

AMTEX LIMITED

First Quarterly Report
September 30, 2023



CONTENTS

COMPANY INFORMATION

DIRECTOR'S REPORT

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

CONDENSED INTERIM STATEMENT OF PROFIT & LOSS ACCOUNT

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

CONDENSED INTERIM CASH FLOW STATEMENT

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Company Information

Board of Directors

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

Chairman
Chief Executive Officer

Chief Financial Officer

Mr. Waheed Aslam

Company Secretary

Mr. Muhammad Raza Farooq

Audit Committee

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

Chairman

Human Resource & Remuneration Committee

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

Chairman

Auditors

Zahid Jamil & Co.
Chartered Accountants

Legal Advisor

Mr. Aamir Nawaz Bhatti
Advocate High Court

Share Registrar Office

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

Registered Office

P-225 Tikka Gali # 2 Montgomery Bazar, Faisalabad

Projects Locations

Punj Pullian Daewoo Road Faisalabad

Processing & Stitching Unit

Website

www.amtextile.com

DIRECTORS' REPORT

The Board of Directors of Amtex Limited presents herewith the Directors' Report together with the Company's un-audited financial information for the period ended September 30, 2023.

Financial Results

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

	Quarter ended Septmeber 30 ,	
	2023	2022
	Rupees	Rupees
Sales	725,737,708	355,356,601
Cost of sales	618,650,367	281,049,180
Gross Profit	107,087,341	74,307,421
Other operating income	3,864,000	270,238,813
Profit for the period	34,002,111	289,765,840
Earnings per share - Basic and diluted	0.13	1.12

During 1st quarter under review company earned gross profit of Rs.107.08 million as compared to gross profit of Rs. 74.30 million in the corresponding period of last year and net profit of Rs. 34.002 million as compared to net profit of Rs. 289.76 million in the corresponding period of last year. Sales volume has significantly increased as compared to previous corresponding period and the company's total sales are Rs.725.737 million in three months against sales of Rs. 355.356 million in the corresponding period of last 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.

As described in Note # 13 of these un-audited financial statements the shareholders in Annual General Meeting held on October 28, 2023 accorded approval for sale of Land & Building situated at 1 K.M. Khurrianwala Jaranwala Road Faisalabad as a part of debt restructuring/rescheduling plan under negotiation between company and its lender banks. In said Annual General Meeting members unanimously approved aforementioned special business transaction.

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

Future outlook

Despite unfavorable business environment the management is making full efforts to utilize its full manufacturing capacities and remained successful in improving the exports volume significantly as compared to last corresponding quarter. Currently company is facing tight cash flow situation and has not been able to pay its certain debt obligations towards its financial creditors. To regularize bank loans, the repayment terms are being renegotiated with the lenders keeping in view the future cash flows, and other relevant forecasts and certain banks have approved the restructuring to revive the export business while negotiations with others are in progress. The management is confident that upon maturity of offered settlement plans to its lenders the company will be able to attain satisfactory level of viability.

Acknowledgement

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

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

For and on behalf of the Board



CHIEF EXECUTIVE

Khurram Iftikhar



DIRECTOR

Shahzad Iftikhar

Faisalabad
October 30, 2023

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روبروسہ ماہی رپورٹ معہ مالی غیر آڈٹ شدہ گوشاہ حساب برائے 30 ستمبر 2023 پیش کرتے ہیں۔

مالی نتائج:

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

ستمبر 30 2022	ستمبر 30 2023	
روپے	روپے	
255,356,601	725,737,708	فروخت
281,049,180	618,650,367	تخمینہ فروخت
74,307,421	107,087,341	کل منافع
289,765,840	34,002,111	بعد از ٹیکس منافع
1.12	0.13	فی کس حصص منافع

