

**ANNUAL
REPORT
2023**



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

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,					
2023	2022	2021	2020	2019	2018

Rupees in million

Operating performance

Sales-net	1,692	1,251	1,075	545	630	843
Cost of Sales	1,567	1,034	1,065	786	791	1,335
Gross profit / (loss)	125	217	10	(241)	(161)	(493)
Operating Profit/(loss)	235	217	(35)	(439)	(70)	(3,088)
Profit/(Loss) before taxation	158	120	(132)	(641)	(253)	(3,253)
Profit/(Loss) after taxation	138	103	(148)	(671)	(263)	(3,270)

YEAR ENDED JUNE 30,					
2023	2022	2021	2020	2019	2018

Rupees in million

Financial position

Property, plant and equipment-net (excl.capital work in progress)	952	1,147	1,202	1,237	1,623	1,751
Investment property	1,259	1,244	1,189	1,161	1,102	1,014
Capital work in progress						
Fixed assets	2,211	2,392	2,391	2,398	2,725	2,765
Total assets	3,310	3,661	3,577	3,724	4,378	4,783

Current assets

Store,spare parts, loose tools and stock in trade	435	637	651	706	928	1,345
Other current assets	537	499	335	394	511	472
Cash and cash equivalents	112	83	150	175	163	144
	1,084	1,219	1,136	1,275	1,602	1,961

Current liabilities

Short term bank borrowings	5,407	5,968	6,015	6,063	6,093	6,178
Current portion of long term financing/ murabaha	2,066	2,178	2,284	2,119	1,707	1,249
Other current liabilities	3,007	2,889	2,916	2,938	2,948	2,978
	10,480	11,035	11,216	11,120	10,748	10,405
Net Working Capital	(9,396)	(9,816)	(10,080)	(9,845)	(9,146)	(8,444)
Long term financing/ murabaha	-	320	236	414	875	1,498
Share capital and reserves	(9,567)	(9,907)	(10,027)	(9,883)	(9,221)	(8,967)

YEAR ENDED JUNE 30,					
2023	2022	2021	2020	2019	2018

Profitability analysis

Gross (loss) to sales	(%)	7.4	17.4	0.9	(44.3)	(25.6)	(58.4)
(Loss) before tax to sales	(%)	9.4	9.6	(12.3)	(117.7)	(40.1)	(386.0)
(Loss) after tax to sales	(%)	8.2	8.3	(13.8)	(123.1)	(41.7)	(388.0)
Profit / (Loss) per share	(Rupees)	0.5	0.4	(0.6)	(2.6)	(1.0)	(12.6)

YEAR ENDED JUNE 30,					
2023	2022	2021	2020	2019	2018

Financial analysis

Current Ratio	(times)	0.1	0.1	0.1	0.1	0.1	0.2
Debt to equity	(times)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.3)
Break up value per share	(Rupees)	(36.9)	(38.2)	(38.7)	(38.1)	(35.5)	(34.6)
Inventory turnover ratio	(times)	4.3	2.2	2.1	1.3	1.0	1.2
Debtors turnover ratio	(times)	7.8	10.2	12.8	3.5	3.5	0.6
Fixed assets turnover ratio	(times)	1.8	1.1	0.9	0.4	0.4	0.5
Total assets turnover	(times)	0.5	0.3	0.3	0.1	0.1	0.2



Notice of Annual General Meeting

Notice is hereby given that Annual General Meeting of the members of Amtext Limited (the Company) will be held on October 28, 2023 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 Extraordinary General Meeting held on December 31, 2022.
2. To receive and adopt the Audited Accounts of the Company for the year ended June 30, 2023 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 2023-24 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, authorize the Board of Directors, in terms of Sections 183 (3) and all other applicable provisions of Companies Act, 2017, to sale the Land & Building situated at 1 KM Khurrianwala Jaranwala Road, Faisalabad as a part of debt restructuring / rescheduling plan under negotiation between the company and its lender banks by passing the following resolution with or without modification:

"RESOLVED THAT the consent of shareholders be and is hereby accorded to sale the Land & Building situated at 1 KM Khurrianwala Jaranwala Road, Faisalabad as a part of debt restructuring / rescheduling plan under negotiation between the company and its lender banks".

"RESOLVED FURTHER THAT, as part and parcel of the foregoing consent, Board of Directors be and is hereby authorized and empowered for "Assets Sale". The Board may delegate its powers to the Chairman and / or Chief Executive Officer or including with or without any Director of the Company or any other person on such terms and conditions they deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement and / or give effect to the "Assets Sale".

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 450,000/ p.m inclusive of all allowances and Mr. Shahzad Iftikhar Director to rupees 400,000/- inclusive of all allowances with effect from July 01, 2023 be and is hereby approved”.

To consider and if thought fit, approve the submission of Annual Report along with all other information through QR enabled Code & Weblink and to pass the following resolution:

“RESOLVED FURTHER that the approval of the members be and is hereby accorded for transmission of Annual Reports including Annual Audited Financial Statements to the members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB, as allowed by Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023”.

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, 2023 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, 2024. 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, 2024 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, 2023

Muhammad Raza Farooq
Company Secretary

NOTES: -

1. The Share Transfer Books of the Company will remain closed from 20-10-2023 to 28-10-2023 (both days inclusive). Transfers received at Vision Consulting Ltd, 3-C Lawrance Road, LDA Flats Lahore at the close of the business on 19-10-2023 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 (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 2023 have been made available on the Company's website (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, 2023, 9:00 am and shall close on October 26, 2023 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.

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

Sale / Disposal of Land & Building

This statement sets out below the material facts concerning the Special Business to be transacted at the Annual General Meeting of Amtex Limited (the "Company") to be held on October 28, 2023, at 11:00 a.m. at registered office of the company. The purpose of this Statement is to set forth the material facts concerning Special Business.

The Board of Directors has proposed, in its meeting held on August 25, 2023, to dispose land and building measuring 173 kanals 11 Marla 3 Sarsahi situated at chak 76 R.B. 1 KM Khurrianwala Jaranwala Road Faisalabad subject to approval of shareholders and further subject to No Objection Certificate from Bank as debt restructuring / rescheduling plan with lender banks having mortgage charge over respective asset. The sale proceeds will be utilized for the repayment of loans of the Company. Consequently, the debt burden will be substantially reduced in the next financial years.

Details as per SRO 423(I)/2018, dated: April 03, 2018

Special Business relating to members' approval for sell or disposal of sizeable part of undertaking thereof to be transacted under clause (a) of sub-section (3) of section 183 of the Act.

Sr #	SRO Description	Detail
I)	Detail of Assets to be sold / disposed of:	
a)	Description/Name of assets	Company proposes to dispose of its free hold Land & Building on Freehold land situated at Chak 76 R.B 1 KM Khurianwala Jaranwala Road Faisalabad
b)	Acquisition date of the assets;	Various July 1991 to October 2005
c)	Cost: Land & Building	Rs. 1,491,859,011
d)	Revalued amount and date of revaluation	Rs. 1,258,691,557 June 30,2023
e)	Book Value	Rs. 1,258,691,557
f)	Approximate current market price/fair value;	The Current market price / fair value is expected to be in line with the re-valued amount as stated above.
g)	In case of sale, if the expected sale price is lower than book value or fair value, then the reasons thereof;	The sale price shall not be lower than the revalued amount; however the exact value will be ascertained at the time of finalizing the transaction.
h)	In case of lease of assets, tenure, lease rentals, increment rate; mode/basis of determination of lease rentals; and other important terms and conditions of the lease;	Not Applicable
i)	Additional information in case of disposal of land:	
	(i) Location	Chak 76 R.B. 1 KM Khurrianwala Jaranwala Road Faisalabad
	(ii) Nature of Land	Industrial
	(iii) Area proposed to be sold	173 Kanal 11 Marla 3 Sarsahi & Building Thereon
ii)	The proposed manner of disposal of the said assets.	The assets sale be disposed through negotiations with the buyer through person(s) authorized by the Board of Directors in a way that is most beneficial for the Company
iii)	In case the company has identified a buyer, who is a related party the fact shall be disclosed in the statement of material facts.	The Company has exercised all reasonable diligence in identifying the buyer(s) willing to pay the fair market value of the Properties and completing the transaction in the best interest of the company. As a result M/S Abwa Knowledge Village Private Limited to whom the said land & building has been leased out is interested in purchase. Mr. Khurram Iftikhar CEO of the Company, has given general notice under sub section 3 of section 205 of the Companies Act, 2017 and being "interested director" did not participate and vote in Board Meeting held on August 25, 2023.

iv)	Purpose of the sale, lease or disposal of assets along with following details:	There are multiple factors which have led to the decision by the directors of the Company to sale the above mentioned assets. Value added textile industry of Punjab (especially Faisalabad) badly suffered during last few years due to high cost of doing business, energy crises, cotton prices fluctuations and disturbed international textile products demand which resulted in non-utilization of production capacities. Consequently, the Company defaulted in servicing of loans with its banks and certain banks have filed legal suits for recovery of loans along with markup and other costs. In the current scenario, the management is negotiating debt restructuring with its lenders with the objective of reducing the existing debt by sale of assets of the Company. The management is, therefore, proposing the sale of aforesaid assets.
a)	Utilization of the proceeds received from the transaction	Entire sale proceeds will be utilized for repayment of loans of lender banks.
b)	Effect on operational capacity of the company, if any; and	The Company has already shifted its all manufacturing facilities from said properties hence it is expected that there will be no adverse effect on the operations.
c)	Quantitative and qualitative benefits expected to accrue to the members.	The proceeds from the sale of assets will be utilized for debt payment as part of debt restructuring arrangements with lender banks. It will reduce the financial expenses, further company will settle ongoing litigation and will regularize loan accounts with lender banks having respective mortgage charge on these assets. Resultantly, the company will be able to focus on its business.

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 450,000/ p.m inclusive of all allowances and Mr. Shahzad Iftikhar Director to rupees 400,000/- inclusive of all allowances with effect from July 01, 2023. 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.

The directors of the company have no personal interest, directly or indirectly, in the above mentioned special business that would require further disclosure except to the extent of their remuneration.

Transmission of Annual Audited Financial Statements through QR Enabled Code and Weblink

The Securities and Exchange Commission of Pakistan vide its S.R.O. 389(I)/2023 dated March 21, 2023 has allowed companies to circulate annual audited financial statements to its members through QR enabled code and Weblink, therefore, the Board of Directors has recommended for transmission of Annual Reports including Audited Financial Statements of the Company to its members through QR enabled code and Weblink instead of transmitting the same through CD/DVD/USB.

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, 2024, 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, 2024 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.

Under review financial year 2023, The raw material requirement is facing a downward trend due to the growth in consumption in the domestic market. Pakistan's home textile industry also faces competition from China and India, and the rising price of raw materials such as yarn and increasing interest rates and inflation rates become a challenge for industry. Despite very instable political conditions, poor law and order situation and aforementioned challenges we remained focused on executing our business strategies and achieved solid growth. We were successful in achieving sales targets and there was increase in turnover of the company as compared to previous 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 06, 2023

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 تندی 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۔

زیر غور مالی سال 2023 کے دوران مقامی مارکیٹ میں کھپت میں اضافے کی وجہ سے خام مال کی ضرورت میں کمی کے رجحان کا سامنا ہے۔ پاکستان کی ہوم ٹیکسٹائل انڈسٹری کو بھی چین اور بھارت سے مسابقت کا سامنا ہے اور خام مال جیسے یارن کی بڑھتی ہوئی قیمت اور بڑھتی ہوئی شرح سود اور مہنگائی کی شرح صنعت کے لیے ایک چیلنج ہے۔ انتہائی غیر مستحکم سیاسی حالات امن و امان کی خراب صورت حال اور پہلے بیان کیے گئے چیلنجز کے باوجود ہم نے اپنی کاروباری حکمت عملیوں کو عملی جامہ پہنانے پر توجہ مرکوز رکھی اور نمایاں ترقی حاصل کی۔ ہم فروخت کے اہداف کو حاصل کرنے میں کامیاب رہے اور گزشتہ سال کے مقابلے میں کمپنی کے کاروبار میں اضافہ ہوا۔

انتظامیہ روزمرہ کی کاروباری سرگرمیوں کو انجام دینے اور ڈی کمپنوں 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 میجٹ 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 شکریہ ادا کرتا ہوں۔ میں اپنے تمام قابل قدر کسٹمرز کے کمپنی پر مسلسل اعتماد پر انکا محترف ہوں۔ مالیاتی اداروں کی جانب سے معاونت اور حمایت قابل تحسین ہے۔

محمد احسن

چئیرمین

فیصل آباد

تاریخ: 6 اکتوبر 2023

Directors' Report

The Directors of your Company present before you the annual report with audited financial statements for the year ended June 30, 2023.

