

AMTEX LIMITED

Third Quarterly Report

March 31, 2022



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Company Information

Board of Directors

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

Chairman
Chief Executive Officer

Chief Financial Officer

Mr. Waheed Aslam

Company Secretary

Mr. Muhammad Raza Farooq

Audit Committee

Mr. Suhail Maqsood Ahmed
Mr. Muhammad Ahsan
Mrs. Jawaria Ahsan

Chairman

Human Resource & Remuneration Committee

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

30-k.m. Shaiekhupura Road Faisalabad
Punj Pullian Daewoo Road Faisalabad

Spinning Unit
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 1st nine months ended March 31, 2022.

Financial Results

The financial results for the period under review with comparative figures of previous period are presented hereunder to have a quick look on the performance of the Company.

| | QUARTER ENDED | | PERIOD ENDED | |
|--|---------------|--------------|--------------|--------------|
| | MARCH 31 | | MARCH 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| | RUPEES | RUPEES | RUPEES | RUPEES |
| Sales | 265,118,286 | 205,340,224 | 849,158,513 | 849,041,549 |
| Cost of sales | 219,881,706 | 217,163,410 | 756,527,777 | 808,464,959 |
| Gross profit | 45,236,580 | (11,823,186) | 92,630,736 | 40,576,590 |
| Net (loss) / profit for the period | (1,654,424) | (48,239,208) | (36,019,050) | (94,377,793) |
| Earnings per share - Basic and diluted | (0.01) | (0.19) | (0.14) | (0.36) |

During 1st nine months under review company earned gross profit of Rs. 92.630 million as compared to gross profit of Rs. 40.576 million in the corresponding period of last year and net loss of Rs. 36.019 million as compared to net loss of Rs. 94.377 million in the corresponding period of last year. Sales volume has remained constant as compared to previous corresponding period and the company's total sales are Rs. 849.158 million in first nine months against sales of Rs. 849.041 million in the corresponding period of last year. Under-utilization of production capacity due to lack of required financial support from financial institutions and increase in energy tariff has culminated in after tax loss of rupees 36.019 million.

Certain banks / financial institutions have filed suit against the Company for recovery of its financing and mark up so Company has not provided any mark up / cost of funds on the outstanding amount as also 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.

Future outlook

The textile sector of Pakistan continues to show strong growth in exports as post-vaccination international markets are reopening, triggering demand for textile products. Global textile dynamics continue to remain favorable for the local textile industry as the trade war between US and China shall benefit the textile industry in the future also. During last quarter prices of gas are exorbitant, and the supply gap is due to the Ministry of Energy's ineptitude, which has jeopardized the future of Pakistan's exports and economy. Despite this Company's management are doing their utmost to comply with export orders and becomes successful to maintain the export volume. In view of the current export order bookings hopefully company's exports will cross the one billion rupees till the end of current fiscal year. Further to regularize bank loans and to settle the litigations with banks, negotiations with them are in progress keeping in view the future cash flows.

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

Faisalabad
April 29, 2022

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے رویہ و رویہ 31 مارچ 2022 کو ختم ہونے والے نو ماہ کی ڈائریکٹرز رپورٹ مع غیر آڈٹ شدہ مالیاتی حساب کے ساتھ پیش کرتے ہیں۔

مالی نتائج:

مالی نتائج برائے زیر نمونہ مع موازنہ اعداد و شمار باہر سے سابقہ نو ماہ کو ذیل میں پیش کیا جاتا ہے

| 31 مارچ 2021 | 31 مارچ 2022 | 31 مارچ 2021 | 31 مارچ 2022 | |
|--------------|--------------|--------------|--------------|--------------------|
| ملین روپے | ملین روپے | ملین روپے | ملین روپے | |
| 205,340,224 | 265,118,286 | 849,041,549 | 849,158,513 | فروخت |
| 217,163,410 | 219,881,706 | 808,464,959 | 756,627,777 | لاگت فروخت |
| (11,823,186) | 46,236,580 | 40,576,690 | 92,630,736 | مجموعی منافع/نقصان |
| (48,239,208) | (1,654,424) | (94,377,793) | (36,019,050) | بعد از ٹیکس نقصان |
| (0.19) | (0.01) | (0.36) | (0.14) | |

