloth processing unit and stitching units are located at 1 KM Jaranwala Road, Khurrianwala, District Faisalabad and spinning unit is located at 30 KM Sheikhpura Road, Khurrianwala, District Faisalabad, in the province of Punjab.
- 1.2. Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with the assets, liabilities and reserves of the Company with effect from April 01, 2003.
- 1.3. The Company has earned profit before taxation of Rs. 252.301 million and its sales have also increased during the period as compared to previous corresponding period. Due to tight cash flow situation company has not been able to comply with terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts.

In continuation of Note 5.1.7 of annual audited Financial Statements of June 30,2022. the Decree Holder bank, the Company as well as other first charge holder banks/financial institutions reached a negotiated deal and agreed to withdraw objection petitions on auction of land and building of Company's Spinning Division situated at 30 KM Sheikhpura road Faisalabad and also agree for sale of Spinning Division's machinery to the Auction Purchaser, resultantly the Honorable Lahore High court confirmed the auction of Company's Spinning Division Land & Building, and order for distribution of sale proceeds of Rs. 490 Million amongst first charge holder Banks/financial institutions in proportion to the value of their charge. The entire sale proceeds of Land, Building and Machinery of Rs. 805 million have been adjusted against the loans of the company by the relevant banks/ financial institutions.

The energy shortage has hit Pakistan's vital textile industry, which supplies everything from denim to bed linen towards markets in the U.S and Europe, and accounts for 60 percent in the country's exports. The textile industry in a state of emergency, unannounced and unscheduled outages disrupt the textile supply chain, which is "causing millions of rupees of losses". The Pakistani industry was buoyed by tail end of Corona virus pandemic, when it was freed of restriction earlier than original rivals india nad Bangladesh. The management of the Comapny has already taken steps for extension and restructuring of loans. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. There is a material uncertainty related events or conditions which may cause significant doubt about the Company's ability to continue as a going concern, and therefore, it may be unable realize its assets and discharge its liabilities in the normal course of business. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern.

- 1.4. This condensed interim financial information is presented in Pak Rupee, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.
- Provisions of and directives issued under the Companies Act, 2017; and
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

This condensed interim financial report has been prepared under "historical cost convention" except certain items of property, plant and equipment included at revaluation and staff retirement gratuity carried at present value and certain financial instruments at fair value.

2.3 Significant accounting policies and changes therein

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 June 2022.

The accounting policies and method of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2022, except for the adoption of new standards effective as of 1 July 2022 as notified by Securities and Exchange Commission of Pakistan (SECP). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.4 Accounting estimates and judgments

The preparation of this condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2022.

		Un-audited	Audited
		March 31	June 30
		2023	2022
	Note	Rupees	Rupees
3. Property, plant and equipment			
Operating fixed assets	3.1	614,970,833	1,130,664,497
Capital work in progress		23,427,341	16,638,420
		<u>638,398,174</u>	<u>1,147,302,917</u>
3.1. Operating fixed assets			
Opening balance written down value		1,130,664,497	1,189,116,555
Additions during 9 months / 12 months	3.1.1	19,089,235	16,668,156
Deletions during 9 months / 12 months	3.1.2	(600,454,540)	(28,943,211)
Depreciation charge for 9 months / 12 months		(23,167,285)	(49,630,090)
Depreciation adjustment for disposal		88,838,926	3,453,087
Closing written down value		<u>614,970,833</u>	<u>1,130,664,497</u>
3.1.1. Additions during 9 months / 12 months:			
Plant and Machinery		19,089,235	-
Vehicles		-	16,668,156
		<u>19,089,235</u>	<u>16,668,156</u>
3.1.2. Deletions during 9 months / 12 months			
Land		211,500,000	10,450,000
Building		348,505,950	13,629,211
Plant and Machinery-Free Hold		18,548,590	4,864,000
Plant and Machinery-Lease Hold		6,000,000	-
Electric Installation		13,500,000	-
Factory Equipment		800,000	-
Lab. Equipment		1,600,000	-
		<u>600,454,540</u>	<u>28,943,211</u>

	Note	Un-audited	Audited
		March 31	June 30
		2023	2022
		Rupees	Rupees
4. Long term deposits			
Against utilities		13,184,179	41,345,029
Against TFC		9,374,497	9,374,497
		<u>22,558,676</u>	<u>50,719,526</u>
5. Trade debts			
Considered good			
Unsecured			
Foreign		171,837,110	158,740,590
Local		26,772,185	28,074,263
		<u>198,609,295</u>	<u>186,814,853</u>
Considered doubtful			
Unsecured			
Foreign		7,041,998,879	7,041,998,879
Less: Provision for doubtful debts		(7,041,998,879)	(7,041,998,879)
		<u>198,609,295</u>	<u>186,814,853</u>
5.1. The aging of trade debts as at statement of financial position's date is as under:			
Not past due		198,609,295	165,758,713
Past due within one year		-	21,056,140
Past due more than one year		7,041,998,879	7,041,998,879
		<u>7,041,998,879</u>	<u>7,063,055,019</u>
		<u>7,240,608,174</u>	<u>7,228,813,732</u>
6. Redeemable capital			
Secured			
Sukuk certificates	6.1	-	-
Less : Adjusted during the year		-	-
		<u>-</u>	<u>-</u>

