

**ANNUAL  
REPORT  
2024**



**AMTEX LIMITED**

## COMPANY PROFILE

Amtex Limited is amongst the largest vertically integrated Textile setups in Pakistan having production facilities in all sectors of Textile Industry from Spinning, Weaving, Processing, Printing, Finishing, Cut and Sewn processes and provides employment opportunities to large number of families. After establishing strong foothold in the Textile exports, Amtex successfully switched to Direct to Retail (“DTR”) business model that has enabled it to focus on exporting high value added diversified Products directly to premier Retailers in the EU, USA and across the globe. Amtex holds an iconic textile position in the Global textile industry, being the “One Stop Shop” concept by offering largest variety and combination of products to its diversified customers.

With state of the art Textile manufacturing facility, internationally recognized R&D Department, Strong outsourcing capabilities, Professional management, International display centers and warehouses for facilitating procurement of orders and direct dealing with retailing giants, Amtex is marching towards becoming a leader. Amtex has shown huge promise in value added Home Textile sector, where it has become a leader in exporting high end quality Products. Amtex has maintained its focus and commitment in balancing, modernization and value addition activities, as core business philosophy. Amtex aims at developing synergies by keeping abreast with their strong vendor base and establishing partnerships with them so as to increase the Product portfolio as well as to have the flexibility to react to the dynamics of ever demanding growing parameters of market and global business.

# 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](http://www.amtextile.com)

## Vision Statement

Our vision is to provide our customers all their required goods and services from one platform.

## Mission Statement

Our mission is to become the buyer's first choice all around the world and to achieve this target we make sure that we stay true to the highest standards of excellence and customer's satisfaction.

# FINANCIAL HIGHLIGHTS

## YEAR ENDED JUNE 30,

2024	2023	2022	2021	2020	2019
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Rupees in million

### Operating performance

Sales-net	2,793	1,692	1,251	1,075	545	630
Cost of Sales	2,359	1,567	1,034	1,065	786	791
Gross profit / (loss)	434	125	217	10	(241)	(161)
Operating Profit/(loss)	280	235	217	(35)	(439)	(70)
Profit/(Loss) before taxation	122	158	120	(132)	(641)	(253)
Profit/(Loss) after taxation	92	138	103	(148)	(671)	(263)

## YEAR ENDED JUNE 30,

2024	2023	2022	2021	2020	2019
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Rupees in million

### Financial position

Property, plant and equipment-net (excl.capital work in progress)	974	952	1,147	1,202	1,237	1,623
Investment property	1,270	1,259	1,244	1,189	1,161	1,102
Capital work in progress						
Fixed assets	2,244	2,211	2,392	2,391	2,398	2,725
Total assets	3,685	3,310	3,661	3,577	3,724	4,378

### Current assets

Store,spare parts, loose tools and stock in trade	716	435	637	651	706	928
Other current assets	587	537	499	335	394	511
Cash and cash equivalents	118	112	83	150	175	163
	1,421	1,084	1,219	1,136	1,275	1,602

### Current liabilities

Short term bank borrowings	5,167	5,407	5,968	6,015	6,063	6,093
Current portion of long term financing/ murabaha	808	2,066	2,178	2,284	2,119	1,707
Other current liabilities	3,587	3,007	2,889	2,916	2,938	2,948
	9,562	10,480	11,035	11,216	11,120	10,748
Net Working Capital	(8,141)	(9,396)	(9,816)	(10,080)	(9,845)	(9,146)
Long term financing/ murahaba	-	-	320	236	414	875
Share capital and reserves	(9,468)	(9,567)	(9,907)	(10,027)	(9,883)	(9,221)

**YEAR ENDED JUNE 30,**

2024	2023	2022	2021	2020	2019
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**Profitability analysis**

Gross Profit / (loss) to sales	(%)	15.6	7.4	17.4	0.9	(44.3)	(25.6)
Profit / (Loss) before tax to sales	(%)	4.4	9.4	9.6	(12.3)	(117.7)	(40.1)
Profit / (Loss) after tax to sales	(%)	3.3	8.2	8.3	(13.8)	(123.1)	(41.7)
Profit / (Loss) per share	(Rupees)	0.35	0.5	0.4	(0.6)	(2.6)	(1.0)

**YEAR ENDED JUNE 30,**

2024	2023	2022	2021	2020	2019
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**Financial analysis**

Current Ratio	(times)	0.1	0.1	0.1	0.1	0.1	0.1
Debt to equity	(times)	(0.3)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Break up value per share	(Rupees)	(36.5)	(36.9)	(38.2)	(38.7)	(38.1)	(35.5)
Inventory turnover ratio	(times)	6.2	4.3	2.2	2.1	1.3	1.0
Debtors turnover ratio	(times)	12.0	7.8	10.2	12.8	3.5	3.5
Fixed assets turnover ratio	(times)	2.9	1.8	1.1	0.9	0.4	0.4
Total assets turnover	(times)	0.8	0.5	0.3	0.3	0.1	0.1



**Amtex Limited**  
1-Km. Khurrianwala Jaranwala Road, Faisalabad Pakistan.  
Tel: 92-41-4361724 (6Lines) Fax: 92-41-4361726 & 27  
E-mail: amtex@amtextile.com URL: <http://www.amtextile.com>

## Notice of Annual General Meeting

Notice is hereby given that Annual General Meeting of the members of Amtex Limited (the Company) will be held on October 28, 2024 at 11:00 A.M. at Company's registered office P-225 Tikka Gali # 2 Montgomery Bazar Faisalabad to transact the following business:

### ORDINARY BUSINESS

1. To confirm minutes of the Annual General Meeting held on October 28, 2023.
2. To receive and adopt the Audited Accounts of the Company for the year ended June 30, 2024 together with Directors' and Auditors' reports thereon.
3. To approve re-appointment of M/s. Zahid Jamil & Company, Chartered Accountants, as external auditors of the Company for the year 2024-25 and fix their remuneration, as recommended by the Audit Committee and Board of Directors.
4. To transact any other business with the permission of the chair.

### SPECIAL BUSINESS

To consider and if thought fit, approve the increase in Director's Remuneration and to pass the following resolution:

**"RESOLVED THAT** increase in Director's Remuneration of Mr. Khurram Iftikhar CEO/Director to rupees 650,000/ p.m inclusive of all allowances and Mr. Shahzad Iftikhar Director to rupees 600,000/- inclusive of all allowances with effect from July 01, 2024 be and is hereby approved".

To ratify and approve transactions entered into by the Company with related parties in its ordinary course of business by passing the following special resolution: -

**"Resolved** that the transactions entered into by the Company with related parties during the year ended June 30, 2024 as disclosed in relevant notes to the financial statements in which some or majority of the directors are interested are hereby ratified and confirmed".

**"Further Resolved** that the Company be and is hereby authorized to enter into and carry out transactions in its normal course of the business from time to time with related parties during the ensuing year ending June 30, 2025. The members have noted that for the aforesaid transactions some or a majority of the directors may be interested. Notwithstanding the interest of the directors, the members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to

review and approve all related party transactions based on the recommendation of the Board Audit Committee”.

**“Further Resolved** that the related party transactions as aforesaid for the period ended June 30, 2025 would subsequently be presented to the members at the next Annual General Meeting for ratification and confirmation.”.

By Order of the Board

Faisalabad  
October 07, 2024

Muhammad Raza Farooq  
Company Secretary

**NOTES: -**

1. The Share Transfer Books of the Company will remain closed from 20-10-2024 to 28-10-2024 (both days inclusive). Transfers received at Vision Consulting Ltd, 3-C Lawrance Road, LDA Flats Lahore at the close of the business on 19-10-2024 will be treated in time.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as proxy to attend and vote instead of him. The proxy forms, in order to be effective, must be received at Company’s registered office P-225, Tikka Gali # 2 Montgomery Bazar Faisalabad, not less than 48 hours before the meeting.
3. Members can avail video conference facility for attending the meeting at places other than the town in which general meeting is taking place. In this regard, please fill the enclosed consent for video conference facility and submit to registered address of the company, ten days (10) before holding of the general meeting. If Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference ten (10) days prior to the date of the meeting, Company will arrange a video conference facility in the city subject to availability of such facility in that city. The Company will intimate to members regarding venue of video conference facility at least five (5) days before the date of the meeting along with all the information necessary to enable them to access the facility.
4. Members are requested to notify immediately changes, if any, in their registered address.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
6. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website.
7. The audited financial statements of the Company for the year ended 30 June 2024 have been made available on the Company’s website ([www.amtextile.com](http://www.amtextile.com)) in addition to annual and quarterly financial statements for the current and prior periods.



8. As per section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commence of this Act i.e., May 30, 2017. The Shareholders having physical shareholding may open CDC Sub-account with any of the broker or investor account directly with CDC to place their physical share into scripless form.
9. Members can exercise their right to vote by means of postal ballot i.e. by post or through electronic mode subject to the requirements of Section 143-145 of Companies Act 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
10. Details of the e-voting facility will be shared through an e-mail with those members who have their valid CNIC numbers, cell numbers and registered e-mail address available in the register of the members of the Company by the close of business on October 20, 2023. b) E-voting facility will be available to eligible members from October 24, 2024, 9:00 am and shall close on October 26, 2024 at 5:00 pm. c) Members can cast their votes at any time in this period. Once the vote on a resolution is cast by a member, he/she shall not be allowed to change it subsequently.
11. To attend the meeting virtually, a member is required to send an email to [general.meetings@amtexile.com](mailto:general.meetings@amtexile.com) with email address, name, folio number, CNIC and number of shares held in his/her name with subject "Registration for AGM of AMTEX". A Video link to join the meeting will be shared with a member whose email, containing all the required particulars, are received not later than 48 hours before the time of meeting.

**For Attending the Meeting:**

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulation, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**For Appointing Proxies:**

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

## **STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

### **Increase in Directors Remuneration**

The Board of Directors, on the recommendation of Human resource & Remuneration Committee has decided to increase the Director's Remuneration of Mr. Khurram Iftikhar CEO/Director to rupees 650,000/ p.m inclusive of all allowances and Mr. Shahzad Iftikhar Director to rupees 600,000/- inclusive of all allowances with effect from July 01, 2024. The decision to increase the remuneration has been made to compensate for the time and efforts required to discharge director's obligations and to value their skills and expertise in managing the affairs of the company.

### **Ratification & Approval of Related Party Transactions**

During the year, there were transactions entered into by the Company with related parties. However, since some of Company's directors were directly or indirectly interested in these transactions due to their common directorship, the quorum of directors could not be formed for approval of these transactions. Accordingly, these transactions, as disclosed in the relevant notes to the financial statements, are being placed before the members for their approval/ratification by passing special resolutions as mentioned in the Notice of Annual General Meeting with or without modifications. All related party transactions are carried out at arm's length in accordance with the Company policies and comply with legal requirements and are reviewed periodically by the Board Audit Committee which is chaired by an independent director.

Further, it is expected that the Company may be conducting related party transactions in the normal course of business in the upcoming financial year as well, wherein, some of directors are expected to be interested in due to their relationships, common directorship in these related parties. The members are informed that it is not possible to make estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2025, which depends on case-to-case basis, however, the Company will present the actual figures for subsequent ratification and confirmation by the members, at the next annual general meeting. Based on the above, approval of the members is also sought to authorize the Company to enter into such transactions with related parties during the ensuing year ending June 30, 2025 and further grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee by passing Special Resolutions as mentioned in the Notice of Annual General Meeting with or without modifications.

## Review Report by the Chairman

The Board of Directors (the Board) of Amtex Limited has performed their duties diligently in upholding the best interest of shareholders of the Company and has managed the affairs of the company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 and the Listed Companies (Code of Corporate Governance) Regulations.

Consequently, 2024 is a promising year for Pakistan's textile and apparel industry. Sustainability, tradition, technology, and diversity are coming together to create a landscape that is alive and dynamic. Company's export shown constitutently increasing trend during financial year 2024, and export volume has significantly increased during the year as compared to previous financial year.

The management is responsible for carrying out day to day business activities and transforming the Board's strategies in to actions. The Board has actively participated in strategic planning process, enterprise risk management system, policy development, and financial structure, monitoring and approval. All Directors including independent directors fully participated and contributed in the decision-making process of the Board. The Board also played an important role in overseeing the management's performance and focusing on major risk area. The Board is fully involved in all types of budgeting and strategic planning process. The company has an independent internal audit department and internal audit reports are presented before the audit committee on quarterly basis.

On behalf of the board, I would like to thank our management, staff and workers for their hard work. I would like to appreciate all our valued customers for their continued confidence in the company. Not to forget, all credit to the financial institutions for their cooperation and support.



Muhammad Ahsan  
Chairman

Faisalabad  
October 04, 2024

## چئیرمین کی جائزہ رپورٹ :

ایم ٹیکس لمیٹڈ کے بورڈ آف ڈائریکٹرز (بورڈ) نے کمپنی کے حصص یافتگان کے بہترین مفاد کو برقرار رکھنے کے لیے اپنے فرائض پوری شدہ سے ادا کیے ہیں اور کمپنی کے امور کو موثر انداز میں نبھایا ہے۔ بورڈ نے اپنے اختیارات کا استعمال کیا ہے اور کمپنی ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق کے مطابق اپنے فرائض سرانجام دیے ہیں۔

نتیجتاً، 2024 پاکستان کی ایکسٹرا اور ملبوسات کی صنعت کے لیے ایک امید افزا سال تھا۔ پائیداری، روایت، ٹیکنالوجی، اور تنوع ایک ساتھ مل کر ایک ایسا منظر نامہ تشکیل دے رہے ہیں جو زندہ اور متحرک ہو۔ مالی سال 2024 کے دوران کمپنی کی برآمدات میں مسلسل اضافہ کا رجحان ظاہر ہوا اور گزشتہ مالی سال کے مقابلے سال کے دوران برآمدات کے حجم میں نمایاں اضافہ ہوا ہے۔

انتظامیہ روزمرہ کی کاروباری سرگرمیوں کو انجام دینے اور بورڈ کی حکمت عملیوں کو عملی جامہ پہنانے کی ذمہ دار ہے۔ بورڈ نے اسٹریٹجک منصوبہ بندی کے عمل انٹرپرائز رسک مینجمنٹ سسٹم پالیسی ڈویلپمنٹ اور مالی ڈھانچے کی نگرانی اور منظوری میں فعال طور پر حصہ لیا ہے۔ تمام ڈائریکٹرز بشمول آزاد ڈائریکٹرز بورڈ کے تمام اہم فیصلوں میں شامل رہے ہیں۔ بورڈ نے مینجمنٹ کی کارکردگی کی نگرانی اور اہم رسک ایریا پر توجہ مرکوز کرنے میں بھی اہم کردار ادا کیا ہے۔ بورڈ ہر قسم کی بجٹ سازی اور اسٹریٹجک منصوبہ بندی کے عمل میں مکمل طور پر شامل رہا ہے۔ کمپنی کا ایک آزاد انٹرنل آڈٹ ڈیپارٹمنٹ موجود ہے اور انٹرنل آڈٹ رپورٹ سہ ماہی بنیادوں پر آڈٹ کمیٹی کے سامنے پیش کی جاتی ہے۔

بورڈ کی جانب سے میں انتظامیہ عملے اور کارکنوں کی محنت کے لیے ان سب کا شکر گزار ہوں۔ میں اپنے تمام قابل قدر کسٹمرز کے کمپنی پر مسلسل اعتماد پر انکا معترف ہوں۔ مالیاتی اداروں کی جانب سے معاونت اور حمایت قابل تحسین ہے۔

محمد احسن

چئیرمین

فیصل آباد

تاریخ: 4 اکتوبر 2024

## Directors' Report

The Directors of your Company present before you the annual report with audited financial statements for the year ended June 30, 2024.

### Operating & Financial Results

The financial results for the year under review with comparative figures of previous year are presented hereunder:

	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
Revenue from contract with customers-Net	2,793,103,295	1,691,533,515
Cost of revenue	2,358,715,725	1,566,604,667
Gross Profit	434,387,570	124,928,848
Other Income	50,348,122	318,394,562
	484,735,692	443,323,410
Selling and distribution expenses	102,802,264	57,245,157
Administrative expenses	93,126,774	138,855,639
Finance cost	157,431,475	76,999,678
Workers' profit participation fund	6,568,759	8,511,147
Workers' welfare fund	2,540,301	3,234,236
	362,469,573	284,845,857
Profit before income tax and final taxes	122,266,119	158,477,553
Taxation - Other taxes	(27,251,995)	(14,865,562)
Profit before income tax	95,014,124	143,611,991
Taxation - Income tax	(3,403,576)	(5,701,158)
Profit after income tax	91,610,548	137,910,833
Earning per share - Basic and diluted	0.35	0.53

During financial year ended June 30, 2024, company earned gross profit of Rupees 434.387 million on sales of Rupees 2,793.103 million as compared to Rupees 124.928 million gross profits on sales of Rupees 1,691.533 million for the previous financial year. During the FY 2024 Company earned net profit after tax of Rupees 91.610 million as compared to net profit after tax of Rupees 137.910 million during the previous financial year. Despite worst political instability, poor economic conditions and significantly increasing prices of utilities, fuel and energy Company maintained its growth regarding export volume and Company's sales significantly increases in FY 2023-24 as compared to previous year. Further Company's management is hopeful to be consistent in said increasing trend in export volume in 1<sup>st</sup> quarter of FY2024-25.

## **Auditors' Observations**

The auditors in paragraph (a) of audit report has provided observation regarding company's ability to continue as going concern due to accumulated losses, liquidity issue, Directors of the company explain that the management is making all efforts to continue operations and to run the entity as a going concern. Company's continuity of operations since last couple of years, increased sales volume despite global recession, increased inflation and shortage of power supply clearly indicate that management's efforts and plans are effective and feasible.