Operating & Financial Results

The financial year 2023 witnessed rising cost of doing business due to devaluation of Pak rupees and significantly increased prices of fuel & energy.

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

	2023	2022
	Rupees	Rupees
Revenue from contract with customers-Net	1,691,533,515	1,250,878,389
Cost of sales	<u>1,566,604,667</u>	<u>1,033,763,050</u>
Gross Profit	124,928,848	217,115,339
Other Income	<u>318,394,562</u>	<u>102,874,489</u>
	443,323,410	319,989,828
Selling and distribution expenses	<u>57,245,157</u>	<u>51,415,249</u>
Administrative expenses	138,855,639	51,543,363
Finance cost	76,999,678	88,169,453
Workers' profit participation fund	8,511,147	6,443,088
Workers' welfare fund	<u>3,234,236</u>	<u>2,448,374</u>
	<u>284,845,857</u>	<u>200,019,527</u>
Profit before taxation	158,477,553	119,970,301
Taxation	20,566,720	16,481,281
Net Profit for the year	<u><u>137,910,833</u></u>	<u><u>103,489,020</u></u>
Earning per share - Basic and diluted	<u>0.53</u>	<u>0.40</u>

During financial year ended June 30, 2023, company earned gross profit of Rupees 124.928 million on sales of Rupees 1,691.533 million as compared to Rupees 217.115 million gross profits on sales of Rupees 1,250.878 million for the previous financial year. During the FY 2023 Company earned net profit after tax of Rupees 137.910 million as compared to net profit after tax of Rupees 103.489 million during the previous financial year. Despite worst ever political instability, poor law and order situation, devaluation of currency and significantly increasing prices of utilities, fuel and energy Company maintained its growth regarding export volume and Company's sales significantly increases in FY 2022-23. Further Company's Export / Marketing department vows to be consistent in their efforts and hopeful to double the export volume in 1st quarter of FY2023-24 as compared to previous corresponding quarter.

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, auction of spinning division and lease of its certain properties (land and buildings). 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 four years and 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.

Regarding spinning division after the auction of the mortgaged/hypothecated properties (land and building of Company's Spinning Division situated at 30 KM Sheikhpura road Faisalabad) vide Lahore High Court's order, 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. Further the Auction Purchaser also agreed for purchase of Spinning Divisions plant & machinery, resultantly the Honorable Lahore High court confirmed the auction of Company's Spinning Division Land & Building, and order for distribution of sale proceeds amongst first charge holder Banks/financial institutions in proportion to the value of their charge. The entire sale proceeds of Land, Building and Machinery have been adjusted against the loans of the company by the relevant banks/ financial institutions.

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. However, the execution of the same must be subject to approval of members in upcoming general meeting. 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 exports faced lot of challenges in FY2022-23 and witnessing significant declines in various categories. While some sectors, such as bed wear, saw slight improvements, overall exports experienced negative growth. Decline in textile exports is attributed to various factors, including the withdrawal of the Regionally Competitive Energy Tariff (RECT), high interest rates of 22 percent, the elimination of the zero-rating facility for the sector, and delays in sales tax refunds. Efforts are required to address the factors impacting these sectors and explore strategies to boost export performance in the future. The cost of doing business especially fuel and energy prices will have expected to show a rising trend in upcoming year. The management of the Company is doing their utmost effort to get out of this situation and hopeful to maintain increasing trend in export sale. 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. However, the future of textile industry is mainly dependent on the actual realization of incentives announced by the Government, betterment in value of Pak Rupee and financial support from banks.

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 auditors 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, 2024.

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, 2023 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, 2023 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, 2023 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 2022-23 attendance of directors in meetings of BOD is provided as under:

Name	Designation	No. of Attended
Khurram Iftikhar	CEO / Director	6
Shahzad Iftikhar	Director	5
Nadeem Iftikhar	Director	6
Suhail Maqsood Ahmed	Director	4
Muhammad Ahsan	Director	6
Javeria Ahsan	Director	2
Gul Muhammad Naz	Director	5
Bushra Bibi	Director	2

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 2022-23, 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, 2023 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:

Sr #	Name	No.of meeting attended
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 06, 2023

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روہڑہ سالانہ رپورٹ مع مالی آڈٹ شدہ گوشوارہ حساب ہمارے 30 جون 2023 پیش کرتے ہیں۔

آپریشنل اور مالی نتائج

مالی سال 2023 میں پاکستانی روپے کی قدر میں کمی اور ایندھن اور توانائی کی قیمتوں میں نمایاں اضافہ کی وجہ سے کاروبار کرنے کی لاگت میں اضافہ دیکھا گیا ہے۔

مالی نتائج ہمارے زیر غور سال مع موازنہ اعداد و شمار باہر بت سابقہ سال کو ذیل میں پیش کیا جاتا ہے:-

2022 رقم	2023 رقم	
1,250,878,389	1,691,533,515	سیلز
1,033,763,050	1,566,604,667	تخمینیہ سیلز
217,115,339	124,928,848	کل منافع
<u>102,874,489</u>	<u>318,394,562</u>	دیگر آمدن
319,989,828	443,323,410	
51,415,249	57,245,157	خرید فروخت اور تقسیم کیے اخراجات
51,543,363	138,855,639	انتظامی اخراجات
<u>88,169,453</u>	<u>76,999,678</u>	مالی تخمینہ
<u>6,443,088</u>	<u>8,511,147</u>	ورکر پرافٹ پارٹیشنیشن فنڈ
<u>2,448,374</u>	<u>3,234,236</u>	ورکر ویلفیئر فنڈ
<u>200,019,527</u>	<u>284,845,857</u>	
119,970,301	158,477,553	محصول لگانے سے پہلے کا منافع
16,481,281	20,566,720	محصول
103,489,020	137,910,833	خالص منافع
0.40	0.53	فی کس حصص منافع بنیادی اور ملاوٹ شدہ

مالی سال 30 جون 2023 کے دوران کمپنی کی کل فروخت مبلغ 1,691.533 ملین روپے کی مد میں کل منافع مبلغ 124.928 ملین روپے ہوا جبکہ پچھلے سال کی کل فروخت مبلغ 1,250.878 ملین روپے اور کل منافع مبلغ 217.115 ملین روپے ہوا تھا۔ 30 جون 2023 کے مالی سال کے دوران کمپنی کو بعد از ٹیکس ادا کی گئی مبلغ 137.910 ملین روپے کا خالص منافع ہوا جبکہ پچھلے سال بعد از ٹیکس ادا کی گئی مبلغ 103.489 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 نمو کو برقرار رکھا اور مالی سال 2022-23 میں کمپنی کی فروخت میں نمایاں اضافہ ہوا۔ مزید کمپنی کا ایکسپورٹ/مارکیٹنگ ڈیپارٹمنٹ اپنی کوششوں میں مستقل مزاجی کا عہد کرتا ہے اور پچھلی اسی سہ ماہی کے مقابلے میں FY2023-24 کی پہلی سہ ماہی میں برآمدی حجم کو دوگنا کرنے کی امید رکھتا ہے۔

آڈیٹرز کے مشاہدات

آڈیٹر حضرات کی رپورٹ کے پیرا گراف (a) میں کمپنی کے کاروبار کو جاری رکھنے کی اہلیت کے بارے میں رائے کا اظہار کیا گیا ہے اور جمع شدہ نقصانات، سپنٹ ڈویژن کی نیلامی، مالی بحران، کمپنی کی پراپرٹیز کو لیز پر دینے 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 کے عمل کو جاری رکھنے کے لیے پوری کوشش کی جا رہی ہے۔ گزشتہ چار سالوں سے کمپنی کے کاموں کا تسلسل عالمی کساد بازاری برہتی ہوئی مہنگائی اور بجلی کی فراہمی میں کمی کے باوجود برہتی ہوئی فروخت کا حجم واضح طور پر ظاہر کرتا ہے کہ انتظامیہ کی کوششیں اور منصوبے کارگر ہیں۔

سپنٹ ڈویژن کے حوالے سے لاہور ہائی کورٹ کے حکم پر رہن رکھی گئی اہم فروضہ جائیدادوں (کمپنی کے اسپنٹ ڈویژن کی زمین اور عمارت جو 30 کلومیٹر شیخوپورہ روڈ فیصل آباد پر واقع ہے) کی نیلامی کے بعد ڈیکری ہولڈر بینک، کمپنی کے ساتھ ساتھ دیگر فرسٹ چارج ہولڈر بینک/مالیاتی ادارے بات چیت کے ساتھ ایک معاہدہ پر پہنچ گئے اور نیلامی پر اعتراضات کی درخواستیں واپس لینے پر اتفاق کیا۔ مزید یہ کہ نیلامی کے خریدار نے سپنٹ ڈویژن کی پلانٹ اور مشینری کی خریداری پر بھی اتفاق کیا۔ نتیجتاً معزز عدالت نے نیلامی کی تصدیق کر دی۔ عدالت نے فرسٹ چارج ہولڈرز کے درمیان ان کے چارج کی قیمت کے تناسب سے فروخت کی رقم تقسیم کرنے کا بھی حکم دیا ہے۔ زمین، عمارت اور مشینری کی تمام فروخت کی رقم کو متعلقہ بینکوں/مالیاتی اداروں کے ذریعے کمپنی کے قرضوں کے مد میں ایڈجسٹ کر دیا گیا 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 کہنے گئے مقدمات کو سنبھال لیا جاسکے اور قرضوں کے بوجھ کو کم کیا جاسکے۔ اس پر عمل درآمد آئندہ عام اجلاس میں اراکین کی منظوری سے مشروط ہونا ہے۔ کمپنی کے منتظمین کی جانب سے دوسرے بینکوں کے قرضوں کی از سر نو ترتیب کے لیے مالی اداروں سے یہ استدعا پہلے ہی کی جا چکی ہے۔ اوپر بیان کیے گئے اقدامات کے پیش نظر کمپنی کے منتظمین پر اعتماد ہیں کہ وہ اپنی کاوشوں میں کامیابی سے سرفراز ہوں گے اور کمپنی اس قابل ہو جائیگی کہ وہ اپنے کاروبار کو جاری رکھ سکے۔

کمپنی کے آڈیٹر حضرات کی جانب سے آڈٹ رپورٹ کے پیرا گراف (b) میں رائے دی گئی ہے کہ کمپنی مالی لاگت کو کاؤنٹس میں نہیں لے رہی جسکی بابت وضاحت بیان کی گئی ہے کہ کچھ بینکوں/مالی ادارہ کی جانب سے سے کمپنی سے اپنی سرمایہ کاری رقم اور پھر آپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرضوں 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/مالی 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 فیصلہ متعین ہونے تک ایسے بینکوں کی واجب الادا قرضوں کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

مارکیٹ کا جائزہ اور مستقبل کے امکانات :

