

AMTEX LIMITED

First Quarterly Report
September 30, 2024



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Company Information

Board of Directors

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

Chairman
Chief Executive Officer

Chief Financial Officer

Mr. Waheed Aslam

Company Secretary

Mr. Muhammad Raza Farooq

Audit Committee

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

Chairman

Human Resource & Remuneration Committee

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

Chairman

Auditors

Zahid Jamil & Co.
Chartered Accountants

Legal Advisor

Mr. Aamir Nawaz Bhatti
Advocate High Court

Share Registrar Office

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

Registered Office

P-225 Tikka Gali # 2 Montgomery Bazar, Faisalabad

Projects Locations

Punj Pullian Daewoo Road Faisalabad

Processing & Stitching Unit

Website

www.amtextile.com

DIRECTORS' REPORT

The Board of Directors of Amtex Limited presents herewith the Directors' Report together with the Company's un-audited financial information for the period ended September 30, 2024.

Financial Results

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

	Quarter ended 2024 Rupees	September 30 , 2023 Rupees
Sales	686,976,425	725,737,708
Cost of sales	585,908,289	618,650,367
Gross Profit	101,068,136	107,087,341
Profit for the period	6,979,020	34,002,111
Earnings per share - Basic and diluted	0.03	0.14

During 1st quarter under review company earned gross profit of Rs.101.068 million as compared to gross profit of Rs. 107.087 million in the corresponding period of last year and net profit of Rs. 6.979 million as compared to net profit of Rs. 34.002 million in the corresponding period of last year. Sales volume has slightly decreased as compared to previous corresponding period and the company's total sales are Rs.686.976 million in three months against sales of Rs. 725.737 million in the corresponding period of last year. In quarter under review company did not maintain increasing trend in sales volume due to increase in cost of doing business moreover the increase in sales tax on local supplies reduced the sector's profitability. Adverse weather conditions, including a heatwave that has already damaged cotton plantations in Sindh, also pose a threat. Despite aforementioned challenges, political instability, poor law and order situation Company achieved Rs. 686.9 million sales volume in the period.

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

Future outlook

Pakistan's textile industry is highly susceptible to international market fluctuations with 80% of textiles destined for exports, primarily to Europe and America. The recent economic downturns in these regions have starkly impacted demand. The textile sector faces significant challenges following the release of the Budget 2025, which has shifted textile sector from final tax regime to a normal tax regime resulting into increase in the tax burden on exporters. Despite unfavorable business environment the management is making full efforts to utilize its full manufacturing capacities and aims to improve the exports volume. To regularize bank loans, the repayment terms are being renegotiated with the lenders keeping in view the future cash flows, and other relevant forecasts. Certain banks have approved the restructuring while negotiations with others are in progress. The management is confident that upon maturity of offered settlement plans to its lenders the company will be able to attain satisfactory level of viability.

Acknowledgement

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

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

For and on behalf of the Board



CHIEF EXECUTIVE

Khurram Iftikhar



DIRECTOR

Shahzad Iftikhar

Faisalabad
October 30, 2024

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روبروسہ ماہی رپورٹ معہ مالی غیر آڈٹ شدہ گوشاہ حساب برائے 30 ستمبر 2024 پیش کرتے ہیں۔

مالی نتائج:

مالی نتائج برائے زیر غور سہ ماہی معہ موازنہ اعداد و شمار باہت سابقہ سہ ماہی کو ذیل میں پیش کیا جاتا ہے:-

2023 30 ستمبر	2024 30 ستمبر	
روپے	روپے	
725,737,708	686,976,425	فروخت
618,650,367	585,908,289	تخمینہ فروخت
107,087,341	101,068,136	کل منافع
34,002,111	6,979,020	بعد از ٹیکس منافع
0.14	0.03	فی کس حصص منافع