During the year company entered into tripartite debt restructuring/ rescheduling agreement between one of lender bank and a related party regarding purchase of leased property of Company. According to which company and related party have agreed to pay outstanding decretal liability along with future cost of fund to lender bank. The lessee being interested in purchase of investment property, will pay entire principal liability along with cost of funds directly to the bank as per restructuring agreement between company and the lender bank. The company shall execute the sale deed in respect of property, after payment of entire liability of the bank and will ensure that the title documents of the property are released by the respective bank directly to the buyer. Auditors also opined that certain banks did not confirm short & long term loan balances. In this regard we explain that most of banks, financial institutions confirmed their balances on our request despite litigation in process however few did not respond auditor's direct balance confirmations due to pending litigations.

Furthermore, during the year company has also made some capital expenditure in plant & machinery and also installed solar energy plant to mitigate shortage of energy supply.

Moreover, the company is in process of selling certain properties, mortgaged with the banks, as debt restructuring / rescheduling plans with a bank and the entire such sale proceeds will be paid to relevant charge holder banks to reduce the debt burden and to settle the litigation with these banks. In view of steps mentioned above, 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.

The auditors in paragraph (b) of audit report have provided observation that markup expense has not been fully charged. In this regard it is explained that certain banks / financial institutions have filed suit against the company for recovery of their financing and mark up so the company has not provided any markup / cost of funds on the outstanding amount as 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.

## **Market Review and Future Prospects**

Pakistan's textile sector is finally earning respect on a global scale. Pakistani textiles are making their way onto international catwalks and into the wardrobes of fashion fans worldwide thanks to their dedication to quality and sustainability.

The cost of doing business especially fuel and energy prices will have expected to show a rising trend in upcoming year. Electricity and gas supply is improving although the cost is still highest in the region and the law and order situation in the country is improving which will attract more customers from Europe, USA and rest of the world. To regularize bank loans, the repayment terms of loans are being renegotiated with the lenders keeping in view the future cash flows. The expectations from the government to support the textile sector are not unfounded but are rooted in the industry's need for a stable and conducive business environment. The proposed measures, such as competitive energy pricing and timely tax refunds, are essential for alleviating the financial burdens on textile exporters. These steps are imperative for the sector's ability to compete globally, especially in a market that is becoming increasingly competitive.

## **Dividend**

The tight cash flow position of the company does not permit dividend payout therefore the directors have not recommended any dividend for the year.

## **Auditors**

The present auditor's M/s Zahid Jamil & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors has been suggested by the audit committee, the re-appointment of M/s Zahid Jamil & Company, Chartered Accountants, as auditors for the financial year ending June 30, 2025.

## **Internal Financial Controls**

An effective and sound internal control has established and implemented throughout the year at all levels of the company by the Board of Directors. Internal control system is designed to achieve overall Company's objectives, reliable financial reporting and compliance with laws, regulations and policies.

## **Related Parties**

All related party transactions during the financial year ended June 30, 2024 were reviewed by the Audit Committee and approved by the Board of Directors.

## **Pattern of Shareholding**

The pattern of Shareholding along with categories of shareholders of the company as at June 30, 2024 is annexed with this report.

## **Corporate Governance**

The Statement of Compliance with the best practices of Code of Corporate Governance is annexed.

## **Corporate and Financial Frame Work**

In compliance of the Code of Corporate Governance, we give below statements on Corporate and Financial Reporting frame work:

1. The financial statements together with the notes thereon prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based upon reasonable and prudent judgment.
4. International Accounting / Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no any departure there from.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There has been no material departure from the best practices of Corporate Governance as detailed in the Listing Regulations of the stock exchange where the company is listed.
7. Going concern is explained separately.
8. Information about taxes and levies is given in the notes to the accounts.
9. Financial highlights of the last six years are annexed.
10. There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on June 30, 2024 except for those disclosed in financial statements.



## Composition of Board

### Total Number of Directors:

- a) Male 6 (Six)  
b) Female 1 (One)

### Composition:

Sr #	Category	Name
1	Independent Directors	Suhail Maqsood Ahmed
		Gul Muhammad Naz
2	Non Executive Directors	Nadeem Iftikhar
		Muhammad Ahsan
		Bushra Bibi
3	Executive Directors	Shahzad Iftikhar
		Khurram Iftikhar

## Meetings of the Board of Directors

During financial year 2023-24 attendance of directors in meetings of BOD is provided as under:

Name	Designation	No. of Attended
Khurram Iftikhar	CEO / Director	6
Shahzad Iftikhar	Director	6
Nadeem Iftikhar	Director	5
Suhail Maqsood Ahmed	Director	6
Muhammad Ahsan	Director	5
Gul Muhammad Naz	Director	4
Bushra Bibi	Director	4

No trading in Company's shares was carried out by its Directors, CFO, and Company Secretary; Head of Internal Audit, other Executives and their spouse(s) and minor children during the year.

## Directors Remuneration

The Board of Directors has devised a directive for determination of remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise.

Non-executive directors including the independent director are entitled only for fee for attending the Board and its committees' meetings. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee. For information on remuneration of Directors and CEO in 2023-24, please refer notes to the Financial Statements.

### **Audit Committee**

The Audit Committee of the Company is in place and comprises of the following members as required under the Code of Corporate Governance:

Suhail Maqsood Ahmed (Independent Director)	Chairman
Muhammad Ahsan (Non-Executive Director)	Member
Bushra Bibi (Non-Executive Director)	Member

Meetings of Audit Committee were held during the year ended June 30, 2024 as required by the Code of Corporate Governance for review of quarterly accounts, annual accounts and other related matters. The meetings were also attended by the CFO, Head of Internal Audit and External Auditors as and when required.

### **Human Resource & Remuneration Committee**

During the year one meeting of the Human Resource & Remuneration Committee was convened. The attendance record of each member is as follows:

<b>Sr #</b>	<b>Name</b>	<b>No.of meeting attended</b>
1	Gul Muhammad Naz	01
2	Suhail Maqsood Ahmed	01
3	Shahzad Iftikhar	01

## **Acknowledgment**

The Directors of your company would like to place on record their deep appreciation for the support of the banks, financial institutions, regulators and shareholders and hope for the same support in future.

The directors of your company also wish to place on record appreciation for the dedication, perseverance and diligence of the staff and workers of the company.



CHIEF EXECUTIVE

Khurram Iftikhar



DIRECTOR

Shahzad Iftikhar

Faisalabad  
October 04, 2024

## ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روہرو سالانہ رپورٹ مع مالی آڈٹ شدہ گوشوارہ حساب ہمارے 30 جون 2024 پیش کرتے ہیں۔

### آپریشنل اور مالی نتائج

مالی نتائج ہمارے زیر غور رسال مع موازنہ اعداد و شمار باہت سابقہ سال کو ذیل میں پیش کیا جاتا ہے۔

	2024 Rupees	2023 Rupees
Revenue from contract with customers-Net	2,793,103,295	1,691,533,515
Cost of revenue	2,358,715,725	1,566,604,667
Gross Profit	434,387,570	124,928,848
Other Income	50,348,122	318,394,562
	484,735,692	443,323,410
Selling and distribution expenses	102,802,264	57,245,157
Administrative expenses	93,126,774	138,855,639
Finance cost	157,431,475	76,999,678
Workers' profit participation fund	6,568,759	8,511,147
Workers' welfare fund	2,540,301	3,234,236
	362,469,573	284,845,857
Profit before income tax and final taxes	122,266,119	158,477,553
Taxation - Other taxes	(27,251,995)	(14,865,562)
Profit before income tax	95,014,124	143,611,991
Taxation - Income tax	(3,403,576)	(5,701,158)
Profit after income tax	91,610,548	137,910,833
Earning per share - Basic and diluted	0.35	0.53

سال 30 جون 2024 کے دوران کمپنی کی کل فروخت مبلغ 2,793.103 ملین روپے کی مد میں کل منافع مبلغ 434.387 ملین روپے ہوا جبکہ پچھلے سال کی کل فروخت مبلغ 1,691.533 ملین روپے اور کل منافع مبلغ 124.928 ملین روپے ہوا تھا۔ 30 جون 2024 کے مالی سال کے دوران کمپنی کو بعد از ٹیکس ادا کیے گئے مبلغ 91.610 ملین روپے کا خالص منافع ہوا جبکہ پچھلے سال بعد از ٹیکس ادا کیے گئے مبلغ 137.910 ملین روپے کا خالص منافع ہوا تھا۔

بدترین سیاسی عدم استحکام، امن و امان کی خراب صورتحال، کرنسی کی قدر میں کمی اور یوٹیلٹیز، ایندھن اور توانائی کی قیمتوں میں نمایاں اضافہ کے باوجود کمپنی نے برآمدی حجم کے حوالے سے اپنی نمونہ برقرار رکھا اور مالی سال 2023-24 میں کمپنی کی فروخت میں نمایاں اضافہ ہوا۔ مزید کمپنی کی انتظامیہ کو امید ہے کہ مالی سال 2024-25 کی پہلی سہ ماہی میں برآمدات کے حجم میں بڑھتے ہوئے رجحان میں ہم آہنگ رہیں گے۔

## آڈیٹرز کے مشاہدات

آڈیٹرز حضرات کی رپورٹ کے بیرونی گراف (a) میں کمپنی کے کاروبار کو جاری رکھنے کی اہلیت کے بارے میں رائے کا اظہار کیا گیا ہے اور جمع شدہ نقصانات، مالی بحران، کی وجہ سے کاروباری عمل کو جاری رکھنے کے بارے میں تشویش کا اظہار کیا گیا ہے آپ کی کمپنی کے ڈائریکٹرز حضرات وضاحت بیان کر رہے ہیں کہ کمپنی کے منتظمین کی جانب سے کاروبار کو مکمل کو جاری رکھنے کے لیے پوری کوشش کی جا رہی ہے۔ گزشتہ چند سالوں سے کمپنی کے کاموں کا تسلسل عالمی کساد بازاری بڑھتی ہوئی مہنگائی اور بجلی کی فراہمی میں کمی کے باوجود بڑھتی ہوئی فروخت کا حجم واضح طور پر ظاہر کرتا ہے کہ انتظامیہ کی کوششیں اور منصوبے کارگر ہیں۔

سال کے دوران کمپنی نے قرض دینے والے بینک میں سے ایک اور کمپنی کی لیز پر دی گئی جائیداد کی خریداری کے حوالے سے متعلقہ فریق کے درمیان سفر فریقی قرض کی تنظیم نواری شیڈولنگ کا معاہدہ کیا۔ جس کے مطابق کمپنی اور متعلقہ فریق نے قرض دینے والے بینک کو فنڈ کی مستقبل کی لاگت کے ساتھ بقایا ڈیکرٹل ذمہ داری ادا کرنے پر اتفاق کیا ہے کہ راہ وارسر مایہ کاری کی جائیداد کی خریداری میں دلچسپی رکھتا ہے، کمپنی اور قرض دینے والے بینک کے درمیان تنظیم نو کے معاہدے کے مطابق فنڈ زکی لاگت کے ساتھ پوری اصل ذمہ داری براہ راست بینک کو ادا کرے گا۔ کمپنی بینک کی تمام ذمہ داریوں کی ادا کیگی کے بعد جائیداد کے حوالے سے سیل ڈیڈ کو انجام دے گی اور اس بات کو یقینی بنائے گی کہ جائیداد کے ٹرانسل دستاویزات متعلقہ بینک براہ راست خریدار کو جاری کر دے۔ آڈیٹرز نے یہ بھی رائے دی کہ بعض بینکوں نے مختصر اور طویل مدتی قرض کے بیلنس کی تصدیق نہیں کی۔ اس سلسلے میں ہم وضاحت کرتے ہیں کہ زیادہ تر بینکوں، مالیاتی اداروں نے قانونی چارہ جوئی کے باوجود ہماری درخواست پر اپنے بیلنس کی تصدیق کی۔ تاہم چند بینکوں، مالیاتی اداروں نے زیر التوا قانونی چارہ جوئی کی وجہ سے آڈیٹر کی براہ راست بیلنس کی تصدیق کا جواب نہیں دیا۔

مزید برآں، سال کے دوران کمپنی نے پلانٹ اور مشینری میں کچھ سرمایہ خرچ کیا ہے اور توانائی کی فراہمی کی کمی کو دور کرنے کے لیے سولر انرجی پلانٹ بھی لگایا ہے۔

مزید برآں کمپنی نے بینکوں کے پاس رہن شدہ کمپنی کی کچھ جائیداد کو فروخت کر کے حاصل ہونے والی رقم کو ان بینکوں کے قرضوں میں ایڈجسٹ کر دیا ہے تاکہ ان بینکوں کی طرف سے کیئے گئے مقدمات کو سبٹل کیا جاسکے اور قرضوں کے بوجھ کو کم کیا جاسکے، اوپر بیان کیئے گئے اقدامات کے پیش نظر کمپنی کے منتظمین پر اعتماد ہیں کہ وہ اپنی کاوشوں میں کامیابی سے سر و فر ہو سگئے اور کمپنی اس قابل ہو جائیگی کہ وہ اپنے کاروبار کو جاری رکھ سکے۔

کمپنی کے آڈیٹر حضرات کی جانب سے آڈٹ رپورٹ کے بیرونی گراف (b) میں رائے دی گئی ہے کہ کمپنی مالی لاگت کو اکاؤنٹس میں نہیں لے رہی جسکی بابت وضاحت بیان کی گئی ہے کہ 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 اکاؤنٹس 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۔ اسلئے 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۔

## مارکیٹ کا جائزہ اور مستقبل کے امکانات :

پاکستان کا ٹیکسٹائل سیکٹر با لاتر عالمی سطح پر عزت کم رہا ہے۔ پاکستانی ٹیکسٹائل بین الاقوامی کیٹ واک اور دنیا بھر میں فیشن کے لائحہ عمل کی الماریوں میں اپنے معیار اور پائیداری کے لیے اپنی لگن کی بدولت اپنا راستہ بنا رہے ہیں۔

کاروبار کرنے کی لاگت خاص طور پر ایندھن اور توانائی کی قیمتوں میں آنے والے سال میں بڑھتے ہوئے رجحان کی توقع ہوگی۔ بجلی اور گیس کی سپلائی بہتر ہو رہی ہے حالانکہ لاگت اب بھی خطے میں سب سے زیادہ ہے اور ملک میں امن و امان کی صورتحال بہتر ہو رہی ہے جو یورپ، امریکہ اور باقی دنیا سے زیادہ صارفین کو راغب کرے گی۔ بینک قرضوں کو ریگولائز کرنے کے لیے، قرضوں کی واپسی کی شرائط پر قرض دہندگان کے ساتھ مستقبل میں کیش فلو کو مد نظر رکھتے ہوئے دوبارہ بات چیت کی جا رہی ہے۔ حکومت سے ٹیکسٹائل سیکٹر کی حمایت کی توقعات بے بنیاد نہیں ہیں بلکہ ان کی جڑیں صنعت کے لیے ایک مستحکم اور سازگار کاروباری ماحول کی ضرورت پر ہیں۔ ٹیکسٹائل کے برآمد کنندگان پر پڑنے والے مالی بوجھ کو کم کرنے کے لیے مجوزہ اقدامات جیسے مسابقتی توانائی کی قیمتوں کا تعین اور بروقت ٹیکس کی واپسی ضروری ہے۔ یہ

اقدامات اس شعبے کی عالمی سطح پر مقابلہ کرنے کی صلاحیت کے لیے ماگزیر ہیں، خاص طور پر ایسی مارکیٹ میں جو تیزی سے مسابقتی ہوتی جا رہی ہے۔

## تقسیم منافع

کمپنی کی سخت کیش فلو پوزیشن ڈیویڈنڈ کی ادائیگی کی اجازت نہیں دیتی ہے اس لیے ڈائریکٹرز نے سال کے لیے کسی ڈیویڈنڈ کی سفارش نہیں کی ہے۔

## آڈیٹرز:

موجودہ آڈیٹرز میسرز زاہد جمیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اور ابل تقررری نے کمپنی میں دوبارہ تقررری کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز حضرات کی جانب سے آڈٹ کمیٹی کی سفارشات کی روشنی میں کو میسرز زاہد جمیل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز مالی سال اختتام 30 جون 2025 کے لیے دوبارہ تقررری کے لیے تجویز کیا ہے۔

## انٹرنل فنانشل کنٹرول:

بورڈ آف ڈائریکٹرز کے ذریعے ایک مونیٹر اور مستحکم انٹرنل کنٹرول سسٹم کمپنی کی ہر سطح پر سال بھر کے لیے نافذ کیا گیا ہے۔ انٹرنل کنٹرول سسٹم مجموعی طور پر قابل اعتماد مالی رپورٹنگ قوانین و ضوابط پالیسیوں کی تعمیل اور کمپنی کے مقاصد کو حاصل کرنے کے لیے ڈیزائن کیا گیا ہے۔

## ریلیٹیڈ پارٹیز:

30 جون 2024 کو ختم ہونے والے مالی سال کے دوران ریلیٹیڈ پارٹیز سے متعلق تمام لین دین کا آڈٹ کمیٹی کے ذریعے جائزہ لیا گیا اور بورڈ آف ڈائریکٹرز سے اسے منظور کروایا گیا۔

## حصص رکھنے والے شراکت داروں کا پیٹرن:

کمپنی کے حصص رکھنے والے شراکت داروں کا پیٹرن معہ درجہ بندی حصص بابت 30 جون 2024 کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

## کارپوریٹ گورننس:

بجاء آوری رپورٹ معہ عمدہ مشق بابت کوڈ آف کارپوریٹ گورننس کو منسلک کیا گیا ہے۔

## ادارہ اور مالی امور کے متعلق ترتیب دیا گیا ڈھانچہ:

کوڈ آف کارپوریٹ گورننس کی بجاء آوری کرتے ہوئے مالی رپورٹ اور کارپوریٹ کے متعلق ترتیب دیئے گئے ڈھانچے کو ذیل میں تحریر کیا جاتا ہے:-

