

AMTEX LIMITED

First Quarterly Report
September 30, 2022



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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. Jawaria Ahsan

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. Jawaria Ahsan

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, 2022.

Financial Results

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

	Quarter ended Septmeber 30,	
	2022	2021
	Rupees	Rupees
Sales	355,356,601	284,859,253
Cost of sales	281,049,180	262,241,676
Gross Profit	74,307,421	22,617,577
Profit / (Loss) for the period	289,765,840	(24,752,270)
Earnings per share - Basic and diluted	1.12	(0.10)

During 1st quarter under review company earned gross profit of Rs.74.30 million as compared to gross profit of Rs. 22.61 million in the corresponding period of last year and net profit of Rs. 289.76 million as compared to net loss of Rs. 24.75 million in the corresponding period of last year. Sales volume has also increased as compared to previous corresponding period and the company's total sales are Rs.355.35 million in three months against sales of Rs. 284.85 million in the corresponding period of last year.

As mentioned in Note 1.3 and Note 3.1.3 of these condensed interim financial statements that The Court Auctioneers in Execution Application filed by the Bank of Punjab auctioned the Company's Spinning Division's Land and Building at Rs.490 million. During the pendency of the execution petition, the Decree Holder bank, the Company as well as other first charge holder banks/financial institutions reached a negotiated deal and agreed to withdraw objection petitions on auction of land and building and also agreed for sale of Spinning Division's machinery to the Auction Purchaser (M/S Beacon Impex Private Limited) for Rs.315 million. Resultantly, the honorable court confirmed the auction and ordered for distribution of sale proceeds of Rs.490 million amongst first charge holder banks/financial institutions in proportion to the value of their charge. The entire sale proceeds of Land, Building and Machinery of Rs.805 million have been adjusted against the loans of the Company by the relevant banks / financial institutions. Gain on auction of land and building and sale of plant and machinery of spinning division amounting to rupees 264.44 million includes in other operating income.

Certain banks / financial institutions have filed a suit against the Company for recovery of its 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

Mixed trend observed at the beginning of FY2022. Challenges of energy shortage, political instability, continually increasing prices of fuel and regularly rising inflation are still major obstacles to sustainable growth. Trade has been adversely affected because of the unreliability and inadequacy of the country's electrical and gas power supply system. Government needs to take immediate steps to resolve the persistent issues of high financial cost, gas and electricity supply otherwise they will continue to hurt the textile industry in Pakistan. Management is well aware of the situation and tried best to maintain the increasing trend of exports volume and to settle litigations with banks in quite favorable manner. Company focuses on key measures as described in Textile and Apparel Policy like capacity building, reduce cost of doing business, DLTL / DDT schemes continuity for exports of value added products. Company plans to take benefits from the aforementioned measures and has set an ambitious export target which will not only support the management to achieve higher profitability but also help to settle the litigations with banks.

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



Director



Director

Faisalabad
October 29, 2022

ڈائریکٹرز کی رپورٹ:

Amtex Limited کے بورڈ آف ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالی معلومات کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہیں۔

مالی نتائج:

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

	Quarter ended September 30,	
	2022	2021
	Rupees	Rupees
Sales	355,356,601	284,859,253
Cost of sales	281,049,180	262,241,676
Gross Profit	74,307,421	22,617,577
Profit / (Loss) for the period	289,765,840	(24,752,270)
Earnings per share - Basic and diluted	1.12	(0.10)

پہلی سہ ماہی کے دوران کمپنی کی کل فروخت مبلغ 355.35 ملین روپے کی مد میں کل منافع مبلغ 74.30 ملین روپے ہوا جبکہ پچھلی سہ ماہی کی کل فروخت مبلغ 284.85 ملین روپے اور کل منافع مبلغ 22.61 ملین روپے ہوا تھا۔ پہلی سہ ماہی کے دوران کے دوران کمپنی کو بعد از ٹیکس ادائیگی مبلغ 289.76 ملین روپے کا خالص منافع ہوا جبکہ پچھلی سہ ماہی کے دوران بعد از ٹیکس ادائیگی مبلغ 24.75 ملین روپے کا خالص نقصان ہوا تھا فروخت کے حجم میں بھی گزشتہ اسی مدت کے مقابلے میں اضافہ ہوا ہے اور کمپنی کی کل فروخت تین ماہ میں 355.35 ملین روپے رہی ہیں جبکہ پچھلی سہ ماہی کی کل فروخت مبلغ 284.85 ملین روپے رہی تھیں۔