سہ ماہی کے دوران کمپنی کی کل فروخت میں پچھلی سہ ماہی کے مقابلے میں کمی ہوئی ہے اور کمپنی کی کل فروخت مبلغ 686.976 ملین روپے کی مد میں کل منافع رقم مبلغ 101.068 ملین روپے ہوا جبکہ پچھلی سہ ماہی کی کل فروخت مبلغ 725.737 ملین روپے اور کل منافع مبلغ 107.087 ملین روپے ہوا تھا۔ سہ ماہی کے دوران کمپنی کو بعد از ٹیکس ادا کی گئی مبلغ 6.979 ملین روپے کا خالص منافع ہوا جبکہ پچھلی سہ ماہی میں بعد از ٹیکس ادا کی گئی مبلغ 34.002 ملین روپے کا خالص منافع ہوا تھا۔ زیر نظر سہ ماہی میں کمپنی نے کاروبار کرنے کی لاگت میں اضافے کی وجہ سے فروخت کے حجم میں اضافے کا رجحان برقرار نہیں رکھا اور مقامی سپلائرز پر سٹیلز ٹیکس میں اضافے سے شعبے کے منافع میں کمی آئی۔ مذکورہ بالا چیلنجوں کے باوجود، سیاسی عدم استحکام، امن و امان کی خراب صورت حال کے باوجود کمپنی کی اس حرسے میں فروخت کا حجم 686.9 ملین رہا۔

کچھ بینکوں امانی ادارہ کی جانب 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 باہت مالی لاگت کو کاؤنٹس 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۔

مستقبل کے امکانات :

پاکستان کی ٹیکسٹائل کی صنعت بین الاقوامی منڈی کے اتار چڑھاؤ کی وجہ سے انتہائی حساس ہے اور 80% ٹیکسٹائل بنیادی طور پر یورپ اور امریکہ کو برآمد کی جاتی ہیں۔ ان خطوں میں حالیہ معاشی بد حالی نے مانگ کو بری طرح متاثر کیا ہے۔ ٹیکسٹائل سیکٹر کو بجٹ 2025 کے اجراء کے بعد اہم چیلنجوں کا سامنا ہے، جس نے ٹیکسٹائل سیکٹر کو حتمی ٹیکس نظام سے عام ٹیکس نظام کی طرف منتقل کر دیا ہے جس کے نتیجے میں برآمد کنندگان پر ٹیکس کا بوجھ بڑھ گیا ہے۔ نامساعد کاروباری ماحول کے باوجود انتظامیہ اپنی مکمل مینوفیکچرنگ صلاحیتوں کو بروئے کار لانے کی بھرپور کوششیں کر رہی ہے اور اس کا مقصد برآمدات کے حجم کو بہتر بنانا ہے۔ بینک قرضوں کو ریگولائز کرنے کے لیے، قرض دہندگان کے ساتھ ادائیگی کی شرائط پر مستقبل میں کیش فلو اور دیگر متعلقہ پیشین گوئیوں کو مدنظر رکھتے ہوئے دوبارہ گفت و شنید کی جارہی ہے اور بعض بینکوں نے برآمدی کاروبار کو بحال کرنے کے لیے تنظیم نو کی منظوری دے دی ہے جبکہ دوسروں کے ساتھ بات چیت جاری ہے۔ انتظامیہ کو یقین ہے کہ اس کے قرض دہندگان کو پیش کردہ سہولت پلانز کی پختگی پر کمپنی قابل عمل ہونے کی تسلی بخش سطح حاصل کر سکے گی۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیٹری 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 افشار
چیف ایگزیکٹو

شہزاد افشار
ڈائریکٹر

فیصل آباد

تاریخ: 30 اکتوبر 2024

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	NOTE	Un-audited September 30 2024 RUPEES	Audited June 30 2024 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3.	875,269,072	974,336,976
Investment property- fair value		1,270,465,767	1,270,465,767
Long term deposits		19,462,379	19,462,379
		2,165,197,218	2,264,265,122
CURRENT ASSETS			
Stores, spares and loose tools		251,559,456	216,676,502
Stock in trade		504,761,555	498,912,010
Trade debts	4.	246,272,503	217,932,489
Loans and advances		81,077,465	41,092,393
Deposits and prepayments		4,799,126	5,948,126
Other receivables		21,217,176	23,934,191
Tax refunds due from the Government		284,160,983	297,592,878
Cash and bank balances		84,180,343	118,252,023
		1,478,028,606	1,420,340,612
		3,643,225,824	3,684,605,734
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 260,000,000 (2024: 260,000,000) ordinary shares of Rs.10/- each		2,600,000,000	2,600,000,000
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Capital Reserves		281,039,330	281,039,330
Surplus on revaluation of property, plant and equipment		834,666,848	923,546,882
General Reserves		250,000,000	250,000,000
Accumulated loss		(12,497,220,540)	(12,593,079,594)
		(8,537,213,022)	(8,544,192,042)
NON CURRENT LIABILITIES			
Redeemable capital	5.	-	-
Long term financing	6.	1,135,271,035	1,097,290,479
Lease liabilities / Ijarah		-	-
Deferred liabilities		1,594,164,303	1,569,877,120
		2,729,435,338	2,667,167,599
CURRENT LIABILITIES			
Trade and other payables		721,617,798	721,438,870
Contract Liabilities		140,273,116	162,463,213
Interest / markup payable		2,684,683,171	2,702,818,114
Short term borrowings		5,166,503,195	5,166,503,195
Current portion of non current liabilities		737,926,229	808,406,785
		9,451,003,508	9,561,630,177
Contingencies and commitments	7.	-	-
		3,643,225,824	3,684,605,734