پاکستان کی ٹیکسٹائل برآمدات کو مالی سال 2022-23 میں متعدد چیلنجز کا سامنا کرنا پڑا، اور مختلف زمروں میں نمایاں کمی دیکھی گئی۔ جبکہ کچھ سیکٹرز، جیسے کہ بیڈوئیر، میں معمولی بہتری دیکھی گئی، مجموعی طور پر برآمدات میں منفی اضافہ ہوا۔ ٹیکسٹائل کی برآمدات میں کمی کی وجہ علاقائی طور پر مسابقتی توانائی ٹیرف (RECT) سے دسمبر واری، 22 فیصد کی بلند شرح سود، سیکٹر کے لیے زیر ورینٹنگ کی سہولت کا خاتمہ، اور سٹیل ٹیکس ریہنڈز میں تاخیر شامل ہیں۔ ان شعبوں پر اثر انداز ہونے والے عوامل کو حل کرنے اور مستقبل میں برآمدی کارکردگی کو بڑھانے کے لیے حکمت عملی تلاش کرنے کے لیے کوششوں کی ضرورت ہے۔ کاروبار کرنے کی لاگت خاص طور پر ایندھن اور توانائی کی قیمتوں میں آنے والے سال میں بڑھتے ہوئے رجحان کی توقع ہوگی۔ کمپنی کی انتظامیہ اس صورتحال سے نکلنے کے لیے پوری کوشش کر رہی ہے اور برآمدات کی فروخت میں بڑھتے ہوئے رجحان کو برقرار رکھنے کے لیے پرامید ہے۔ بجلی اور گیس کی سپلائی بہتر ہو رہی ہے حالانکہ لاگت اب بھی خٹلے میں سب سے زیادہ ہے اور ملک میں امن وامان 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 جارہی ہے۔ تاہم، ٹیکسٹائل انڈسٹری کا مستقبل بنیادی طور پر حکومت کی طرف سے اعلان کردہ مراعات کے حقیقی حصول، پاک روپے کی قدر میں بہتری اور ٹیکسوں کی مالی معاونت پر منحصر 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 اہل تقرری نے کمپنی میں دوبارہ تقرری 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 2024 کے لیے دوبارہ تقرری کے لیے تجویز کیا ہے۔

انٹرنل فنانشل کنٹرول :

بورڈ آف ڈائریکٹرز کے ذریعے ایک موثر 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 2023 کو ختم ہونے والے مالی سال کے دوران ریلیٹیڈ پارٹیز سے متعلقہ تمام لین دین کا آڈٹ کمیٹی کے ذریعہ 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 2023 کو اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

کارپوریٹ گورننس :

بجا 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 بجا 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 پیجران ایکویٹی میں شفافیت اور غیر جانبداری کے اصول اپنا گئے ہیں۔
- 2- کمپنی کی اکاؤنٹس بکس بہتر انداز میں تیاری جاری ہیں۔
- 3- کمپنی کیا کاؤٹنگ پالیسی کو ایک تسلسل کے ساتھ اس گوشوارہ حساب کتاب کو بنانے میں استعمال کیا گیا ہے۔
- 4- بین الاقوامی اکاؤٹنگ 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 سٹاک 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 فنڈنٹل سینیٹ میں بیان کیا گیا ہے۔
- 9- چھ سال کی مالی کارکردگی کو اجاگر کیا گیا ہے اور بابت رپورٹ منسلک کی گئی ہے۔
- 10- میکسر اور لیویز سے متعلق انفارمیشن کو نوٹس نوڈی اکاؤنٹس میں بیان کیا گیا ہے۔

کمپوزیشن آف بورڈ :

ڈائریکٹری کی کل تعداد

میل
چھ
فیمیل
ایک

کیوزیشن:

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 ناز	آزاد ڈائریکٹر
بشرابی بی	مان ایگزیکٹو ڈائریکٹر (فنیل ڈائریکٹر)

بورڈ کی جانب سے منعقد کی گئی میٹنگ کا شمار:

30 جون 2023 کے عرصہ کے دوران بورڈ آف ڈائریکٹرز کے 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
شہزاد افتخار	ڈائریکٹر	5
ندیم افتخار	ڈائریکٹر	6
سہیل مقصود احمد	ڈائریکٹر	4
محمد احسن	ڈائریکٹر	6
گل محمد ناز	ڈائریکٹر	5
جویریہ احسن	ڈائریکٹر	2
بشرابی بی	ڈائریکٹر	2

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 مان 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 ڈائریکٹر سمیت مان ایگزیکٹو ڈائریکٹر صرف بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس کے مستحق ہیں۔ ایگزیکٹو اور مان ایگزیکٹو ڈائریکٹر کے معاوضے کی منظوری بورڈ کے ذریعے دی گئی ہے جیسا کہ ہیومن ریسورس اور معاوضہ کمیٹی نے تجویز کیا ہے۔ سال 2022-23 کے دوران ڈائریکٹر زاوری ای او کے معاوضے کی معلومات فی انٹرنل سینٹ 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	چیئرمین (آزاد ڈائریکٹر)
محمد احسن	ممبر (نان ایگزیکٹو ڈائریکٹر)
بشرابی بی	ممبر (نان ایگزیکٹو ڈائریکٹر)

کوڈ آف کارپوریٹ گورننس کے تحت ادارہ کے سہ ماہی حساب کتاب، سالانہ حساب کتاب اور دیگر متعلقہ معاملات برائے 30 جون 2023 کا جائزہ لینے کے لیے آڈٹ کمیٹی کے 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 ریسورس اور معاوضہ کمیٹی:

سال کے دوران ہیومن ریسورس 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 زار	چیئرمین	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: 6 اکتوبر 2023

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

Name of company: Amtex Limited

Year ended: June 30, 2023

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:

Category	Name
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 06, 2023

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, 2023** 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 2023.

Place: Lahore

Date: October 06, 2023

UDIN: CR202310366dIlSq9f2x



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, 2023, 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, 2023 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, 2023 the Company's accumulated loss is Rs. 12,692.103 million (2022: Rs. 13,032.072 million) and as that date it has negative equity of Rs. 8,633.527 million (2022: Rs. 9,092.884 million) and company's current liabilities exceeded its current assets by Rs. 9,395.714 million (2022: Rs. 9,816.105 million). Further the company deferred the markup on long term financing instead of accruing it amounting to Rs. 1,436.091 million (2022: Rs. 1,377.014 million) till reporting date. Moreover, the Honorable Lahore High Court, Lahore has auctioned the land and building of spinning division note 5.1.7 to the financial statements and 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 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 15.2, 19.1.6, 20 and 25.7 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 1,068.762 million (2022: Rs 737.278 million), mark up payable and accumulated loss would have been increased by Rs. 7,799.028 million (2022: Rs. 6,730.266 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>Pending litigations 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"> - circularized confirmations to relevant third-party legal representatives; - 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; - we have analyzed significant changes from prior periods and obtain a detailed understanding of these items and assumptions applied - reviewed the subsequent position of pending litigations and - assessed the adequacy of disclosure in note no. 27 to the financial statements.





<p>Valuation of investment property</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 38.027% of total assets of company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">- 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;- Compare the revalued amounts to external market data.- Test the mathematical accuracy of the revaluation calculation;- Obtained rental agreements signed between the Company and lessees;- Assessed the adequacy of disclosures related to investment properties in note no. 6 and 30 to the financial statements.
<p>Valuation of stocks</p> <p>As referred in Note. 9 to the accompanying Financial statements, the stock in trade constitutes 7.911% of total assets of the Company as at 30 June 2023.</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">- Assessing the compliance of company's accounting policies over inventory with applicable accounting standards.- 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.- Assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.- 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.- 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.

<p>Auction of spinning unit</p> <p>As referred in note no. 30 to the accompanying financial statements. Auction of spinning unit was considered as a key audit matter as it has major impact on the financial statements and overall performance of the company. It also involved significant amount of assets and complex calculations. Additionally, it has implications for the company's strategy, operations, and future prospects.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">- Review auction documentation to understand the terms, conditions and process of the auction;- Evaluate the auction process for fairness and compliance with relevant laws and regulation;- Verify the accuracy and completeness of financial information related to the unit, such as asset valuations and liabilities;- Test the adequacy of internal controls over the auction process including segregation of duties and authorization procedures;- Test mathematical accuracy of the calculations related to the gain on auction;- Checked that payments to respective banks has made as per the order of court according to their charge on spinning unit.- Obtained confirmation from bank to confirm their closing balance and payment during the year.- Assessed the adequacy of disclosure related to auction in the company's financial statements and related disclosure.
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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 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.

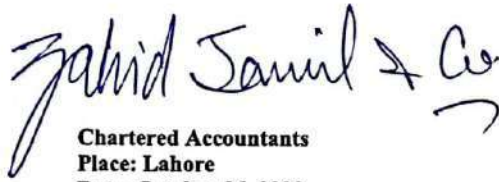
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 06, 2023

UDIN: AR202310366j4ZwSUxHM

AMTEX LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	NOTE	2023 RUPEES	2022 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5.	952,481,891	1,147,302,917
Investment property- fair value	6.	1,258,691,557	1,244,234,522
Long term deposits	7.	15,103,828	50,719,526
		2,226,277,276	2,442,256,965
CURRENT ASSETS			
Stores, spares and loose tools	8.	173,226,112	171,619,648
Stock in trade	9.	261,847,909	465,483,553
Trade debts	10.	247,322,571	186,814,853
Loans and advances	11.	26,003,572	28,560,338
Deposits and prepayments	12.	4,799,126	4,799,126
Other receivables	13.	19,623,150	77,888,459
Tax refunds due from the Government	14.	238,832,422	201,028,015
Cash and bank balances	15.	112,088,168	82,722,503
		1,083,743,030	1,218,916,495
		3,310,020,306	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	16.	2,594,301,340	2,594,301,340
Reserves	17.	531,039,330	531,039,330
Accumulated loss		(12,692,102,450)	(13,032,072,797)
Surplus on revaluation of property, plant and equipment	17.	933,235,260	813,848,118
		(8,633,526,520)	(9,092,884,009)
NON CURRENT LIABILITIES			
Redeemable capital	18.	-	-
Long term financing	19.	-	319,546,196
Lease liabilities	20.	-	-
Deferred liabilities	21.	1,464,089,365	1,399,489,375
		1,464,089,365	1,719,035,571
CURRENT LIABILITIES			
Trade and other payables	22.	236,585,802	132,917,383
Contract liabilities	23.	39,545,748	20,594,554
Interest / markup payable	24.	2,730,625,453	2,735,143,547
Short term borrowings	25.	5,407,100,994	5,968,108,144
Current portion of non current liabilities	26.	2,065,599,464	2,178,258,270
		10,479,457,461	11,035,021,898
Contingencies and commitments	27.	-	-
		3,310,020,306	3,661,173,460

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, 2023

	Note	2023 Rupees	2022 Rupees
Revenue from contract with customers-Net	28.	1,691,533,515	1,250,878,389
Cost of sales	29.	<u>1,566,604,667</u>	<u>1,033,763,050</u>
Gross Profit		124,928,848	217,115,339
Other Income	30.	<u>318,394,562</u>	<u>102,874,489</u>
		443,323,410	319,989,828
Selling and distribution expenses	31.	<u>57,245,157</u>	<u>51,415,249</u>
Administrative expenses	32.	<u>138,855,639</u>	<u>51,543,363</u>
Finance cost	33.	<u>76,999,678</u>	<u>88,169,453</u>
Workers' profit participation fund		<u>8,511,147</u>	<u>6,443,088</u>
Workers' welfare fund		<u>3,234,236</u>	<u>2,448,374</u>
		<u>284,845,857</u>	<u>200,019,527</u>
Profit before taxation		158,477,553	119,970,301
Taxation	34.	20,566,720	16,481,281
Net Profit for the year		<u><u>137,910,833</u></u>	<u><u>103,489,020</u></u>
Earning per share - Basic and diluted	35.	<u><u>0.53</u></u>	<u><u>0.40</u></u>

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, 2023

	Note	2023 Rupees	2022 Rupees
Net Profit for the year		137,910,833	103,489,020
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss:			
Remeasurement of defined benefit obligation	21.1.3.	1,022,364	1,697,968
Surpluse on revaluation of property, plant and equipment net of deferred tax		320,424,292	-
		321,446,656	1,697,968
Total comprehensive Income for the year		<u>459,357,489</u>	<u>105,186,988</u>