جیسا کہ نوٹ 1.3 اور نوٹ 3.1.3 میں بیان کیا گیا ہے کہ بینک آف پنجاب کی طرف سے دائر کی گئی ایگزیکوشن درخواست میں دی کورٹ آف سٹریٹس نے کمپنی کے اسپانڈنگ ڈویژن کی زمین اور عمارت کو 490 ملین روپے میں نیلام کیا ہے۔ عمل درآمد کی درخواست کے زیر التوا ہونے کے دوران، ڈیکری ہولڈر بینک، کمپنی کے ساتھ ساتھ دوسرے پہلے چارج ہولڈر بینک / مالیاتی ادارے کاغذ و شنید کے ذریعے ایک نتیجہ پر پہنچ گئے ہیں اور زمین اور عمارت کی نیلامی پر اعتراضات کی درخواستیں واپس لینے پر رضامند ہو گئے۔ اور اسپانڈنگ ڈویژن کی مشینری نیلامی کے خریدار (Beacon Impex Private Limited) کو 315 ملین روپے میں فروخت کرنے پر بھی رضامندی ظاہر کی۔ نتیجے کے طور پر، معزز عدالت نے نیلامی کی توثیق کی اور فرسٹ چارج ہولڈر بینکوں / مالیاتی اداروں میں ان کے چارج کی مالیت کے تناسب سے 490 ملین روپے کی فروخت کی رقم تقسیم کرنے کا حکم دیا۔ 805 ملین روپے کی زمین، عمارت اور مشینری کی فروخت سے حاصل ہونے والی رقم کو متعلقہ بینکوں / مالیاتی اداروں کے ذریعے کمپنی کے قرضوں کے مد میں ایڈجسٹ کیا گیا ہے۔ اسپانڈنگ ڈویژن کی زمین، عمارت کی نیلامی اور پلانٹ اور مشینری کی فروخت پر 264.44 ملین روپے کا Gain دیگر آپریشننگ آمدنی میں شامل ہے۔

کچھ بینکوں امانی ادارہ کی جانب سے سے کمپنی سے اپنی سرمایہ کاری رقم اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرض اور سرمایہ کاری کی رقم کی بابت مالی لاگت کو 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۔ اس لیے عدالتی فیصلوں کے التوا اور سٹیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے بینکوں کی واجب الادا قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

مستقبل کے امکانات :

FY2022 کے آغاز میں ملا جلارہجان دیکھا گیا ہے۔ توانائی کی قلت، سیاسی عدم استحکام، ایندھن کی قیمتوں میں مسلسل اضافہ اور مسلسل بڑھتی ہوئی مہنگائی کے چیلنجز اب بھی پائیدار ترقی کی راہ میں بڑی رکاوٹیں ہیں۔ ملک کے الیکٹریکل اور گیس پاور سپلائی سسٹم کی عدم بھروسہ اور ناقافی ہونے کی وجہ سے تجارت بری طرح متاثر ہوئی ہے۔ حکومت کو بھاری مالیاتی لاگت، گیس اور بجلی کی فراہمی کے مستقل مسائل کو حل کرنے کے لیے فوری اقدامات کرنے کی ضرورت ہے ورنہ یہ پاکستان میں ٹیکسٹائل کی صنعت کو نقصان پہنچاتے رہیں گے۔ انتظامیہ صورتحال سے بخوبی آگاہ ہے اور برآمدات کے بڑھتے ہوئے رجحان کو برقرار رکھنے اور بینکوں کے ساتھ قانونی چارہ جوئی کو کافی سازگار انداز میں طے کرنے کی پوری کوشش کر رہی ہے۔۔۔ کمپنی ٹیکسٹائل اور ملبوسات کی پالیسی میں بیان کردہ کلیدی اقدامات پر توجہ مرکوز کر رہی ہے جیسے کہ صلاحیت کی تعمیر، کاروبار کرنے کی لاگت میں کمی، ویلیو ایڈڈ مصنوعات کی برآمدات کے لیے DDT/ DTLT اسکیموں کا تسلسل،۔۔۔ کمپنی مذکورہ بالا اقدامات سے فائدہ اٹھانے کا ارادہ رکھتی ہے اور اس نے ایک پرجوش برآمدی ہدف مقرر کیا ہے جس سے نہ صرف انتظامیہ کو زیادہ منافع حاصل کرنے میں مدد ملے گی بلکہ بینکوں کے ساتھ مقدمات کو بہتر انداز میں سہل کیا جاسکے گا۔