پہلے نو ماہ کے دوران کمپنی کو کل منافع مبلغ 92.630 ملین روپے ہوا جبکہ پچھلے نو ماہ کے موازنہ میں کل منافع مبلغ 40.576 ملین روپے ہوا تھا اور بعد از ٹیکس نقصان مبلغ 36.019 ملین روپے ہوا جبکہ پچھلے نو ماہ کے موازنہ میں بعد از ٹیکس نقصان مبلغ 94.377 ملین روپے ہوا تھا۔ فروخت پچھلے نو ماہ کے موازنہ میں مستحکم رہی ہیں اور کمپنی کی کل فروخت مبلغ 849.158 ملین روپے ہوئی ہیں جبکہ پچھلے نو ماہ کی فروخت مبلغ 849.041 ملین روپے ہوئی تھیں۔ خالص نقصان مبلغ 36.019 ملین روپے کی بنیادی وجہ ٹیکوں کی جانب سے مطلوبہ مالی معاونت کے نہ ہونے سے مینوفیکچرنگ سہولیات کا کم استعمال اور توانائی کی لاگت میں اضافہ ہے۔

کچھ ٹیکوں امانی ادارہ کی جانب سے کمپنی سے اپنی سرمایہ کاری رقم اقرض اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعوے دائر کیے گئے ہیں لہذا کمپنی ایسے ٹیکوں کی وجہ سے لاگت اور سرمایہ کاری کی رقم کی باہر مالی لاگت کو اکاؤنٹس میں نہیں لے رہی اور اس رقم کی وضاحت کھاتہ جات کے نوٹس میں بیان کی گئی ہے۔ قانونی رائے پر انحصار کرتے ہوئے کمپنی کی جانب سے اس بات کو محسوس کیا گیا ہے کہ دعوئی کے دائر ہونے کے بعد بینک امانی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے دعوئی کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اس لیے عدالتی فیصلوں کے اتوار اور شیڈ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے ٹیکوں کی وجہ سے لاگت اور سرمایہ کاری کی رقم کی باہر مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

مستقبل کے امکانات:

پاکستان میں ٹیکسٹائل کی برآمدات میں نمایاں اضافہ دیکھا جا رہا ہے کیونکہ ویکسینیشن کے بعد بین الاقوامی منڈیاں دوبارہ کھل رہی ہیں جس سے ٹیکسٹائل مصنوعات کی مانگ بڑھ رہی ہے۔ ٹیکسٹائل کی عالمی حرکیات مقامی ٹیکسٹائل صنعت کے لیے سازگار ہیں کیونکہ امریکہ اور چین کے درمیان تجارتی جنگ مستقبل میں بھی ٹیکسٹائل کی صنعت کو فائدہ دے گی۔ گزشتہ سہ ماہی کے دوران گیس کی قیمتیں حد سے زیادہ رہی ہیں اور اس کی سپلائی میں قفل وزارت توانائی کی نااہلی کی وجہ سے ہے جس نے پاکستان کی برآمدات اور معیشت کے مستقبل کو خطرے میں ڈال دیا ہے۔ اس کے باوجود کمپنی کی انتظامیہ برآمدی آرڈرز کی تعمیل کے لیے اپنی پوری کوشش کر رہی ہے اور برآمدی حجم کو برقرار رکھنے میں کامیاب ہے۔ موجودہ برآمدی آرڈرز کی بلنگ کے پیش نظر امید ہے کہ کمپنی کی برآمدات رواں مالی سال کے اختتام تک ایک ارب روپے سے تجاوز کر جائیں گی۔ مزید برآں ٹیکوں کے قرضوں کو ریگولرائز کرنے اور ٹیکوں کے ساتھ مقدمات کو پیش کرنے کے لیے مستقبل میں کیش

فلو کو مد نظر رکھتے ہوئے ان کے ساتھ بات چیت جاری ہے۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیشنز کی معاونت قابل تحسین ہے اور مستقبل میں بھی ایسی ہی امید وابستہ کی جاتی ہے۔
 نیز آپ کے کمپنی کے ڈائریکٹر صاحبان کی جانب سے کمپنی ہذا کے سٹاف اور ورکرز کا پختہ عزم، محنت اور مستقل مزاجی قابل تحسین ہے۔