- 1- مالی گوشوارہ حساب کتاب اور اسکے نوٹس کو کمپنی کے منتظمین کی جانب سے تیار کیا گیا ہے اور موجودہ حساب کتاب کے معاملات میں گوشوارہ حساب کتاب کیش فلو اور رپورٹ آف پیجر ان ایکویٹی میں شفافیت اور غیر جانبداری کے اصول اپنا گئے ہیں۔
- 2- کمپنی کی اکاؤنٹس بس بہتر انداز میں تیار کی جا رہی ہیں۔
- 3- کمپنی کیا کاؤنٹنگ پالیسیز کو ایک تسلسل کے ساتھ اس گوشوارہ حساب کتاب کو بنانے میں استعمال کیا گیا ہے۔

- 4- بین الاقوامی اکاؤنٹنگ اور مالی رپورٹنگ سٹینڈرڈز، جیسا کہ اس کا اطلاق پاکستان میں ہے، کو کمپنی کے مالی گوشوارہ حساب کتاب کی تیاری کے بابت ملحوظ خاطر رکھا گیا ہے اور ان سے کسی قسم کا انحراف نہیں کیا گیا۔
- 5- ادارہ کی جانب سے وضع کردہ انٹرنل کنٹرول سسٹم اچھی حالت میں ترتیب دیا گیا ہے اس سسٹم پر عملدرآمد کے بارے میں مناسب چانچ پرنٹال کی گئی ہے۔
- 6- عمدہ مشق بابت کوڈ آف کارپوریٹ گورننس کو یقینی بنایا گیا ہے جیسا کہ سناک ایکسچینج کے لسٹنگ ریگولیشن میں درج ہے اور ان سے کسی قسم کا کوئی انحراف نہیں کیا گیا۔
- 7- کمپنی کے کاروباری حالات کے مستقبل کو الگ سے بیان کیا گیا ہے۔
- 8- ٹیکس ڈیوٹی اور محصولات کے ضمن کوئی بھی قابل ادا رقم نہیں سوائے ان کے جنہیں فنانشل سٹیٹمنٹ میں بیان کیا گیا ہے۔
- 9- چھ سال کی مالی کارکردگی کو اجاگر کیا گیا ہے اور بابت رپورٹ منسلک کی گئی ہے۔
- 10- ٹیکسز اور لیویز سے متعلق انفارمیشن کو نوٹس نوڈی اکاؤنٹس میں بیان کیا گیا ہے۔

### کمپوزیشن آف بورڈ:

ڈائریکٹرز کی کل تعداد

میل  
چھ  
فیمیل  
ایک

کمپوزیشن:

نام	کمپنی
خرم افتخار	ایگزیکٹو ڈائریکٹر
شہزاد افتخار	ایگزیکٹو ڈائریکٹر
ندیم افتخار	مان ایگزیکٹو ڈائریکٹر
سہیل مقصود احمد	آزاد ڈائریکٹر
محمد احسن	مان ایگزیکٹو ڈائریکٹر
گل محمد مراد	آزاد ڈائریکٹر
بشرابی بی	مان ایگزیکٹو ڈائریکٹر (فیمیل ڈائریکٹر)

### بورڈ کی جانب سے منعقد کی گئی میٹنگ کا شمار:

30 جون 2023 کے عرصہ کے دوران بورڈ آف ڈائریکٹرز کا اجلاس منعقد کیے گئے جن میں مندرجہ ذیل ڈائریکٹر حضرات نے شرکت کی:-

نام	عہدہ	میٹنگ میں شرکت کرنے کی حاضریاں
خرم افتخار	چیف ایگزیکٹو آفیسر	

6	ڈائریکٹر	شہزاد افتخار
5	ڈائریکٹر	نذیم افتخار
6	ڈائریکٹر	سہیل مقصود احمد
5	ڈائریکٹر	محمد احسن
4	ڈائریکٹر	گل محمد ناز
4	ڈائریکٹر	بشرابی بی

سال کے دوران کسی ڈائریکٹری ایف او کمپنی سیکریٹری انٹرنل آڈٹ کے سربراہ دیگر ایگزیکٹو اور ان کے شوپک حیات بچوں اور نابالغ بچوں نے کمپنی کے حصص میں کوئی کاروبار نہیں کیا۔

### ڈائریکٹر کا معاوضہ :

بورڈ آف ڈائریکٹرز نے کمپنی کے ایگزیکٹو اور ان ایگزیکٹو ڈائریکٹر کے معاوضے کے متعلق ان کی ذمہ داری کے مطابق ایک ہدایت نامہ تیار کیا ہے۔ معاوضہ ان کی ذمہ داری اور مہارت کے مطابق ہے۔

آزاد ڈائریکٹری سمیت ان ایگزیکٹو ڈائریکٹر صرف بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس کے مستحق ہیں۔ ایگزیکٹو اور ان ایگزیکٹو ڈائریکٹر کے معاوضے کی منظوری بورڈ کے ذریعے دی گئی ہے جیسا کہ ہیومن ریورس اور معاوضہ کمیٹی نے تجویز کیا ہے۔ سال 2023-24 کے دوران ڈائریکٹر زاوری ای او کے معاوضے کی معلومات فنانشل سٹینٹ کے متعلق نوٹس میں دی گئی ہیں۔

### آڈٹ کمیٹی :

آڈٹ کمیٹی کمپنی میں موجود ہے اور مندرجہ ذیل ممبران پر مشتمل ہے اور یہ کوڈ آف کارپوریٹ گورننس کے عین مطابق ہے۔

سہیل مقصود احمد	چیئر مین (آزاد ڈائریکٹر)
محمد احسن	ممبر (ان ایگزیکٹو ڈائریکٹر)
بشرابی بی	ممبر (ان ایگزیکٹو ڈائریکٹر)

کوڈ آف کارپوریٹ گورننس کے تحت ادارہ کے سہاہی حساب کتاب، سالانہ حساب کتاب اور دیگر متعلقہ معاملات برائے 30 جون 2024 کا جائزہ لینے کے لیے آڈٹ کمیٹی کا اجلاس منعقد کیے گئے۔ نیز چیف فنانس آفیسر، ہیڈ آف انٹرنل آڈٹ اور ایکسٹرنل آڈیٹرز نے بھی اپنی ضرورت کے مطابق میٹنگ ہائے میں شرکت کی۔

### ہیومن ریورس اور معاوضہ کمیٹی :

سال کے دوران ہیومن ریورس اور معاوضہ کمیٹی کی دو میٹنگز منعقد ہوئیں۔ جن میں مندرجہ ذیل ڈائریکٹر حضرات نے شرکت کی :

نام	عہدہ	میٹنگ میں شرکت کرنے کی حاضریاں۔
گل محمد ناز	چیئر مین	1
سہیل مقصود احمد	ممبر	1
شہزاد افتخار	ممبر	1



## توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیٹرز کی 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 ہذا کے سٹاف اور ورکرز کا پختہ عزم، محنت اور مستقل مزاجی قابل تحسین ہے۔

خرم افتخار  
چیف ایگزیکٹو

شہزاد افتخار  
ڈائریکٹر

فیصل آباد

تاریخ: 4 اکتوبر 2024

## **Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019**

**Name of company: Amtex Limited**

**Year ended: June 30, 2024**

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner:

1. The total number of directors are seven as per the following, -
  - a. Male: Six
  - b. Female: One
2. The composition of the Board is as follows:

<b>Category</b>	<b>Name</b>
Independent	Suhail Maqsood Ahmed
	Gul Muhammad Naz
Non Executive Directors	Nadeem Iftikhar
	Muhammad Ahsan
	Bushra Bibi
Executive Director	Shahzad Iftikhar
	Khurram Iftikhar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the act) and these Regulations;

7. 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board of directors did not participate in any orientation course / training program.
10. There were no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-
  - a) Audit Committee

Mr. Suhail Maqsood Ahmed	<i>Chairman</i>
Mr. Muhammad Ahsan	
Mrs. Bushra Bibi	
  - b) HR and Remuneration Committee

Mr. Gul Muhammad Naz	<i>Chairman</i>
Mr. Suhail Maqsood Ahmed	
Mr. Shahzad Iftikhar	
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings quarterly of the committee were as per following,-
  - a) Audit Committee=4
  - b) HR and Remuneration Committee = 1
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the company;

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the following towards which reasonable progress is being made by the company to seek compliance.
  - Company is planning to arrange training program for their directors as provided by the code.

On behalf of the Board



CHIEF EXECUTIVE

Khurram Iftikhar



DIRECTOR

Shahzad Iftikhar

Faisalabad  
October 04, 2024

### Independent Auditor's Review Report to the Members of Amtex Limited

#### Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Amtex Limited (the Company) for the year ended June 30, 2024 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Following instance of non-compliance with the requirement of the Regulations was observed which is not explained in the Statement of Compliance:

- i) Directors did not attend any training program / orientation course required by SECP (Regulation 18 of Listed Companies (Code of Corporate Governance) Regulations, 2019).

Based on our review, except for the above instance of non-compliance, 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 requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2024.

Place: Lahore

Date: October 07, 2024

UDIN: CR202410366JBCO3vYVr

  
ZAHID JAMIL & Co.  
CHARTERED ACCOUNTANTS  
(Engagement Partner: Adeel Anwar, ACA)

### INDEPENDENT AUDITOR'S REPORT

#### To the members of Amtex Limited Report on the Audit of the Financial Statements

#### Adverse Opinion

We have audited the annexed financial statements of **Amtex Limited** (the Company), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to explanations given to us, because of the significance of the matters discussed in paragraphs (a) and (b) of "Basis for Adverse Opinion" section of our report, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, do not conform with the accounting and reporting standards as applicable in Pakistan and do not give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Adverse Opinion

- (a) As at June 30, 2024 the Company's accumulated loss is Rs. 12,593.080 million (2023: Rs. 12,692.103 million) and as that date it has negative equity of Rs. 8,544.192 million (2023: Rs. 8,633.527 million) and company's current liabilities exceeded its current assets by Rs. 8,141.29 million (2023: Rs. 9,395.714 million). Further the company deferred the markup on long term financing instead of accruing it amounting to Rs. 1,531.533 million (2023: Rs. 1,436.091 million) till reporting date. Moreover, the company leased out its land and building of processing division as mentioned in note 6 of the financial statements. The company is facing operational and financial crisis and is not taking any legal action to recover the past due balances. Moreover, the company is defendant / petitioner in various law suits as mentioned in note 27 to the financial statements and due to pending litigations regarding certain long and short term liabilities, bank balances remained unconfirmed / un-reconciled in the absence of balance confirmations from related banks and financial institutions as mentioned in note 15.1, 19.1.6, 20 and 25.5 to the financial statements. Further, there is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the company's current situation. These factors, along with matters mentioned in paragraph (b) below, lead us to believe that going concern assumption used in preparation of financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively;



- (b) Mark up expense has not been fully charged in these financial statements on long and short term financing and lease liability due to pending litigations with various banks. Had the mark up been fully charged, net profit for the year would have been decreased by Rs 1,298.694 million (2023: Rs 1,068.762 million), mark up payable and accumulated loss would have been increased by Rs. 9,097.722 million (2023: Rs. 7,799.028 million);

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the *Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters referred in paragraphs (a) and (b) of "Basis of Adverse Opinion" section of our report, we have determined the matters below to be the key audit matters to be communicated in our report.

Following are the key audit matters:

Key audit matter	How the matter was addressed in our audit
<p><b>Pending litigations</b> As referred in note no. 27 to the accompanying financial statements. The Company faces a number of pending litigations. There is a high level of judgment required in estimating the level of provisioning and/or the level of disclosure required. Where the impact of possible and present obligations is not probable or not reliably measurable, and thus no provision is recorded, failure to adequately disclose the nature of these circumstances within the financial statements may distort the reader's view as to the potential risks faced by the Company. Given the nature and amounts involved in such cases and the appellate forums at which these are pending, the ultimate outcome and the resultant accounting in the financial statements is subject to significant judgment, which can change over time as new facts emerge and each legal case progresses, and therefore, we have identified this as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- circularized confirmations to relevant third-party legal representatives;</li> <li>- as part of our audit procedures, we have assessed management's processes to identify new possible obligations and changes in existing obligations for compliance with Company policy and IAS 37 requirements;</li> <li>- we have analyzed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied</li> <li>- reviewed the subsequent position of pending litigations and</li> <li>- assessed the adequacy of disclosure in note no. 27 to the financial statements.</li> </ul>



<p><b>Valuation of investment property</b></p> <p>As referred in note no. 6 to the accompanying financial statements.</p> <p>We considered the valuation of the investment properties to be significant to the audit because the determination of fair value involves significant judgment and the use of external valuation expert.</p> <p>We identified the valuation of investment properties as a key audit matter as it covers 34.48% of total assets of company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>- Obtained valuation reports and evaluated the qualification, experience and competence of the external property valuer engaged by management and holding discussions with the external property valuer, without the presence of management, to understand their valuation methods and the assumptions applied;</li><li>- Compare the revalued amounts to external market data.</li><li>- Test the mathematical accuracy of the revaluation calculation;</li><li>- Obtained rental agreements signed between the Company and lessees;</li><li>- Assessed the adequacy of disclosures related to investment properties in note no. 6 and 30 to the financial statements.</li></ul>
<p><b>Valuation of stocks</b></p> <p>As referred in Note. 9 to the accompanying Financial statements, the stock in trade constitutes 13.54% of total assets of the Company as at 30 June 2024.</p> <p>Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgment. According to the financial statements' accounting principles inventories are measured at the lower of cost or net realizable value.</p> <p>The company has specific procedures for identifying risk for obsolescence and measuring inventories at the lower of cost or net realizable value.</p>	<p>To address the risk for material error on inventories our audit procedures included the following:</p> <ul style="list-style-type: none"><li>- Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.</li><li>- Assessing the inventory valuation processes and practices. On major locations we tested the effectiveness of the key controls and observed physical verification of inventory at year end.</li><li>- Assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.</li><li>- We tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</li><li>- We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</li></ul>





### Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. As described in the "Basis for Adverse Opinion" section of our report, we have concluded that the other information is materially misstated for the same reason.

### Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

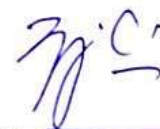
Board of directors is responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



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or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion, except for the effects, if any, of the matters referred to in paragraph (a) and (b) of "Basis of Adverse Opinion" of our report above:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the period were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Adeel Anwar (ACA)



Chartered Accountants

Place: Lahore

Date: October 07, 2024

UDIN: AR202410366p52KUg79Y

**AMTEX LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	NOTE	2024 RUPEES	2023 RUPEES
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5.	974,336,976	952,481,891
Investment property- fair value	6.	1,270,465,767	1,258,691,557
Long term deposits	7.	19,462,379	15,103,828
		<b>2,264,265,122</b>	<b>2,226,277,276</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	8.	216,676,502	173,226,112
Stock in trade	9.	498,912,010	261,847,909
Trade debts	10.	217,932,489	247,322,571
Loans and advances	11.	41,092,393	26,003,572
Deposits and prepayments	12.	5,948,126	4,799,126
Other receivables	13.	23,934,191	19,623,150
Tax refunds due from the Government	14.	297,592,878	238,832,422
Cash and bank balances	15.	118,252,023	112,088,168
		<b>1,420,340,612</b>	<b>1,083,743,030</b>
		<b>3,684,605,734</b>	<b>3,310,020,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
260,000,000 (2023: 260,000,000)			
ordinary shares of Rs.10/- each		<b>2,600,000,000</b>	<b>2,600,000,000</b>
Issued, subscribed and paid up capital	16.	2,594,301,340	2,594,301,340
Capital reserves	17.1&2	281,039,330	281,039,330
Surplus on revaluation of property, plant and equipment	17.3	923,546,882	933,235,260
General reserves	17.4	250,000,000	250,000,000
Accumulated loss		(12,593,079,594)	(12,692,102,450)
		<b>(8,544,192,042)</b>	<b>(8,633,526,520)</b>
<b>NON CURRENT LIABILITIES</b>			
Redeemable capital	18.	-	-
Long term financing	19.	1,097,290,479	-
Lease liabilities	20.	-	-
Deferred liabilities	21.	1,569,877,120	1,464,089,365
		<b>2,667,167,599</b>	<b>1,464,089,365</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22.	721,438,870	236,585,802
Contract liabilities	23.	162,463,213	39,545,748
Interest / markup payable	24.	2,702,818,114	2,730,625,453
Short term borrowings	25.	5,166,503,195	5,407,100,994
Current portion of non current liabilities	26.	808,406,785	2,065,599,464
		<b>9,561,630,177</b>	<b>10,479,457,461</b>
Contingencies and commitments	27.	-	-
		<b>3,684,605,734</b>	<b>3,310,020,306</b>

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**Chief Financial Officer**

**AMTEX LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024 Rupees	2023 Rupees
Revenue from contract with customers-Net	28.	2,793,103,295	1,691,533,515
Cost of revenue	29.	2,358,715,725	1,566,604,667
Gross Profit		434,387,570	124,928,848
Other Income	30.	50,348,122	318,394,562
		484,735,692	443,323,410
Selling and distribution expenses	31.	102,802,264	57,245,157
Administrative expenses	32.	93,126,774	138,855,639
Finance cost	33.	157,431,475	76,999,678
Workers' profit participation fund		6,568,759	8,511,147
Workers' welfare fund		2,540,301	3,234,236
		362,469,573	284,845,857
Profit before income tax and final taxes		122,266,119	158,477,553
Taxation - Other taxes	34.	(27,251,995)	(14,865,562)
Profit before income tax		95,014,124	143,611,991
Taxation - Income tax		(3,403,576)	(5,701,158)
Profit after income tax		91,610,548	137,910,833
Earning per share - Basic and diluted	35.	0.35	0.53