سہ ماہی کے دوران کمپنی کی کل فروخت میں گچھلی سہ ماہی کے مقابلے میں نمایاں اضافہ ہوا ہے اور کمپنی کی کل فروخت مبلغ 725.73 ملین روپے کی مد میں کل منافع رقم مبلغ 107.08 ملین روپے ہوا جبکہ گچھلی سہ ماہی کی کل فروخت مبلغ 255.35 ملین روپے اور کل منافع مبلغ 74.30 ملین روپے ہوا تھا۔ سہ ماہی کے دوران کمپنی کو بعد از ٹیکس ادائیگی مبلغ 34.002 ملین روپے کا خالص منافع ہوا جبکہ گچھلی سہ ماہی میں بعد از ٹیکس ادائیگی مبلغ 289.765 ملین روپے کا خالص منافع ہوا تھا۔ بدترین سیاسی عدم استحکام، امن و امان کی خراب صورتحال، کرنسی کی قدر میں کمی اور یوٹیلٹی، ایندھن اور توانائی کی قیمتوں میں نمایاں اضافہ کے باوجود کمپنی نے برآمدی حجم کے حوالے سے اپنی ترقی کو برقرار رکھا اور کمپنی کی فروخت میں نمایاں اضافہ ہوا۔

جیسا کہ ان غیر آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 13 میں بیان کیا گیا ہے کہ کمپنی نے 28 اکتوبر 2023 کو ہونے والی سالانہ جنرل مینٹنگ میں 1 کلومیٹر کھریاں والا جزا نوالہ روڈ فیصل آباد پر واقع زمین اور عمارت کی فروخت کے لیے قرض دینے والے بینکوں کے درمیان گفت و شنید کے تحت قرض کی تنظیم نو/ری شیڈولنگ پلان کے ایک حصے کے طور پر اراکین سے منظوری لی ہے۔ اس میں سالانہ جنرل مینٹنگ کے ممبران نے متفقہ طور پر مذکورہ خصوصی کاروباری لین دین کی منظوری دی۔

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

مستقبل کے امکانات :

ناسازگار کاروباری ماحول کے باوجود انتظامیہ اپنی مکمل مینوفیکچرنگ صلاحیتوں کو بروئے کار لانے کی بھرپور کوششیں کر رہی ہے اور گزشتہ اسی سہ ماہی کے مقابلے برآمدات کے حجم کو نمایاں طور پر بہتر کرنے میں کامیاب رہی ہے۔ فی الحال کمپنی کو کیش فلو کی سخت صورت حال کا سامنا ہے اور وہ اپنے مالی قرض دہندگان کے لیے اپنے مخصوص قرض کی ذمہ داریوں کو ادا کرنے کے قابل نہیں ہے۔ بینک قرضوں کو ریگولرائز کرنے کے لیے قرض دہندگان کے ساتھ ادائیگی کی شرائط پر مستقبل میں کیش فلو اور دیگر متعلقہ پیشین گوئیوں کو مد نظر رکھتے ہوئے دوبارہ گفت و شنید کی جا رہی ہے اور بعض بینکوں نے برآمدی کاروبار کو بحال کرنے کے لیے تنظیم نو کی منظوری دے دی ہے جبکہ دوسروں کے ساتھ بات چیت جاری ہے۔ انتظامیہ کو یقین ہے کہ اس کے قرض دہندگان کو پیش کردہ سیٹلمنٹ پلانز کی پیچنگی پر کمپنی قابل عمل ہونے کی تسلی بخش سطح حاصل کر سکے گی۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیزرز 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: 30 اکتوبر 2023