خرم افشار
چیف ایگزیکٹو

فیصل آباد
29 اپریل 2022

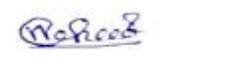
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

| | | UN-AUDITED | AUDITED |
|---|-------------|------------------------|------------------------|
| | | MARCH 31 | JUNE 30 |
| | | 2022 | 2021 |
| | NOTE | RUPEES | RUPEES |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 1,161,351,917 | 1,201,872,170 |
| Investment property - fair value | | 1,188,639,649 | 1,188,639,649 |
| Long term deposits | 4 | 50,719,526 | 50,719,526 |
| | | 2,400,711,092 | 2,441,231,345 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 171,379,871 | 160,872,094 |
| Stock in trade | | 466,404,233 | 489,990,439 |
| Trade debts | 5 | 98,006,453 | 58,871,206 |
| Loans and advances | | 36,410,846 | 12,895,364 |
| Deposits and prepayments | | 4,934,566 | 4,799,126 |
| Other receivables | | 79,790,239 | 80,161,086 |
| Tax refunds due from the Government | | 192,541,665 | 178,445,595 |
| Cash and bank balances | | 148,986,513 | 149,640,033 |
| | | 1,198,454,386 | 1,135,674,943 |
| | | 3,599,165,478 | 3,576,906,288 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital | | | |
| 260,000,000 (2021: 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 | | (13,174,073,321) | (13,152,591,765) |
| Surplus on revaluation of property, plant and equipment | | 814,642,604 | 829,180,098 |
| | | (9,234,090,047) | (9,198,070,997) |
| NON-CURRENT LIABILITIES | | | |
| Redeemable capital | 6 | - | - |
| Long term financing | 7 | 159,804,000 | 236,376,127 |
| Deferred liabilities | | 1,375,318,605 | 1,322,782,108 |
| | | 1,535,122,605 | 1,559,158,235 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 170,725,298 | 163,324,256 |
| Contract Liabilities | | 26,680,589 | 22,726,189 |
| Interest / markup payable | | 2,733,618,423 | 2,729,859,122 |
| Short term borrowings | 8 | 6,015,444,052 | 6,015,444,052 |
| Current portion of non current liabilities | | 2,351,664,558 | 2,284,465,431 |
| | | 11,298,132,920 | 11,215,819,050 |
| Contingencies and commitments | 9 | - | - |
| | | 3,599,165,478 | 3,576,906,288 |

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

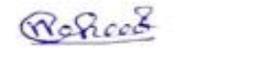
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

| | NOTE | QUARTER ENDED | | PERIOD ENDED | |
|--|------|---------------|--------------|--------------|--------------|
| | | MARCH 31 | | MARCH 31 | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | RUPEES | RUPEES | RUPEES | RUPEES |
| Sales | | 265,118,286 | 205,340,224 | 849,158,513 | 849,041,549 |
| Cost of sales | 10 | 219,881,706 | 217,163,410 | 756,527,777 | 808,464,959 |
| Gross profit / (loss) | | 45,236,580 | (11,823,186) | 92,630,736 | 40,576,590 |
| Other income | | 5,796,000 | 5,463,219 | 32,255,171 | 21,070,301 |
| | | 51,032,580 | (6,359,967) | 124,885,907 | 61,646,891 |
| Selling and distribution expenses | | 13,374,643 | 8,460,145 | 34,729,303 | 25,319,974 |
| Administrative expenses | | 15,581,604 | 13,086,407 | 54,557,084 | 46,283,198 |
| Finance cost | | 19,237,249 | 19,632,862 | 59,452,596 | 75,839,168 |
| | | 48,193,496 | 41,179,414 | 148,738,983 | 147,442,340 |
| (Loss) / profit for the period before taxation | | 2,839,084 | (47,539,381) | (23,853,076) | (85,795,449) |
| Provision for taxation | | 4,493,508 | 699,827 | 12,165,974 | 8,582,344 |
| Net loss for the period | | (1,654,424) | (48,239,208) | (36,019,050) | (94,377,793) |
| Earnings per share - Basic and diluted | | (0.01) | (0.19) | (0.14) | (0.36) |

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

| | QUARTER ENDED | | PERIOD ENDED | |
|---|--------------------|---------------------|---------------------|---------------------|
| | MARCH 31 | | MARCH 31 | |
| | 2022 | 2021 | 2022 | 2021 |
| | RUPEES | RUPEES | RUPEES | RUPEES |
| Net loss for the period | (1,654,424) | (48,239,208) | (36,019,050) | (94,377,793) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive loss for the period | <u>(1,654,424)</u> | <u>(48,239,208)</u> | <u>(36,019,050)</u> | <u>(94,377,793)</u> |