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Note	Quarter ended Septmeber 30 , 2024 Rupees	2023 Rupees
Sales		686,976,425	725,737,708
Cost of sales	8	585,908,289	618,650,367
Gross Profit		<u>101,068,136</u>	<u>107,087,341</u>
Other operating income	9	<u>20,743,500</u>	<u>3,864,000</u>
		121,811,636	110,951,341
Selling and distribution expenses		31,364,922	19,085,264
Administrative expenses		32,375,680	32,801,847
Finance cost	10	43,906,103	17,559,065
		<u>107,646,705</u>	<u>69,446,176</u>
Profit before income tax & levies		14,164,931	41,505,165
Levies		5,638,938	5,453,196
Profit before income tax		<u>8,525,993</u>	<u>36,051,969</u>
Income Tax		1,546,973	2,049,858
Profit for the period		<u><u>6,979,020</u></u>	<u><u>34,002,111</u></u>
Earnings per share - Basic and diluted		<u>0.03</u>	<u>0.14</u>

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended September 30,	
	2024	2023
	Rupees	Rupees
Loss after taxation	6,979,020	34,002,111
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>6,979,020</u>	<u>34,002,111</u>

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	Quarter ended September 30, 2024	2023
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	14,164,931	41,505,165
Adjustments for:		
Depreciation of property, plant and equipment	10,067,904	8,755,506
Gain on disposal of property plant & equipment	(19,243,500)	-
Provision for staff retirement gratuity	1,706,214	1,147,225
Finance cost	43,906,103	17,559,065
Operating cash flows before working capital changes	50,601,652	68,966,961
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(34,882,954)	5,567,774
Stock in trade	(5,849,545)	48,875,070
Trade debts	(28,340,014)	(126,540,060)
Loans & advances	(31,114,592)	(6,347,844)
Deposits and prepayments	1,149,000	-
Other receivables	2,717,015	(6,777,875)
Tax refunds due from Government	13,431,895	(2,764,399)
Increase / (decrease) in current liabilities		
Trade and other payables	178,928	114,412,540
Contract liabilities	(22,190,097)	38,408,600
	(104,900,364)	64,833,806
Cash (used in) generated from operations	(54,298,712)	133,800,767
Income tax paid	(16,056,391)	(7,503,054)
Finance cost paid	(39,460,077)	(17,675,334)
Net Cash (used in) /generated from operating activities	(109,815,180)	108,622,379
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets	108,243,500	-
Capital expenditure	(5,012,520)	(5,012,520)
Net cash generated from / (used in) investing activities	108,243,500	(5,012,520)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term loans-net	(32,500,000)	(110,000,000)
Net cash used in financing activities	(32,500,000)	(110,000,000)
Net decrease in cash and cash equivalents (a+b+c)	(34,071,680)	(6,390,141)
Cash and cash equivalents at the beginning of the year	118,252,023	112,088,168
Cash and cash equivalents at the end of the year	84,180,343	105,698,027

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 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-----							
Balance as at July 01, 2023	2,594,301,340	98,039,330	183,000,000	933,235,260	250,000,000	(12,692,102,450)	(8,633,526,520)
Total comprehensive (loss) for the period							
Profit for the period	-	-	-	-	-	34,002,111	34,002,111
Transfer to accumulated loss in respect of surplus realized on disposal of assets						-	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(1,378,943)	-	1,378,943	-
	-	-	-	(1,378,943)	-	35,381,054	34,002,111
Balance as at September 30, 2023	2,594,301,340	98,039,330	183,000,000	931,856,317	250,000,000	(12,656,721,396)	(8,599,524,409)
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	57,608,437	57,608,437
Other comprehensive income for the period							
Surplus on revaluation of property plant and Equipment net of deferred tax						-	-
- Remeasurement of defined benefit obligation						(2,276,069)	(2,276,069)
Total comprehensive loss for the year	-	-	-	-	-	55,332,368	55,332,368
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year				(4,098,800)		4,098,800	-
-Disposal of fixed assets				(4,210,635)		4,210,635	-
Incremental depreciation for the period	-	-	-	(8,309,435)	-	8,309,435	-
Balance 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)
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	6,979,020	6,979,020
Other comprehensive income for the period							
	-	-	-	-	-	6,979,020	6,979,020
Transfer to accumulated loss in respect of surplus realized on disposal of assets				(87,620,000)		87,620,000	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(1,260,034)	-	1,260,034	-
	-	-	-	(88,880,034)	-	88,880,034	-
Balance as at September 30, 2024	2,594,301,340	98,039,330	183,000,000	834,666,848	250,000,000	(12,497,220,540)	(8,537,213,022)