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

	NOTE	Un-audited September 30 2023 RUPEES	Audited June 30 2023 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3.	948,738,905	952,481,891
Investment property- fair value		1,258,691,557	1,258,691,557
Long term deposits		15,103,828	15,103,828
		2,222,534,290	2,226,277,276
CURRENT ASSETS			
Stores, spares and loose tools		167,658,338	173,226,112
Stock in trade		212,972,839	261,847,909
Trade debts	4.	373,862,631	247,322,571
Loans and advances		32,351,416	26,003,572
Deposits and prepayments		4,799,126	4,799,126
Other receivables		26,401,025	19,623,150
Tax refunds due from the Government		241,596,821	238,832,422
Cash and bank balances		105,698,027	112,088,168
		1,165,340,223	1,083,743,030
		3,387,874,513	3,310,020,306
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 260,000,000 (2023: 260,000,000) ordinary shares of Rs.10/- each		2,600,000,000	2,600,000,000
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Reserves		531,039,330	531,039,330
Accumulated loss		(12,656,721,396)	(12,692,102,450)
Surplus on revaluation of property, plant and equipment		931,856,317	933,235,260
		(8,599,524,409)	(8,633,526,520)
NON CURRENT LIABILITIES			
Redeemable capital	5.	-	-
Long term financing	6.	1,229,911,825	-
Lease liabilities / Ijarah		-	-
Deferred liabilities		1,475,120,321	1,464,089,365
		2,705,032,146	1,464,089,365
CURRENT LIABILITIES			
Trade and other payables		350,998,342	236,585,802
Contract Liabilities		77,954,348	39,545,748
Interest / markup payable		2,720,625,453	2,730,625,453
Short term borrowings		5,266,503,194	5,407,100,994
Current portion of non current liabilities		866,285,439	2,065,599,464
		9,282,366,776	10,479,457,461
Contingencies and commitments	7.	-	-
		3,387,874,513	3,310,020,306

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended Septmeber 30 , 2023 Rupees	2022 Rupees
Sales		725,737,708	355,356,601
Cost of sales	8	618,650,367	281,049,180
Gross Profit		<u>107,087,341</u>	<u>74,307,421</u>
Other operating income	9	<u>3,864,000</u>	<u>270,238,813</u>
		110,951,341	344,546,234
Selling and distribution expenses		19,085,264	8,560,218
Administrative expenses		32,801,847	24,439,426
Finance cost	10	17,559,065	16,325,238
		<u>69,446,176</u>	<u>49,324,882</u>
Profit / (loss) for the period before taxation		41,505,165	295,221,352
Provision for taxation		7,503,054	5,455,512
Profit / (Loss) for the period		<u><u>34,002,111</u></u>	<u><u>289,765,840</u></u>
Earnings per share - Basic and diluted		<u><u>0.13</u></u>	<u><u>1.12</u></u>

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30,	
	2023	2022
	Rupees	Rupees
Loss after taxation	34,002,111	289,765,840
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>34,002,111</u>	<u>289,765,840</u>

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended September 30,	
	2023	2022
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	41,505,165	295,221,352
Adjustments for:		
Depreciation of property, plant and equipment	8,755,506	10,938,776
Gain on disposal of property plant & equipment	-	(264,442,813)
Provision for staff retirement gratuity	1,147,225	1,104,700
Finance cost	17,559,065	16,325,238
Operating cash flows before working capital changes	68,966,961	59,147,253
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	5,567,774	(27,677,247)
Stock in trade	48,875,070	8,822,890
Trade debts	(126,540,060)	52,265,082
Loans & advances	(6,347,844)	(1,159,030)
Deposits and prepayments	-	-
Other receivables	(6,777,875)	(9,835,821)
Tax refunds due from Government	(2,764,399)	(5,493,933)
Increase / (decrease) in current liabilities		
Trade and other payables	114,412,540	41,979,350
Contract liabilities	38,408,600	827,730
	64,833,806	59,729,021
Cash generated from operations	133,800,767	118,876,274
Income tax paid	(7,503,054)	(4,081,954)
Finance cost paid	(17,675,334)	(4,476,172)
Net Cash generated from operating activities	108,622,379	110,318,148
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets	-	805,000,000
Capital expenditure	(5,012,520)	(3,114,621)
Net cash (used in) generated from investing activities	(5,012,520)	801,885,379
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term loans-net	(110,000,000)	(239,825,444)
Short term loans-net		(600,000,000)
Net cash used in financing activities	(110,000,000)	(839,825,444)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(6,390,141)	72,378,083
Cash and cash equivalents at the beginning of the year	112,088,168	82,722,503
Cash and cash equivalents at the end of the year	105,698,027	155,100,586

