

AMTEX LIMITED

First Quarterly Report
September 30, 2020



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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 period ended September 30, 2020.

Financial Results

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

	Quarter ended Septmeber 30 ,	
	2020	2019
	Rupees	Rupees
Sales	253,035,887	159,668,014
Cost of sales	263,317,903	185,941,647
Gross loss	(10,282,016)	(26,273,633)
Loss for the period	(63,333,634)	(86,310,414)
Earnings per share - Basic and diluted	(0.24)	(0.33)

During 1st quarter under review company incurred gross loss of Rs.10.28 million as compared to gross loss of Rs. 26.27 million in the corresponding period of last year and net loss of Rs. 63.33 million as compared to net loss of Rs. 86.31 million in the corresponding period of last year. Sales volume has slightly increased as compared to previous corresponding period and the company's total sales are Rs.253.03 million in three months against sales of Rs. 159.66 million in the corresponding period of last year. Due to increase in input cost, under-utilization of manufacturing capacities, high energy cost, and low exports and local sales have culminated in after tax loss of rupees 63.33 million.

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

Besides unfavorable business environments the management is making full efforts to utilize its full manufacturing capacities and to improve the volume of exports which is slightly improved as compared to last corresponding quarter. Currently due to under-utilization of manufacturing capacities and losses, the company is facing tight cash flow situation and has not been able to pay its certain debt obligations towards its financial creditors. To regularize such bank loans, the repayment terms of loans 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.

Mixed trend observed at the beginning of FY2020. Challenges of Covid-19, terrorism, poor law and order situation and continues rising inflation are still major obstacles to sustainable growth. However lower interest rates and release of refunds by government to exporters will provide some support to ensure a sustained and shock free textile exports of Pakistan.

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 29, 2020

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روبروسہ ماہی رپورٹ معہ مالی غیر آڈٹ شدہ گوشاہ حساب برائے 30 ستمبر 2020 پیش کرتے ہیں۔

مالی نتائج:

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

2019 30 ستمبر	2020 30 ستمبر	
روپے	روپے	
159,668,014	253,035,887	فروخت
185,941,647	263,317,903	تختینہ فروخت
(26,273,633)	(10,282,016)	کل نقصان
(86,310,414)	(63,333,634)	بعدا زنگیس نقصان
(0.33)	(0.24)	فی کس نحصص نقصان

سہ ماہی کے دوران کمپنی کی کل فروخت میں چھٹی سہ ماہی کے مقابلے میں کسی حد تک اضافہ ہوا ہے اور کمپنی کی کل فروخت مبلغ 253.03 ملین روپے کی مد میں کل نقصان رقم مبلغ 10.28 ملین روپے ہوا جبکہ چھٹی سہ ماہی کی کل فروخت مبلغ 159.66 ملین روپے اور کل نقصان مبلغ 26.27 ملین روپے ہوا تھا۔ سہ ماہی کے دوران کمپنی کو بعد از زنگیس ادائیگی مبلغ 63.33 ملین روپے کا خالص نقصان ہوا جبکہ چھٹی سہ ماہی میں بعد از زنگیس ادائیگی مبلغ 86.31 ملین روپے کا خالص نقصان ہوا تھا۔ خام مال کی قیمتوں میں اضافہ مینوفیکچرنگ سہولیات کا کم استعمال توانائی کی قیمتوں میں اضافہ لوکل اور ایکسپورٹ سٹیل میں نمایاں کمی کی وجوہات کی بنا پر کمپنی کو بعد از ادائیگی نگیس مبلغ 63.33 ملین روپے کے خسارے کا سامنا کرنا پڑا۔

کچھ بینکوں / مالی ادارہ کی جانب سے سے کمپنی سے اپنی سرمایہ کاری رقم اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں ڈیوی دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرض اور سرمایہ کاری کی رقم کی باہت 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 ڈیوی کے دائر ہونے کے بعد بینک / مالی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے ڈیوی 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 تختینہ نہیں اگایا جاسکتا۔

مستقبل کے امکانات:

غیر موافق کاروباری حالات کے باوجود انتظامیہ اپنی پوری صلاحیتوں کو بروئے کار لا کر برآمدات کے حجم کو بہتر بنانے کے لیے پوری کوشش کر رہی ہے جو چھٹی سہ ماہی کے مقابلے میں قدرے بہتر ہوئی ہیں اس وقت مینوفیکچرنگ سہولیات کے کم استعمال اور نقصانات کی وجہ سے کمپنی سخت مشکلات کا سامنا ہے اور وہ قرض دہندگان کو قرضوں کی بروقت ادائیگی نہیں کر پا رہی۔ ان بینکوں کے قرضوں کی از سر نو ترتیب کے