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, 2023

	Notes	2023 Rupees	2022 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		158,477,553	119,970,301
Adjustments for:			
Depreciation of property, plant and equipment	5.1.2	34,563,105	49,630,094
Provision for staff retirement gratuity	21.1.4.	9,046,166	6,062,644
Balance written off	32	76,273,079	-
Unrealised gain on investment property carried at fair value	30	(14,457,035)	(55,594,873)
Gain on disposal of property, plant and equipment	30.1	(268,399,735)	(14,582,171)
Finance cost	33	76,999,678	88,169,453
Operating cash flows before working capital changes		<u>72,502,811</u>	<u>193,655,448</u>
Changes in working capital			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(1,606,464)	(10,747,554)
Stock in trade		203,635,644	24,506,886
Trade debts		(60,507,718)	(127,943,647)
Loans and advances		2,556,768	(15,664,974)
Other receivables		(6,870,103)	2,272,627
Tax refunds due from the Government		(38,456,010)	(26,315,536)
Increase / (decrease) in current liabilities			
Trade and other payables		103,668,419	(30,406,873)
Contract Liabilities		18,951,194	(2,131,635)
		<u>221,371,730</u>	<u>(186,430,706)</u>
Cash generated from operations		293,874,541	7,224,742
Income tax paid		(19,915,117)	(12,748,165)
Finance cost paid		(22,441,584)	(10,542,437)
Staff retirement gratuity paid	21.1.3.	(2,500,000)	-
Net cash generated/(used in) from operating activities		<u>249,017,840</u>	<u>(16,065,860)</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of operating fixed assets		(19,089,235)	(16,668,156)
Proceeds from disposal of property, plant and equipment		805,000,000	40,072,295
Addition in Capital work in progress	5.2.2.	(8,439,201)	(3,882,809)
Long term deposit	7.1	(3,911,587)	-
Net cash generated from investing activities		<u>773,559,977</u>	<u>19,521,330</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(432,205,002)	(23,037,092)
Short term borrowings		(561,007,150)	(47,335,908)
Net cash used in financing activities		<u>(993,212,152)</u>	<u>(70,373,000)</u>
Net increase/(decrease) in cash and cash equivalents (a+b+c)		29,365,665	(66,917,530)
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		<u>112,088,168</u>	<u>82,722,503</u>

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, 2023

	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, 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)
Net Profit for the year	-	-	-	-	-	103,489,020	103,489,020
Other comprehensive income for the year	-	-	-	-	-	-	-
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,697,968	1,697,968
Total comprehensive income for the year	-	-	-	-	-	105,186,988	105,186,988
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year	-	-	-	(3,258,342)	-	3,258,342	-
-Disposal of fixed assets	-	-	-	(12,073,638)	-	12,073,638	-
	-	-	-	(15,331,980)	-	15,331,980	-
Balances as at June 30, 2022	2,594,301,340	98,039,330	183,000,000	813,848,118	250,000,000	(13,032,072,797)	(9,092,884,009)
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
-Surpluse 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)	-	201,037,150	-
Balances as at June 30, 2023	2,594,301,340	98,039,330	183,000,000	933,235,260	250,000,000	(12,692,102,450)	(8,633,526,520)

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, 2023

1. STATUS AND ACTIVITIES

1.1 Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the repealed Companies Ordinance, 1984 (now 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 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. 158.478 million and its sales have also increased during the period as compared to previous corresponding period. Due to tight cash flow Situation Company has not been able to comply with terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts. With reference to Note 5.1.7 of these financial statements The Court Auctioneers in Execution Application filed by the Bank of Punjab auctioned the Company's Spinning Division' 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 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.

The energy shortage has hit Pakistan's vital textile industry, which supplies everything from denim to bed linen towards markets in the U.S and Europe, that accounts for 60 percent in the country's exports. The textile industry in a state of emergency, and the unannounced and unscheduled outages disrupt the textile supply chain, which is "causing millions of rupees of losses". 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 a material uncertainty related events or conditions which may cause significant doubt about the Company's ability to continue as a going concern, and therefore, it may be unable realize its assets and discharge its liabilities in the normal course of business. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern.

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, 2023

- 3.1.1. The following standards, amendments and interpretations are effective for the year ended June 30, 2023. 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.

	Effective from accounting period beginning on or after:
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 1, 2022
'Amendments to IAS 16 'Property, Plant and - Proceeds before intended use	January 1, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts — cost of fulfilling a contract	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 1, 2022

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.

	Effective from accounting period beginning on or after:
'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
'Amendments to IAS 12 Income Taxes' - deferred tax related to Assets and liabilities arising from a single transaction	January 1, 2023
'Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
'Amendments to FRS 16 Leases -SALE and leaseback transaction	January 1, 2024
'Amendments to IFRS 10 and 28 - Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been adopted locally by the SECP:

- IFRS 1 'First Time Adoption of International Financial Reporting Standards
- IFRS 17 'Insurance Contracts'

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 respectively.

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 provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

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

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 effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 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 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 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	2023 Rupees	2022 Rupees
5. Property, plant and equipment			
Tangible			
Operating fixed assets	5.1	952,481,891	1,130,664,497
Capital work in progress	5.2	-	16,638,420
		<u>952,481,891</u>	<u>1,147,302,917</u>

5.1 Operating fixed assets

	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
As At July 01, 2021												
Cost/valuation	556,323,300	429,596,277	238,414,228	36,000,000	2,149,999	7,520,074	18,921,126	1,600,000	66,077,505	1,356,602,509	31,911,500	1,388,514,009
Accumulated depreciation	-	82,814,082	34,160,429	5,220,000	311,750	5,859,028	15,121,816	232,000	51,051,178	194,770,282	4,627,168	199,397,450
Opening net book value	<u>556,323,300</u>	<u>346,782,195</u>	<u>204,253,799</u>	<u>30,780,000</u>	<u>1,838,249</u>	<u>1,661,046</u>	<u>3,799,310</u>	<u>1,368,000</u>	<u>15,026,327</u>	<u>1,161,832,227</u>	<u>27,284,332</u>	<u>1,189,116,559</u>
Addition:												
Cost	-	-	-	-	-	-	-	-	16,668,156	16,668,156	-	16,668,156
Disposals:												
Cost/valuation	10,450,000	13,629,211	4,864,000	-	-	-	-	-	-	28,943,211	-	28,943,211
Accumulated depreciation	-	2,713,151	739,936	-	-	-	-	-	-	3,453,087	-	3,453,087
	-	10,916,060	4,124,064	-	-	-	-	-	-	25,490,124	-	25,490,124
Depreciation charge	-	17,836,083	20,044,164	3,078,000	183,825	166,105	379,931	136,800	5,076,753	46,901,660	2,728,433	49,630,094
At June 30, 2022												
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
Total book value at June 30, 2022	<u>545,873,300</u>	<u>318,030,052</u>	<u>180,085,571</u>	<u>27,702,000</u>	<u>1,654,424</u>	<u>1,494,941</u>	<u>3,419,379</u>	<u>1,231,200</u>	<u>26,617,731</u>	<u>1,106,108,598</u>	<u>24,555,899</u>	<u>1,130,664,497</u>
At June 30, 2023												
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
Opening net book value	<u>545,873,300</u>	<u>318,030,052</u>	<u>180,085,571</u>	<u>27,702,000</u>	<u>1,654,424</u>	<u>1,494,941</u>	<u>3,419,379</u>	<u>1,231,200</u>	<u>26,617,731</u>	<u>1,106,108,598</u>	<u>24,555,899</u>	<u>1,130,664,497</u>
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
	211,500,000	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
At June 30, 2023												
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
	<u>602,647,500</u>	<u>117,497,600</u>	<u>167,262,938</u>	<u>20,476,830</u>	<u>934,943</u>	<u>1,345,447</u>	<u>3,077,441</u>	<u>-</u>	<u>21,294,184</u>	<u>934,536,882</u>	<u>17,945,009</u>	<u>952,481,891</u>
Total book value at June 30, 2023	<u>602,647,500</u>	<u>117,497,600</u>	<u>167,262,938</u>	<u>20,476,830</u>	<u>934,943</u>	<u>1,345,447</u>	<u>3,077,441</u>	<u>-</u>	<u>21,294,184</u>	<u>934,536,882</u>	<u>17,945,009</u>	<u>952,481,891</u>
Annual rate of depreciation (%)	-	5-10	10	10	10	10	10	10	20		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	1,060	272
d)	Chak No. 120/J.B, District Faisalabad, Punjab.	Commerical	-	1013
e)	Chak No. 120/J.B, District Faisalabad, Punjab.	Open Land	-	2692

	Note	2023 Rupees	2022 Rupees
5.1.2 Depreciation for the year has been allocated as under:			
Cost of sales	29.1	33,746,475	48,457,473
Administrative expenses	32	816,630	1,172,621
		<u>34,563,105</u>	<u>49,630,094</u>

5.1.3 The company had revalued its freehold land, building on freehold land, electric installations, factory equipment, laboratory equipment and assets subject to finance lease. Revaluation of freehold land on market value basis and building on freehold land, electric installations, factory equipment laboratory equipment and assets subject to finance lease on depreciated replacement values basis was carried out by independent valuers M/S Observers 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 buliding 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	211,500,000	-	211,500,000	490,000,000	12,231,286	Beacon Impex (Pvt) Ltd.	Auction
BUILDING	348,505,950	82,237,236	266,268,714			Beacon Impex (Pvt) Ltd.	Auction
PLANT & MACHINERY	18,548,590	4,533,943	14,014,647			Beacon Impex (Pvt) Ltd.	Auction
ELECTRIC INSTALLATIONS	13,500,000	3,373,591	10,126,409			Beacon Impex (Pvt) Ltd.	Auction
FACTORY EQUIPMENTS	800,000	199,916	600,084	315,000,000	284,558,067	Beacon Impex (Pvt) Ltd.	Auction
LABORATORY EQUIPMENT	1,600,000	399,833	1,200,167			Beacon Impex (Pvt) Ltd.	Auction
PLANT & MACHINERY	6,000,000	1,499,374	4,500,626			Beacon Impex (Pvt) Ltd.	Auction
2023 Rupees	600,454,540	92,243,893	508,210,647	805,000,000	296,789,353		
2022 Rupees	28,943,211	3,453,087	25,490,124	40,072,295	14,582,171		

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, 2023 would have been as follows:

	2023		
	Cost	Accumulated depreciation	Written down value
	-----Rupees-----		
Company owned			
Freehold land	69,406,513	-	69,406,513
Building on freehold land	177,890,574	130,175,495	47,715,079
Electric installations	24,949,032	13,120,068	11,828,963
Factory equipment	3,693,513	3,420,615	272,898
	<u>275,939,632</u>	<u>146,716,178</u>	<u>129,223,454</u>

5.1.7. Land & building of spinning division was mortgaged with the Bank of Punjab & two other financial institutions. Court Auctioneers in Execution Application filed by the Bank of Punjab auctioned the Company's Spinning Division land and building on 31-12-2021. The Auction Purchaser (M/S Beacon Impex Private Limited) deposited the entire purchase price / auction amount of RS. 490 million with the court auctioneers. The Company as well as the Judgment debtor filed objections on the auction. 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 filed an instant application to withdraw objection petitions and also agreed for sale of Spinning Division's machinery to the Auction Purchaser for Rs.315 million. Resultantly, the Honorable court confirmed the auction in view of withdrawal of objections both by judgment debtors and decree holder as per order dated September 6, 2022. The Court has also ordered for distribution of sale proceeds amongst first charge holders in proportion to the value of their charge. The entire adjustment of disposal proceeds have been made during the year in porporation of their charge as ordered by the court. Payment made to banks as per oder of court include HBL of Rs. 180 million , Saudi Pak Industrial & Agricultural Investment Company Ltd. of Rs.25 million & BOP Rs. 600 million.