The annexed notes form an integral part of this condensed interim financial report.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1. STATUS AND ACTIVITIES

- 1.1** Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the 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 chak 120 Punj Pullian Daewoo Road Faisalabad and spinning unit is located at 30 KM Shekhupura Road, Khurrianwala, District Faisalabad, in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with the assets, liabilities and reserves of the Company with effect from April 01, 2003.
- 1.3** The Company has earned profit before taxation & levies of Rs. 14.164 million and its sales slightly decreased during the period as compared to previous corresponding period. Due to tight cash flow situation company has not been able to comply with the terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts.

Worst political instability, energy shortage, high inflation rate and increasing cost of doing business has hit Pakistan's vital textile industry. The textile industry is in a state of emergency, unannounced and unscheduled outages disrupt the textile supply chain, which is "causing millions of rupees of losses". The management of the Company aware of the situation and making best efforts in facing these challenges. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. There is material uncertainty related to events or conditions which may 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. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern.

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

2. SIGNIFICANT ACCOUNTING POLICIES

- 2.1** This condensed interim financial report has been prepared in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standard (IAS) 34 "Interim Financial Reporting" as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act, 2017 and in compliance with the requirements of section 237 of the Companies Act 2017 and Rule Book of Pakistan Stock Exchange Limited
- 2.2** This condensed interim financial report has been prepared under "historical cost convention" except certain items of property, plant and equipment included at revaluation and staff retirement gratuity carried at present value and certain financial instruments at fair value.
- 2.3** This condensed interim financial report does not include all the information required for annual financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2024.
- 2.4** The accounting policies and methods of computation followed in the preparation of this condensed interim financial report is the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2024.

2.5 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2024.

		Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
3. Property, plant and equipment			
Operating assets		875,269,072	974,336,976
Capital work in progress		-	-
		<u>875,269,072</u>	<u>974,336,976</u>
3.1 Operating assets			
Opening written down value		974,336,976	952,481,891
Addition during 3 months / 12 months:	3.1.1	-	101,800,348
Deletions during 3 months / 12 months:	3.1.2	(89,000,000)	(41,205,500)
Depreciation charge for 3 months / 12 months		(10,067,904)	(38,918,393)
Depreciation adjustment for disposal		-	178,630
Closing written down value		<u>875,269,072</u>	<u>974,336,976</u>
3.1.1 Addition during 3 months / 12 months:			
Plant & machinery		-	43,935,398
Electric installation		-	37,371,503
Furniture & Fixtures		-	20,493,447
		<u>-</u>	<u>101,800,348</u>
3.1.2 Deletions during 3 months / 12 months:			
Land		89,000,000	32,274,000
Building			8,931,500
		<u>89,000,000</u>	<u>41,205,500</u>
4. Trade debts			
Considered good			
Unsecured			
Foreign		41,221,210	5,869,864
Unsecured			
Foreign		122,305,025	157,365,422
Local	4.1	82,746,268	57,381,540
		205,051,293	214,746,962
Considered doubtful			
Unsecured			
Foreign		7,044,683,216	7,041,998,879
Less provision for doubtful debts		(7,044,683,216)	(7,044,683,216)
		-	(2,684,337)
		<u>246,272,503</u>	<u>217,932,489</u>
4.1 It includes Balance from related party as follows:			
Cotton Passion (Pvt) Limited		<u>38,457,913</u>	<u>40,564,233</u>

Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
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4.2 The aging of trade debts as at balance sheet date is as under:

Not past due	246,272,503	217,932,489
Past due within one year	-	2,684,337
Past due more than one year	7,044,683,216	7,041,998,879
	7,044,683,216	7,044,683,216
	<u>7,290,955,719</u>	<u>7,262,615,705</u>

5. Redeemable capital

The company has filed suit under the Financial Institutions (Recovery of Finances) Ordinance, 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.