6.1 The Company had filed suit under Financial Institutions (Recovery of Finances) Ordinance, 2001 against the sukuk unit holders in the Honorable Lahore High Court, Lahore and prayed for declaration of undertaking to purchase the sukuk units at a pre-agreed price as void, unlawful and satisfaction of obligations against the existing amounts paid. The Company has also sought relief of suspension of operation of the undertaking and the bank guarantee issued there under till the final decision of the suit.

As per two different interim orders of The Honorable Lahore High Court, Lahore guarantor has deposited the amount of guarantee against all overdue rentals, as claimed by the sukuk unit holders amounting Rs. 529,734,801, in an escrow account opened by the Deputy Registrar (Judicial) to secure the payments due under sukuk arrangement. The payable sukuk rentals, as claimed by the sukuk holders, have been adjusted in these financial statements against the amounts paid by the guarantor, however, due to pending litigation, sukuk unit holders have not received these payments and sukuk unit holders have not acknowledged the adjustment of sukuk rentals.

Further, in its final order The Honorable Lahore High Court, Lahore has dismissed the above referred suit, with no findings on the issue and prayer of the Company, stating that this Court lacks jurisdiction under Financial Institutions (Recovery of Finances) Ordinance, 2001 and the plaint is returned to the plaintiff (Company) to be presented to the court in which the suit should have been instituted. Being aggrieved Company has filed first appeal against this order before Division Bench of Honorable Lahore High Court, Lahore and same is pending for adjudication and in its interim order Division Bench has passed stay order that no amount will be withdrawn, paid by the guarantor, from escrow account opened by the Deputy Registrar (Judicial) up till further orders in this matter.

	Note	Un-audited	Audited
		March 31 2023 Rupees	June 30 2022 Rupees
7. Long term financing			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	7.1	1,763,957,253	2,152,373,143
Long term finances under SBP		19,176,163	19,176,163
Syndicated term finance		-	10,500,000
Morabaha finance		9,594,052	9,594,052
Morabaha finance II		104,000,000	104,000,000
Not subject to markup			
Demand finance		134,835,000	134,835,000
		<u>2,031,562,468</u>	<u>2,430,478,358</u>
Less: Current portion			
Installments due / overdue		(1,871,758,468)	(1,984,704,323)
Payable within one year		(24,969,000)	(126,227,839)
		<u>(1,896,727,468)</u>	<u>(2,110,932,162)</u>
		<u>134,835,000</u>	<u>319,546,196</u>

7.1 These are secured against specific charges on fixed assets, first charge over fixed and current assets ranking pari passu with the charges created in respect of short term borrowings, ranking charge over fixed assets and equitable and registered mortgage of properties of the Company and its associates. These are further secured against ranking charge over current assets, pledge of sponsor's 45 million shares in the Company, counter bank guarantee of Rs. 340 million and personal guarantee of all directors of the Company. Bank guarantee is secured against first charge over current assets of the Company.

7.2 As per terms of agreement with a bank, the recommendation, declaration and payment of dividend is subject to prior written approval of the bank.

8. Short term borrowings

8.1 The aggregate unavailed borrowing facilities available to the Company are Rs. Nil (June 30, 2022: Rs. Nil).

Short term borrowings, excluding cash finances are secured against lien on export documents, hypothecation of current assets, first charge over current assets ranking pari passu with the charges created in respect of long term financing and ranking charge over current assets of the Company.

These are further secured against first charge over fixed assets ranking pari passu with the charges created in respect of long term financing, ranking charge over fixed assets and by personal guarantee of directors of the Company. Cash finances are secured against pledge of stocks and personal guarantee of directors of the Company.

8.2 It includes an amount of rupees 100 million which represents the amount payable to Mr. Nadeem Iftikhar director of the company under a written Agreement. Under the said Agreement Mr. Nadeem Iftikhar paid a loan of one of the lender banks through sale of a property. Upon successful execution of the arrangement the bank has settled the principal component of loan of the company up to rupees 100 million and company has made arrangement with Mr. Nadeem Iftikhar to pay the said amount on demand.