	Note	2023 Rupees	2022 Rupees
5.2. Capital work in progress			
Electric Installation	5.2.1	-	4,894,455
Building	5.2.2	-	11,743,965
		<u>-</u>	<u>16,638,420</u>
5.2.1. Electric Installation			
Balances as at July 1,		4,894,455	4,894,455
Capital expenditure incurred during the year		-	-
Transferred to operating fixed asset during the year		4,894,455	-
Balances as at June 30,		<u>-</u>	<u>4,894,455</u>
5.2.2. Building			
Balances as at July 1,		11,743,965	7,861,156
Capital expenditure incurred during the year		8,439,201	3,882,809
Transferred to operating fixed asset during the year		20,183,166	-
Balances as at June 30,		<u>-</u>	<u>11,743,965</u>

	Note	2023 Rupees	2022 Rupees
6. Investment property - at fair value			
Land	6.1.	642,209,000	607,495,000
Building	6.2.	616,482,557	636,739,522
		<u>1,258,691,557</u>	<u>1,244,234,522</u>
6.1. Land			
Carrying amount as at July 1,		607,495,000	555,424,000
Net gain from fair value adjustment		34,714,000	52,071,000
Carrying amount as at June 30,		<u>642,209,000</u>	<u>607,495,000</u>
6.2. Building			
Carrying amount as at July 1,		636,739,522	633,215,649
Net gain/(loss) from fair value adjustment		(20,256,965)	3,523,873
Carrying amount as at June 30,		<u>616,482,557</u>	<u>636,739,522</u>

6.3. The fair value of investment property was carried out by independent valuers Gulf Consultants as at June 30, 2023 on depreciated replacement values basis.

6.4. 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 (2022: Rs. 1,217.722 million) from United Bank Ltd, Rs.399.568 million (2022: Rs. 399.568 million) from Askari Bank Ltd, Rs. 122.684 million (2022: Rs. 122.684 million) from Bank Islami Ltd(Formerly KASB Bank Limited and now merged into Bank Islami). This charge existed as at June 30, 2023.

6.5. Forced sales value (FSV) of land and buildings is Rs. 545.878 million and Rs. 524.010 million respectively as at June 30, 2023.

6.6. It includes land and building rented to Abwa Knowledge Village (Pvt) Ltd, an associated undertaking.

6.7. It represents freehold land and building located at 1 K.M. Jararnwala Road chak No. 76/R.B, Khurrianwala, District Faisalabad, Province Punjab, with area of 105,149 square yards respectively.

	Note	2023 Rupees	2022 Rupees
7. Long term deposits			
Against utilities	7.1	5,729,331	41,345,029
Against TFC		9,374,497	9,374,497
		<u>15,103,828</u>	<u>50,719,526</u>
7.1 Movement of long term deposits			
Opening balance		41,345,029	41,345,029
Increase during the year		3,911,587	-
Written off during the year	7.1.1	(11,137,667)	-
Transfer to spinning unit	7.1.2 & 30.1	(28,389,618)	-
Closing balance		<u>5,729,331</u>	<u>41,345,029</u>

7.1.1 Long term deposit rupees 11.137 million relates to sui gas connection availed from SNGPL at weaving division situated at Zeenat Town Sargodha Road Faisalabad has write off due to disposal of weaving unit in 2018 as restructuring / rescheduling plan with a Bank.

7.1.2 Long term deposits rupees 28.389 million relates to electric power connection availed from FESCO at Spinning division situated at 30 Km Sheikhpura Road Faisalabad transferred to M/S Beacon Impex Private Limited upon approval of auction / disposal of spinning division.

		2023	2022
	Note	Rupees	Rupees
8. Stores, spares and loose tools			
Stores	8.1.	171,569,699	168,882,172
Spares		1,656,413	2,737,476
		<u>173,226,112</u>	<u>171,619,648</u>

8.1. Stores include items that may result in fixed capital expenditure but are not distinguishable.

9. Stock in trade

Raw material		132,393,017	307,340,419
Work in process		15,306,890	13,650,407
Finished goods		112,650,987	142,968,788
Waste	9.1.	1,497,015	1,523,939
	9.2.	<u>261,847,909</u>	<u>465,483,553</u>

9.1. The net realisable value of the waste stock was lower than its cost as at year end; which resulted in a write-off amounting to Rs. 26,924. (2022: Nil)

9.2. Stock in trade amounting to Rs. 166.767 million (2022:Rs. 220.598 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. 48.401 million (2022 :102.231 million)

10. Trade debts

		2023	2022
	Note	Rupees	Rupees
Considered good			
Unsecured			
Foreign		213,752,580	158,740,590
Local	10.1.	33,569,991	28,074,263
		247,322,571	186,814,853
Considered doubtful			
Unsecured			
Foreign		7,041,998,879	7,041,998,879
Local		-	-
Less: Provision for doubtful debts	10.2.	(7,041,998,879)	(7,041,998,879)
		-	-
		<u>247,322,571</u>	<u>186,814,853</u>

10.1. It includes Balance from related party as follows:

Cotton Passion (PVT) Limited:	18,776,947	21,810,433
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The ageing of trade debts as at statement of financial position date is as under:

Upto 1 month	2,190,140	819,000
1 to 6 months	16,586,807	20,991,433
	<u>18,776,947</u>	<u>21,810,433</u>

10.1.1. The maximum aggregate amount of receivable due from related party at the end of any month during the year was Rs. 29.828 million (2022: Rs. 21.810 million).

10.2. Provision for doubtful debts

Opening balance	7,041,998,879	7,041,998,879
Created during the year	-	-
Closing balance	<u>7,041,998,879</u>	<u>7,041,998,879</u>

	Note	2023 Rupees	2022 Rupees
10.3	The ageing of these trade debts as at statement of financial position date is as under:		
	Not past due	247,322,571	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>7,289,321,450</u>	<u>7,228,813,732</u>
10.4.	Following are the details of debtors in relation to export sales:		
	Jurisdiction		
	USA	33,074,035	37,124,218
	Europe	97,707,380	121,616,371
	Australia	35,200,490	-
	Hong kong	24,358,118	-
	Italy	7,602,763	-
	Spain	15,809,794	-
		<u>213,752,580</u>	<u>158,740,589</u>
11. Loans and advances			
	Considered good		
	Advances		
	Suppliers and others	11.1. 26,003,572	28,560,338
11.1.	It includes an amount of Rs. Nil (2022 : 2,625,000/-) which has been deposited as demand draft in the name of Judge Banking Court Lahore.		
12. Deposits and prepayments			
	Deposits		
	Lease deposits	<u>4,799,126</u>	<u>4,799,126</u>
13. Other receivables			
	Export rebate / duty drawback	13.1. <u>19,623,150</u>	<u>77,888,459</u>
13.1. Movement of other receivable			
	Opening balance	77,888,459	78,607,281
	Created during the year	15,548,903	25,258,834
	Written off during the year	13.1.1 (65,135,412)	-
	Received during the year	(8,678,800)	25,977,656
	Closing balance	<u>19,623,150</u>	<u>77,888,459</u>
13.1.1	This amount relates to rebate / duty draw back receivable against export which has not yet repatriated and provision against said export receivables has already created in accounts. Due to non-repatriation of export receivables there also no any feasible outcome that rebate / duty draw back on said export consignments will receive in future hence write off.		
14. Tax refunds due from the Government			
	Income tax	33,115,005	33,766,608
	Sales tax	205,717,417	167,261,407
		<u>238,832,422</u>	<u>201,028,015</u>

	Note	2023 Rupees	2022 Rupees
15. Cash and bank balances			
Cash in hand		75,759,375	48,330,361
Cash at banks;			
In current accounts		36,315,817	34,379,166
In PLS accounts	15.1.	12,976	12,976
		<u>112,088,168</u>	<u>82,722,503</u>

15.1. It carries mark up rate Nil (2022: Nil) under prevailing market rate.

15.2. Information / records were not made available by the banking companies to confirm the year end balances amounting to Rs.14.15 million (2022: Rs.14.300 million) out of total outstanding amount due to pending litigation.

16. Issued, subscribed and paid up capital

2023 -----No. of shares-----	2022	Note	2023 Rupees	2022 Rupees
237,444,067	237,444,067	Ordinary shares of Rs. 10/- each fully paid in cash.	2,374,440,670	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	40,460,670
17,940,000	17,940,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares.	179,400,000	179,400,000
<u>259,430,134</u>	<u>259,430,134</u>		<u>2,594,301,340</u>	<u>2,594,301,340</u>

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.

17. Reserves

Capital reserves			
Merger reserve			98,039,330
Share premium	17.1.		183,000,000
			281,039,330
Surplus on revaluation of property, plant and equipment	17.2.		933,235,260
			1,214,274,590
Revenue reserves			
General reserve	17.3.		250,000,000
			1,464,274,590
			<u>1,344,887,448</u>

17.1. This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

17.2. 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.

17.3. This reserve can be utilized by the Company for various purposes including issue of bonus shares to shareholders,

18. Redeemable capital	Note	2023 Rupees	2022 Rupees
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 (2022: 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	2023 Rupees	2022 Rupees
19. Long term financing			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	19.1.	1,730,668,141	2,152,373,143
Long term finances under SBP	19.1.	19,176,163	19,176,163
Syndicated term finance		-	10,500,000
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
		<u>1,998,273,356</u>	<u>2,430,478,358</u>
Less: Current portion			
Installments overdue		(1,998,273,356)	(1,984,704,323)
Payable within one year		-	(126,227,839)
	26.	<u>(1,998,273,356)</u>	<u>(2,110,932,162)</u>
		<u>-</u>	<u>319,546,196</u>

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
Under mark up arrangements:							
Demand finances							
DFI	19.1.1 & 19.1.6	1,077,124,310	38	Quarterly	30-Jun-12	30-Sep-21	5% 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	399,568,369	15	Quarterly	31-Mar-18	30-Sep-21	8.5% p.a.
		<u>1,730,668,141</u>					
Long term finances under State							
Bank of Pakistan Scheme							
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%
		<u>19,176,163</u>					
Morabaha finance	19.1.6	9,594,052	8	Quarterly	27-Aug-19	27-Aug-21	11.00% p.a
Morabaha finance II	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.
Not subject to mark up:							
Demand finances							
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 (2022: 6.00% to 8.50% per annum).

- 19.1.1** After un-successful auction proceedings (Ref# 27.1.22) bank and Company entered in to Settlement agreement in September 2023 according to which company has paid an amount of rupees 110 million as down payment and balance principal that include DFI 967.124, export finance 109.725 and LG encashment 30.872 along with IRIS cost of Rs.18.033 will be paid in seven years in 28 quarterly installments commencing from December 2023 till September 2030. Markup at cost of fund i.e 5.69% will be accrued and will be paid at tail end after entire adjustment of principal in eight equal quarterly installments of rupees 33.430 each commencing from December 2030 to September 2032. Further Markup decretal liability and cost of fund from the date of decree till execution of settlement agreement shall be waived off by the bank at the tail end subject to regular payments in accordance with agreement.
- 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 markup / 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 waiver of markup/COFs and write-off of legal charges etc. shall automatically become null and void. During the year company has defaulted in last three payment of loan as per schedule therefore whole amount stand as overdue and bank has filed suit against company during the year due to non payment.
- 19.1.3** It represents principal amount of restructured outstanding loans from Askari Bank Ltd as Company has negotiated the settlement terms and entered into Settlement Agreement ("Agreement"), in respect of outstanding Principal Liability and Markup Liability. As per terms of the Agreement, Company shall pay a settlement amount of Rs 524.322 million (Principal amount of rupees 429.57 million plus 50% of previous outstanding markup rupees 94.75 million) along with future markup (at cost of fund) of rupees 28.211 million as full and final settlement of liabilities i.e. principal and markup. Further, as per terms of the Agreement principal amounting to rupees 429.569 million is payable within three and half years and markup will be paid at tail end in four equal quarterly installments after entire adjustment of principal. Markup on outstanding rescheduled principal liability would be accrued at prevailing "Cost of Fund" of the Bank from the date of implementation of settlement arrangement. The cost of funds shall be reset as and when advised by State Bank of Pakistan. In case of any default under any terms of Settlement Agreement all waiver / concessions will be withdrawn. Entire settlement amount rupees 552.533 million is payable / overdue on June 30, 2023. Company is further negotiating with bank to reschedule / restructure the financing again.
- 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 Markup 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 markup on principal liabilities restructured as mentioned in note 19.1.2 above, converted in the demand finance and no markup 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. 528.095 million (2022: Rs.1,997.58 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**

20. Lease Liabilities	Note	2023 Rupees	2022 Rupees
Opening balance		67,326,108	67,326,108
Paid / adjusted during the year		-	-
		67,326,108	67,326,108
Current portion			
Installments overdue		(67,326,108)	(67,326,108)
Payable within one year		-	-
	26.	(67,326,108)	(67,326,108)
		-	-

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:

	2023			2022		
	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	86,945,214	19,619,106	67,326,108	86,945,214	19,619,106	67,326,108
Due within one year	-	-	-	-	-	-
Due after one year but not later than five years	-	-	-	-	-	-
	86,945,214	19,619,106	67,326,108	86,945,214	19,619,106	67,326,108

21. Deferred liabilities	Note	2023 Rupees	2022 Rupees
Deferred markup on:			
Demand finance	19.1.1.-19.1.3.	1,351,800,020	1,292,723,832
Morabaha finance	19.1.4.	84,290,601	84,290,601
		1,436,090,621	1,377,014,433
Staff retirement gratuity	21.1.	27,998,744	22,474,942
		1,464,089,365	1,399,489,375

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, 2023 using the "Projected Unit Credit Method".