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

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

Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
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6. Long term financing

Secured

From banking companies
and financial institutions

Under mark up arrangements

Demand finance	6.1	1,551,265,941	1,583,765,941
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Long term finances under SBP		19,176,163	19,176,163
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Morabaha finance		9,594,052	9,594,052
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Morabaha finance II		104,000,000	104,000,000
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Not subject to mark up

Demand finance		134,835,000	134,835,000
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		<u>1,818,871,156</u>	<u>1,851,371,156</u>
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Less: Current portion

Installments due		(437,479,643)	(599,080,677)
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Payable within one year		(246,120,478)	(155,000,000)
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		<u>(683,600,121)</u>	<u>(754,080,677)</u>
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		<u>1,135,271,035</u>	<u>1,097,290,479</u>
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- 6.1** As per terms of agreement with certain banks, the recommendation, declaration and payment of dividend is subject to prior written approval of the bank.

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- a. There is no material change in the status of contingencies as disclosed in note # 27.1 of the financial statements for the year ended June 30,2024 except the following:
- b. Sui Northern Gas Pipelines Ltd had filed a suit against the company's Spinning Division situated at 30 KM Sheikhupura Road Faisalabad, in the Court of District Judge / Judge Gas Utility Court, Faisalabad for recovery of Rs. 57,713,100/-. The case has been decreed in favor of plaintiff, however, the Company has filed appeal before the Honorable Lahore High Court, Lahore against the Judgment.
- c. Sui Northern Gas Pipelines Ltd had filed a suit against the company's Processing Division situated at 1 KM Khurrianwala Jaranwala Road Faisalabad, in the Court of District Judge / Judge Gas Utility Court, Faisalabad for recovery of Rs. 485,424,500/-. The case has been decreed in favor of plaintiff, however, the Company has filed appeal before Honorable Lahore High Court, Lahore against the Judgment.
- d. The company has not fully recognised mark up on redeemable capital and on long and short term financing due to pending litigations and also due to settlements with other banks.

	Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
Collector of custom	16,125,470	13,675,623

7.2 Commitments

		Quarter ended September 30, Un-audited	
		2024 Rupees	2023 Rupees
8. Cost of sales			
Cost of goods manufactured	8.1	580,426,167	599,699,701
Finished goods		93,622,456	114,148,002
Opening stock		(88,140,334)	(95,197,336)
Closing stock		5,482,122	18,950,666
		<u>585,908,289</u>	<u>618,650,367</u>
8.1 Cost of goods manufactured			
Raw material consumed		346,204,945	312,900,688
Salaries, wages and benefits		34,158,530	40,015,715
Staff retirement benefits		1,706,214	1,147,225
Stores and spares		459,266	1,325,450
Dyes and chemicals		46,440,771	87,938,754
Packing material		46,621,017	62,001,917
Conversion and processing charges		85,809,028	69,325,225
Repairs and maintenance		883,314	1,081,980
Fuel and power		10,446,890	17,222,659
Depreciation		8,629,046	7,580,225
Other		2,372,223	2,503,450
		<u>583,731,244</u>	<u>603,043,288</u>
Work in process			
Opening stock		19,110,448	15,306,890
Closing stock		(22,415,525)	(18,650,477)
		<u>(3,305,077)</u>	<u>(3,343,587)</u>
		<u>580,426,167</u>	<u>599,699,701</u>

**Quarter ended September 30,
Un-audited**

**2024 2023
Rupees Rupees**

9. Other operating income

Rental Income	1,500,000	3,864,000
Gain on sale of fixed assets	19,243,500	-
	20,743,500	3,864,000

10. Finance cost

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

11. 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 are as follows;

		Un-audited September 30, 2024 Rupees	Audited June 30, 2024 Rupees
i- Related Party	- Sales	9,293,680	146,720,286
	- Rentals	1,500,000	9,584,000
	- Receivable	38,457,913	40,564,233
	- Other Payable	241,248,703	231,195,249
ii- Key management personnel	- Remuneration to Directors	2,550,000	10,200,000

12. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.683.600 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. 2,479.005 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 1,818.871 million, lease finance Rs 54.326 million and short term borrowings Rs 5,166.503 million. An amount of Rs.NIL has subsequently paid against overdue lease installment.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2024 by the Board of Directors of the Company.

14. GENERAL

- i) There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, loss, comprehensive loss, cash flows or equity of the Company.
- ii) Income tax provision & provision for gratuity is based on this condensed interim financial report and is subject to adjustment in annual financial statements.
- iii) Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer



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