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۔

عزیم افتخار

ڈائریکٹر

شہزاد افتخار

ڈائریکٹر

فیصل آباد

تاریخ: 29 اکتوبر 2022

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	NOTE	Un-audited September 30 2022 RUPEES	Audited June 30 2022 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3.	627,082,421	1,147,302,917
Investment property- fair value		1,244,234,522	1,244,234,522
Long term deposits		22,558,676	50,719,526
		1,893,875,619	2,442,256,965
CURRENT ASSETS			
Stores, spares and loose tools		199,296,895	171,619,648
Stock in trade		456,660,663	465,483,553
Trade debts	4.	134,549,771	186,814,853
Loans and advances		29,719,368	28,560,338
Deposits and prepayments		4,799,126	4,799,126
Other receivables		87,724,280	77,888,459
Tax refunds due from the Government		205,148,394	201,028,015
Cash and bank balances		155,100,586	82,722,503
		1,272,999,083	1,218,916,495
		3,166,874,702	3,661,173,460
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
260,000,000 (2022: 260,000,000)			
ordinary shares of Rs.10/- each		2,600,000,000	2,600,000,000
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Reserves		531,039,330	531,039,330
Accumulated loss		(12,546,299,183)	(13,032,072,797)
Surplus on revaluation of property, plant and equipment		617,840,344	813,848,118
		(8,803,118,169)	(9,092,884,009)
NON CURRENT LIABILITIES			
Redeemable capital	5.	-	-
Long term financing	6.	120,509,556	319,546,196
Lease liabilities / Ijarah		-	-
Deferred liabilities		1,416,961,235	1,399,489,375
		1,537,470,791	1,719,035,571
CURRENT LIABILITIES			
Trade and other payables		174,896,733	132,917,383
Contract Liabilities		21,422,284	20,594,554
Interest / markup payable		2,730,625,453	2,735,143,547
Short term borrowings		5,368,108,144	5,968,108,144
Current portion of non current liabilities		2,137,469,466	2,178,258,270
		10,432,522,080	11,035,021,898
Contingencies and commitments	7.	-	-
		3,166,874,702	3,661,173,460

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


DIRECTOR


DIRECTOR


Chief Financial Officer

The chief executive is for the time being not in Pakistan, therefore, these financial statements have been approved by two directors of the company as per section 232 of the Companies Act, 2017.

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Note	Quarter ended Septmeber 30 ,	
		2022 Rupees	2021 Rupees
Sales		355,356,601	284,859,253
Cost of sales	8	281,049,180	262,241,676
Gross Profit		74,307,421	22,617,577
Other operating income	9	270,238,813	6,886,231
		344,546,234	29,503,808
Selling and distribution expenses		8,560,218	8,869,745
Administrative expenses		24,439,426	23,022,410
Finance cost	10	16,325,238	19,929,005
		49,324,882	51,821,160
Profit / (loss) for the period before taxation		295,221,352	(22,317,352)
Provision for taxation		5,455,512	2,434,918
Profit / (Loss) for the period		289,765,840	(24,752,270)
Earnings per share - Basic and diluted		1.12	(0.10)