	Note	2023 Rupees	2022 Rupees
21.1.2. Statement of financial position reconciliation as at June 30,			
Present value of defined benefit obligation		27,998,744	22,474,942
21.1.3. Movement in net liability recognised			
Opening balance as at July 01,		22,474,942	18,110,266
Expenses recognised in statement of profit and loss	21.1.4.	9,046,166	5,957,644
Benefits paid during the year		(2,500,000)	-
Remeasurement (gain) on obligation		(1,022,364)	(1,697,968)
Amount transferred from accrued charges		-	105,000
Closing balance as at June 30,		27,998,744	22,474,942
21.1.4. Expenses recognised in statement of profit and loss			
Current service cost		4,635,902	3,359,473
Interest cost		4,410,264	2,598,171
21.1.5. Principal actuarial assumptions			
Discount factor used (per annum)		16.25%	13.25%
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	17.25%	15.25%	27,009,851	29,040,019
Salary increase rate	11%	9%	29,090,620	26,945,859

21.1.7. Expected Maturity Profile

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

Description	2023 (Rupees)
Year	
2024	573,974
2025	545,976
2026	503,977
2027	487,178
2028	461,979
2029 to 2033	2,127,905
2034 onward	23,297,755

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

Rupees	2023	2022	2021	2020	2019
As at June 30,					
Present value of defined benefits obligation	27,998,744	22,474,942	18,215,266	14,039,838	17,011,862
Experience adjustment on obligation	2%	3%	-9%	-21%	-4%

	Note	2023 Rupees	2022 Rupees
22. Trade and other payables			
Creditors		168,612,231	106,410,633
Accrued liabilities		18,059,308	16,894,782
Other advances	22.1.	35,000,000	-
Workers' welfare fund	22.2.	6,403,116	3,168,880
Workers' profit participation fund	22.3.	8,511,147	6,443,088
		<u>236,585,802</u>	<u>132,917,383</u>
22.1. It represent the advance received from sale of building during the year. However the agreement was cancelled after the year end.			
22.2. Workers' welfare fund			
Payable at the beginning of the year		3,168,880	720,506
Charge for the year		3,234,236	2,448,374
		<u>6,403,116</u>	<u>3,168,880</u>
Paid during the year		-	-
Payable at the end of the year		<u>6,403,116</u>	<u>3,168,880</u>
22.3. Workers' profit participation fund			
Payable at the beginning of the year		6,443,088	-
Charge for the year		8,511,147	6,443,088
		<u>14,954,235</u>	<u>6,443,088</u>
Paid to workers during the year		(6,443,088)	-
Payable at the end of the year		<u>8,511,147</u>	<u>6,443,088</u>
23. Contract liabilities			
Foreign		29,279,437	2,462,314
Local		10,266,311	18,132,240
		<u>39,545,748</u>	<u>20,594,554</u>
23.1. Revenue aggregating to Rs. 20,594,554/- (2022: 20,263,875) has been recognized for proceeding year advances from customers.			
24. Interest / markup payable			
Redeemable capital		88,882,946	88,882,946
Long term financing		99,888,430	104,406,524
Lease Liabilities		19,619,106	19,619,106
Short term borrowings		2,522,234,971	2,522,234,971
		<u>2,730,625,453</u>	<u>2,735,143,547</u>

	Note	2023 Rupees	2022 Rupees
25. Short term borrowings			
Secured			
From banking companies and financial institutions			
Under mark up arrangements	25.2.		
Export finances		3,809,565,694	4,409,565,694
Running finance		185,231,589	185,231,589
Morabaha finances	25.3.	327,001,675	327,001,675
Cash finances		53,320,760	114,327,910
Forced demand finance	25.4.	560,607,601	560,607,601
Payment against documents		99,968,675	99,968,675
Not subject to markup			
Demand finance	25.5.	271,405,000	271,405,000
Unsecured			
loan from director	25.6.	100,000,000	-
		<u>5,407,100,994</u>	<u>5,968,108,144</u>

25.1. The aggregate unavailed short term borrowing facilities available to the Company is Rs.Nil at the year end. (2022: 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 (2022: 9.17% to 14.00% per annum).

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. It represents loan created against all overdue rentals of redeemable capital paid by the guarantor as claimed by sukuk unit holders (Refer Note 18.2) and loan created of an amount Rs. 30,872,800 against guarantee amount of SNGPL paid by UBL on behalf of company. Securities are disclosed in Note 19.1.

25.5. 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.

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

25.7. Information / records were not made available by the banking companies to confirm the year end balances amounting to Rs. 721.091 million (2022: Rs.3,090.313 million) and balance of Rs. 23.009 million (2022: Rs. 14.215) is not reconciled due to pending litigation.

25.8. Reconciliation of liabilities arising from short term borrowings

	At July 01, 2022	Availed / transfer during the year	Repaid / transfer during the year	At June 30, 2023
	-----Rupees-----			
Short term borrowings	5,968,108,144	100,000,000	(661,007,150)	5,407,100,994

	Note	2023 Rupees	2022 Rupees
26. Current portion of non current liabilities			
Long term financing	19.	1,998,273,356	2,110,932,162
Lease liabilities	20.	67,326,108	67,326,108
		<u>2,065,599,464</u>	<u>2,178,258,270</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. The company has filed its petition for leave to defend in the said matter and same is pending adjudication.
- 27.1.8** In the matter of M/S Habib Bank Ltd vs Amtex Limited Honorable Lahore High Court, Lahore has passed the decree in favor of Bank. The Company entered in to a settlement agreement as explained in Annual Financial statements. However, due to pandemic situation, the company could not fulfill the terms of settlement agreement. Consequently, Habib Bank Limited has moved with the execution of the decree. However, company has repaid entire principal amount during current financial year partially from auctions proceeds of spinning division and rupees 100 million by one of company's director under written agreement as explained in Note # 25.6 of these financial statements. However the Company is in negotiation with the Bank regarding pending mark-up payment.
- 27.1.9** 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 company. 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 million have been adjusted against the loans of the company by the Bank. The Company is in negotiation with the Bank for restructuring of balance liability.

- 27.1.10** Askari Bank Ltd has instituted a suit for recovery of Rs. 619,486,166/- 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 Bank for an amount of rupees 490.671 million. Being aggrieved, Company has filed appeal in the said matter and the same is pending adjudication.
- 27.1.11** 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. The case is pending adjudication.
- 27.1.12** 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.).
- 27.1.13** Sui Northern Gas Pipelines Ltd has incorporated a suit against the company's Spinning Division situated at 30 KM Sheikhupura 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. Petitioner prayed for decree of recoverable amount along with attachment of immovable properties of the Company before judgment or direction to furnish equal amount of security till the final decision of the court. The company has duly filed its reply in the said matter and the same is pending adjudication.
- 27.1.14** 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. Petitioner prayed for decree of recoverable amount along with attachment of immovable properties of the Company before judgment or direction to furnish equal amount of security till the final decision of court. The company has duly filed its reply in the said matter and the same is pending adjudication.
- 27.1.15** The Honorable Supreme Court of Pakistan ('SCP') in its decision dated August 13, 2020 held that Gas Infrastructure Development Cess ('GIDC'), as initially levied through Gas Infrastructure Development Cess Act, 2011 and modified via different notifications issued from time to time and thereafter re-levied through the Gas Infrastructure Development Cess Ordinance, 2014, stands payable to SNGPL in twenty four (24) equal monthly installments with immediate effect. Pursuant to the order of the SCP, Sui Northern Gas Pipelines Limited raised a demand for the collection of the GIDC arrears. The company filed a writ petition under article 199 of the Constitution of Islamic Republic of Pakistan, 1973 in the Honorable Lahore High Court ('HLHC') against the demand raised, pleading that demanding arrears of GIDC are illegal, unlawful and ultra vires to the first proviso to section 8 (2) of the Gas Infrastructure Development Cess Act, 2015. The writ petition was decided in favor of the Company by HLHC vide its order dated June 17, 2021. Further judgment of the Honorable Supreme Court of Pakistan does not apply to arrears under the Gas Infrastructure Development Cess Act, 2011 and Gas Infrastructure Development Ordinance 2014 that are, in terms of first proviso of section 8 (2) of the Gas Infrastructure Development Cess Act, 2015, not to be collected. The applicability of first proviso of section 8 (2) is subject to the determination by High Level Committee ('Committee') of Sui Northern Gas Pipelines Limited. The decision has not been made by the Committee on the applicability of arrears to the Company.
- 27.1.16** 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.

- 27.1.17** The Company is defendant in various legal proceedings initiated by ex-employee in labor court. The Company expects decisions in its favor based on grounds of case and legal opinion hence, no provision has been made.
- 27.1.18** The Company has filed writ petition before Honorable Lahore High Court praying to set aside the order, issued by Executive Director (Corporate and Supervision Department) Securities and Exchange Commission of Pakistan (SECP), for appointment of inspectors to carry out investigation in to the affairs of the Company, initially Honorable High Court through its interim order has suspended the operation of order for appointment of inspectors and as per final order by the Honourable Court petition is allowed and impugned notice is set aside and matter referred to Commission. In FY2021-22 Executive Director (Corporate and Supervision Department) Securities and Exchange Commission of Pakistan (SECP) again issued show cause notice for appointment of inspectors to carry out investigation in to the affairs of the Company regarding financial years 2019, 2020 & 2021. Subsequently, Executive Director (Corporate and Supervision Department) Securities and Exchange Commission of Pakistan (SECP) passed an order for appointment of inspectors to carry out investigation which has been challenged by the Company through writ petition before Honorable Islamabad High Court praying to set aside the order. The Honorable Islamabad High Court through its interim order has suspended the operation of order for appointment of inspectors and same is pending adjudication.
- 27.1.19** M/S. First National Bank Modaraba has instituted a suit under Financial Institutions (Recovery of Finances) Ordinance, 2001 for recovery of Rs. 36,013,341/- along with markup before the Honorable Judge Banking Court, Lahore against the company. Court has passed the decree in favor of bank and being aggrieved, Company has filed appeal in the said matter and the same is pending adjudication. Further, Company has entered into a settlement agreement and under the terms of settlement Agreement Company has 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.
- 27.1.20** Amtex Limited has filed suit in the Honorable Civil Court at Faisalabad against M/s S.A Rehmat Private Limited for recovery of Rs.28,230,026/- and rendition of account and cancellation of documents. Same is pending adjudication.
- 27.1.21** 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.
- 27.1.22** M/S United Bank Limited has instituted a suit for recovery of Rs. 2,069,996,910/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in Honorable Lahore High Court, Lahore against the company in December 2020. The suit has been decreed and the execution is pending before the Honorable Lahore High Court. Further The Honorable Lahore High Court vide its order approved auction of the mortgaged properties. The Auction remained unsuccessful due to lack of interest by the prospective bidders. However, the company and bank entered in to settlement agreement in September 2023 Ref: Note 19.1.1 according to which entire principal amount will be paid in 28 quarterly and future markup at cost of fund will also be paid at tail end after entire adjustment of principal. Upon execution of said agreement Case pending before Lahore High Court will be sine die adjourned till the payment of entire settlement amount.
- 27.1.23** The Soneri Bank Limited has instituted a suit for recovery of Rs. 674,938,722/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable High Court Lahore against the company. However, the company is in negotiation with the bank for settlement of the outstanding liabilities in an amicable manner.
- 27.1.24** One of the Company's supplier M/S Power Chemical Industries (Pvt) Limited has filed suit in Honorable Senior Civil Judge Faisalabad for recovery of rupees 2.482 million. Company is in negotiation with petitioner to settle the matter in an amicable manner.
- 27.1.25** During the year some portion of company's pledged stock with NBP was sold by bank to adjust its loan without generating sales tax invoice due to which these sales were not in sales tax return which may result company to pay sales tax on these sales with penalty and default surcharge (Refer note # 30.2)

27.1.26 Deputy Commissioner Inland Revenue passed Order dated 12 June 2023 U/S 122(5) of the Income Tax Ordinance, 2001 related to tax year 2017, established the demand amounting to rupees 32.994 million. The Company filed appeal before Commissioner Inland Revenue and Case is still pending for adjudication before (CIR).The management, based on the opinion of its tax consultants and lawyers, believes that there is a reasonable probability that these matters will be decided in favor of the Company.