لیئے مستقبل کے امکانات اور کیش فلو کو مد نظر رکھتے ہوئے قرضوں کی ادائیگی کی نئی شرائط کے بارے میں بینکوں کے ساتھ بات چیت کی جا رہی ہے کچھ بینکوں نے برآمدی کاروبار کو بحال کرنے کے لیے قرضوں کی تنظیم نو کی منظوری دے دی ہے جبکہ کچھ کے ساتھ بات چیت جاری ہے مئی سال 2020 کے آغاز میں مخلوط رجحان دیکھا گیا ہے COVID-19 دہشت گردی امن وامان کی خراب صورت حال اور بڑھتی ہوئی مہنگائی پائیدار ترقی کی راہ میں اب بھی بہت بڑی رکاوٹ ہیں تاہم شرح سود میں کمی اور حکومت کی جانب سے برآمد کنندگان کو ریفنڈنگی ادائیگی سے پاکستان میں ٹیکسٹائل کی برآمدات میں بہتری کی توقع ہے۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریولیٹرز کی معاونت قابل تحسین ہے اور مستقبل میں بھی ایسی ہی امید وابستہ کی جاتی ہے۔

نیز آپ کے کمپنی کے ڈائریکٹر صاحبان کی جانب سے کمپنی ہذا کے سٹاف اور ورکرز کا پختہ عزم، محنت اور مستقل مزاجی قابل تحسین ہے۔

خرم افشار
چیف ایگزیکٹو

شہزاد افشار
ڈائریکٹر

فیصل آباد

تاریخ: 29 اکتوبر 2020

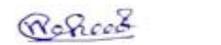
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	NOTE	Un-audited September 30 2020 RUPEES	Audited June 30 2020 RUPEES
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	3.	1,236,232,527	1,236,847,371
Investment property- fair value		1,161,401,391	1,161,401,391
Long term deposits		50,719,526	50,719,526
		2,448,353,444	2,448,968,288
CURRENT ASSETS			
Stores, spares and loose tools		142,736,326	167,030,937
Stock in trade		544,628,420	538,829,362
Trade debts	4.	88,623,850	109,100,262
Loans and advances		9,073,345	4,962,100
Deposits and prepayments		4,799,126	4,799,126
Other receivables		109,405,376	99,880,325
Tax refunds due from the Government		177,122,893	175,739,525
Cash and bank balances		173,994,727	174,851,830
		1,250,384,063	1,275,193,467
		3,698,737,507	3,724,161,755
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
260,000,000 (2020: 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		(13,070,785,377)	(13,008,387,481)
Surplus on revaluation of property, plant and equipment		831,987,311	832,923,049
		(9,113,457,396)	(9,050,123,762)
NON CURRENT LIABILITIES			
Redeemable capital	5.	-	-
Long term financing	6.	324,114,754	414,127,318
Lease liabilities / Ijarah		-	-
Deferred liabilities		1,270,600,812	1,239,802,189
		1,594,715,566	1,653,929,507
CURRENT LIABILITIES			
Trade and other payables		170,189,505	191,536,088
Contract Liabilities		52,491,313	26,492,932
Interest / markup payable		2,724,326,328	2,719,967,363
Short term borrowings		6,063,442,444	6,063,442,444
Current portion of non current liabilities		2,207,029,747	2,118,917,183
		11,217,479,337	11,120,356,010
Contingencies and commitments	7.	-	-
		3,698,737,507	3,724,161,755

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, 2020

	Note	Quarter ended Septmeber 30 ,	
		2020 Rupees	2019 Rupees
Sales		253,035,887	159,668,014
Cost of sales	8	263,317,903	185,941,647
Gross loss		(10,282,016)	(26,273,633)
Other operating income		5,982,609	5,040,000
		(4,299,407)	(21,233,633)
Selling and distribution expenses		5,754,130	3,148,121
Administrative expenses		15,695,782	10,982,782
Finance cost	9	34,955,395	49,168,740
		56,405,307	63,299,643
Loss for the period before taxation		(60,704,714)	(84,533,276)
Provision for taxation		2,628,920	1,777,138
Loss for the period		(63,333,634)	(86,310,414)
Earnings per share - Basic and diluted		(0.24)	(0.33)