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 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-----							
Balance as at July 01, 2022	2,594,301,340	98,039,330	183,000,000	813,848,118	250,000,000	(13,032,072,797)	(9,092,884,009)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	289,765,840	289,765,840
Transfer to accumulated loss in respect of surplus realized on disposal of assets				(195,322,827)		195,322,827	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(684,947)	-	684,947	-
	-	-	-	(196,007,774)	-	485,773,614	289,765,840
Balance as at September 30, 2022	2,594,301,340	98,039,330	183,000,000	617,840,344	250,000,000	(12,546,299,183)	(8,803,118,169)
Total comprehensive (loss) for the period							
Profit for the period	-	-	-	-	-	(151,855,007)	(151,855,007)
Other comprehensive income for the period							
Surplus on revaluation of property plant and Equipment net of deferred tax				320,424,292		-	320,424,292
- Remeasurement of defined benefit obligation						1,022,364	1,022,364
Total comprehensive loss for the year	-	-	-	320,424,292	-	(150,832,643)	169,591,649
Transfer to accumulated loss in respect of:							
-Incremental depreciation for the year				(1,806,650)		1,806,650	-
-Disposal of fixed assets				(3,222,726)		3,222,726	-
Incremental depreciation for the period	-	-	-	(5,029,376)	-	5,029,376	-
Balance 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)
Total comprehensive (loss) for the period							
Profit for the period	-	-	-	-	-	34,002,111	34,002,111
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	34,002,111	34,002,111
Transfer to accumulated loss in respect of surplus realized on disposal of assets				-		-	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(1,378,943)	-	1,378,943	-
	-	-	-	(1,378,943)	-	1,378,943	-
Balance as at September 30, 2023	2,594,301,340	98,039,330	183,000,000	931,856,317	250,000,000	(12,656,721,396)	(8,599,524,409)

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2023

1. STATUS AND ACTIVITIES

- 1.1** Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the Companies Ordinance, 1984 (now the Companies Act 2017) and listed on Pakistan Stock Exchange limited (formerly Karachi Stock Exchange Limited) in Pakistan. The registered office of the Company is situated at P-225, Tikka Gali No. 2, Montgomery Bazar, Faisalabad. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. The Company is also engaged in the business of manufacturing and sale of yarn and fabrics on its own & conversion basis. The cloth processing unit and stitching units are located at chak 120 Punj Pullian Daewoo Road Faisalabad and spinning unit is located at 30 KM Sheikhpura Road, Khurrianwala, District Faisalabad, in the province of Punjab.
- 1.2** Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with the assets, liabilities and reserves of the Company with effect from April 01, 2003.
- 1.3** The Company has earned profit before taxation of Rs. 41.505 million and its sales have also increased during the period as compared to previous corresponding period. Due to tight cash flow situation company has not been able to comply with the terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts.

Worst political instability, energy shortage, high inflation rate and increasing cost of doing business has hit Pakistan's vital textile industry, which supplies everything from denim to bed linen towards markets in the US and Europe, and accounts for 60 percent of the country's exports. The textile industry is in a state of emergency, unannounced and unscheduled outages disrupt the textile supply chain, which is "causing millions of rupees of losses". The management of the Company aware of the situation and making best efforts in facing these challenges. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. There is material uncertainty related to events or conditions which may cast significant doubt about the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern.

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

2. SIGNIFICANT ACCOUNTING POLICIES

- 2.1** This condensed interim financial report has been prepared in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standard (IAS) 34 "Interim Financial Reporting" as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act, 2017 and in compliance with the requirements of section 237 of the Companies Act 2017 and Rule Book of Pakistan Stock Exchange Limited
- 2.2** This condensed interim financial report has been prepared under "historical cost convention" except certain items of property, plant and equipment included at revaluation and staff retirement gratuity carried at present value and certain financial instruments at fair value.
- 2.3** This condensed interim financial report does not include all the information required for annual financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2023.