27.1.27 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. 1068.762 million (2022: net profit for the year would have been decreased by Rs. 737.278 million) and accumulated loss and interest / markup payable would have been increased by Rs. 7,799.028 million (2022: Rs. Rs. 6,730.266 million).

27.1.28 Financial impact, if any, of the above (27.1.1-27.1.27) has not been acknowledged in these financial statements because of pending litigations.

	Note	2023 Rupees	2022 Rupees
27.2. Commitments			
Collector of custom		110,929,107	36,297,281
28. Revenue from contract with customers-Net			
Export Sales			
Direct export			
Fabrics / made ups / garments	28.1.	1,371,168,560	973,514,502
Indirect export			
Processing		187,814,020	147,952,905
Stitching		-	9,786,205
		1,558,982,580	1,131,253,612
Local Sales			
Made ups		71,131,594	43,029,514
Cloth		45,870,438	51,336,429
		1,675,984,612	1,225,619,555
Add: Export rebate / duty drawback	13.1.	15,548,903	25,258,834
		1,691,533,515	1,250,878,389

28.1. Exchange gain due to currency rate fluctuation amounting to Rs. 39,500,337/- (2022: Rs. 25,476,531/-) has been included in direct export sales.

	Note	2023 Rupees	2022 Rupees
28.2. Gross sales			
Indirect export			
Processing		220,565,334	173,104,629
Stiching		-	11,449,860
Local			
Made ups		83,462,073	50,344,531
Cloth		53,944,017	60,063,622
		357,971,424	294,962,642
Less: Sales tax		(53,155,372)	(42,857,589)
		304,816,052	252,105,053

	Note	2023 Rupees	2022 Rupees
28.3. Set out below the disaggregation of the Company's Sales.			
Geographic markets:			
Pakistan		304,816,052	252,105,053
UK		619,913,401	526,935,159
USA		365,942,190	233,825,891
Canada		46,619,789	-
Italy		29,642,229	-
Saudia Arabia		8,162,085	-
Netherland		1,224,021	-
Denmark		104,443,457	48,277,602
Sweden		-	8,389,666
Cyprus		-	7,629,040
Hong kong		99,606,066	123,689,493
Spain		95,615,322	24,767,651
		<u>1,675,984,612</u>	<u>1,225,619,555</u>
29. Cost of sales			
Cost of goods manufactured	29.1.	1,536,259,942	1,010,595,958
Finished goods			
Opening stock		144,492,727	167,659,819
Closing stock		(114,148,002)	(144,492,727)
		<u>30,344,725</u>	<u>23,167,092</u>
		<u>1,566,604,667</u>	<u>1,033,763,050</u>
29.1. Cost of goods manufactured			
Raw material consumed	29.1.1.	779,117,877	481,397,286
Salaries, wages and benefits		137,476,167	88,189,137
Staff retirement benefits		9,046,166	5,957,644
Stores and spares		8,172,241	6,693,862
Dyes and chemicals		176,173,127	135,339,157
Packing material		194,877,121	89,802,745
Conversion processing and stitching charges		161,312,522	128,510,809
Repairs and maintenance		4,431,687	5,667,537
Fuel and power		31,316,662	24,558,709
Depreciation	5.1.2	33,746,475	48,457,473
Other		2,246,380	1,466,395
		<u>1,537,916,425</u>	<u>1,016,040,754</u>
Work in process			
Opening stock		13,650,407	8,205,611
Closing stock		(15,306,890)	(13,650,407)
		<u>(1,656,483)</u>	<u>(5,444,796)</u>
		<u>1,536,259,942</u>	<u>1,010,595,958</u>

	Note	2023 Rupees	2022 Rupees
29.1.1. Raw material consumed			
Opening stock		307,340,419	314,125,009
Purchases including direct expenses		658,001,238	474,612,696
Pledged stock adjustment with NBP (Ref # 30.2)		(53,830,763)	-
		<u>911,510,894</u>	<u>788,737,705</u>
Closing stock		(132,393,017)	(307,340,419)
		<u><u>779,117,877</u></u>	<u><u>481,397,286</u></u>
30. Other Income			
Income from financial assets:			
Exchange gain on restatement of debtors		2,142,694	8,192,712
Exchange gain on Imports		2,620,711	928,733
Income from assets other than financial assets:			
Gain on disposal of property, plant and equipment	30.1	268,399,735	14,582,171
Gain on sales of pledged stock	30.2	7,176,387	-
Rental income	30.3.	23,598,000	23,576,000
Unrealised gain on investment property carried at fair value	6.	14,457,035	55,594,873
		<u>318,394,562</u>	<u>102,874,489</u>
30.1. Gain on disposal of property, plant and equipment			
Sale proceeds.		805,000,000	40,072,295
Written down value of fixed asset disposed off during the year.	5.1.5	(508,210,647)	(25,490,124)
Transfer of long long term deposit	7.1	(28,389,618)	-
		<u>268,399,735</u>	<u>14,582,171</u>
30.2. Gain on sales of pledged stock			
Sale-net	27.1.25	61,007,150	-
Less: Cost of sale (Ref # 29.1.1)		(53,830,763)	-
		<u>7,176,387</u>	<u>-</u>
30.3. It includes rental income from related parties as follows:			
Abwa Knowledge Village (Pvt) Ltd		23,184,000	23,184,000
Cotton Passion Textile Mills (Pvt) Limited		144,000	122,000
I.A Textiles		90,000	90,000
Shama Exports (Pvt) Ltd		90,000	90,000
Amfort (Pvt) Ltd		90,000	90,000
		<u>23,598,000</u>	<u>23,576,000</u>
31. Selling and distribution expenses			
Steamer freight		29,928,141	32,375,893
Freight and octroi		9,575,350	5,402,956
Clearing and forwarding		12,840,092	11,246,398
Export development surcharge		3,299,672	2,159,587
Other expenses		1,601,902	230,415
		<u>57,245,157</u>	<u>51,415,249</u>

F		2023	2022
	Note	Rupees	Rupees
32. Administrative expenses			
Directors' remuneration	36.	2,400,000	2,400,000
Salaries and benefits		29,193,069	24,516,421
Utilities		865,461	703,305
Postage and telecommunication		8,575,149	7,296,114
Vehicles running and maintenance		2,845,170	1,500,271
Traveling and conveyance		7,034,424	3,523,142
Printing and stationery		1,541,901	990,835
Entertainment		4,357,932	3,127,530
Fees and subscriptions		140,000	630,263
Legal and professional		681,662	1,710,000
State bank penalties		-	524,000
Balance written off	32.2	76,273,079	-
Sales tax penalty		26,724	-
Auditor's remuneration	32.1	2,000,000	1,500,000
Repairs and maintenance		1,075,738	366,300
Depreciation	5.1.2	816,630	1,172,621
Other		1,028,700	1,582,561
		<u>138,855,639</u>	<u>51,543,363</u>
32.1. Auditor's remuneration			
Audit fee		1,500,000	1,000,000
Half yearly review		500,000	500,000
		<u>2,000,000</u>	<u>1,500,000</u>
32.2. It includes ;			
long term deposits written off	7.1.1	11,137,667	-
Rebate receivable written off	13.1.1	65,135,412	-
		<u>76,273,079</u>	<u>-</u>
33. Finance cost			
Interest / mark up on:			
Long term financing		54,732,650	72,342,591
Short term borrowings		-	5,284,425
Bank charges and commission		22,267,028	10,542,437
		<u>22,267,028</u>	<u>10,542,437</u>
34. Taxation			
Current			
For the year		20,346,965	15,926,053
Prior year		219,755	555,228
Deferred		-	-
		<u>20,566,720</u>	<u>16,481,281</u>

34.1. Provision of taxation has been provided by charging alternate corporate tax on accounting profit under section 113(C) of Income Tax (Ordinance) 2001, when and where applicable, and export proceeds realized under final tax regime as per section 154 read with 169 of the Income Tax Ordinance, 2001.

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.

	Note	2023 Rupees	2022 Rupees
34.3. Tax Reconciliation			
Profit before taxation		158,477,553	-
Tax @ 29%		45,958,490	-
Prior year adjustment		219,755	-
Income subject to diff tax rate		(25,611,525)	-
		<u>20,566,720</u>	<u>-</u>

The relationship between tax expenses and accounting profit related to 2022 has not been presented in these financial statements as the company's taxation includes tax based on 1st part of first schedule and provisions of section 169, 154, 153(2) and 113 of the Income Tax Ordinance, 2001.

	Note	2023	2022
35. Earning per share - Basic and diluted			
Net Profit for the year (Rupees)		137,910,833	103,489,020
Weighted average number of ordinary shares		259,430,134	259,430,134
Earning per share -Basic and diluted (Rs.)		0.53	0.40

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

36. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2023			2022		
	Chief Executive Officer	Director	Executives	Chief Executive Officer	Director	Executives
	-----Rupees-----					
Remuneration	800,000	800,000	9,854,040	800,000	800,000	9,088,000
House rent allowance	320,000	320,000	3,519,300	320,000	320,000	3,635,200
Utility allowance	80,000	80,000	703,860	80,000	80,000	908,800
	<u>1,200,000</u>	<u>1,200,000</u>	<u>14,077,200</u>	<u>1,200,000</u>	<u>1,200,000</u>	<u>13,632,000</u>
Number of persons	1	1	9	1	1	5

36.1. The Directors are entitled to free use of Company maintained vehicles. The running and maintenance expenses of these vehicles are Rs.1,412,253/- (2022: Rs.1,047,125/-). The Directors have waived off their meeting fee.

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	2023 (FIGURES IN THOUSAND)	2022
37. INSTALLED CAPACITY AND ACTUAL PRODUCTION			
Spinning			
100 % plant capacity converted to 20s count based on 3 shifts per day for 1095 shifts (2022: 1095 shifts)	Kgs.	-	18,162
Actual production converted to 20s count based on 3 shifts per day for Nil (2022: Nil)	Kgs.	-	-
Dyeing and finishing			
Production capacity for 3 shifts per day for 1095 shifts (2022: 1095 shifts)	Mt.	32,850	32,850
Actual production for 3 shifts per day for Nil (2022: 338 shifts)	Mt.	-	4,250
Coating & Flocking			
Production capacity for 3 shifts per day for 1095 shifts (2022 1095 shifts)	Mt.	960	960
Actual production of 3 shifts per day for 688 shifts (2022: 716 shifts)	Mt.	519	575

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.

Reasons for shortfall

- Furthermore due to cost effectiveness and due to continues power shortage there is no activity in processing dyeing and finishing hence company dependes upon outsourcing in this process during the year.

38. NUMBER OF EMPLOYEES	2023	2022
Average number of employees during the year	75	65
Average number of factory employees during the year	225	200
Number of employees as at June 30,	78	48
Number of factory employees as at June 30,	260	125

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.