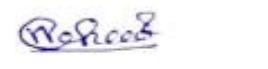
The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer

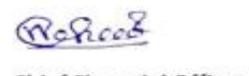
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

| | PERIOD ENDED | |
|--|--------------|--------------|
| | MARCH 31 | |
| | 2022 | 2021 |
| | RUPEES | RUPEES |
| a) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period before taxation | (23,853,076) | (85,795,449) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 35,365,594 | 38,314,630 |
| Provision for staff retirement gratuity | 3,175,379 | 2,233,500 |
| Gain on disposal of property, plant and equipment | (14,582,171) | (5,950,301) |
| Finance cost | 59,452,596 | 75,839,168 |
| Operating cash flows before working capital changes | 59,558,322 | 24,641,548 |
| Changes in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | (10,507,777) | 2,770,811 |
| Stock in trade | 23,586,206 | 19,417,963 |
| Trade debts | (39,135,247) | 35,805,177 |
| Loans and advances | (23,515,482) | (8,781,386) |
| Deposits and prepayments | (135,440) | (418,483) |
| Other receivables | 370,847 | 18,933,900 |
| Tax refunds due from the Government | (17,527,655) | (12,273,451) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | 7,401,042 | (21,921,717) |
| Contract liabilities | 3,954,400 | (8,129,106) |
| | (55,509,106) | 25,403,708 |
| Cash generated from operations | 4,049,216 | 50,045,256 |
| Income tax paid | (8,734,389) | (9,332,345) |
| Finance cost paid | (6,332,177) | (4,586,390) |
| Net cash (used in) / generated from operating activities | (11,017,350) | 36,126,521 |
| b) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (20,335,465) | (23,812,693) |
| Sale proceed from disposal of fixed assets | 40,072,295 | 18,736,500 |
| Net cash generated / (used in) from investing activities | 19,736,830 | (5,076,193) |
| c) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing | (9,373,000) | (9,430,020) |
| Short term borrowings - net | - | (18,000,000) |
| Net cash used in financing activities | (9,373,000) | (27,430,020) |
| Net (decrease) / increase in cash and cash equivalents (a+b+c) | (653,520) | 3,620,308 |
| Cash and cash equivalents at the beginning of the period | 149,640,033 | 174,851,830 |
| Cash and cash equivalents at the end of the period | 148,986,513 | 178,472,138 |

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

| | CAPITAL RESERVES | | | REVENUE RESERVES | | TOTAL | |
|---|---|-------------------|--------------------|--|--------------------|-------------------------|------------------------|
| | ISSUED, SUBSCRIBED AND PAID UP CAPITAL | MERGER RESERVE | SHARE PREMIUM | SURPLUS ON REVALUA- TION OF PROPERTY, PLANT AND EQUIPMENT | GENERAL RESERVE | | ACCUMULATED LOSS |
| | -----Rupees----- | | | | | | |
| Balances as at July 01, 2020 | 2,594,301,340 | 98,039,330 | 183,000,000 | 832,923,049 | 250,000,000 | (13,008,387,481) | (9,050,123,762) |
| Loss for the year | - | - | - | - | - | (94,377,793) | (46,138,586) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (94,377,793) | (46,138,586) |
| Transfer to accumulated loss in respect of surplus realized on disposal of assets during the year | - | - | - | - | - | - | - |
| Transfer to accumulated loss in respect of incremental depreciation for the year | - | - | - | (2,807,213) | - | 2,807,213 | - |
| | - | - | - | (2,807,213) | - | 2,807,213 | - |
| Balances as at March 31, 2021 | 2,594,301,340 | 98,039,330 | 183,000,000 | 830,115,836 | 250,000,000 | (13,099,958,061) | (9,144,501,555) |
| Loss for the year | - | - | - | - | - | (53,530,950) | (53,530,950) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| - Remeasurement of defined benefit obligation | - | - | - | - | - | (38,492) | (38,492) |
| - Reversal of surplus in respect of revaluation deficit | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (53,569,442) | (53,569,442) |
| Transfer to accumulated loss in respect of loss realized on disposal of assets during the year | - | - | - | - | - | - | - |
| Transfer to accumulated loss in respect of incremental depreciation for the year | - | - | - | (935,738) | - | 935,738 | - |
| | - | - | - | (935,738) | - | 935,738 | - |
| Balances as at June 30, 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) |
| Loss for the year | - | - | - | - | - | (36,019,050) | (36,019,050) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (36,019,050) | (36,019,050) |
| Transfer to accumulated loss in respect of -incremental depreciation for the year | - | - | - | (2,463,856) | - | 2,463,856 | - |
| -disposal of fixed assets | - | - | - | (12,073,638) | - | 12,073,638 | - |
| | - | - | - | (14,537,494) | - | 14,537,494 | - |
| Balances as at March 31, 2022 | 2,594,301,340 | 98,039,330 | 183,000,000 | 814,642,604 | 250,000,000 | (13,174,073,321) | (9,234,090,047) |