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


DIRECTOR


DIRECTOR


Chief Financial Officer

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AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30, 2022 Rupees	2021 Rupees
Loss after taxation	289,765,840	(24,752,270)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>289,765,840</u>	<u>(24,752,270)</u>

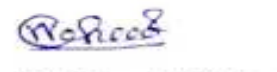
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DIRECTOR



DIRECTOR



Chief Financial Officer

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AMTEX LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	Quarter ended September 30,	
	2022 Rupees	2021 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	295,221,352	(22,317,352)
Adjustments for:		
Depreciation of property, plant and equipment	10,938,776	12,130,619
Gain on disposal of property plant & equipment	(264,442,813)	(947,731)
Provision for staff retirement gratuity	1,104,700	970,178
Finance cost	16,325,238	19,929,005
Operating cash flows before working capital changes	59,147,253	9,764,719
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(27,677,247)	2,362,714
Stock in trade	8,822,890	30,880,046
Trade debts	52,265,082	(41,050,302)
Loans & advances	(1,159,030)	729,476
Deposits and prepayments	-	(135,440)
Other receivables	(9,835,821)	(6,765,632)
Tax refunds due from Government	(5,493,933)	(10,315,846)
Increase / (decrease) in current liabilities		
Trade and other payables	41,979,350	4,639,838
Contract liabilities	827,730	(3,760,444)
	59,729,021	(23,415,590)
Cash generated from / (used in) operations	118,876,274	(13,650,871)
Income tax paid	(4,081,954)	(2,470,760)
Finance cost paid	(4,476,172)	(2,261,104)
Net Cash generated from / (used in) operating activities	110,318,148	(18,382,735)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets	805,000,000	5,071,795
Capital expenditure	(3,114,621)	(1,750,254)
Net cash generated from investing activities	801,885,379	3,321,541
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term loans	(239,825,444)	(1,875,000)
Short term loans	(600,000,000)	-
Net cash used in financing activities	(839,825,444)	(1,875,000)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	72,378,083	(16,936,194)
Cash and cash equivalents at the beginning of the year	82,722,503	149,640,033
Cash and cash equivalents at the end of the year	155,100,586	132,703,839

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


DIRECTOR


DIRECTOR


Chief Financial Officer

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AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

	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, 2021	2,594,301,340	98,039,330	183,000,000	829,180,098	250,000,000	(13,152,591,765)	(9,198,070,997)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(24,752,270)	(24,752,270)
Transfer to accumulated loss in respect of surplus realized on disposal of assets				-		-	-
Transfer to accumulated loss in respect of incremental depreciation	-	-	-	(854,786)	-	854,786	-
	-	-	-	(854,786)	-	(23,897,484)	(24,752,270)
Balance as at September 30, 2021	2,594,301,340	98,039,330	183,000,000	828,325,312	250,000,000	(13,176,489,249)	(9,222,823,267)
Total comprehensive (loss) for the period							
Profit for the period	-	-	-	-	-	128,241,290	128,241,290
Other comprehensive income for the period - Remeasurement of defined benefit obligation						1,697,968	1,697,968
Total comprehensive loss for the year	-	-	-	-	-	129,939,258	129,939,258
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year				(2,403,556)		2,403,556	-
-Disposal of fixed assets				(12,073,638)		12,073,638	-
Incremental depreciation for the period	-	-	-	(14,477,194)	-	14,477,194	-
Balance as at June 30, 2022	2,594,301,340	98,039,330	183,000,000	813,848,118	250,000,000	(13,032,072,797)	(9,092,884,009)
Total comprehensive (loss) for the period							
Profit for the period	-	-	-	-	-	289,765,840	289,765,840
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	289,765,840	289,765,840
Transfer to accumulated loss in respect of surplus realized on disposal of assets				(195,322,827)		195,322,827	-
Transfer to accumulated loss in respect of incremental depreciation	-	-	-	(684,947)	-	684,947	-
	-	-	-	(196,007,774)	-	196,007,774	-
Balance as at September 30, 2022	2,594,301,340	98,039,330	183,000,000	617,840,344	250,000,000	(12,546,299,183)	(8,803,118,169)

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


DIRECTOR


DIRECTOR


Chief Financial Officer

The chief executive is for the time being not in Pakistan, therefore, these financial statements have been approved by two directors of the company as per section 232 of the Companies Act, 2017.