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 Chief Financial Officer

**AMTEX LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024 Rupees	2023 Rupees
Net Profit for the year	91,610,548	137,910,833
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement of defined benefit obligation	(2,276,069)	1,022,364
Surplus on revaluation of property, plant and equipment	-	320,424,292
	(2,276,069)	321,446,656
Total comprehensive Income for the year	89,334,479	459,357,489

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer

**AMTEX LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Notes	2024 Rupees	2023 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		122,266,119	158,477,553
Adjustments for:			
Depreciation of property, plant and equipment	5.1.2	38,918,393	34,563,105
Provision for staff retirement gratuity	21.1.4.	11,569,398	9,046,166
Rebate/Long term advances written off	32.2	9,232,056	76,273,079
Unrealised gain on investment property carried at fair value	30	(11,774,210)	(14,457,035)
Gain on disposal of property, plant and equipment	30.1	(17,835,980)	(268,399,735)
Finance cost	33	157,431,475	76,999,678
Operating cash flows before working capital changes		309,807,251	72,502,811
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(43,450,390)	(1,606,464)
Stock in trade		(237,064,101)	203,635,644
Trade debts		29,390,082	(60,507,718)
Loans and advances		(15,088,821)	2,556,768
Other receivables		(13,543,097)	(6,870,103)
Increase / (decrease) in current liabilities			
Trade and other payables		484,853,068	103,668,419
Contract liabilities		122,917,464	18,951,194
		326,865,206	259,827,740
Cash generated from operations		636,672,457	332,330,551
Income tax paid		(89,416,028)	(58,371,127)
Finance cost paid		(89,795,976)	(22,441,584)
Staff retirement gratuity paid	21.1.3.	(3,500,550)	(2,500,000)
Net cash generated from operating activities		453,959,903	249,017,840
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of operating fixed assets		(101,800,348)	(19,089,235)
Proceeds from disposal of property, plant and equipment		58,862,850	805,000,000
Addition in capital work in progress	5.2.2.	-	(8,439,201)
Long term deposit	7.1	(4,358,551)	(3,911,587)
Net cash (used in)/ generated from investing activities		(47,296,048)	773,559,978
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term financing		(146,902,200)	(432,205,002)
Short term borrowings		(240,597,800)	(561,007,150)
Lease liability paid		(13,000,000)	-
Net cash used in financing activities		(400,500,000)	(993,212,152)
Net increase/(decrease) in cash and cash equivalents (a+b+c)		6,163,855	29,365,665
Cash and cash equivalents at the beginning of the year		112,088,168	82,722,503
Cash and cash equivalents at the end of the year	15.2	118,252,023	112,088,168

The annexed notes from 1 to 42 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**Chief Financial Officer**

**AMTEX LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Capital reserves			Revenue reserves		Total	
	Issued, subscribed and paid up capital	Merger reserve	Share premium	Surplus on revaluation of property, plant and equipment	General reserve		Accumulated loss
-----Rupees-----							
Balances as at July 01, 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)
Net Profit for the year	-	-	-	-	-	137,910,833	137,910,833
Other comprehensive income for the year							
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,022,364	1,022,364
-Surplus on revaluation of property, plant and equipment net of deferred tax	-	-	-	320,424,292	-	-	320,424,292
Total comprehensive income for the year	-	-	-	320,424,292	-	138,933,197	459,357,489
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year	-	-	-	(2,491,597)	-	2,491,597	-
-Disposal of fixed assets	-	-	-	(198,545,553)	-	198,545,553	-
	-	-	-	(201,037,150)	-	201,037,149	-
Balances as at June 30, 2023	2,594,301,340	98,039,330	183,000,000	933,235,260	250,000,000	(12,692,102,451)	(8,633,526,520)
Net Profit for the year	-	-	-	-	-	91,610,548	91,610,548
Other comprehensive income for the year							
- Remeasurement of defined benefit obligation	-	-	-	-	-	(2,276,069)	(2,276,069)
-Surplus on revaluation of property, plant and equipment net of deferred tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	89,334,479	89,334,479
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year	-	-	-	(5,477,743)	-	5,477,743	-
-Disposal of fixed assets	-	-	-	(4,210,635)	-	4,210,635	-
	-	-	-	(9,688,378)	-	9,688,378	-
Balances as at June 30, 2024	2,594,301,340	98,039,330	183,000,000	923,546,882	250,000,000	(12,593,079,594)	(8,544,192,042)

The annexed notes from 1 to 42 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer

**AMTEX LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**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 the 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 Punj Pullian Daewoo Road, District Faisalabad, in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honourable 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. 122.266 million and its sales have also increased during the period as compared to previous corresponding period but the Company is in litigation with Sukuk unit holders and certain financial institutions have also filed suits against the company for recovery of their outstanding debts. The management of the Company has already taken steps for restructuring of loans. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. The company has negative equity of more than Rs. 8 billion, its long-term solvency position is quite adverse and so is the case with short term solvency position which cast significant doubt about the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management is confident that it has been taking measures and will be able to restore the financial position of the Company.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) 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; and
- Provisions of and the directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Functional and presentation currency**

These financial statements are presented in Pakistan Rupee which is functional and presentational currency of the Company and figures are rounded off to the nearest rupee unless otherwise specified.

**2.3 Basis of measurement**

The financial statements have been prepared under the "historical cost convention" except:-

- certain property, plant and equipment items carried at revaluation.
- employee retirement benefits carried at present value.
- investment property measured at fair value.

**2.4 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In process of applying the Company's accounting policies, the management has made following estimates and judgements which are significant to financial statements:

Useful lives, residual values and depreciation method of property, plant and equipment – Note 5.

Fair value of investment property - Note 6.

Provision for impairment of inventories - Note 8 & 9.

Provision for doubtful trade receivables – Note 10.

Obligation of defined benefit obligation - Note 21.1.



Estimation of contingent liabilities - Note 27.

Current income tax expense, provision for current tax -Note 14. and 34.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

### 3. Changes in accounting standards and interpretations

#### 3.1. New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

3.1.1. The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations 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 certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
'Amendments to IAS 1 'Presentation of Financial Statements' -Disclosure of accounting policy	January 1, 2023
'Amendments to IAS 8 'Accounting Policies, Changes in Accounting -Estimates and Errors' - Definition of accounting estimates	January 1, 2023
-Assets and liabilities arising from a single transaction	January 1, 2023

#### 3.2. New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or are the date mentioned against each of them. These standards, interpretations and the amendments 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 certain additional disclosures.

	<b>Effective from accounting period beginning on or after:</b>
'Amendments to IAS 1 'Presentation of Financial Statements' -Classification of liabilities as current or non-current	January 1, 2024
'Amendments to IAS 7 -Statement of cash flows	January 1, 2024
'Amendments to FRS 16 Leases -SALE and leaseback transaction	January 1, 2024
'Amendments to IAS 21 -The effect of changes in foreign exchange rates	January 1, 2025
'Amendments to IFRS 7 -Financial instruments : Disclosures	January 1, 2026
'Amendments to IFRS 17 -Insurance Contracts'	January 1, 2026
"Amendments to IFRS 9 -Financial instruments -Classification and measurement of financial instruments	January 1, 2026

### 4. SUMMARY OF MATERIAL POLICY INFORMATION

#### 4.1 Property, plant and equipment

##### Owned

Property, plant and equipment except freehold land and capital work in progress are stated at cost / revalued amount less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount less accumulated impairment in value, if any. Capital work-in-progress is stated at cost less accumulated impairment in value, if any.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property, plant and equipment note. Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

In respect of additions and disposals during the year, depreciation is charged from the date of acquisition or capitalisation and up to the date preceding the day of disposal.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment.

Normal repairs and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of property, plant and equipment are included in current income.

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.

Surplus arising on revaluation of property, plant and equipment is recognized, in other comprehensive income and accumulated in reserves in shareholders' equity and is shown in equity. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of the assets does not differ materially from the fair value. Accumulated depreciation at the date of revaluation is eliminated against the cost of the asset and net amount is restated to the revalued amount of the asset. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related property, plant and equipment during the year is part of statement of changes in equity. A decrease as a result of revaluation is recognized in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance in revaluation surplus in respect of same assets. The revaluation reserve is not available for distribution to the Company's shareholders.

Gains or losses on disposal of assets, if any, are recognized as and when incurred. Surplus arising on revaluation is credited to surplus on revaluation of property, plant and equipment. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred by the Company to its un-appropriated profit.

#### **4.2. Right-of-use assets**

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Company at the end of the lease term or if the cost of the asset reflects that the Company will exercise the purchase option, depreciation is charged over the useful life of asset in the same manner as charged for owned assets.

#### **4.3. Asset held under Ijarah financing**

Assets held under Ijarah financing are accounted for using the guidelines of Islamic Financial Accounting Standard-2 (IFAS 2), "Ijarah". The assets are not recognized on the Company's statement of financial position and payments made under Ijarah financing are recognized in the statement of profit or loss on a straight line basis over the term of the Ijarah.

#### **4.4. Investment property**

Investment properties are properties held to earn rentals and/ or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from the change in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on de-recognition of property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

##### **4.4.1 Rental income**

Rental income from investment property that is leased to a third party under an operating lease is recognised in the statement of profit or loss over the lease term and is included in 'other income'.

##### **4.5 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, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit and loss account in the period in which these are incurred.

##### **4.6 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### **4.7 Stores, spares and loose tools**

These are stated at lower of cost and net realizable value. Cost is determined using moving average method. Items in transit are stated at invoice value plus other charges incurred thereon until the reporting date.

For items that are slow moving adequate provision is made, if necessary, for any excess carrying value over estimated realizable value and charged to the statement of profit or loss.

#### **4.8 Stock in trade**

Stock in trade except waste are valued at lower of cost and net realisable value. Cost is determined as follows:

Raw material	Weighted average cost except items in transit which are valued at cost accumulated upto the balance sheet date
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost

Wastes are valued at net realisable value.

Net realizable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost to make the sales. Average manufacturing cost consists of direct materials, labor and a proportion of manufacturing overheads.

#### **4.9 Trade debts and other receivables**

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance, if any. The Company always measures the loss allowance for trade debts at an amount equal to lifetime expected credit losses (ECL). The expected credit losses on trade debts are estimated using a simplified approach by reference to historical rate of default to the debtor's balance at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Trade debts and other receivables considered irrecoverable are written off.

#### **4.10. Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flow, cash and cash equivalents consist of cash in hand, balances with banks, books overdrawn, highly liquid short term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

#### **4.11. Staff retirement benefits**

The Company operates a defined benefit plan unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. All remeasurement adjustments are recognized in other comprehensive income as they occur. The amount recognized in the statement of financial position represents the present value of defined benefit obligation as adjusted for remeasurement adjustments.

#### **4.12. Trade and other payables**

Trade and other payable are recorded initially at fair value and subsequently measured at amortized cost. Generally, this results in their recognition at nominal value.

#### **4.13. Borrowings**

Borrowings are initially recognised at fair value plus directly attributable cost, if any, and are subsequently stated at amortized cost.

#### **4.14. Provisions**

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event and it is probable that an outflow 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.

#### **4.15. Provision for taxation**

##### **Current**

Provision for current taxation is based on income taxable at the current tax rates after taking into account tax rebates and tax credits available under the law.

##### **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 amounts for financial reporting purposes. In this regard, the potential effects of deferred taxation on the portion of income subject to final tax (which will be in normal tax regime from financial year 2025) is also considered in accordance with the guidance of the Institute of Chartered Accountants of Pakistan.

Deferred tax asset is recognised 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 utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised 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 in the income statement, except in case of items credited or charged to equity in which case it is included in equity.

#### **4.16. Dividend and other appropriations**

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

#### **4.17. Foreign currency translation**

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

Exchange differences are included in profit or loss. All non-monetary items are translated into Pak Rupee at exchange rates prevailing on the dates of transactions.

#### **4.18. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

##### **4.18.1. Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

##### **Financial assets at amortized cost**

Instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **Financial assets at FVTOCI**

A debt instrument is measured at FVTOCI only if it meets both of the following conditions and is not designated as at FVTPL:

> The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

> The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income. This election is made on an investment by investment basis.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at fair value through the statement of profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition. If such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the statement of profit or loss.

**4.18.2. Impairment of financial assets other than trade debts**

For financial assets other than trade debts, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**(i) Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,

(b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

**(ii) Definition of default**

The Company employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

**(iii) Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

**(iv) Write-off policy**

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

**(v) Measurement and recognition of ECL**

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets’ gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company’s understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

**Non-financial assets**

The Company assesses at each reporting date whether there is any indication that assets except inventories, biological assets and deferred tax asset may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the statement of profit or loss. The recoverable amount is the higher of an asset’s ‘fair value less costs to sell’ and ‘value in use’.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the extent of the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized. Reversal of impairment loss is recognized as income.

**4.18.3. Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on changes in fair value recognized in the statement of profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in the statement of profit or loss incorporates any interest paid on the financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in statement of other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch statement of in the profit or loss. The remaining amount of change in the fair value of liability is recognized in the statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in statement of other comprehensive income are not subsequently reclassified of the statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognized in the statement of profit or loss.

#### **Financial liabilities measured subsequently at amortized cost**

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the statement of profit or loss.

#### **4.18.4. Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

#### **4.19. Revenue recognition**

##### **Revenue from contracts with customers for sale of yarn, fabric and madeups:**

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS-15:

**Step-1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step-2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step-3:** Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step-4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

**Step-5: Recognize revenue when (or as) the Company satisfies a performance obligation.**

Mentioned below are different revenue streams of the Company and their terms of recognition of revenue after satisfying all the five steps of revenue recognition in accordance with IFRS 15.

##### **a) Sale of goods**

The Company's contracts with customers for the sale of goods generally include one performance obligation and recognized at a point of time. Revenue is recognized when goods are dispatched to customers and bill of lading is prepared for local sales and exports sales respectively. It is the time when control (significant risk and rewards) relating to ownership of goods and control over these goods has been transferred to the buyer.

**b) Interest income**

Interest income is recognized using effective interest rate method.

**Presentation and disclosure requirements**

As required for the financial statements, the Company disaggregated revenue recognized from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company has also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

**4.20. 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.

**4.21. Lease Liabilities**

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of short term and low value leases are not recognized and payments against such leases are recognized as expense in statement of profit or loss.

**4.22. Contingent liabilities**

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

**4.23. Contingent assets**

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until their realisation become virtually certain.



	Note	2024 Rupees	2023 Rupees
<b>5. Property, plant and equipment</b>			
Tangible			
Operating fixed assets	5.1	974,336,976	952,481,891
<b>5.1 Operating fixed assets</b>			

	Company owned									Right of use assets	Total	
	Freehold land	Building on freehold land	Plant and machinery	Electric installations	Factory equipment	Furniture and fixtures	Office equipment	Laboratory equipment	Vehicles			Sub total
												Plant and machinery
<b>As At July 01, 2022</b>												
Cost/ valuation	545,873,300	415,967,066	233,550,228	36,000,000	2,149,999	7,520,074	18,921,126	1,600,000	82,745,661	1,344,327,454	31,911,500	1,376,238,954
Accumulated depreciation	-	97,937,014	53,464,657	8,298,000	495,575	6,025,133	15,501,747	368,800	56,127,930	238,218,856	7,355,601	245,574,457
<b>Opening net book value</b>	<b>545,873,300</b>	<b>318,030,052</b>	<b>180,085,571</b>	<b>27,702,000</b>	<b>1,654,424</b>	<b>1,494,941</b>	<b>3,419,379</b>	<b>1,231,200</b>	<b>26,617,731</b>	<b>1,106,108,598</b>	<b>24,555,899</b>	<b>1,130,664,497</b>
Addition:												
Cost	-	-	19,089,235	-	-	-	-	-	-	19,089,235	-	19,089,235
Transfer from capital work in process	-	20,183,166	-	4,894,455	-	-	-	-	-	25,077,621	-	25,077,621
Disposals:												
Cost/ valuation	211,500,000	348,505,950	18,548,590	13,500,000	800,000	-	-	1,600,000	-	594,454,540	6,000,000	600,454,540
Accumulated depreciation	-	82,237,236	4,533,943	3,373,591	199,916	-	-	399,833	-	90,744,519	1,499,374	92,243,893
	-	266,268,714	14,014,647	10,126,409	600,084	-	-	1,200,167	-	503,710,021	4,500,626	508,210,647
Depreciation charge	-	6,596,995	17,897,221	1,993,216	119,399	149,494	341,938	31,033	5,323,546	32,452,842	2,110,264	34,563,105
Revaluation Surplus	268,274,200	52,150,092	-	-	-	-	-	-	-	320,424,292	-	320,424,292
<b>At June 30, 2023</b>												
Cost/ valuation	602,647,500	117,497,600	234,090,873	27,394,455	1,350,000	7,520,074	18,921,126	-	82,745,660	1,092,167,288	25,911,500	1,118,078,788
Accumulated depreciation	-	-	66,827,935	6,917,625	415,058	6,174,627	15,843,685	-	61,451,476	157,630,406	7,966,491	165,596,897
<b>Total book value at June 30, 2023</b>	<b>602,647,500</b>	<b>117,497,600</b>	<b>167,262,938</b>	<b>20,476,830</b>	<b>934,943</b>	<b>1,345,447</b>	<b>3,077,441</b>	<b>-</b>	<b>21,294,184</b>	<b>934,536,882</b>	<b>17,945,009</b>	<b>952,481,891</b>
Cost/ valuation	602,647,500	117,497,600	234,090,873	27,394,455	1,350,000	7,520,074	18,921,126	-	82,745,660	1,092,167,288	25,911,500	1,118,078,788
Accumulated depreciation	-	-	66,827,935	6,917,625	415,058	6,174,627	15,843,685	-	61,451,476	157,630,406	7,966,491	165,596,897
	602,647,500	117,497,600	167,262,938	20,476,830	934,943	1,345,447	3,077,441	-	21,294,184	934,536,882	17,945,009	952,481,891
<b>Opening net book value</b>	<b>602,647,500</b>	<b>117,497,600</b>	<b>167,262,938</b>	<b>20,476,830</b>	<b>934,943</b>	<b>1,345,447</b>	<b>3,077,441</b>	<b>-</b>	<b>21,294,184</b>	<b>934,536,882</b>	<b>17,945,009</b>	<b>952,481,891</b>
Addition:												
Cost	-	-	43,935,398	37,371,503	-	20,493,447	-	-	-	101,800,348	-	101,800,348
Disposals:												
Cost/ valuation	32,274,000	8,931,500	-	-	-	-	-	-	-	41,205,500	-	41,205,500
Accumulated depreciation	-	178,630	-	-	-	-	-	-	-	178,630	-	178,630
	32,274,000	8,752,870	-	-	-	-	-	-	-	41,026,870	-	41,026,870
Depreciation charge	-	8,031,935	18,919,184	4,387,797	93,494	1,124,902	307,744	-	4,258,837	37,123,892	1,794,501	38,918,393
<b>At June 30, 2024</b>												
Cost/ valuation	570,373,500	108,566,100	278,026,271	64,765,958	1,350,000	28,013,521	18,921,126	-	82,745,660	1,152,762,136	25,911,500	1,178,673,636
Accumulated depreciation	-	7,853,305	85,747,119	11,305,422	508,552	7,299,529	16,151,429	-	65,710,313	194,575,668	9,760,992	204,336,660
	570,373,500	100,712,795	192,279,152	53,460,536	841,448	20,713,992	2,769,697	-	17,035,347	958,186,468	16,150,508	974,336,976
<b>Total book value at June 30, 2024</b>	<b>570,373,500</b>	<b>100,712,795</b>	<b>192,279,152</b>	<b>53,460,536</b>	<b>841,448</b>	<b>20,713,992</b>	<b>2,769,697</b>	<b>-</b>	<b>17,035,347</b>	<b>958,186,468</b>	<b>16,150,508</b>	<b>974,336,976</b>
Annual rate of depreciation (%)	-	5-10	10	10	10	10	10	10	20	10	10	10