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

AMTEX LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED MARCH 31, 2022

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 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 1 KM Jaranwala Road, Khurrianwala, 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 incurred loss before taxation of Rs. 23.853 million and its sales have slightly decreased during the period as compared to previous corresponding period. Loss is mainly due to significantly under / low utilization of production capacities due to closure of spinning unit, temporary shutdown of processing unit and increase in raw material prices for our value added business. Due to unfavorable textile market conditions, the company is facing tight cash flow situation and 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 suit against the company for recovery of their outstanding debts.

The management is working hard, hopeful that with the improvement of textile market along with removal of gas price differential in the Punjab Province bringing the gas price down up to the price in other provinces will reduce the operating cost and the production and operating results will be improved. The management of the Company has already taken steps for extension and restructuring of loans. The major bankers of the Company have agreed to restructure 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 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 information is presented in Pak Rupee, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is unaudited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017.

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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.
- Provisions of and directives issued under the Companies Act, 2017; and
- Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

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 Significant accounting policies and changes therein

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements as at 30 June 2021.

The accounting policies and method of computation adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 June 2021, except for the adoption of new standards effective as of 1 July 2021 as notified by Securities and Exchange Commission of Pakistan (SECP). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.4 Accounting estimates and judgments

The preparation of this 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. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of the estimation are the same as those that applied to the financial statements for the year ended 30 June 2021.

| | | Un-audited | Audited |
|--|--------------|----------------------|----------------------|
| | | March 31 | June 30 |
| | | 2022 | 2021 |
| | Note | Rupees | Rupees |
| 3. Property, plant and equipment | | | |
| Operating fixed assets | 3.1 | 1,144,713,497 | 1,189,116,559 |
| Capital work in progress | | 16,638,420 | 12,755,611 |
| | | <u>1,161,351,917</u> | <u>1,201,872,170</u> |
| 3.1. Operating fixed assets | | | |
| Opening balance written down value | | 1,189,116,559 | 1,236,847,371 |
| Additions during 9 months / 12 months | 3.1.1 | 16,452,656 | 22,742,090 |
| Deletions during 9 months / 12 months | 3.1.2 | (28,943,211) | (21,046,633) |
| Depreciation charge for 9 months / 12 months | | (35,365,594) | (52,913,029) |
| Depreciation adjustment for disposal | | 3,453,087 | 3,486,760 |
| Closing written down value | | <u>1,144,713,497</u> | <u>1,189,116,559</u> |
| 3.1.1. Additions during 9 months / 12 months: | | | |
| Plant and Machinery | | - | 3,769,088 |
| Vehicles | | 16,452,656 | 18,973,002 |
| | | <u>16,452,656</u> | <u>22,742,090</u> |
| 3.1.2. Deletions during 9 months / 12 months | | | |
| Plant and Machinery | | 4,864,000 | 12,825,410 |
| Vehicles | | - | 8,221,223 |
| Land | | 10,450,000 | - |
| Building | | 13,629,211 | - |
| | | <u>28,943,211</u> | <u>21,046,633</u> |

| | | Un-audited | Audited |
|--|------|----------------------|----------------------|
| | | March 31 | June 30 |
| | | 2022 | 2021 |
| | Note | Rupees | Rupees |
| 4. Long term deposits | | | |
| Against utilities | | 41,345,029 | 41,345,029 |
| Against TFC | | 9,374,497 | 9,374,497 |
| | | <u>50,719,526</u> | <u>50,719,526</u> |
| 5. Trade debts | | | |
| Considered good | | | |
| Unsecured | | | |
| Foreign | | 86,176,310 | 41,921,978 |
| Local | | 11,830,143 | 16,949,228 |
| | | <u>98,006,453</u> | <u>58,871,206</u> |
| 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>98,006,453</u> | <u>58,871,206</u> |
| 5.1. The aging of trade debts as at statement of financial position's date is as under: | | | |
| Not past due | | 98,006,453 | 58,871,206 |
| Past due within one year | | - | - |
| Past due more than one year | | 7,041,998,879 | 7,041,998,879 |
| | | <u>7,041,998,879</u> | <u>7,041,998,879</u> |
| | | <u>7,140,005,332</u> | <u>7,100,870,085</u> |
| 6. Redeemable capital | | | |
| Secured | | | |
| Sukuk certificates | 6.1 | - | - |
| Less : Adjusted during the year | | - | - |
| | | <u>-</u> | <u>-</u> |