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

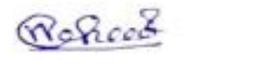
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended September 30, 2020 Rupees	2019 Rupees
Loss after taxation	(63,333,634)	(86,310,414)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(63,333,634)</u>	<u>(86,310,414)</u>

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

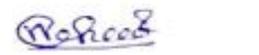
AMTEX LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended September 30,	
	2020	2019
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(60,704,714)	(84,533,276)
Adjustments for:		
Depreciation of property, plant and equipment	12,969,287	22,774,579
Loss / Gain on disposal of property plant & equipment	(942,609)	-
Provision for staff retirement gratuity	650,100	1,245,100
Finance cost	34,955,395	49,168,740
Operating cash flows before working capital changes	(13,072,541)	(11,344,857)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	24,294,611	37,086,543
Stock in trade	(5,799,058)	24,125,076
Trade debts	20,476,412	52,919,158
Loans & advances	(3,652,381)	(762,924)
Deposits and prepayments	-	-
Other receivables	(9,525,051)	(6,152,868)
Tax refunds due from Government	(1,383,368)	(3,428,131)
Increase / (decrease) in current liabilities		
Trade and other payables	(21,346,583)	(44,713,150)
Contract liabilities	25,998,381	
	29,062,963	59,073,704
Cash generated from operations	15,990,422	47,728,847
Income tax paid	(3,087,784)	(1,553,669)
Finance cost paid	(447,907)	(8,939,468)
Staff retirement gratuity paid	-	-
Net cash generated from operating activities	12,454,731	37,235,710
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Sale proceeds of fixed assets	5,136,500	-
Capital expenditure	(16,548,334)	
Net cash used in investing activities	(11,411,834)	-
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
Long term loans	(1,900,000)	(20,875,000)
Decrease in short term borrowings - net	-	(11,000,000)
Net cash used in financing activities	(1,900,000)	(31,875,000)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(857,103)	5,360,710
Cash and cash equivalents at the beginning of the year	174,851,830	162,688,117
Cash and cash equivalents at the end of the year	173,994,727	168,048,827

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, 2020

	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, 2019	2,594,301,340	98,039,330	183,000,000	867,699,951	250,000,000	(12,345,995,985)	(8,352,955,364)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(86,310,414)	(86,310,414)
Transfer to accumulated loss in respect of surplus realized on disposal of assets				-		-	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(1,821,817)	-	1,821,817	-
	-	-	-	(1,821,817)	-	(84,488,597)	(86,310,414)
Balance as at September 30, 2019	2,594,301,340	98,039,330	183,000,000	865,878,134	250,000,000	(12,430,484,582)	(8,439,265,778)
Total comprehensive (loss) for the period						(670,965,986)	
(Loss) for the period	-	-	-	-	-	(584,655,572)	(584,655,572)
Other comprehensive income for the period						2,990,116	2,990,116
- Remeasurement of defined benefit obligation				(29,192,528)			(29,192,528)
- Reversal of surplus in respect of revaluation deficit							
Total comprehensive loss for the year	-	-	-	(29,192,528)	-	(581,665,456)	(610,857,984)
Incremental depreciation for the period	-	-	-	(3,762,557)	-	3,762,557	-
Balance as at June 30, 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)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(63,333,634)	(63,333,634)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	(63,333,634)	(63,333,634)
Transfer to accumulated loss in respect of surplus realized on disposal of assets							-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(935,738)	-	935,738	-
	-	-	-	(935,738)	-	935,738	-
Balance as at September 30, 2020	2,594,301,340	98,039,330	183,000,000	831,987,311	250,000,000	(13,070,785,377)	(9,113,457,396)

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, 2020

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 incurred loss before taxation of Rs.60.704 million and its sales have slightly increased during the year as compared to previous corresponding year. Loss is mainly due to significantly under / low utilization of manufacturing 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 in the country 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 suits 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 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, 2020.
- 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, 2020.
- 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 2020.