**5.1.1 Particulars of immovable property (i.e land and building) in the name of the Company are as follows:**

	Location	Usage of immovable property	Covered Area (Square yards)	Total Area (Square yards)
a)	Chak No. 120/J.B, District Faisalabad, Punjab.	Manufacturing unit	2,117	2,965
b)	Chak No. 204/R.B, Raza Garden, District Faisalabad, Punjab.	Guest house	1,647	6,128
c)	Montgomery Bazar, Amtex Office, District Faisalabad, Punjab.	Registered / Admin office	270	164
d)	Chak No. 120/J.B, District Faisalabad, Punjab.	Commerical	-	1,013
e)	Chak No. 120/J.B, District Faisalabad, Punjab.	Open Land	-	2,962

	Note	2024 Rupees	2023 Rupees
<b>5.1.2 Depreciation for the year has been allocated as under:</b>			
Cost of sales	29.1	38,140,025	33,746,475
Administrative expenses	32	778,368	816,630
		<u>38,918,393</u>	<u>34,563,105</u>

**5.1.3** The company had revalued its freehold land, building on freehold land, electric installations, factory equipment and laboratory equipment . Revaluation of freehold land on market value basis and building on freehold land, electric installations, and factory equipment on depreciated replacement values basis was carried out by independent valuers M/S Observers (Private) Limited as at June 03, 2004, by M/S BFA (Private) Limited as at June 30, 2009 ,by M/S Empire Enterprises (Private) Limited as at December 31, 2012, by M/S Gulf Consultants as at June 30, 2017 and as at January 01, 2020 of Plant & Machinery, Factory equipments, Electric Installation and Laboratory equipments by M/S Gulf Consultants and latest revaluation was carried out of land and bulding by independent valuer M/S Gulf Consultants as at 30 june 2023 on depreciated replacement values basis.

**5.1.4** Forced sales value (FSV) of machinery and equipments is Rs.97.235 Million respectively as at January 01, 2020.Forced sales value (FSV) of land and buildings is Rs. 512.25 and Rs. 99.873 Million respectively as at June 30, 2023.

**5.1.5 Detail of disposal of property, plant and equipment**

Description	Cost / Revaluated amount A	Accumulated depreciation B	Written down value C=A+B	Sale proceeds D	gain/(loss) F=D-C-E	Particulars	Mode of Disposal
	-----Rupees-----						
LAND	32,274,000	-	32,274,000	53,299,650	21,025,650	Abdul Khaliq Khan	Negotiation
BUILDING	8,931,500	178,630	8,752,870	5,563,200	(3,189,670)	Abdul Khaliq Khan	Negotiation
<b>2024 Rupees</b>	<b>41,205,500</b>	<b>178,630</b>	<b>41,026,870</b>	<b>58,862,850</b>	<b>17,835,980</b>		
<b>2023 Rupees</b>	<b>600,454,540</b>	<b>92,243,893</b>	<b>508,210,647</b>	<b>805,000,000</b>	<b>296,789,353</b>		

**5.1.6** Had there been no revaluation, the related figures of freehold land, building on freehold land, electric installations, factory equipment and laboratory equipment as at June 30, 2024 would have been as follows:

2024		
Cost	Accumulated depreciation	Written down value
-----Rupees-----		

**Company owned**

Freehold land	40,430,472	-	40,430,472
Building on freehold land	175,155,608	138,765,906	36,389,702
Electric installations	62,320,535	16,643,079	45,677,456
Factory equipment	3,693,513	3,447,905	245,608
	<u>281,600,128</u>	<u>158,856,890</u>	<u>122,743,238</u>

	Note	2024 Rupees	2023 Rupees
<b>6. Investment property - at fair value</b>			
Land	6.1.	668,244,500	642,209,000
Building	6.2.	602,221,267	616,482,557
		<u>1,270,465,767</u>	<u>1,258,691,557</u>
<b>6.1. Land</b>			
Carrying amount as at July 1,		642,209,000	607,495,000
Net gain from fair value adjustment		26,035,500	34,714,000
Carrying amount as at June 30,		<u>668,244,500</u>	<u>642,209,000</u>
<b>6.2. Building</b>			
Carrying amount as at July 1,		616,482,557	636,739,522
Net (loss) from fair value adjustment		(14,261,290)	(20,256,965)
Carrying amount as at June 30,		<u>602,221,267</u>	<u>616,482,557</u>
<b>6.3.</b> The fair value of investment property was carried out by an independent valuer as at June 30, 2024 on depreciated replacement values basis.			
<b>6.4.</b> Investment property with a carrying amount of Rs. 1,244.234 million are subject to first charge against loan of Rs. 1,217.722 million (2023: Rs. 1,217.722 million) from United Bank Ltd, Rs.399.568 million (2023: Rs. 399.568 million) from Askari Bank Ltd, Rs. 122.684 million (2023: Rs. 122.684 million) from Bank Islami Ltd( Formerly KASB Bank Limited and now merged into Bank Islami).			
<b>6.5.</b> Forced sales value (FSV) of land and buildings is Rs. 568.008 million and Rs. 511.888 million respectively as at June 30, 2024.			
<b>6.6.</b> It includes land and building rented to Abwa Knowledge Village (Pvt) Ltd, a related party.			
<b>6.7.</b> It represents freehold land and building located at 1 K.M. Jararnwala Road chak No. 76/R.B, Khurrianwala, District Faisalabad, Province Punjab, with total area of 105,010 square yards.			

	Note	2024 Rupees	2023 Rupees
<b>7. Long term deposits</b>			
Against utilities	7.1	10,087,882	5,729,331
Against TFC		9,374,497	9,374,497
		<u>19,462,379</u>	<u>15,103,828</u>
<b>7.1 Movement of long term deposits</b>			
Opening balance		5,729,331	41,345,029
Increase during the year		4,358,551	3,911,587.00
Written off during the year		-	(11,137,667)
Transfer to spinning unit		-	(28,389,618)
Closing balance		<u>10,087,882</u>	<u>5,729,331</u>
<b>8. Stores, spares and loose tools</b>			
Stores	8.1.	216,242,331	171,569,699
Spares		434,171	1,656,413
		<u>216,676,502</u>	<u>173,226,112</u>
<b>8.1.</b> Stores include items that may result in fixed capital expenditure but are not distinguishable.			
<b>9. Stock in trade</b>			
Raw material		386,179,106	132,393,017
Work in process		19,110,448	15,306,890
Finished goods		92,120,616	112,650,987
Waste		1,501,840	1,497,015
	9.1.	<u>498,912,010</u>	<u>261,847,909</u>
<b>9.1.</b> Stock in trade amounting to Rs. 155.121 million (2023:Rs. 166.767 million) was pledged as security with the banks. Due to pending litigation with NBP latest pledged stock sheets are not provided / made available by the bank. Out of total pledged stock the part of NBP amounts to Rs. 36.755 million (2023 :48.401 million)			

<b>10. Trade debts</b>		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
Considered good			
Secured			
Foreign		5,869,864	24,902,032
Unsecured			
Foreign		157,365,422	188,850,548
Local	<b>10.1.</b>	57,381,540	33,569,991
		214,746,962	222,420,539
Considered doubtful			
Unsecured			
Foreign		7,041,998,879	7,041,998,879
Local		-	-
Less: Provision for expected credit losses	<b>10.2.</b>	(7,044,683,216)	(7,041,998,879)
		(2,684,337)	-
		<u>217,932,489</u>	<u>247,322,571</u>
<b>10.1.</b> It includes Balance from related party as follows:			
Cotton Passion (PVT) Limited:		<u>40,564,233</u>	<u>18,776,947</u>
The ageing of trade debts as at statement of financial position date is as under:			
Upto 1 month		4,731,405	2,190,140
1 to 6 months		35,832,828	16,586,807
		<u>40,564,233</u>	<u>18,776,947</u>
<b>10.1.1.</b> The maximum aggregate amount of receivable due from related party at the end of any month during the year was Rs. 42.704 million (2023: Rs. 29.828 million).			
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>Rupees</b>	<b>Rupees</b>
<b>10.2. Provision for expected credit losses</b>			
Opening balance		7,041,998,879	7,041,998,879
Created during the year	<b>32</b>	2,684,337	-
Closing balance		<u>7,044,683,216</u>	<u>7,041,998,879</u>
<b>10.3</b> The ageing of these trade debts as at statement of financial position date is as under:			
Not past due		217,932,489	247,322,571
Past due within one year		2,684,337	-
Past due more than one year		7,041,998,879	7,041,998,879
		7,044,683,216	7,041,998,879
		<u>7,262,615,705</u>	<u>7,289,321,450</u>
<b>10.4.</b> Following are the details of debtors in relation to export sales:			
<b>Jurisdiction</b>			
USA		21,843,410	33,074,035
Europe		-	97,707,380
Australia		-	35,200,490
Hong kong		-	24,358,118
Italy		-	7,602,763
Spain		2,806,012	15,809,794
UK		133,182,213	-
France		5,403,651	-
		<u>163,235,286</u>	<u>213,752,580</u>

	Note	2024 Rupees	2023 Rupees
<b>11. Loans and advances</b>			
Considered good			
Advances			
Suppliers and others		41,092,393	26,003,572
<b>12. Deposits and prepayments</b>			
Deposits			
Custom deposits		1,149,000	-
Lease deposits		4,799,126	4,799,126
		5,948,126	4,799,126
<b>13. Other receivables</b>			
Export rebate / duty drawback	13.1.	23,934,191	19,623,150
<b>13.1. Movement of other receivable</b>			
Opening balance		19,623,150	77,888,459
Created during the year		17,305,070	15,548,903
Written off during the year		(9,232,056)	(65,135,412)
Received during the year		(3,761,973)	(8,678,800)
Closing balance		23,934,191	19,623,150
<b>14. Tax refunds due from the Government</b>			
Income tax		39,101,278	33,115,005
Sales tax		258,491,600	205,717,417
		297,592,878	238,832,422
<b>15. Cash and bank balances</b>			
Cash in hand		84,916,571	75,759,375
Cash at banks;			
In current accounts		33,335,452	36,315,817
In PLS accounts		-	12,976
		118,252,023	112,088,168
<b>15.1. Information / records were not made available by the banking companies to confirm the year end balances amounting to Rs.16.945 million (2023: Rs.14.15 million) out of total outstanding amount due to pending litigation.</b>			
<b>15.2. Cash and cash equivalent</b>			
		118,252,023	112,088,168
<b>16. Issued, subscribed and paid up capital</b>			
		<b>2024</b>	<b>2023</b>
		<b>-----No. of shares-----</b>	<b>Rupees</b>
			<b>Rupees</b>
237,444,067	237,444,067	Ordinary shares of Rs. 10/- each fully paid in cash.	2,374,440,670
4,046,067	4,046,067	Ordinary shares of Rs.10/- each issued as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the Court.	40,460,670
17,940,000	17,940,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares.	179,400,000
259,430,134	259,430,134		2,594,301,340

**16.1.** The ordinary shareholders are entitled to receive dividends as and when declared by the Company from time to time and are entitled to one vote per share at the general meeting of the company. All shares are ranked equally with regard to company's residual assets.

	Note	2024 Rupees	2023 Rupees
<b>17. Reserves</b>			
Capital reserves			
Merger reserve	17.1.	98,039,330	98,039,330
Share premium	17.2.	183,000,000	183,000,000
		281,039,330	281,039,330
Surplus on revaluation of property, plant and equipment	17.3.	923,546,882	933,235,260
		1,204,586,212	1,214,274,590
Revenue reserves			
General reserve	17.4.	250,000,000	250,000,000
		1,454,586,212	1,464,274,590

- 17.1.** The merger reserve pertain to the amount paid to the shareholders of Amtex Spinning Limited over and above the amount of their paid up capital pursuant to scheme of amalgamation of Amtex Spinning limited with Amtex Limited as approved by honourable Lahore High court with effect from April 1, 2003.
- 17.2.** This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.
- 17.3.** The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.
- 17.4.** This reserve can be utilized by the Company for various purposes including issue of bonus shares to shareholders, payment of dividend when profits are insufficient and further to meet sudden losses due to natural calamities.

	Note	2024 Rupees	2023 Rupees
<b>18. Redeemable capital</b>			
Secured			
Sukuk certificates	18.1. & 18.2.	-	-

- 18.1.** These represent balance out of 130,000 sukuk certificates of Rs. 5,000/- each privately placed with a banking company. During the musharika, the legal title to the musharika assets will remain with the Company, however, a trustee will hold the beneficial title on behalf of the investors.

In addition, these are secured against second charge on all the present and future fixed assets excluding freehold land and building on freehold land of the Company, bank guarantee of Rs. 740 million issued in favour of the trustee and by personal guarantee of two directors of the Company. Bank guarantee of Rs. 740 million is also secured. Securities are disclosed in Note 19.1.1.

Sukuk certificates are redeemable in twelve equal quarterly installments commenced from January 10, 2010 and ending on October 10, 2012.

The certificate holders will be entitled to rental payments for use of musharika assets. Rental payments shall be calculated to provide return equal to the base rate plus incremental rental plus service agency charges incurred by the trustee during the previous quarter.

Base rate is defined as three months KIBOR and incremental rental is defined as margin of 2% per annum.

The effective yield rate of rental is Nil (2023: Nil).

- 18.2.** The Company has 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/- (refer Note No.25.4) 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	2024 Rupees	2023 Rupees
<b>19. Long term financing</b>			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	19.1.	1,583,765,941	1,730,668,141
Long term finances under SBP	19.1.	19,176,163	19,176,163
Morabaha finance	19.1.	9,594,052	9,594,052
Morabaha finance II	19.1.	104,000,000	104,000,000
Not subject to markup			
Demand finance	19.1.	134,835,000	134,835,000
		1,851,371,156	1,998,273,356
Less: Current portion			
Installments overdue		(599,080,677)	(1,998,273,356)
Payable within one year		(155,000,000)	-
	26.	(754,080,677)	(1,998,273,356)
		1,097,290,479	-

**19.1. Terms of finances are as under:**

Nature of finance	Notes	Balance Rupees	Number of installments	Payment rests	Commencement date	Ending date	Mark up rate
<b>Under mark up arrangements:</b>							
<b>Demand finances</b>							
DFI	19.1.1 & 19.1.6	982,722,110	39	Quarterly	31-Aug-23	30-Sep-32	5.69% p.a.
DFI	19.1.2	253,975,462	11	Quarterly	1-Dec-22	30-Jun-23	6% p.a.
DF	19.1.3 & 19.1.6	347,068,369	11	Semi annually	31-Dec-23	31-Dec-28	5.45% p.a.
		1,583,765,941					
<b>Long term finances under State</b>							
<b>Bank of Pakistan Scheme</b>							
II		4,243,913	12	Quarterly	27-Jan-07	27-Oct-09	SBP rate + 2.00%
III	19.1.6	14,932,250	17	Quarterly	31-Mar-07	31-Mar-12	SBP rate +3.00%
		19,176,163					
<b>Morabaha finance</b>	19.1.6	9,594,052	8	Quarterly	27-Aug-19	27-Aug-21	11.00% p.a
<b>Morabaha finance II</b>	19.1.4 & 19.1.6	104,000,000	36	Quarterly	31-Dec-13	31-Dec-22	1 year kibar-3% with cap at 7 % p.a.
<b>Not subject to mark up:</b>							
<b>Demand finances</b>							
DFII	19.1.5	134,835,000	8	Quarterly	30-Jun-23	30-Jun-23	-

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 (Refer Note 25 ), 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.