6.1 The Company had 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, 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 | Un-audited | Audited |
|---|------|----------------------------|---------------------------|
| | | March 31 2021 Rupees | June 30 2021 Rupees |
| 7. Long term financing | | | |
| Secured | | | |
| From banking companies and financial institutions | | | |
| Under mark up arrangements | | | |
| Demand finance | 7.1 | 2,166,037,235 | 2,166,037,235 |
| Long term finances under SBP | 7.2 | 19,176,163 | 19,176,163 |
| Syndicated term finance | | 10,500,000 | 10,500,000 |
| Morabaha finance | | 9,594,052 | 9,594,052 |
| Morabaha finance II | | 104,000,000 | 104,000,000 |
| Not subject to markup | | | |
| Demand finance | | 134,835,000 | 144,208,000 |
| | | <u>2,444,142,450</u> | <u>2,453,515,450</u> |
| Less: Current portion | | | |
| Installments due / overdue | | (2,180,096,759) | (2,039,468,511) |
| Payable within one year | | (104,241,691) | (177,670,812) |
| | | <u>(2,284,338,450)</u> | <u>(2,217,139,323)</u> |
| | | <u>159,804,000</u> | <u>236,376,127</u> |

7.1 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, 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.

7.2 The effective rate of mark up is 6.00% per annum (June 30, 2021: 5.00% to 6.00% per annum).

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

8. Short term borrowings

The aggregate unavailed borrowing facilities available to the Company are Rs. Nil (June 30, 2021: Rs. Nil).

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 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, 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 of the Company.

The effective rate of mark up charged during the period / year ranges from 10.39% to 11.47% per annum (June 30, 2021: 8.45% to 9.38% per annum).

9. Contingencies & commitments

9.1. Contingencies

a. There is no material change in the status of contingencies as disclosed in note # 26.1 of the financial statements for the year ended June 30, 2021 except the following:

b. 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 has entered in to a settlement agreement as explained in note 19.1.3 of 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. The Honorable Lahore High Court vide its order approved auction of the mortgaged properties. The same was impugned by the company and a learned Division Bench of The Lahore High Court has suspended the auction proceedings. The matter is pending before the Division Bench.

11. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.2,180.096 million along with mark up of Rs.137.18 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.6,015.444 million along with mark up of Rs. 2,522.339 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,444.14 million, lease finance Rs 67.326 million and short term borrowings Rs 6,015.444 million. An amount of Rs.Nil has subsequently paid against overdue installment.

12. 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.

13. 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;

| | | Un-audited | Audited |
|-----------------------------|----------------------------|----------------------------|---------------------------|
| | | March 31 2022 Rupees | June 30 2021 Rupees |
| Relationship with the Party | Nature of transactions | | |
| | Associated undertakings | | |
| | - Sales | 24,001,137 | 17,343,696 |
| | - Rentals | 17,673,000 | 23,124,000 |
| | - Rent receivable | - | 1,373,500 |
| | - Receivable | 3,607,959 | 10,349,556 |
| | - Advance Rent Received | 5,816,000 | - |
| Key management personnel | -Remuneration to directors | 1,800,000 | 2,400,000 |

14. Date Of authorisation for Issue

This condensed interim financial information was authorised for issue on April 29, 2022 by the Board of Directors of the Company.

15. Corresponding Figures

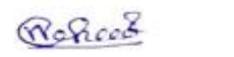
In order to comply with the requirements of IAS 34, the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flow have been compared with the balances of comparable period of immediately preceding financial year.

16. General

- 16.1. 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.
- 16.2. Provision for taxation are based on this condensed interim financial information and is subject to adjustments in annual financial statements.
- 16.3. Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer



A M T E X

PAKISTAN OFFICE

AMTEX LIMITED

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