AMTEX LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2022

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 Sheikhpura Road, Khurrianwala, District Faisalabad, in the province of Punjab.
- 1.2 Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with the assets, liabilities and reserves of the Company with effect from April 01, 2003.
- 1.3 The Company has earned profit before taxation of Rs. 295.221 million and its sales have also increased during the period as compared to previous corresponding period. Due to tight cash flow situation company has not been able to comply with 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.

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

The energy shortage has hit Pakistan's vital textile industry, which supplies everything from denim to bed linen towards markets in the US and Europe, and accounts for 60 percent of the country's exports. 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 Pakistani industry was buoyed by the tail end of the coronavirus pandemic, when it was freed of restrictions earlier than regional rivals India and Bangladesh. The management of the Company has already taken steps for extension and restructuring of loans. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. There is 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, 2022.
- 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, 2022.
- 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 2022.

		Un-audited September 30, 2022 Rupees	Audited June 30, 2022 Rupees
3. Property, plant and equipment			
Operating assets		607,329,380	1,130,664,497
Capital work in progress		19,753,041	16,638,420
		<u>627,082,421</u>	<u>1,147,302,917</u>
3.1 Operating assets			
Opening written down value		1,130,664,497	1,189,116,559
Addition during 3 months / 12 months:	3.1.1	-	16,668,156
Deletions during 3 months / 12 months:	3.1.2	(600,454,540)	(28,943,211)
Depreciation charge for 3 months / 12 months		(10,938,776)	(49,630,094)
Depreciation adjustment for disposal		88,058,199	3,453,087
Closing written down value		<u>607,329,380</u>	<u>1,130,664,497</u>
3.1.1 Addition during 3 months / 12 months:			
Vehicle		-	16,668,156
		<u>-</u>	<u>16,668,156</u>
3.1.2 Deletions during 3 months / 12 months:			
Land	3.1.3	211,500,000	10,450,000
Building	3.1.3	348,505,950	13,629,211
Plant and Machinery	3.1.3	24,548,590	4,864,000
Electric Installations	3.1.3	13,500,000	-
Factory Equipment	3.1.3	800,000	-
Laboratory Equipment	3.1.3	1,600,000	-
		<u>600,454,540</u>	<u>28,943,211</u>

3.1.3 As described in Note 5.1.7 of annual Audited Financial Statements of June 30, 2022, The Court Auctioneers in Execution Application filed by the Bank of Punjab auctioned the Company's Spinning Division's Land and Building at Rs.490 million. During the pendency of the execution petition, the Decree Holder bank, the Company as well as other first charge holder banks/financial institutions reached a negotiated deal and agreed to withdraw objection petitions on auction of land and building and also agreed for sale of Spinning Division's machinery to the Auction Purchaser (M/S Beacon Impex Private Limited) for Rs.315 million. Resultantly, the honourable court confirmed the auction and ordered for distribution of sale proceeds of Rs.490 million amongst first charge holder banks/financial institutions in proportion to the value of their charge. The entire sale proceeds of Land, Building and Machinery of Rs.805 million have been adjusted against the loans of the Company by the relevant banks / financial institutions. So on receipt of confirmation from banks /financial institutions Company incorporates disposal of spinning unit's land, building, plant & machinery along with all ancillary equipment.