2.4 The accounting policies and methods of computation followed in the preparation of this condensed interim financial report is the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2023.

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

During preparation of this condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2023.

		Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
3. Property, plant and equipment			
Operating assets		948,738,905	952,481,891
Capital work in progress		-	-
		<u>948,738,905</u>	<u>952,481,891</u>
3.1 Operating assets			
Opening written down value		952,481,891	1,130,664,497
Addition during 3 months / 12 months:	3.1.1	5,012,520	44,166,856
Deletions during 3 months / 12 months:	3.1.2		(600,454,540)
Depreciation charge for 3 months / 12 months		(8,755,506)	(34,563,105)
Depreciation adjustment for disposal			92,243,893
Surplus on revaluation		-	320,424,292
Closing written down value		<u>948,738,905</u>	<u>952,481,891</u>
3.1.1 Addition during 3 months / 12 months:			
Building			20,183,166
Plant & machinery		5,012,520	19,089,235
Electric installation			4,894,455
		<u>5,012,520</u>	<u>44,166,856</u>
3.1.2 Deletions during 3 months / 12 months:			
Land			211,500,000
Building			348,505,950
Plant and Machinery			24,548,590
Electric Installations			13,500,000
Factory Equipment			800,000
Laboratory Equipment			1,600,000
		<u>-</u>	<u>600,454,540</u>

		Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
4. Trade debts			
Considered good			
Unsecured			
Foreign		328,859,558	213,752,580
Local	4.1	45,003,073	33,569,991
		373,862,631	247,322,571
Considered doubtful			
Unsecured			
Foreign		7,041,998,879	7,041,998,879
Less provision for doubtful debts		(7,041,998,879)	(7,041,998,879)
		-	-
		<u>373,862,631</u>	<u>247,322,571</u>
4.1 It includes Balance from related party as follows:			
Cotton Passion (Pvt) Limited		<u>13,375,011</u>	<u>18,776,947</u>
4.2 The aging of trade debts as at balance sheet date is as under:			
Not past due		362,179,278	247,322,571
Past due within one year		11,683,353	-
Past due more than one year		7,041,998,879	7,041,998,879
		7,053,682,232	7,041,998,879
		<u>7,415,861,510</u>	<u>7,289,321,450</u>

5. Redeemable capital

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

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

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

		Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
6. Long term financing			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	6.1	1,761,265,941	1,730,668,141
Long term finances under SBP		19,176,163	19,176,163
Syndicated term finance		-	-
Morabaha finance		9,594,052	9,594,052
Morabaha finance II		104,000,000	104,000,000
Not subject to mark up			
Demand finance		<u>134,835,000</u>	<u>134,835,000</u>
		<u>2,028,871,156</u>	<u>1,998,273,356</u>
Less: Current portion			
Installments due		(601,604,619)	(1,998,273,356)
Payable within one year		(197,354,712)	-
		<u>(798,959,331)</u>	<u>(1,998,273,356)</u>
		<u>1,229,911,825</u>	<u>-</u>

6.1 It includes an amount of rupees 1,107.722 million payable to United Bank Limited restructured during the period. The Company entered in to Settlement agreement with the Bank in September 2023 according to which company has paid an amount of rupees 110 million as down payment and balance principal that includes DFI rupees 967.124 million, export finance rupees 109.725 million and LG encashment rupees 30.872 million along with IRIS cost of rupees 18.033 million will be paid in seven years in 28 quarterly installments commencing from December 2023 till September 2030. Mark up at cost of funds i.e., 5.69% will be accrued and will be paid at tail end after entire adjustment of principal in eight equal quarterly installments of rupees 33.430 million each commencing from December 2030 to September 2032. Further Markup decretal liability and cost of funds from the date of decree till execution of settlement agreement shall be waived off by the bank at the tail end subject to regular payments in accordance with the agreement.