The effective rate of mark up ranges from 6.00% to 8.50% per annum (2023: 6.00% to 8.50% per annum).

**19.1.1** It includes an amount of rupees 982.722 million payable to United Bank Limited restructured during the period. The Company entered in to tripartite Settlement agreement with the Bank and Abwa knowledge village private limited in November 2023 according to which company has paid an amount of rupees 110 million as down payment and balance principal that includes Demand finance rupees 967.124 million, export finance rupees 109.725 million and LG encashment rupees 30.872 million along with IRIS cost of rupees 18.033 million will be paid in seven years in 28 quarterly installments commencing from December 2023 till September 2030. Mark up at cost of funds i.e., 5.69% will be accrued and will be paid after entire adjustment of principal in eight equal quarterly installments of rupees 28.899 million each commencing from December 2030 to September 2032. Further Markup decretal liability and cost of funds from the date of decree till execution of settlement agreement shall be waived off amounting to Rs.834.242 million by the bank at the tail end subject to regular payments in accordance with the agreement. Till balance sheet date an amount of rupees 125 million has paid other than down payment.

**19.1.2** The company has entered in to restructuring and rescheduling agreement with Soneri bank limited for 3rd time of existing finance facilities in September 2022. Upfront payment of Rs 44 million has paid in FY 2022-23 remaining principal Rs. 253.975 million will be paid in eleven equal quarterly installments of Rs.23.088 million each commencing from December 2022 till June 2025. According to restructuring letter bank also agreed to waive off accrued mark up / cost of fund (6%) from 01.07.2016 till 30.06.2019. However previous accrued markup along with future cost of fund @ 6% from 30.09.2022 till 30.06.2025 amounting Rs. 231.079 million will be paid in eight equal quarterly installments of rupees 28.941 million each commencing from 30.09.2025 till 30.06.2027.

In case of non-payment of any amount/installment on due date as stand above shall be treated as default by borrower and wavier of markup/COFs and write-off of legal charges etc. shall automatically become null and void. The company has defaulted in payments of loan as per schedule therefore whole amount stand as overdue and bank has filed suit against company due to non payment.

**19.1.3** The company sa entered in to restructuring and rescheduling agreement with Askari Bank Limited in October 2023 regarding out of court settlement of all outstanding liabilities amounting rupees 399.568 million along with future cost of funds. According to said settlement agreement company will pay down payment of rupees 45 million before signing of agreement and remaining balance amount will pay in 5 years in 11 step-up semiannual installments along with future cost of funds with last two installments. Cost of funds will be calculated at 5.45%.

**19.1.4** It represents short term export Morabaha finance restructured into long term Morabaha finance II and short term Morabaha Finance I as on December 06, 2013. Further total Mark up till date mentioned amounting to Rs. 45,491,684/- has been deferred (Refer Note 21) and will be recovered on quarterly basis in 3 years after complete adjustment of long term Morabaha Finance II in 9 years. These are secured against JPP charge on Current Assets valuing Rs.750 million, ranking charge over Fixed Assets valuing Rs. 200 million with 25% margin for all lines, Title of export documents and personal guarantees of main sponsoring directors of the company.

**19.1.5** It represents outstanding mark up on principal liabilities restructured as mentioned in note 19.1.2 above, converted in the demand finance and no mark up shall be charged on it.

**19.1.6** Information / records were not made available by the banking companies to confirm the year end balances amounting to Rs. 521.581 million (2023: Rs.528.095 million) out of total outstanding amount due to pending litigation.

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

**19.3 Reconciliation of liabilities arising from long term financing activities**

	At July 01, 2023	Availed / transfer during the year	Repaid / transfer during the year	At June 30, 2024
	-----Rupees-----			
Long term financing	1,998,273,356	140,597,800	(287,500,000)	1,851,371,156
			<b>2024</b>	<b>2023</b>
			<b>Rupees</b>	<b>Rupees</b>
		<b>Note</b>		
Opening balance			67,326,108	67,326,108
Paid / adjusted during the year			<u>(13,000,000)</u>	-
			54,326,108	67,326,108
Current portion				
Installments overdue			<u>(54,326,108)</u>	<u>(67,326,108)</u>
Payable within one year			-	-
		<b>26.</b>	<u>(54,326,108)</u>	<u>(67,326,108)</u>
			-	-

These represent plant and machinery acquired under separate lease agreements.

The purchase option is available to the Company on payment of last installment and surrender of deposit at the end of the lease period.

The principal plus financial charges are payable over the lease period in 16, 24 and 16 quarterly installments. The liability represents the total minimum lease payments. Furthermore, information / records were not made available by the financial institution to confirm the year end balance of the outstanding amount due to pending litigation.

Reconciliation of lease liabilities is given below:

	2024			2023		
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments
	-----Rupees-----					
Installments overdue	73,945,214	19,619,106	54,326,108	86,945,214	19,619,106	67,326,108
Due within one year	-	-	-	-	-	-
Due after one year but not later than five years	-	-	-	-	-	-
	<u>73,945,214</u>	<u>19,619,106</u>	<u>54,326,108</u>	<u>86,945,214</u>	<u>19,619,106</u>	<u>67,326,108</u>



	Note	2024 Rupees	2023 Rupees
<b>21. Deferred liabilities</b>			
Deferred markup on:			
Demand finance	19.1.1.-19.1.3.	1,447,242,858	1,351,800,020
Morabaha finance	19.1.4.	84,290,601	84,290,601
		1,531,533,459	1,436,090,621
Staff retirement gratuity	21.1.	38,343,661	27,998,744
		<u>1,569,877,120</u>	<u>1,464,089,365</u>

**21.1. Staff retirement gratuity**

**21.1.1. General description**

The Company operates an unfunded gratuity scheme for all its employees at mills who have completed the minimum qualifying period of service as defined under the scheme. The most recent valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method".

	Note	2024 Rupees	2023 Rupees
<b>21.1.2. Statement of financial position reconciliation as at June 30,</b>			
Present value of defined benefit obligation		<u>38,343,661</u>	<u>27,998,744</u>
<b>21.1.3. Movement in net liability recognised</b>			
Opening balance as at July 01,		27,998,744	22,474,942
Expenses recognised in statement of profit and loss	21.1.4.	11,569,398	9,046,166
Benefits paid during the year		(3,500,550)	(2,500,000)
Remeasurement loss/gain on obligation		2,276,069	(1,022,364)
Amount transferred from accrued charges		-	-
Closing balance as at June 30,		<u>38,343,661</u>	<u>27,998,744</u>
<b>21.1.4. Expenses recognised in statement of profit and loss</b>			
Current service cost		6,423,385	4,635,902
Interest cost		5,146,013	4,410,264
		<u>11,569,398</u>	<u>9,046,166</u>

**21.1.5. Principal actuarial assumptions**

Discount factor used (per annum)	14.75%	16.25%
Expected rate of increase in salaries (per annum)	10.00%	10.00%
Expected average remaining job tenure of employees	5 years	5 years

**21.1.6. Year end sensitivity analysis of the defined benefit obligation is as follows:**

	Reworked defined benefit obligation			
	Change in assumptions		Increase in assumptions	Decrease in assumptions
	Increase	Decrease		
Discount rate	15.75%	13.75%	36,934,203	39,828,782
Salary increase rate	11%	9%	39,880,332	36,861,865

**21.1.7. Reason for change in Assumptions**

The discount rate used in the last actuarial valuation as on 30.06.2023 was 16.25%. However, in the current investment environment, where there is a downward trend in the interest rate structure, the discount rate has been decreased to 14.75%, in line with the specifications of the IAS-19. Correspondingly, due to decrease in inflationary expectations, the rate of increase in eligible salary has been decreased to 14.75% from 16.25%.

**21.1.8. Expected Maturity Profile**

Followings are the expected distribution and timing of benefit payments at year end:

Description	2024 (Rupees)
Year	
2024	786,045
2025	747,701
2026	690,186
2027	667,180
2028	632,670
2029 to 2033	2,914,118
2034 onward	31,905,761

**21.1.9. Comparison of present value of defined benefit obligation is as follows:**

Rupees	2024	2023	2022	2021	2020
As at June 30,					
Present value of defined benefits obligation	38,343,661	27,998,744	22,474,942	18,215,266	14,039,838
Experience adjustment on obligation	3%	2%	3%	-9%	-21%

**21.1.10.** The expected contribution to the plan for financial year 2025 will be Rs. 16,816,570 (2024: Rs.14,052,085)

	Note	2024 Rupees	2023 Rupees
<b>22. Trade and other payables</b>			
Creditors		369,995,486	168,612,231
LC payable		76,076,570	-
Accrued liabilities		28,659,389	18,059,308
Other payable	22.1.	231,195,249	35,000,000
Workers' welfare fund	22.2.	8,943,417	6,403,116
Workers' profit participation fund	22.3.	6,568,759	8,511,147
		<u>721,438,870</u>	<u>236,585,802</u>

22.1. This amount represent advance against the payment of loan to UBL Bank by Abwa knowledge village (Pvt) Ltd on the behalf of Amtex Ltd. This amount is adjusted against the markup payable to and rent receivable from Abwa Knowledge village (Pvt) Ltd. Rent is receivable from abwa Knowledge village Pvt Ltd agaisnt Land & Building taken on rent.

	Note	2024 Rupees	2023 Rupees
<b>22.2. Workers' welfare fund</b>			
Payable at the beginning of the year		6,403,116	3,168,880
Charge for the year		2,540,301	3,234,236
		<u>8,943,417</u>	<u>6,403,116</u>
Paid during the year		-	-
Payable at the end of the year		<u>8,943,417</u>	<u>6,403,116</u>
<b>22.3. Workers' profit participation fund</b>			
Payable at the beginning of the year		8,511,147	6,443,088
Charge for the year		6,568,759	8,511,147
		<u>15,079,906</u>	<u>14,954,235</u>
Paid to workers during the year		<u>(8,511,147)</u>	<u>(6,443,088)</u>
Payable at the end of the year		<u>6,568,759</u>	<u>8,511,147</u>
<b>23. Contract liabilities</b>			
Foreign		151,841,676	29,279,437
Local		10,621,537	10,266,311
		<u>162,463,213</u>	<u>39,545,748</u>

23.1. Revenue aggregating to Rs. 10,266,311/- (2023: 20,594,554) has been recognized for proceeding year advances from customers.

23.2. The significant increase in foreign contract liabilities is due to increase amount of advances received from foreign customer.

<b>24. Interest / markup payable</b>			
Redeemable capital		88,882,946	88,882,946
Long term financing		99,888,430	99,888,430
Lease Liabilities		19,619,106	19,619,106
Short term borrowings		2,494,427,632	2,522,234,971
		<u>2,702,818,114</u>	<u>2,730,625,453</u>

<b>25. Short term borrowings</b>			
Secured			
From banking companies and financial institutions			
Under mark up arrangements	25.2.		
Export finances		3,699,840,694	3,809,565,694
Running finance		185,231,589	185,231,589
Morabaha finances	25.3.	327,001,675	327,001,675
Cash finances		53,320,760	53,320,760
Forced demand finance	25.4.	529,734,801	560,607,601
Payment against documents		99,968,675	99,968,675
Not subject to markup			
Demand finance	25.4.	271,405,000	271,405,000
Unsecured			
loan from director		-	100,000,000
		<u>5,166,503,195</u>	<u>5,407,100,994</u>

25.1. The aggregate unavailed short term borrowing facilities available to the Company is Rs.Nil at the year end. (2023: Rs.Nil)

25.2. 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 (Refer Note 19.1), 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 (Refer Note 19.1), 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 / sponsor directors of the Company.

The effective rate of mark up charged during the year ranges is Nil (2023: Nil).

- 25.3.** Morabaha finances include Morabaha finance I and also include morabaha facilities availed. These finances are to be repaid from export proceeds realized or from own source and are for purchase of cotton, PSF, yarn, cloth, chemical, spares and other raw material. Collateral securities are same as detailed in Note 19.1.4.
- 25.4.** Total amount of demand finance was Rs. 367.722 million. The securities are disclosed in Note 19.1. Rs.74.989 million was payable on June 29, 2010 as down payment, Rs. 127.876 million was payable till July 31, 2010 out of proceeds of sales tax refunds and remaining mark up balance of Rs. 164.857 million was payable in 10 equal monthly installments commenced from June 30, 2010 and ending on March 31, 2011. As mentioned above Rs.271.405 million is outstanding and suit is in process at court.
- 25.5.** Information / records were not made available by the banking companies to confirm the year end balances amounting to Rs. 1,651.784 million (2023: Rs.721.091 million) and balance of Rs. 23.009 million (2023: Rs. 14.215 ) is not reconciled due to pending litigation.

**25.6. Reconciliation of liabilities arising from short term borrowings**

	At July 01, 2023	Availed / transfer during the year	Repaid / transfer during the year	At June 30, 2024
	-----Rupees-----			
Short term borrowings	5,407,100,994	500,226	(241,098,026)	5,166,503,194
		<b>Note</b>	<b>2024</b> <b>Rupees</b>	<b>2023</b> <b>Rupees</b>
<b>26. Current portion of non current liabilities</b>				
Long term financing		<b>19.</b>	754,080,677	1,998,273,356
Lease liabilities		<b>20.</b>	54,326,108	67,326,108
			<u>808,406,785</u>	<u>2,065,599,464</u>

**27. Contingencies and commitments**

**27.1. Contingencies**

- 27.1.1.** M/S Bank Islami (Formerly KASB Bank Limited merged in to Bank Islami) instituted a suit for recovery of Rs.149,802,970/- under Financial institutions (Recovery of Finances) Ordinance, 2001 in the Honorable Lahore High Court, Lahore against the Company. The case has been decreed and execution of the decree is pending before the Honorable Lahore High Court, Lahore.
- 27.1.2** M/S Zephyre Textiles Limited has filed a suit for recovery of Rs. 2,916,762/- against the company. The case is decreed in favor of Zephyre Textiles Limited by the Honorable Judge, High Court, Lahore. The case is pending for execution.
- 27.1.3** M/S. Pak Kuwait Investment Company Private Limited has instituted suit under Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 97,903,568/- along with future markup. The case was decreed for a sum of Rs.73.40 million. The execution of the decree is pending before Banking Court, Karachi. Being aggrieved, Company has filed appeal in the said matter and the same is pending adjudication in Sindh High Court.
- 27.1.4** Bank Islami Pakistan Limited has instituted suit against the company in the Honorable Lahore High Court, Lahore under financial institutions (Recovery of Finance) Ordinance, 2001 for recovery of Rs. 660,473,859/-. The Company has duly filed its petition for leave to defend in the said matter and the same is pending adjudication.
- 27.1.5** M/S National Bank of Pakistan (Islamic Banking Division) has instituted a suit for recovery of Rs. 106,924,484/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable Lahore High Court, Lahore against the company. The company has duly filed its petition for leave to defend in the said matter and the same is pending adjudication.
- 27.1.6** M/S National Bank of Pakistan has instituted a suit for recovery of Rs. 1,487,663,500/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable Lahore High Court, Lahore against the company. The company has duly filed its petition for leave to defend in the said matter and the same is pending adjudication.
- 27.1.7** M/S Faysal Bank Ltd has instituted a suit for recovery of Rs. 6,061,867/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable Banking Court No. II, Faisalabad against the company. Court decreed the case in favor of Bank to the tune of Rs.4,246,576/-. Execution of decree is pending till date. The Company is in negotiation with the Bank for settlement.
- 27.1.8** The Bank of Punjab instituted a suit for recovery of Rs. 6,373,121,000/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable High Court Lahore against the company. Court has passed the decree in favor of the Bank. The Honorable Lahore High court confirmed the auction of Company's Spinning Division Land & Building as a result of negotiated deal between the Company and first charge holder lending institutions. The sale proceeds of Land, Building and Machinery amounting to Rs.600.00 million have been appropriated towards partial adjustment of principal decretal liability. The Company is in negotiation with the Bank for rescheduling of balance liability.

- 27.1.9** The Company has filed writ petition in the Honorable Lahore High Court, Lahore against Federation of Pakistan and others, in the case of investigation of affairs of the Company by the Securities and Exchange Commission of Pakistan (SECP). The case is pending adjudication. The Honorable Lahore High Court has granted stay in the matter.
- 27.1.10** Regarding pending cases before foreign exchange adjudication officer, State Bank of Pakistan, in the matter of non-repatriation of export proceeds within prescribed times, the Honorable Lahore High Court Lahore has granted stay on show causes notice issued by the State Bank of Pakistan. The matter is pending before the Lahore High Court.
- 27.1.11** Sui Northern Gas Pipelines Ltd has incorporated a suit against the company's Spinning Division situated at 30 KM Shekhupura Road Faisalabad, in the honorable Court of District Judge / Judge Gas Utility Court, Faisalabad for recovery of Rs. 57,713,100/- under Section 6 of The Gas (Theft Control & Recovery) Act 2016 on account of Consumption, Gas Infrastructure Development Cess, General Sales Tax, Violation of Gas Sales Agreement along with sum due, Arrears & Late Payment Surcharge. The company has duly filed its reply in the said matter and the same is pending adjudication.
- 27.1.12** Sui Northern Gas Pipelines Ltd has incorporated a suit against the company's Processing Division situated at 1 KM Khurrianwala Jaranwala Road Faisalabad, in the Honorable Court of District Judge / Judge Gas Utility Court, Faisalabad for recovery of Rs. 485,424,500/- under Section 6 of The Gas (Theft Control & Recovery) Act 2016 on account of Consumption, Gas Infrastructure Development Cess, General Sales Tax, Violation of Gas Sales Agreement along with sum due, Arrears & Late Payment Surcharge. The company has duly filed its reply in the said matter and the same is pending adjudication.
- 27.1.13** The Company has filed reference against order passed by Commissioner Punjab Revenue Authority in Honorable Lahore High Court Lahore challenging the imposition of Punjab Services on sales tax amounting to Rs. 3.1 million on foreign commission paid. Honorable Court after initial hearing has granted stay order and suspend the recovery notice issued in respect of said impugned demand and same is pending adjudication.
- 27.1.14** The Company is defendant in various legal proceedings initiated by ex-employee in labor courts. The Company expects decisions in its favor based on grounds of case and legal opinion hence, no provision has been made.
- 27.1.15** M/S. First National Bank Modaraba (FNBM) has instituted a suit under Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 36,013,341/- along with Cost of Funds before the Honorable Judge Banking Court, Lahore. Court has passed the decree in favor of FNBM. The Company entered into a settlement agreement and under the terms of settlement Agreement Company paid Rs. 4 million as down payment and remaining in installments. Due to overall economic situation, the Company could not adhere to terms of settlement. However, the Company has approached FNBM again for rescheduling of the liability.
- 27.1.16** Amtex Limited has filed appeal in the Court of Additional Session Judge, Faisalabad against M/s S.A Rehmat Private Limited for recovery of Rs.28,230,026/-, Rendition of account and cancellation of documents. Same is pending adjudication.
- 27.1.17** M/S Albaraka Bank Pakistan Limited has instituted a suit for recovery of Rs. 929,221,858/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable Lahore High Court, Lahore against the company in September 2020. The company has filed its petition for leave to defend in the said matter and same is pending adjudication.
- 27.1.18** 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. Amend it as the settlement offer has been received from bank but settlement agreement is in process.
- 27.1.19** The Company has filed writ petition in the Honorable Islamabad High Court against Federation of Pakistan and others, in the case of appointment of inspectors for investigation of affairs of the Company by the Securities and Exchange Commission of Pakistan (SECP). The case is pending adjudication. The Honorable Islamabad High Court has granted stay in the matter.
- 27.1.20** The Company has filed writ petition in the Honorable Islamabad High Court against Federation of Pakistan and others, in the case of investigation regarding certain irregularities in issuance of prospectus at the time of initial public offering. The case is pending adjudication.
- 27.1.21** The company has not fully recognised mark up on long term & short term financing and lease liability due to afore mentioned litigations and also due to settlements with other banks. Had the mark up been fully charged, net profit for the year would have been decreased by Rs. 1,298.694 million (2023: net profit for the year would have been decreased by Rs. 1068.762 million) and accumulated loss and interest / markup payable would have been increased by Rs. 9,097.722 million (2023: Rs. 7,799.028 million)
- 27.1.22** Financial impact, if any, of the above (27.1.1-27.1.23) has not been acknowledged in these financial statements because of pending litigations.

	Note	2024 Rupees	2023 Rupees
<b>27.2. Commitments</b>			
Collector of custom		13,675,623	110,929,107
<b>28. Revenue from contract with customers-Net</b>			
Export Sales			
Direct export			
Fabrics / made ups / garments	28.1.	2,276,622,529	1,371,168,560
Indirect export			
Processing & Stitching		318,138,818	187,814,020
		2,594,761,347	1,558,982,580
Local Sales			
Made ups		119,661,493	71,131,594
Waste and left over		20,889,720	-
Cloth		40,485,665	45,870,438
		2,775,798,225	1,675,984,612
Add: Export rebate / duty drawback	13.1.	17,305,070	15,548,903
		2,793,103,295	1,691,533,515

**28.1.** Exchange gain due to currency rate fluctuation amounting to Rs. 6,256,168/- (2023: Rs. 39,500,337/- ) has been included in direct export sales.

	Note	2024 Rupees	2023 Rupees
<b>28.2. Gross sales</b>			
Indirect export			
Processing		375,403,805	220,565,334
Local			
Made ups		141,200,562	83,462,073
Cloth		47,773,085	53,944,017
Waste and left over		24,649,870	-
		589,027,322	357,971,424
Less: Sales tax		(89,851,625)	(53,155,372)
		499,175,697	304,816,052

**28.3.** Set out below the disaggregation of the Company's Sales.

**Geographic markets:**

Pakistan		499,175,696	304,816,052
UK		1,691,932,774	619,913,401
USA		325,134,409	365,942,190
Canada		-	46,619,789
Italy		532,661	29,642,229
Saudia Arabia		-	8,162,085
Netherland		-	1,224,021
Denmark		3,577,299	104,443,457
Hong kong		56,567,749	99,606,066
Spain		59,118,436	95,615,322
France		67,337,768	-
Czech Republic		29,538,286	-
Nigeria		35,339,014	-
Scotland		7,544,133	-
		2,775,798,225	1,675,984,612

**29. Cost of revenue**

Cost of goods manufactured	29.1.	2,338,190,179	1,536,259,942
Finished goods			
Opening stock		114,148,002	144,492,727
Closing stock		(93,622,456)	(114,148,002)
		20,525,546	30,344,725
		2,358,715,725	1,566,604,667

	Note	2024 Rupees	2023 Rupees
<b>29.1. Cost of goods manufactured</b>			
Raw material consumed	29.1.1.	1,230,062,810	779,117,877
Salaries, wages and benefits		164,476,286	137,476,167
Staff retirement benefits		11,569,398	9,046,166
Stores and spares		4,625,326	8,172,241
Dyes and chemicals		291,893,435	176,173,127
Packing material		211,685,103	194,877,121
Conversion processing and stitching charges		339,673,480	161,312,522
Repairs and maintenance		4,218,115	4,431,687
Fuel and power		40,711,186	31,316,662
Depreciation	5.1.2	38,140,025	33,746,475
Other		4,938,571	2,246,380
		<u>2,341,993,737</u>	<u>1,537,916,425</u>
Work in process			
Opening stock		15,306,890	13,650,407
Closing stock		(19,110,448)	(15,306,890)
		<u>(3,803,558)</u>	<u>(1,656,483)</u>
		<u>2,338,190,179</u>	<u>1,536,259,942</u>
<b>29.1.1. Raw material consumed</b>			
Opening stock		132,393,017	307,340,419
Purchases including direct expenses		1,483,848,899	658,001,238
Pledged stock adjustment with NBP		-	(53,830,763)
		<u>1,616,241,916</u>	<u>911,510,894</u>
Closing stock		<u>(386,179,106)</u>	<u>(132,393,017)</u>
		<u>1,230,062,810</u>	<u>779,117,877</u>
<b>30. Other Income</b>			
Income from financial assets:			
Exchange gain on restatement of debtors		48,285	2,142,694
Exchange gain on Imports		11,105,647	2,620,711
Income from assets other than financial assets:			
Gain on disposal of property, plant and equipment	30.1	17,835,980	268,399,735
Gain on sales of pledged stock		-	7,176,387
Rental income	30.2.	9,584,000	23,598,000
Unrealised gain on investment property carried at fair value	6.	11,774,210	14,457,035
		<u>50,348,122</u>	<u>318,394,562</u>
<b>30.1. Gain on disposal of property, plant and equipment</b>			
Sale proceeds		58,862,850	805,000,000
Written down value of fixed asset disposed off	5.1.5	(41,026,870)	(508,210,647)
Transfer of long term deposit	7.1	-	(28,389,618)
		<u>17,835,980</u>	<u>268,399,735</u>
<b>30.2. It includes rental income from related parties as follows:</b>			
Abwa Knowledge Village (Pvt) Ltd		8,864,000	23,184,000
Cotton Passion Textile Mills (Pvt) Limited		180,000	144,000
I.A Textiles		180,000	90,000
Shama Exports (Pvt) Ltd		180,000	90,000
Amfort (Pvt) Ltd		180,000	90,000
		<u>9,584,000</u>	<u>23,598,000</u>

	Note	2024 Rupees	2023 Rupees
<b>31. Selling and distribution expenses</b>			
Steamer freight		45,227,559	29,928,141
Freight and octroi		15,652,080	9,575,350
Clearing and forwarding		35,610,760	12,840,092
Export development surcharge		6,176,226	3,299,672
Other expenses		135,639	1,601,902
		<u>102,802,264</u>	<u>57,245,157</u>
<b>32. Administrative expenses</b>			
Directors' remuneration	36.	10,200,000	2,400,000
Salaries and benefits		30,572,553	29,193,069
Utilities		1,550,259	865,461
Postage and telecommunication		5,444,287	8,575,149
Vehicles running and maintenance		3,101,412	2,845,170
Traveling and conveyance	32.3	13,060,009	7,034,424
Printing and stationery		2,151,480	1,541,901
Entertainment		6,841,549	4,357,932
Fees and subscriptions		1,106,935	140,000
Legal and professional		1,419,000	681,662
Balance written off	32.2	9,232,056	76,273,079
Provision for expected credit losses		2,684,337	-
Sales tax penalty		-	26,724
Auditor's remuneration	32.1	2,500,000	2,000,000
Repairs and maintenance		540,189	1,075,738
Depreciation	5.1.2	778,368	816,630
Other		1,944,340	1,028,700
		<u>93,126,774</u>	<u>138,855,639</u>
<b>32.1. Auditor's remuneration</b>			
Audit fee		2,000,000	1,500,000
Half yearly review		500,000	500,000
		<u>2,500,000</u>	<u>2,000,000</u>
<b>32.2. It includes</b>			
long term deposits written off	7.1.	-	11,137,667
Rebate receivable written off	13.1.	9,232,056	65,135,412
		<u>9,232,056</u>	<u>76,273,079</u>
<b>32.3. It includes foreign traveling expense of company's executives amount of Rs.5,908,160/-</b>			
<b>33. Finance cost</b>			
Interest / mark up on:			
Long term financing		100,150,513	54,732,650
Bank charges and commission		57,280,962	22,267,028
		<u>157,431,475</u>	<u>76,999,678</u>
<b>34. Taxation</b>			
Other Taxes			
-final tax	34.1.	26,646,352	14,645,807
-taxes pertaining to prior year		605,643	219,755
		<u>27,251,995</u>	<u>14,865,562</u>
Income tax			
-for the year		3,403,576	5,701,158
		<u>30,655,571</u>	<u>20,566,720</u>

34.1. This represents final taxes paid under Section 154 of the Income Tax Ordinance 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

### 34.2. Deferred taxation

Deferred tax asset is not recognised for all deductible temporary differences and carry forward of unused tax losses due to uncertainty regarding non availability of taxable profits in foreseeable future against which such temporary differences and tax losses can be utilised. Had the deferred tax been recognised, the profit of the company would have been increased by Rs.1,707,131,852, other comprehensive income would have been decreased by Rs.660,060/- and the non current assets would have been increased by Rs.1,969,105,163/-

	Note	2024 Rupees	2023 Rupees
<b>34.3. Tax Reconciliation</b>			
Profit before taxation		122,266,119	158,477,553
Tax @ 29%		35,457,175	45,958,490
Prior year adjustment		605,643	219,755
Income subject to diff tax rate		(5,407,246)	(25,611,525)
		<u>30,655,571</u>	<u>20,566,720</u>

### 35. Earning per share - Basic and diluted

Net Profit for the year (Rupees)	91,610,548	137,910,833
Weighted average number of ordinary shares	259,430,134	259,430,134
Earning per share -Basic and diluted (Rs.)	0.35	0.53

35.1. There is no dilutive effect on basic earnings per share of the Company.

### 36. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	-----Rupees-----					
Remuneration	3,618,000	3,216,000	15,615,000	800,000	800,000	9,854,040
House rent allowance	1,458,000	1,296,000	5,576,780	320,000	320,000	3,519,300
Utility allowance	324,000	288,000	1,115,350	80,000	80,000	703,860
	<u>5,400,000</u>	<u>4,800,000</u>	<u>22,307,130</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>14,077,200</u>
Number of persons	1	1	15	1	1	9

36.1. The Directors are entitled to free use of Company maintained vehicles. The running and maintenance expenses of these vehicles are Rs.1,945,189/- (2023: Rs.1,412,253/-). The Directors have waived off their

36.2. Executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

	Unit	2024 (FIGURES IN THOUSAND)	2023
<b>37. INSTALLED CAPACITY AND ACTUAL PRODUCTION</b>			
<b>Dyeing and finishing</b>			
Production capacity for 3 shifts per day for 1095 shifts (2023: 1095 shifts)	Mt.	43,159	32,850
Actual production for 3 shifts per day for Nil (2023:Nil)	Mt.	-	-
<b>Coating &amp; Flocking</b>			
Production capacity for 3 shifts per day for 1095 shifts (2023:1095 shifts)	Mt.	960	960
Actual production of 3 shifts per day	Mt.	765	519

### Processing, Stitching and Apparel

The production capacity and its comparison with actual production of Processing, Home Textile and Apparel segments is impracticable to determine due to varying manufacturing processes, run length of order lots and various other factors.



<b>38. NUMBER OF EMPLOYEES</b>	<b>2024</b>	<b>2023</b>
Number of employees as at June 30,	78	78
Number of factory employees as at June 30,	260	260
Average number of employees during the year	78	75
Average number of factory employees during the year	234	225

### **39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>39.1. FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets:</b>		
At amortized cost		
Trade debts	217,932,489	247,322,571
Other receivables	23,934,191	19,623,150
Deposits	25,410,505	19,902,954
Cash and bank balances	118,252,023	112,088,168
	<u>385,529,208</u>	<u>398,936,843</u>
<b>Financial liabilities:</b>		
At amortized cost		
Long term financing	1,851,371,156	1,998,273,356
Lease liabilities / Ijarah	54,326,108	67,326,108
Deferred mark up	1,531,533,459	1,436,090,621
Trade and other payables	721,438,870	236,585,802
Interest / markup payable	2,702,818,114	2,730,625,453
Short term borrowings	5,166,503,195	5,407,100,994
	<u>12,027,990,902</u>	<u>11,876,002,334</u>

### **39.2. FINANCIAL RISK MANAGEMENT**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

#### **39.2.1. Credit risk and concentration of credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Company is exposed to concentration of its major trade debtor being located in UK

Credit risk of the Company arises principally from trade debts, loans and advances and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
Trade debts	217,932,489	247,322,571
Deposits	25,410,505	19,902,954
Bank balances	33,335,452	36,328,793
	<u>276,678,446</u>	<u>303,554,318</u>

Due to the Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management do not expect non performance by these counter parties on their obligations to the company.

For trade debts credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure.

The Company's most significant customers are foreign departmental stores and trading houses. The aging of trade debts as at statement of financial position date is as under:

	<b>2024</b>	<b>2023</b>
	<b>Rupees</b>	<b>Rupees</b>
Not past due	217,932,489	247,322,571
Past due within one year	2,684,337	-
Past due more than one year	7,041,998,879	7,041,998,879
	<u>7,044,683,216</u>	<u>7,041,998,879</u>
	<u>7,262,615,705</u>	<u>7,289,321,450</u>

Out of Rs. 7,262,615,705/- ( 2023: Rs. 7,289,321,450/-), the Company has provided Rs. 7,044,683,879 (2023: Rs. 7,041,998,879) as the amount being doubtful to be recovered from certain customers 96.96% of the past due balances has been provided.

### 39.2.2. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to manage liquidity is to maintain sufficient level of liquidity of the Company on the basis of expected cash flows, requirements of holding highly liquid assets and maintaining adequate reserve borrowing facilities to cover liquidity risk. This includes maintenance of balance sheet liquidity ratios through working capital management. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2024 and 2023;

<b>2024</b>						
-----Rupees in thousand-----						
	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	Above five years
<b>Financial liabilities:</b>						
Long term financing	1,851,371	1,851,371	1,851,371	-	-	-
Lease Liabilities	54,326	54,326	54,326	-	-	-
Trade and other payables	721,439	721,439	721,439	-	-	-
Short term borrowings	5,166,503	5,166,503	5,166,503	-	-	-
Interest / markup payable	2,702,818	2,702,818	2,702,818	-	-	-
	<u>10,496,457</u>	<u>10,496,457</u>	<u>10,496,457</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2023</b>						
-----Rupees in thousand-----						
	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	Above five years
<b>Financial liabilities:</b>						
Long term financing	1,998,273	1,998,273	1,998,273	-	-	-
Lease Liabilities	67,326	67,326	67,326	-	-	-
Trade and other payables	236,586	236,586	236,586	-	-	-
Short term borrowings	5,407,101	5,407,101	5,407,101	-	-	-
Interest / markup payable	2,730,625	2,730,625	2,730,625	-	-	-
	<u>10,439,912</u>	<u>10,439,912</u>	<u>10,439,912</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to mark up have been determined on the basis of weighted average mark up rates on long term and short term borrowings. The Company is exposed to liquidity risk which will be managed by the Company as explained in detail in Note 1.3.

### 39.2.3. Credit quality of major financial assets

The credit quality of company's bank balances can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate.