	Un-audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
3. Property, plant and equipment		
Operating assets	1,227,577,115	1,236,847,371
Capital work in progress	8,655,412	-
	<u>1,236,232,527</u>	<u>1,236,847,371</u>
3.1 Operating assets		
Opening written down value	1,236,847,371	1,622,958,663
Addition during 3 months / 12 months: 3.1.1	7,892,922	
Transfer from investment property	-	26,295,127
Deletions during 3 months / 12 months: 3.1.2	(6,189,223)	(57,673,001)
Depreciation charge for 3 months / 12 months	(12,969,287)	(73,823,382)
Revaluation deficit	-	(29,192,528)
Impairment loss	-	(253,918,047)
Depreciation adjustment for disposal	1,995,332	2,200,539
Closing written down value	<u>1,227,577,115</u>	<u>1,236,847,371</u>
3.1.1 Addition during 3 months / 12 months:		
Vehicle	7,892,922	-
	<u>7,892,922</u>	<u>-</u>
3.1.2 Deletions during 3 months / 12 months:		
Plant and Machinery	3,400,000	56,257,001
Vehicle	2,789,223	1,416,000
	<u>6,189,223</u>	<u>57,673,001</u>
4. Trade debts		
Considered good		
Unsecured		
Foreign	72,595,553	47,880,225
Local	16,028,297	61,220,037
	<u>88,623,850</u>	<u>109,100,262</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>-</u>	<u>-</u>
	<u>88,623,850</u>	<u>109,100,262</u>
4.1 The aging of trade debts as at balance sheet date is as under:		
Not past due	77,703,293	65,454,793
Past due within one year	10,920,557	43,645,469
Past due more than one year	7,041,998,879	7,041,998,879
	<u>7,052,919,436</u>	<u>7,085,644,348</u>
	<u>7,130,622,729</u>	<u>7,151,099,141</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, 2020 Rupees	Audited June 30, 2020 Rupees
6. Long term financing		
Secured		
From banking companies and financial institutions		
Under mark up arrangements		
Demand finance	2,183,808,158	2,166,037,235
Long term finances under SBP	19,176,163	19,176,163
Syndicated term finance	10,500,000	10,500,000
Morabaha finance	11,499,072	13,399,072
Morabaha finance II	104,000,000	104,000,000
Not subject to mark up		
Demand finance	134,835,000	152,605,923
	<u>2,463,818,393</u>	<u>2,465,718,393</u>
Less: Current portion		
Installments due	(1,787,671,343)	(1,540,234,779)
Payable within one year	(352,032,296)	(511,356,296)
	<u>(2,139,703,639)</u>	<u>(2,051,591,075)</u>
	<u>324,114,754</u>	<u>414,127,318</u>

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

7. CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

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 30,2020 except the following:

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 Honourable 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.

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, 2020 Rupees	Audited June 30, 2020 Rupees
7.2 Commitments		
Collector of custom	-	1,345,890

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

		2020 Rupees	2019 Rupees
8. Cost of sales			
Cost of goods manufactured	8.1	241,890,822	177,313,179
Finished goods			
Opening stock		222,248,649	317,140,589
Closing stock		(200,821,568)	(308,512,121)
		21,427,081	8,628,468
		<u>263,317,903</u>	<u>185,941,647</u>
8.1 Cost of goods manufactured			
Raw material consumed		99,350,360	59,053,288
Salaries, wages and benefits		22,866,738	18,763,555
Staff retirement benefits		650,100	1,245,100
Stores and spares		5,808,573	1,330,477
Dyes and chemicals		37,215,710	38,053,808
Packing material		19,520,140	9,405,140
Conversion and processing charges		33,808,416	19,212,145
Repairs and maintenance		551,789	622,050
Fuel and power		5,969,814	4,096,546
Depreciation		12,316,417	22,276,475
Other		2,962,965	1,439,809
		<u>241,021,022</u>	<u>175,498,393</u>
Work in process			
Opening stock		9,415,254	16,214,740
Closing stock		(8,545,454)	(14,399,954)
		869,800	1,814,786
		<u>241,890,822</u>	<u>177,313,179</u>

9. 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.

10. Transactions with related parties

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

Relationship with the Party	Nature of Transaction	Un-audited September 30, 2020 Rupees	Audited June 30, 2020 Rupees
i- Associated undertaking	Rental income	5,040,000	20,430,000
	Rent Receivable	29,860,000	24,820,000
ii- Key management personnel	Remuneration to directors	600,000	2,400,000

11. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.2,139.703 million along with mark up of Rs.544.028 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.6,063.442 million along with mark up of Rs. 2,163.153 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,463.818 million, lease finance Rs 67.326 million and short term borrowings Rs 6,063.442 million. An amount of Rs.1.875 has subsequently paid against overdue installment.

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 29, 2020 by the Board of Directors of the Company.

13. GENERAL

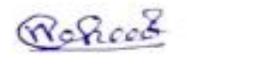
- i) There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, loss, comprehensive loss, cash flows or equity of the Company.
- ii) Provision for taxation is based on this condensed interim financial report and is subject to adjustment in annual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



CHIEF EXECUTIVE



DIRECTOR



Chief Financial Officer

Book Post



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