	Un-audited September 30, 2022 Rupees	Audited June 30, 2022 Rupees
4. Trade debts		
Considered good		
Unsecured		
Foreign	99,593,534	158,740,590
Local	34,956,237	28,074,263
	134,549,771	186,814,853
Considered doubtful		
Unsecured		
Foreign	7,041,998,879	7,041,998,879
Less provision for doubtful debts	(7,041,998,879)	(7,041,998,879)
	-	-
	<u>134,549,771</u>	<u>186,814,853</u>
4.1 The aging of trade debts as at balance sheet date is as under:		
Not past due	134,549,771	165,758,713
Past due within one year	-	21,056,140
Past due more than one year	7,041,998,879	7,041,998,879
	7,041,998,879	7,063,055,019
	<u>7,176,548,650</u>	<u>7,228,813,732</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, 2022 Rupees	Audited June 30, 2022 Rupees
6. Long term financing		
Secured		
From banking companies and financial institutions		
Under mark up arrangements		
Demand finance	1,923,047,699	2,152,373,143
Long term finances under SBP	19,176,163	19,176,163
Syndicated term finance	-	10,500,000
Morabaha finance	9,594,052	9,594,052
Morabaha finance II	104,000,000	104,000,000
Not subject to mark up		
Demand finance	<u>134,835,000</u>	<u>134,835,000</u>
	2,190,652,914	2,430,478,358
Less: Current portion		
Installments due	<u>(1,992,535,795)</u>	<u>(1,984,704,323)</u>
Payable within one year	<u>(77,607,563)</u>	<u>(126,227,839)</u>
	<u>(2,070,143,358)</u>	<u>(2,110,932,162)</u>
	<u>120,509,556</u>	<u>319,546,196</u>

- 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 # 26.1 of the financial statements for the year ended June 30,2022 except the following:
- b. 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, 2022 Rupees	Audited June 30, 2021 Rupees
7.2 Commitments		
Collector of custom	<u>38,459,773</u>	<u>36,297,281</u>

		Quarter ended September 30, Un-audited	
		2022 Rupees	2021 Rupees
8. Cost of sales			
Cost of goods manufactured	8.1	272,261,724	255,976,636
Finished goods			
Opening stock		144,492,727	167,659,819
Closing stock		(135,705,271)	(161,394,779)
		8,787,456	6,265,040
		<u>281,049,180</u>	<u>262,241,676</u>
8.1 Cost of goods manufactured			
Raw material consumed		107,903,542	128,157,500
Salaries, wages and benefits		22,495,406	19,510,412
Staff retirement benefits		1,104,700	970,178
Stores and spares		1,648,937	3,142,698
Dyes and chemicals		41,158,622	31,842,118
Packing material		41,922,218	28,393,476
Conversion and processing charges		38,911,763	21,361,633
Repairs and maintenance		1,250,479	1,161,636
Fuel and power		9,248,279	10,193,831
Depreciation		5,899,614	11,242,794
Other		3,199,081	1,600,166
		274,742,641	257,576,442
Work in process			
Opening stock		13,650,407	8,205,611
Closing stock		(16,131,324)	(9,805,417)
		(2,480,917)	(1,599,806)
		<u>272,261,724</u>	<u>255,976,636</u>
9. Other operating income			
Rental Income		5,796,000	5,938,500
Gain on sale of fixed assets	3.1.3	264,442,813	947,731
		<u>270,238,813</u>	<u>6,886,231</u>
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;

Relationship with the Party	Nature of Transaction	Un-audited September 30, 2022 Rupees	Audited June 30, 2022 Rupees
i- Associated undertaking	- Sales	21,270,222	46,771,570
	- Rentals	5,796,000	23,576,000
	- Rent Receivable	5,796,000	-
	- Receivable	26,943,961	21,810,433
ii- Key management personnel	- Remuneration to Directors	600,000	2,400,000

12. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.2,070.143 million along with mark up of Rs.104.426 million, lease finance amounting to Rs. 67.326 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs.5,368.108 million along with mark up of Rs. 2,512.321 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,190.652 million, lease finance Rs 67.326 million and short term borrowings Rs 5,368.108 million. An amount of Rs.Nil has subsequently paid against overdue installment.

13. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 29, 2022 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) Provision for taxation & 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.



DIRECTOR



DIRECTOR



Chief Financial Officer

The chief executive is for the time being not in Pakistan, therefore, these financial statements have been approved by two directors of the company as per section 232 of the Companies Act, 2017.



A M T E X

PAKISTAN OFFICE

AMTEX LIMITED

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