	2023	2022
	Rupees	Rupees
39.1. FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets:		
At amortized cost		
Loans and advances	-	2,625,000
Trade debts	247,322,571	186,814,853
Other receivables	19,623,150	77,888,459
Deposits	19,902,954	55,518,652
Cash and bank balances	<u>112,088,168</u>	<u>82,722,503</u>
	<u>398,936,843</u>	<u>405,569,467</u>
Financial liabilities:		
At amortized cost		
Long term financing	1,998,273,356	2,430,478,358
Lease Liabilities / Ijarah	67,326,108	67,326,108
Deferred mark up	1,436,090,621	1,377,014,433
Trade and other payables	236,585,802	123,305,415
Interest / markup payable	2,730,625,453	2,735,143,547
Short term borrowings	<u>5,407,100,994</u>	<u>5,968,108,144</u>
	<u>11,876,002,334</u>	<u>12,701,376,005</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. The Company does not have any significant exposure to customers from any single country or single customer.

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:

	2023 Rupees	2022 Rupees
Trade debts	247,322,571	186,814,853
Loans and advances	-	2,625,000
Deposits	19,902,954	55,518,652
Bank balances	36,328,793	34,392,142
	<u>303,554,318</u>	<u>279,350,647</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 majority of export sales debtors of the Company are situated at USA and Europe.

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:

	2023 Rupees	2022 Rupees
Not past due	247,322,571	165,758,713
Past due within one year	-	21,056,140
Past due more than one year	7,041,998,879	7,041,998,879
	<u>7,041,998,879</u>	<u>7,063,055,019</u>
	<u>7,289,321,450</u>	<u>7,228,813,732</u>

Out of Rs. 7,289,321,450/- (2022: Rs. 7,228,813,732/-), the Company has provided Rs. 7,041,998,879 (2022: Rs. 7,041,998,879) as the amount being doubtful to be recovered from certain customers 96.61% 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, 2023 and 2022;

	2023 -----Rupees in thousand-----					
	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	Above five years
Financial liabilities:						
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>
	2022 -----Rupees in thousand-----					
	Carrying amounts	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	Above five years
Financial liabilities:						
Long term financing	2,430,478	2,430,478	2,047,818	63,114	319,546	-
Lease Liabilities	67,326	67,326	67,326	-	-	-
Trade and other payables	132,917	132,917	132,917	-	-	-
Short term borrowings	5,968,108	5,968,108	5,968,108	-	-	-
Interest / markup payable	2,735,144	2,735,144	2,735,144	-	-	-
	<u>11,333,974</u>	<u>11,333,974</u>	<u>10,951,313</u>	<u>63,114</u>	<u>319,546</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			2023	2022
	SHORT TERM	LONG TERM	AGENCY		
----- Rupees -----					
Allied Bank Limited	A-1+	AAA	PACRA	11,647	12,247
Askari Bank Limited	A-1+	AA+	PACRA	2,185	73,520
Bank Alfalah Limited	A-1+	AA+	PACRA	10,917,856	14,202,924
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+	AAA	VIS	5,414,588	167,508
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	-	89,350
MCB Bank Limited	A-1+	AAA	PACRA	29,595	29,595
Meezan Bank Limited	A-1+	AAA	VIS	57,557	8,926
National Bank of Pakistan	A-1+	AAA	PACRA	2,814,430	2,814,430
	A-1+	AAA	VIS		
United Bank Limited	A-1+	AAA	VIS	17,369	28,772
Soneri Bank Limited	A-1+	AA-	PACRA	43,175	1,731
SilkBank Limited	A-2	A-	VIS	4,622	4,622
Summit Bank Limited	Suspended			69,178	11,925
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				36,328,793	34,392,142

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, 2023 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 fixed rate instruments

The Company does not account for any fixed 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 variable rate instruments

Had the interest rate been increased / decreased by 1% at the reporting date with all other variables held constant, loss for the period and equity would have been Rs. 1.808 million (2022 : Rs. 1.364 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. 213.76 million (2022: Rs. 158.74 million).

At June 30, 2023, 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. 21.3753 million (2022: Rs.15.874 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, 2023 are as follows:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Operating fixed assets				
Freehold				
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
Right of use assets				
Plant and Machinery	-	17,945,009	-	17,945,009
Investment property				
Land	-	642,209,000	-	642,209,000
Building	-	616,482,557	-	616,482,557
	<u>-</u>	<u>2,185,456,377</u>	<u>-</u>	<u>2,185,456,377</u>

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, 2022 are as follows:

	Level 1	Level 2	Level 3	Total
	-----Rupees-----			
Operating fixed assets				
Freehold				
Land	-	545,873,300	-	545,873,300
Building	-	318,030,052	-	318,030,052
Plant and Machinery	-	180,085,571	-	180,085,571
Electric installation	-	27,702,000	-	27,702,000
Factory equipment	-	1,654,424	-	1,654,424
Laboratory equipments	-	1,231,200	-	1,231,200
Right to use assets				
Plant and Machinery	-	24,555,899	-	24,555,899
Investment property				
Land	-	607,495,000	-	607,495,000
Building	-	636,739,522	-	636,739,522
	<u>-</u>	<u>2,343,366,968</u>	<u>-</u>	<u>2,343,366,968</u>

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, 2023 and 2022 were as follows:

	Note	2023 Rupees	2022 Rupees
Total debt	18,19,20 & 25.	7,472,700,458	8,465,912,610
Less: Cash and bank balances	15.	112,088,168	82,722,503
Net debt		7,360,612,290	8,383,190,107
Total equity		(8,633,526,520)	(9,092,884,009)
Total capital employed		(1,272,914,230)	(709,693,902)

39.5. Overdue loans

On the reporting date the installments of long term finances amounting to Rs. 1,998.273 million along with mark up of Rs. 99.888 million, lease finance amounting to Rs. 67.326 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs. 5,407.101 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. 1,998.273 million, lease finance Rs. 67.326 million and short term borrowings Rs. 5,407.101 million.

Overdue installment of long term loans amounting to Rs. 110 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	2023 (Rupees)	2022 (Rupees)
Associated undertakings	- Sales	67,673,208	46,771,570
	- Cotton passion (pvt.) Limited		
	- Rentals	23,598,000	23,576,000
	- Receivable	18,776,947	21,810,433
Key management personnel	- Remuneration to Directors	2,400,000	2,400,000
	- Loan from Directors	100,000,000	-

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, 2023 causing any adjustment or disclosure in the financial statements.

42. GENERAL

42.1. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on October 06, 2023 by the Board of Directors of the Company.

42.2. Figures have been rounded off to the nearest rupees.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

Pattern of Shareholding

As on June 30, 2023

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage of Total Capital
	From	To		
98	1 -	100	2,571	0.00
253	101 -	500	107,526	0.04
368	501 -	1000	320,074	0.12
771	1001 -	5000	2,364,409	0.91
313	5001 -	10000	2,564,166	0.99
144	10001 -	15000	1,888,534	0.73
110	15001 -	20000	2,066,883	0.80
72	20001 -	25000	1,692,353	0.65
45	25001 -	30000	1,291,617	0.50
29	30001 -	35000	959,023	0.37
27	35001 -	40000	1,042,000	0.40
19	40001 -	45000	817,545	0.32
44	45001 -	50000	2,177,000	0.84
12	50001 -	55000	641,555	0.25
14	55001 -	60000	820,817	0.32
10	60001 -	65000	623,000	0.24
12	65001 -	70000	816,926	0.31
8	70001 -	75000	589,000	0.23
7	75001 -	80000	553,500	0.21
5	80001 -	85000	416,500	0.16
7	85001 -	90000	613,900	0.24
6	90001 -	95000	561,250	0.22
23	95001 -	100000	2,293,500	0.88
6	100001 -	105000	620,000	0.24
5	105001 -	110000	539,500	0.21
2	110001 -	115000	225,551	0.09
5	115001 -	120000	591,889	0.23
9	120001 -	125000	1,105,616	0.43
1	125001 -	130000	128,500	0.05
3	135001 -	140000	415,022	0.16
2	140001 -	145000	289,441	0.11
6	145001 -	150000	892,500	0.34
4	150001 -	155000	605,366	0.23
5	155001 -	160000	796,000	0.31
2	160001 -	165000	325,622	0.13
1	170001 -	175000	174,122	0.07
1	175001 -	180000	178,131	0.07
1	180001 -	185000	180,500	0.07
14	195001 -	200000	2,794,500	1.08
3	200001 -	205000	608,500	0.23
1	205001 -	210000	210,000	0.08

Number of Shareholders	Shareholding From	To	Total Number of Shares Held	Percentage of Total Capital
1	210001 -	215000	211,000	0.08
1	215001 -	220000	217,500	0.08
2	220001 -	225000	450,000	0.17
1	230001 -	235000	235,000	0.09
1	235001 -	240000	239,561	0.09
3	245001 -	250000	748,000	0.29
1	250001 -	255000	251,000	0.10
1	280001 -	285000	282,500	0.11
1	290001 -	295000	293,000	0.11
4	295001 -	300000	1,200,000	0.46
1	300001 -	305000	300,500	0.12
1	305001 -	310000	308,000	0.12
1	310001 -	315000	311,000	0.12
1	325001 -	330000	326,500	0.13
1	330001 -	335000	334,500	0.13
1	335001 -	340000	340,000	0.13
1	345001 -	350000	350,000	0.13
2	360001 -	365000	726,023	0.28
1	385001 -	390000	389,121	0.15
1	390001 -	395000	392,000	0.15
1	395001 -	400000	397,200	0.15
1	405001 -	410000	410,000	0.16
1	420001 -	425000	425,000	0.16
1	450001 -	455000	454,000	0.17
1	490001 -	495000	495,000	0.19
1	495001 -	500000	500,000	0.19
1	535001 -	540000	540,000	0.21
1	620001 -	625000	625,000	0.24
1	745001 -	750000	750,000	0.29
1	795001 -	800000	800,000	0.31
1	1000001 -	1005000	1,005,000	0.39
1	1070001 -	1075000	1,070,500	0.41
1	1155001 -	1160000	1,157,000	0.45
1	1380001 -	1385000	1,384,000	0.53
1	1595001 -	1600000	1,600,000	0.62
1	1625001 -	1630000	1,627,500	0.63
1	1705001 -	1710000	1,709,500	0.66
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
2,517			259,430,134	100.00

Categories of Shareholding
As At June 30, 2023

Categories of Members	No. of Shareholders	No. of Shares Held	Percentage
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	2490	56,579,394	21.81
Foreign		-	
Joint stock companies	16	1,425,476	0.55
Others (Government Institution)	1	22,555,000	8.69
Total (Excluding Shareholders holding 10% or more)	2517	259,430,134	

Pattern of Shareholding
As at June 30, 2023
Other Information

Categories of Shareholders	Number	Shares Held	Percentage
Associated Companies, Undertakings and Related Parties		-	-
NIT & ICP / FUNDS			
NIT	2	752,644	0.29
Directors, CEO their Spouses & Minor Children			
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
Executives		-	-
Public Sector Companies & Corporations			
Joint Stock companies	16	1,425,476	0.55
Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Takaful, Modarabas & Pension Funds	1	23,172,472	8.93
Shareholders Holding Five Percent or More Voting Interest in the Listed Company			
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, 2023 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 _____ 2023

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

AFFIX
CORRECT
POSTAGE

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

پراکسی فارم

سالانہ عمومی میٹنگ 2023

میں اہم ----- 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 2023 کو بوقت 11:00 بجے صبح
بہ مقام ٹیکس ایگلی نمبر 2 انگلری بازار فیصل آباد میں منعقد ہونے والے سالانہ اجلاس عام میں شرکت اور رائے دہندگی کے لیے اپنا نمائندہ مقرر کرنا
رکرتی ہوں۔

دستخط شیئر ہولڈر ----- مورخہ ----- اکتوبر 2023

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	مقرر 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 بہ مقام ٹیکس ایگلی نمبر 2 انگلری 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۔

محصول ٹکٹ چسپاں کریں

سی ڈی سی اکاؤنٹ نمبر -----

AFFIX
CORRECT
POSTAGE

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

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
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-  Financial calculator
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-  Online Quizzes



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PAKISTAN OFFICE

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