8.3 The effective rate of mark up charged during the period is Nil.(June 30, 2022:9.17% to 14.00% per annum).

9. Contingencies & commitments

9.1. Contingencies

- a. There is no material change in the status of contingencies as disclosed in note # 26.1 of the financial statements for the year ended June 30,2022 except the following:
- b. In the matter of M/S United Bank Ltd vs Amtex Limited, The Honorable Lahore High Court vide its order approved auction of the mortgaged properties. The Auction proceedings remained unsuccessful due to lack of interest by the prospective bidders. However, the company is in negotiation with the bank for settlement of the outstanding liabilities in an amicable manner.
- c. The Soneri Bank Limited has instituted a suit for recovery of Rs. 674,938,722/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable High Court Lahore against the company. However, the company is in negotiation with the bank for settlement of the outstanding liabilities in an amicable manner.
- d. The company has not fully recognized mark up on redeemable capital and on long & short term financing due to pending litigation & also due to settlement with other banks.

	Note	Un-audited	Audited
		March 31 2023 Rupees	June 30 2022 Rupees
9.2. Commitments			
Collector of custom		82,089,668	36,297,281

	Note	Quarter ended		Period ended	
		March 31 2023 Rupees	2022 Rupees	March 31 2023 Rupees	2022 Rupees
10. Cost of sales					
Cost of goods manufactured	10.1	419,221,557	212,481,827	965,530,990	735,592,407
Finished goods					
Opening stock		130,264,046	154,124,328	144,492,727	167,659,819
Closing stock		(121,314,605)	(146,724,449)	(121,314,605)	(146,724,449)
		8,949,441	7,399,879	23,178,122	20,935,370
		428,170,998	219,881,706	988,709,112	756,527,777
10.1. Cost of goods manufactured					
Raw material consumed		230,891,889	102,385,444	468,957,494	358,385,021
Salaries, wages and benefits		26,053,937	21,960,312	70,310,920	66,680,341
Staff retirement benefits		1,005,412	1,215,411	3,108,233	3,175,379
Stores and spares		2,132,412	1,415,121	5,302,029	5,381,412
Dyes and chemicals		39,510,659	17,361,640	124,696,903	78,595,029
Packing material		56,303,457	14,341,035	129,339,318	69,941,037
Conversion and processing charges		49,094,764	31,271,505	111,554,785	95,234,386
Repairs and maintenance		979,849	405,515	3,480,807	4,762,149
Fuel and power		5,907,602	7,023,360	24,045,095	24,091,602
Depreciation		6,201,100	10,947,774	18,806,052	33,062,998
Other		2,561,979	525,179	8,501,362	4,378,854
		420,643,060	208,852,296	968,102,998	743,688,208
Work in process					
Opening stock		14,800,912	19,930,943	13,650,407	8,205,611
Closing stock		(16,222,415)	(16,301,412)	(16,222,415)	(16,301,412)
		(1,421,503)	3,629,531	(2,572,008)	(8,095,801)
		419,221,557	212,481,827	965,530,990	735,592,407

11. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.1,896.727 million along with mark up of Rs.99.888 million, lease finance amounting to Rs. 67.326 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs.5,468.108 million along with mark up of Rs. 2,522.234 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,031.562 million, lease finance Rs 67.326 million and short term borrowings Rs 5,468.108 million. An amount of Rs. Nil has subsequently paid against overdue installment.

12. Finance cost

The provision of mark up on financial facilities under litigation has not been made in this condensed interim financial report. Based on the legal opinion, the company feels that after institution of the suit, a financial institution is only entitled to cost of funds if so awarded by the court in any decree which may be passed by the court. Therefore company has not accrued any cost of funds/interest on the said outstanding balances.

13. Transactions with related parties

The related parties comprise associated undertakings, directors of the company and key management personnel. The company in the normal course of business carries out transaction with related parties. The transactions with related parties other than those disclosed in relevant notes are as follows;

		Un-audited	Audited
		March 31 2023 Rupees	June 30 2022 Rupees
Relationship with the Party	Nature of transactions		
Associated undertakings	- Sales	60,185,698	46,771,570
	- Rentals	17,460,000	23,576,000
	- advance rent	5,688,000	-
	- Receivable	19,984,437	21,810,433
Key management personnel	-Remuneration to directors	1,800,000	2,400,000
	-payable to director	100,000,000	-

14. Date Of authorisation for Issue

This condensed interim financial information was authorised for issue on April 29, 2023 by the Board of Directors of the Company.

15. Corresponding Figures

In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flow have been compared with the balances of comparable period of immediately preceding financial year.

16. General

- 16.1.** There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, loss, comprehensive loss, cash flows or equity of the Company.
- 16.2.** Provision for taxation are based on this condensed interim financial information and is subject to adjustments in annual financial statements.
- 16.3.** Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer



A M T E X

PAKISTAN OFFICE

AMTEX LIMITED

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