BANKS	RATING			2024	2023
	SHORT TERM	LONG TERM	AGENCY		
----- Rupees -----					
Allied Bank Limited	A-1+	AAA	PACRA	11,047	11,647
Askari Bank Limited	A-1+	AA+	PACRA	29,912	2,185
Bank Alfalah Limited	A-1+	AAA	PACRA	3,228,149	10,917,856
Bank Al-Habib Limited	A-1+	AAA	PACRA	220,112	220,112
The Bank of Punjab	A-1+	AA+	PACRA	2,591,177	2,591,177
Habib Bank Limited	A-1+	AA+	VIS	5,151,258	5,414,588
MCB Bank Limited	A-1+	AAA	PACRA	23,548	29,595
Meezan Bank Limited	A-1+	AAA	VIS	47,101	57,557
National Bank of Pakistan	A-1+	AAA	PACRA	2,820,477	2,814,430
	A-1+	AAA	VIS		
United Bank Limited	A-1+	AAA	VIS	21,161	17,369
Soneri Bank Limited	A-1+	AA-	PACRA	5,031,335	43,175
SilkBank Limited	A-2	A-	VIS	4,622	4,622
Makramah Bank Limited	Suspended			20,249	69,178
The Bank of Khyber	A-1	A+	PACRA	27,950	27,950
	A-1	A+	VIS		
Bank Islami Pakistan Limited	A-1	AA-	PACRA	14,100,700	14,100,700
Al Baraka Bank (Pakistan) Limited	A-1	A+	VIS	6,654	6,654
TOTAL				33,335,452	36,328,793

### 39.2.4. Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

#### i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at June 30, 2024 the Company is not exposed to price risk.

#### ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of interest rate risk arises from redeemable capital, long and short term borrowings from banks. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

#### Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

#### Fair value sensitivity analysis for variable rate instruments

The Company does not account for any variable rate financial assets and liabilities at fair value through statement of profit and loss, therefore a change in interest rates at the reporting date would not effect statement of profit and loss .

#### Cash flow sensitivity analysis for fixed rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date , loss for the period and equity would have been Rs. 19.315 million (2023 : Rs. 1.808 million) lower / higher.

#### iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs. 163.235 million (2023: Rs. 213.76 million).

At June 30, 2024, had the currency been weakened / strengthened by 10 % against the foreign currency with all other variables held constant, profit for the year and equity would have been Rs.16.324 million (2023: Rs.21.3753 million) higher / lower, mainly as a result of foreign exchange gains / losses on translation of foreign currency denominated trade debts (based on debtors not yet past due).

**iv) Equity price risk**

Trading and investing in equity securities give rise to equity price risk. The Company is not exposed to equity price risk.

**39.2.5. Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of operation behaviour. Operational risks arise from all of the Company's activities. The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its business objective and generating returns for investors.

Primary responsibility for the development and implementation of controls over operational risk rests with the management of the company. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibilities;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.
- operational and qualitative track record of the plant and equipment suppliers and related service providers.

**39.3. Determination of fair value**

**39.3.1. Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

**39.3.2. Fair value of non financial instruments**

**Fair value hierarchy**

The different levels have been defined as follows.

- Level 1 Quoted prices (unadjusted) in active markets for individual assets or liabilities
- Level 2 Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e as prices) or indirectly (i.e derived from prices)
- Level 3 Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Details of the Company's revalued assets and information about fair value hierarchy as at June 30, 2024 are as follows:

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
<b>Operating fixed assets</b>				
<b>Freehold</b>				
Land	-	570,373,500	-	570,373,500
Building	-	100,712,795	-	100,712,795
Plant and Machinery	-	192,279,152	-	192,279,152
Electric installation	-	53,460,536	-	53,460,536
Factory equipment	-	841,448	-	841,448
<b>Right of use assets</b>				
Plant and Machinery	-	16,150,508	-	16,150,508
<b>Investment property</b>				
Land	-	668,244,500	-	668,244,500
Building	-	602,221,267	-	602,221,267
	-	2,204,283,707	-	2,204,283,707

There were no transfers between the levels during the year

Details of the Company's revalued assets and information about fair value hierarchy as at June 30, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
-----Rupees-----				
<b>Operating fixed assets</b>				
<b>Freehold</b>				
Land	-	602,647,500	-	602,647,500
Building	-	117,497,600	-	117,497,600
Plant and Machinery	-	167,262,938	-	167,262,938
Electric installation	-	20,476,830	-	20,476,830
Factory equipment	-	934,943	-	934,943
<b>Right to use assets</b>				
Plant and Machinery	-	17,945,009	-	17,945,009
<b>Investment property</b>				
Land	-	642,209,000	-	642,209,000
Building	-	616,482,557	-	616,482,557
	-	2,185,456,377	-	2,185,456,377

There were no transfers between the levels during the year.

#### 39.4. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term financing from / to financial institutions.

The Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('redeemable capital', 'long term financing', 'liabilities against assets subject to finance lease' and 'short term borrowings' as shown in the statement of financial position). Equity comprises of shareholders' equity as shown in the statement of financial position under 'share capital and reserves'.

The salient information relating to capital risk management of the Company as of June 30, 2024 and 2023 were as follows:

	Note	2024 Rupees	2023 Rupees
Total debt	18,19,20,25&26.	7,072,200,459	7,472,700,458
<b>Less:</b> Cash and bank balances	15.	118,252,023	112,088,168
Net debt		6,953,948,436	7,360,612,290
Total equity		(8,544,192,042)	(8,633,526,520)
Total capital employed		(1,590,243,606)	(1,272,914,230)

#### 39.5. Overdue loans

On the reporting date the installments of long term finances amounting to Rs. 1,851.371 million along with mark up of Rs. 99.888 million, lease finance amounting to Rs. 54.326 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs. 5,166.503 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. 1,851.371 million, lease finance Rs. 54.326 million and short term borrowings Rs. 5,166.503 million.

Overdue installment of long term loans amounting to Rs. 599.081 million was subsequently paid.

#### 40. 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;

##### 40.1. Name and nature of relationship

##### 40.1.1. Associated Companies due to common directorship

Shama Exports (Pvt) Limited	Abwa Knowledge Village (Pvt) Limited
Sirtex (Pvt) Limited	Amfort (Pvt) Limited
Iftikhar Akbar Weavings (Pvt) Limited	I.A Textiles- AOP
Cotton Passion (Pvt) Limited	Cotton Passion Textile Mills

##### 40.2. Transaction with related parties

Relationship with the Company	Nature of transactions	2024 (Rupees)	2023 (Rupees)
Associated undertakings	- Sales	146,720,286	67,673,208
	- Cotton passion (pvt.) Limited		
	- Rentals	9,584,000	23,598,000
	- Receivable	40,564,233	18,776,947
	- Other payable	231,195,249	-
Key management personnel	- Remuneration to Directors	10,200,000	2,400,000
	- Loan from Directors	-	100,000,000

Shama Export (Private) Limited is a party to the settlement agreement with Askari Bank.

##### 40.2.1. Following are the related parties with whom the Company has entered into transactions or have arrangement/agreement in place:

Company name	Basis of associated
Shama Exports (Pvt) Ltd	Common directorship
Abwa Knowledge Village (Pvt) Ltd	Close family member
I.A Textiles- AOP	Common directorship
Amfort (Pvt) Limited	Common directorship
Cotton passion (Pvt) Limited	Close family member

##### 40.2.2. The Company does not hold any shares in the above mentioned companies.

#### 41. Non Adjusting Event after the statement of Financial Position Date

There are no significant activities since June 30,2024 causing any adjustment or disclosure in the financial statements.

#### 42. GENERAL

##### 42.1. Nomenclature of following account head changed for better presentation.

Previous nomenclature	Current nomenclature
Cost of sales	Cost of revenue
Other advances against sale of assets	Other Payable
Provision for doubtful debts	Provision for expected credit losses

##### 42.2. Following reclassifications have been made in these financial statements;

Account head	Previous	Current
SOCF Rs.(38,456,010)	Tax refunds due from Government	Income Tax paid
Trade Debts Rs.(24,902,032)	Unsecured foreign	Secured foreign
SOPF Rs.(531,039,330)	Reserves	Capital Reserve & Revenue Reserve

#### 42.3. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 04, 2024 by the Board of Directors of the Company.

##### 42.4. Figures have been rounded off to the nearest rupees.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
Chief Financial Officer

## Pattern of Shareholding

As on June 30, 2024

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
162	1 -	100	5,698	0.00
339	101 -	500	137,273	0.05
446	501 -	1000	387,474	0.15
955	1001 -	5000	2,891,773	1.11
379	5001 -	10000	3,096,113	1.19
160	10001 -	15000	2,103,048	0.81
147	15001 -	20000	2,762,765	1.06
71	20001 -	25000	1,679,276	0.65
64	25001 -	30000	1,820,008	0.70
41	30001 -	35000	1,360,861	0.52
27	35001 -	40000	1,037,833	0.40
20	40001 -	45000	845,348	0.33
55	45001 -	50000	2,724,814	1.05
16	50001 -	55000	846,309	0.33
14	55001 -	60000	821,501	0.32
17	60001 -	65000	1,056,530	0.41
13	65001 -	70000	886,700	0.34
7	70001 -	75000	519,000	0.20
6	75001 -	80000	465,900	0.18
8	80001 -	85000	662,100	0.26
12	85001 -	90000	1,061,304	0.41
3	90001 -	95000	282,000	0.11
26	95001 -	100000	2,596,626	1.00
7	100001 -	105000	722,733	0.28
3	105001 -	110000	324,091	0.12
4	110001 -	115000	455,500	0.18
9	115001 -	120000	1,066,995	0.41
5	120001 -	125000	613,808	0.24
1	125001 -	130000	128,000	0.05
4	135001 -	140000	546,308	0.21
2	140001 -	145000	283,971	0.11
7	145001 -	150000	1,050,000	0.40
2	150001 -	155000	306,610	0.12
1	155001 -	160000	156,426	0.06
1	160001 -	165000	165,000	0.06
2	165001 -	170000	335,900	0.13
1	170001 -	175000	170,570	0.07
12	190001 -	200000	2,388,050	0.92
1	205001 -	210000	206,701	0.08

Number of Shareholders	Shareholding From	To	Total Number of Shares Held	Percentage of Total Capital
1	220001 -	225000	223,682	0.09
3	225001 -	230000	686,900	0.26
2	230001 -	235000	466,995	0.18
3	235001 -	240000	716,145	0.28
1	240001 -	245000	243,299	0.09
2	245001 -	250000	498,000	0.19
3	250001 -	255000	756,200	0.29
1	260001 -	265000	260,357	0.10
1	270001 -	275000	275,000	0.11
2	285001 -	290000	580,000	0.22
2	290001 -	295000	583,862	0.23
5	295001 -	300000	1,497,334	0.58
1	320001 -	325000	325,000	0.13
1	335001 -	340000	340,000	0.13
1	340001 -	345000	341,000	0.13
2	345001 -	350000	700,000	0.27
1	350001 -	355000	350,998	0.14
1	360001 -	365000	363,523	0.14
1	385001 -	390000	389,121	0.15
1	395001 -	400000	400,000	0.15
1	420001 -	425000	421,000	0.16
1	465001 -	470000	470,000	0.18
2	470001 -	475000	943,316	0.36
2	490001 -	495000	989,000	0.38
1	655001 -	660000	660,000	0.25
1	720001 -	725000	720,606	0.28
1	1040001 -	1045000	1,043,353	0.40
1	1200001 -	1205000	1,203,706	0.46
1	1435001 -	1440000	1,440,000	0.56
1	1895001 -	1900000	1,900,000	0.73
1	22550001 -	22555000	22,555,000	8.69
1	23170001 -	23175000	23,172,472	8.93
1	48255001 -	48260000	48,255,780	18.60
1	51590001 -	51595000	51,594,656	19.89
1	55090001 -	55095000	55,092,912	21.24
<b>3,102</b>			<b>259,430,134</b>	<b>100.00</b>



**Categories of Shareholding**  
As at June 30, 2024

<b>Categories of Members</b>	<b>No. of Shareholders</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
Directors, Chief Executive Officer, and their spouse and minor children	7	154,945,148	59.73
Associated Companies, undertakings and related parties		-	-
NIT / Funds	2	752,644	0.29
Banks Development Financial Institutions, Non banking Financial institutions	1	23,172,472	8.93
Insurance Companies		-	-
Modarabas and Mutual Funds		-	-
Share holders holding 10%	3	154,943,348	59.72
General Public			
Local	3072	56,603,667	21.82
Foreign		-	
Joint stock companies	19	1,401,203	0.54
Others (Government Institution)	1	22,555,000	8.69
<b>Total (Excluding Shareholders holding 10% or more)</b>	<b>3102</b>	<b>259,430,134</b>	

**Pattern of Shareholding**  
**As at June 30, 2024**  
**Other Information**

Categories of Shareholders	Number	Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties</b>		-	-
<b>NIT &amp; ICP / FUNDS</b>			
NIT	2	752,644	0.29
<b>Directors, CEO their Spouses &amp; Minor Children</b>			
Mr. Khurram Iftikhar	1	51,594,656	19.89
Mr. Shahzad Iftikhar	1	55,092,912	21.24
Mr. Nadeem Iftikhar	1	48,255,780	18.60
Mr. Suhail Maqsood Ahmad	1	500	0.00
Mr. Muhammad Ahsan	1	650	0.00
Mr. Gul Muhammad Naz	1	500	0.00
Mrs. Bushra Bibi	1	150	0.00
<b>Executives</b>		-	-
<b>Public Sector Companies &amp; Corporations</b>			
Joint Stock companies	19	1,401,203	0.54
<b>Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Takaful, Modarabas &amp; Pension Funds</b>	1	23,172,472	8.93
<b>Shareholders Holding Five Percent or More Voting Interest in the Listed Company</b>			
Mr. Khurram Iftikhar	Chief Executive	51,594,656	19.89
Mr. Shahzad Iftikhar	Director	55,092,912	21.24
Mr. Nadeem Iftikhar	Director	48,255,780	18.60
EMPLOYEES OLD-AGE BENEFITS INSTITUTION		22,555,000	8.69
NATIONAL BANK OF PAKISTAN		23,172,472	8.93

None of the Directors , Executives and their spouses and minor children has traded in the shares of the company during the year.

**FORM OF PROXY**  
**Annual General Meeting**

I / We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of **Amtex Ltd**, hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_  
of \_\_\_\_\_

member (s) 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 Annual General Meeting of the Company to be held on October 28, 2024 at 11:00 A.M. at Company’s registered office P-225 Tikka Gali # 2 Montgomery Bazar Faisalabad.

as witness my / our hand seal this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Please  
affix  
Revenue  
Stamp Rs.5

Signed by the said member  
in presence of \_\_\_\_\_

Signature(s) of Member(s)

**Witness 1**

**Witness 2**

Signature of witness \_\_\_\_\_

Signature of witness \_\_\_\_\_

Name \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

CNIC # \_\_\_\_\_

Please Quote:

Folio No	Shares Held	CDC A/C No.

IMPORTANT: Proxies in order to be effective, must be received at the Registered Office of the company at P-225, Tikka Gali # 2 Montgomery Bazar Faisalabad, not later than 48 hours before the time for holding the Annual General Meeting and must be duly stamped, signed and witnessed.

**Consent for video conference facility**

**Annual General Meeting**

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member (s) of Amtex Limited, holder of \_\_\_\_\_ ordinary share (s) as per registered Folio/CDS Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_ .  
CDS Account No. \_\_\_\_\_

Revenue Stamp  
of Appropriate  
Value

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The Company Secretary  
**AMTEX LIMITED**  
P-225, Tikka Gali # 2 Montgomery  
Bazar, Faisalabad - Pakistan

# پراکسی فارم

سالانہ عمومی میٹنگ 2024

میں / ہم - - - - - کو - - - - - بطور ایک ممبر ایم ٹیکس - - - - -

کو مقرر کرتے ہیں یا اس فرد کو مذکورہ کی عدم دستیابی کی صورت میں - - - - -

کو اپنی جگہ مورخہ 28 اکتوبر 2024 کو بوقت 11:00 بجے صبح

بمقام ٹیکانگلی نمبر 2 منگمری بازار فیصل آباد میں منعقد ہونے والے سالانہ اجلاس عام میں شرکت اور رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا

رکرتی ہوں۔

دستخط شیئر ہولڈر - - - - - مورخہ - - - - - اکتوبر 2024

5 روپے کا محصول

ٹکٹ

گواہ نمبر 1 - - - - -	گواہ نمبر 2 - - - - -
گواہ کے دستخط - - - - -	گواہ کے دستخط - - - - -
نام - - - - -	نام - - - - -
پتہ - - - - -	پتہ - - - - -
شناختی کارڈ نمبر - - - - -	شناختی کارڈ نمبر - - - - -

مہربانی کر کے یہاں تحریر کریں:

فولیو نمبر	برقرار رکھے گئے حصص	سی ڈی سی اکاؤنٹ نمبر
------------	---------------------	----------------------

ضروری ہدایت: پراکسی کے کسی بھی موثر اقدام کے پیش نظر یہ ضروری ہے کہ مذکورہ فارم کمپنی کے رجسٹرڈ آفس بمقام ٹیکانگلی نمبر 2 منگمری بازار فیصل آباد تک سالانہ عمومی میٹنگ کے منعقد ہونے سے 48 گھنٹے سے پہلے پہنچ جائے اور اس فارم پر مہر ثبت کرنا، دستخط اور بطور گواہ تحریر کرنا لازمی ہے۔

ویڈیو کانفرنس کی سہولت کے لیے رضامندی

میں / ہم - - - - - ساکن - - - - -

بطور ایک ممبر ایم ٹیکس - - - - - عام حصص بمطابق عام شیئر رجسٹر فولیو نمبر / سی ڈی ایس اکاؤنٹ

نمبر - - - - - ویڈیو کانفرنس کی سہولت - - - - - میں حاصل کرنا چاہتا ہوں۔

موصول ٹکٹ چسپاں کریں

سی ڈی سی اکاؤنٹ نمبر - - - - -

The Company Secretary  
**AMTEX LIMITED**  
P-225, Tikka Gali # 2 Montgomery  
Bazar, Faisalabad - Pakistan

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
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-  Knowledge center
-  Risk profiler\*
-  Financial calculator
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notifications, corporate and  
regulatory actions)
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mobile device
-  Online Quizzes



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PAKISTAN OFFICE

**AMTEX LIMITED**

**P-225, Tikka Gali # 2 Montgomery Bazar Faisalabad**

**Tel: +9241-2428500 Fax: +9241-4361726,27**