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

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

- a. There is no material change in the status of contingencies as disclosed in note # 27.1 of the financial statements for the year ended June 30,2023 except the following:
- b. In accordance with Note 27.1.22 of the Annual Financial Statements, the Company and United Bank Limited entered in to settlement agreement in September 2023 (Ref: Note 6.1) according to which entire principal amount will be paid in 28 quarterly installments 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 has been sine die adjourned sine die.
- c. The company has not fully recognised mark up on redeemable capital and on long and short term financing due to pending litigations and also due to settlements with other banks.

		Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
7.2 Commitments			
Collector of custom		<u>98,250,104</u>	<u>110,929,107</u>

		Quarter ended September 30, Un-audited	
		2023 Rupees	2022 Rupees
8. Cost of sales		725,737,708	355,356,601
Cost of goods manufactured	8.1	599,699,701	272,261,724
Finished goods			
Opening stock		114,148,002	144,492,727
Closing stock		(95,197,336)	(135,705,271)
		18,950,666	8,787,456
		<u>618,650,367</u>	<u>281,049,180</u>
8.1 Cost of goods manufactured			
Raw material consumed		312,900,688	107,903,542
Salaries, wages and benefits		40,015,715	22,495,406
Staff retirement benefits		1,147,225	1,104,700
Stores and spares		1,325,450	1,648,937
Dyes and chemicals		87,938,754	41,158,622
Packing material		62,001,917	41,922,218
Conversion and processing charges		69,325,225	38,911,763
Repairs and maintenance		1,081,980	1,250,479
Fuel and power		17,222,659	9,248,279
Depreciation		7,580,225	5,899,614
Other		2,503,450	3,199,081
		<u>603,043,288</u>	<u>274,742,641</u>
Work in process			
Opening stock		15,306,890	13,650,407
Closing stock		(18,650,477)	(16,131,324)
		<u>(3,343,587)</u>	<u>(2,480,917)</u>
		<u>599,699,701</u>	<u>272,261,724</u>
9. Other operating income			
Rental Income		3,864,000	5,796,000
Gain on sale of fixed assets		-	264,442,813
		<u>3,864,000</u>	<u>270,238,813</u>
10. Finance cost			

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

11. Transactions with related parties

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

Description	Nature of Transaction	Un-audited September 30, 2023 Rupees	Audited June 30, 2023 Rupees
i- Related Party	- Sales	13,625,479	67,673,208
	- Rentals	3,864,000	23,598,000
	- Rent Receivable	3,864,000	-
	- Receivable	13,375,011	18,776,947
	- Advance against sale of assets	110,000,000	-
ii- Key management personnel	- Remuneration to Directors	600,000	2,400,000
	- Loan from Directors	100,000,000	100,000,000

12. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.601.604 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.5,166.503 million along with mark up of Rs. 2,612.100 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,190.652 million, lease finance Rs 67.326 million and short term borrowings Rs 5,166.503 million. An amount of Rs.7.00 million has subsequently paid against overdue lease installment.

13. Non adjusting event after Balance Sheet Date

The shareholders in Annual General Meeting held on October 28, 2023 have accorded approval for sale of Land & Building situated at 1 K.M. Khurrianwala Jaranwala Road Faisalabad as a part of debt restructuring/rescheduling plan under negotiation between company and its lender banks. In said Annual General Meeting members unanimously approved aforementioned special business transaction. Said Land & Building has already been leased out to M/S Abwa Knowledge Village Private Limited since September, 2017. Abwa Knowledge Village Private Limited being interested in purchase of said property, entered into agreement with the Company regarding purchase of said Land & Building against consideration of rupees 1,600 million which shall be paid directly to the banks by the Buyer (M/S Abwa Knowledge Village Private Limited) as per restructuring arrangement between Company and the lender banks.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2023 by the Board of Directors of the Company.

15. GENERAL

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



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer