

AMTEX LIMITED

Half Yearly Report
December 31, 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 half year ended December 31, 2020.

Financial Results

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

| | QUARTER ENDED | | HALF YEAR ENDED | |
|--|----------------|----------------|-----------------|----------------|
| | DECEMBER 31 | | DECEMBER 31 | |
| | 2020 RUPEES | 2019 RUPEES | 2020 RUPEES | 2019 RUPEES |
| Sales | 390,665,438 | 158,220,198 | 643,701,325 | 317,888,212 |
| Cost of sales | 327,983,646 | 185,454,967 | 591,301,549 | 371,396,614 |
| Gross profit / (loss) | 62,681,792 | (27,234,769) | 52,399,776 | (53,508,402) |
| Net profit / (loss) for the period | 17,195,048 | (93,828,962) | (46,138,586) | (180,139,376) |
| Earnings per share - Basic and diluted | 0.07 | (0.36) | (0.18) | (0.69) |

During 1st half year under review company earned gross profit of Rs. 52.399 million as compared to gross loss of Rs. 53.508 million in the corresponding period of last year and net loss of Rs. 46.138 million as compared to net loss of Rs. 180.139 million in the corresponding period of last year. Sales volume has increased as compared to previous corresponding period and the company's total sales are Rs. 643.701 million in 1st half year against sales of Rs. 317.888 million in the corresponding period of last year. After slight recovery from COVID-19 economy is also improving and especially textile sector enjoying significant relief due to availability of export orders due to which sales volume becomes double and company has earned gross profit in 1st half year. However due to under-utilization of manufacturing capacities company bears after tax loss of rupees 46.138 million.

Qualification in Auditors' Report to the Members

The auditors in review report has provided observation regarding company's ability to continue as going concern due to accumulated losses, liquidity issue, curtailed operational activities, pending litigations, closed operations of spinning division, curtailment of employees and lease of its certain properties. Directors of company explain that on the basis of existing conditions and future judgments about the outcome of the events, the management is making full efforts to continue the entity as a going concern. And in order to mitigate aforementioned factors company is in process of selling certain properties and machinery, mortgaged with banks, the entire such sale proceeds to be paid to relevant charge holder banks to reduce the debt burden and settle the litigation with these banks. The management of the company has already taken steps for extension and restructuring of loans from certain banks and negotiations with other banks of company are in process. Further, as part of plan land and buildings have been leased out to generate revenue and curtail the losses due to high fixed maintenance cost of these properties,

in view of steps mentioned above management is confident that it will be successful in its efforts and hence the company will be able to continue as a going concern.

The auditors in his report has provided observation that company has created provision for doubtful debts and did not take legal action to recover these past due balances. The company planned to take appropriate legal action in the light of legal opinion for recovery of due balances.

Certain banks / financial institutions have filed suit against the Company for recovery of its financing and mark up so Company has not provided any markup / 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

Company is planning to maintain the consistency regarding increasing export volume of 1st half year in future period. Government has also announced relief for textile industry which also includes supply of electricity to industry on subsidized rates without any interval. Although government had announced some reliefs for industry including subsidized electricity and payment of refunds to export oriented industries but the future of growth of exports and textile industry mainly depends on the actual implementation of the supports announced by the Government, release of refunds to exporters and on availability of financial support from the banks.

Acknowledgement

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

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

For and on behalf of the Board



CHIEF EXECUTIVE

KHURRAM IFTIKHAR



DIRECTOR

SHAHZAD IFTIKHAR

Faisalabad
March 01, 2021

ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹر حضرات آپ کے رو برو نصف سال کی رپورٹ مع مالی غیر آڈٹ شدہ گوشا حساب برائے 31 دسمبر 2020 پیش کرتے ہیں۔

مالی نتائج:

مالی نتائج برائے زیر غور نصف سال مع موازنہ اعداد و شمار باہریت سابقہ نصف سال کو ذیل میں پیش کیا جاتا ہے:-

31 دسمبر نصف 2020 31 دسمبر نصف 2019 31 دسمبر نصف 2020 31 دسمبر نصف 2019

| سال | سال | سال | سال | |
|--------------|---------------|-------------|--------------|-------------------------|
| روپے | روپے | روپے | روپے | |
| 643,701,325 | 317,888,212 | 390,665,438 | 158,220,198 | فروخت |
| 591,301,549 | 371,396,614 | 327,983,646 | 185,454,967 | لاگت فروخت |
| 52,399,776 | (53,508,402) | 62,681,792 | (27,234,769) | مجموعی منافع/نقصان |
| (46,138,586) | (180,139,376) | 17,195,048 | (93,828,962) | بعد از ٹیکس منافع/نقصان |
| (0.18) | (0.69) | 0.07 | (0.36) | |

نصف سال کے دوران کمپنی کی فروخت میں پچھلے سال کی بنسبت اضافہ ہوا ہے اور کل فروخت مبلغ 643.701 ملین روپے کی مد میں کل منافع رقم مبلغ 52.399 ملین روپے ہوا جبکہ پچھلے نصف سال کی کل فروخت مبلغ 317.888 ملین روپے اور کل نقصان مبلغ 53.508 ملین روپے ہوا تھا۔ نصف سال کے دوران کمپنی کو بعد از ٹیکس ادا کی گئی مبلغ 46.138 ملین روپے کا خالص نقصان ہوا جبکہ پچھلے نصف سال میں بعد از ٹیکس ادا کی گئی مبلغ 180.139 ملین روپے کا خالص نقصان ہوا تھا۔ COVID-19 کی معمولی بحالی کے بعد معیشت میں بھی بہتری آرہی ہے اور خاص طور پر ٹیکسٹائل سیکٹر پر آمدی آرڈرز کی دستیابی کی وجہ سے نمایاں بہتری حاصل کر رہا ہے جس کی وجہ سے فروخت کا حجم دوگنا ہو گیا ہے اور کمپنی نے پہلی ششماہی میں منافع حاصل کیا ہے۔ تاہم مہینہ فیکچرنگ سہولیات کے کم استعمال کی وجہ سے کمپنی کو بعد از ادا کی گئی ٹیکس مبلغ 46.138 ملین روپے کے خسارے کا سامنا کرنا پڑا۔

آڈیٹر کے مشاہدات:

آڈیٹر حضرات کی رو برو رپورٹ میں کمپنی کی کاروبار کو جاری رکھنے کی اہلیت کے بارے میں رائے کا اظہار کیا گیا ہے اور جمع شدہ نقصانات، سپلائنگ ڈویژن کے بند آپریشن، مالی بحران، آپریشنل سرگرمیوں کا التواء، زیر التواء مقدمات، ملازموں کی کمی اور کمپنی کی پراپرٹیز کو لیز پر دینے کی وجہ سے کاروبار کی عمل کو جاری رکھنے کے بارے میں تشویش کا اظہار کیا گیا ہے آپ کی کمپنی کے ڈائریکٹر حضرات وضاحت بیان کر رہے ہیں کہ واقعات کے نتائج موجودہ حالات اور مستقبل کے فیصلوں کی بنیاد پر کمپنی کے منتظمین کی جانب سے کاروبار کے عمل کو جاری رکھنے کے لیے پوری کوشش کی جارہی ہے۔ اور پہلے بیان کیے گئے مسائل کے حل کیلئے کمپنی نے بینکوں کے پاس رہن شدہ کمپنی کی کچھ جائیداد اور مشینری کو فروخت کر کے حاصل ہونے والی رقم کو ان بینکوں کے قرضوں میں ایڈجسٹ کر دیا ہے تاکہ ان بینکوں کی طرف سے کیے گئے مقدمات کو سمیٹل کیا جاسکے۔ کمپنی کے منتظمین کی جانب سے بینکوں کے قرضوں کی از سر نو ترتیب کے لیے مالی اداروں سے یہ استدعا پہلے ہی کی جا چکی ہے جبکہ دوسرے بینکوں کے ساتھ گفت و شنید جاری ہے۔ مزید برآں منصوبہ بندی کے تحت کمپنی کی لینڈ اور بلڈنگ کو آمدنی حاصل کرنے اور ان پراپرٹیز کی بہت زیادہ مہینگی کی وجہ سے ہونے والے نقصانات کو کم کرنے کے لیے لیز پر دیا گیا ہے اور بیان کیے گئے مقدمات کے پیش نظر کمپنی کے منتظمین پر اعتماد ہیں کہ وہ اپنی کاوشوں میں کامیابی سے سرخرو ہوں گے اور کمپنی اس قابل ہو جائیگی کہ وہ اپنے کاروبار کو جاری رکھ سکے

کمپنی کے آڈیٹر حضرات کی جانب سے رپورٹ میں رائے دی گئی ہے کہ کمپنی نے ماضی میں کی گئی فروخت کی زائد المعیاد رقم کو اخراجات میں شمار کرتے ہوئے تخمینہ مختص کیا ہے اور ان قابل وصول زائد المعیاد رقم کی وصولیوں کو حاصل کرنے کے لیے کوئی لیگل ایکشن نہیں لیا کمپنی قانونی مشورے کی تلاش کر رہی ہے جسکی روشنی میں مناسب قانونی کارروائی کی جائے گی۔

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 دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی وجہ سے لا و قرض اور سرمایہ کاری کی رقم کی بابت 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 دعویٰ کے دائرہ ہونے کے بعد بینک / مالی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے دعویٰ کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اس لیے عدالتی فیصلوں کے اتوا اور شیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے بینکوں کی وجہ سے لا و قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

مستقبل کے امکانات :

کمپنی پہلی ششماہی کے پڑھتے ہوئے برآمدی حجم کو مستقبل میں بھی برقرار رکھنے کے لیے کوشاں ہے۔ حکومت نے بھی ٹیکسٹائل کی صنعت کے لیے امدادی ٹیکہ کا اعلان کیا ہے جس میں صنعتوں کو کم نرخوں پر بجلی کی بلا تعطل فراہمی بھی شامل ہے۔ اگرچہ حکومت نے برآمدی صنعتوں کے لیے کم نرخوں پر بجلی کی فراہمی اور رہنمائی کی ادائیگی جیسے امدادی ٹیکہ کا اعلان کیا ہے لیکن برآمدات اور ٹیکسٹائل کی صنعت میں بہتری کا مستقبل بنیادی طور پر حکومت کی طرف سے اعلان کردہ امداد پر اصل میں عمل درآمد برآمد کنندگان کو رہنمائی کی واپسی اور بینکوں کی جانب سے مالی امداد کی دستیابی پر ہی منحصر ہے۔

توثیقی بیان :

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیٹری معائنات 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

Independent Auditor's Review Report to the Members of Amtex Limited

Report on Review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Amtex Limited as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for three month period ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2020.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Adverse Conclusion

- (a) The Company has incurred net loss of Rs. 46.138 million (June 2020: Rs. 670.965 million) during the six-month period ended December 31, 2020 and as at that date, its accumulated loss is Rs. 13,052.655 million (June 2020: Rs. 13,008.387 million) and company's current liabilities exceeded its current assets by Rs. 9,947.055 million (June 2020: Rs. 9,845.163 million). The company has curtailed the significant number of employees and is facing operational and financial crisis. Moreover, the company is defendant / petitioner in various law suits as mentioned in note 9 to the financial statements and due to pending litigations certain long and short term liabilities remained unconfirmed / unreconciled in the absence of balance confirmations from related banks and financial institutions as mentioned in note 19.1.5, 20 and 24.6 to the financial statements for the year ended June 30, 2020. Moreover, during the period company's spinning unit's operations remained closed. Moreover, the Company has leased out its land and Building of processing division located at 1 K.M. Jaranwala Road chak no. 76/RB, Khurrianwala, District Faisalabad, as mentioned in note 6 to the financial statements for the year ended June 30, 2020. Further, there is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome

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will improve the company's current situation. These factors, along with matters mentioned in paragraphs (b) to (c) below, indicate a material uncertainty which may cast significant doubt on 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.

- (b) the Company has created provision for doubtful debts amounting to Rs. 7,041.999 million (June 2020: Rs. 7,041.999 million) as at the statement of financial position date and the Company did not take any legal action to recover these past due balances;
- (c) mark up expense has not been fully charged in these financial statements on redeemable capital and on long and short term financing due to pending litigations with various banks. Had the mark up been fully charged, net loss for the six-month period would have been increased by Rs 280.759 million (June 2020: Rs. 766.965 million), mark up payable and accumulated loss would have been increased by Rs. 5,544.9 million (June 2020: Rs. 5,264.131 million);

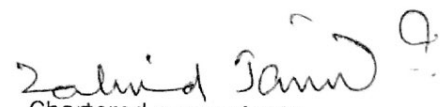
The matters as stated above in paragraph (a) to (c) are not in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Had condensed interim financial statements been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting, virtually every account/balance in the interim financial information would have been materially different.

Adverse Conclusion

Our review indicates that, because of the significance of the effects of the matters as described in the paragraphs (a) to (c) of the "Basis for Adverse Conclusion" section of our report, this interim financial information does not give a true and fair view of the financial position of the entity as at December 31, 2020, and of its financial performance and its cash flows for the six-month period then ended in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Muhammad Amin (FCA).

Faisalabad
March 01, 2021


Chartered accountants

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AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

| | | UN-AUDITED | AUDITED |
|---|-------------|------------------------|------------------------|
| | | DECEMBER 31 | JUNE 30 |
| | | 2020 | 2020 |
| | | RUPEES | RUPEES |
| ASSETS | NOTE | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 3 | 1,219,222,036 | 1,236,847,371 |
| Investment property - fair value | | 1,161,401,391 | 1,161,401,391 |
| Long term deposits | 4 | 50,719,526 | 50,719,526 |
| | | 2,431,342,953 | 2,448,968,288 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 143,249,439 | 167,030,937 |
| Stock in trade | | 509,838,957 | 538,829,362 |
| Trade debts | 5 | 151,410,800 | 109,100,262 |
| Loans and advances | | 10,716,192 | 4,962,100 |
| Deposits and prepayments | | 4,799,126 | 4,799,126 |
| Other receivables | | 88,194,425 | 99,880,325 |
| Tax refunds due from the Government | | 185,726,778 | 175,739,525 |
| Cash and bank balances | | 198,626,047 | 174,851,830 |
| | | 1,292,561,764 | 1,275,193,467 |
| | | 3,723,904,717 | 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 | | (13,052,654,593) | (13,008,387,481) |
| Surplus on revaluation of property, plant and equipment | | 831,051,574 | 832,923,049 |
| | | (9,096,262,349) | (9,050,123,762) |
| NON-CURRENT LIABILITIES | | | |
| Redeemable capital | 6 | - | - |
| Long term financing | 7 | 292,695,190 | 414,127,318 |
| Deferred liabilities | | 1,287,854,868 | 1,239,802,189 |
| | | 1,580,550,058 | 1,653,929,507 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 187,575,208 | 191,536,088 |
| Contract Liabilities | | 27,579,712 | 26,492,932 |
| Interest / markup payable | | 2,726,320,333 | 2,719,967,363 |
| Short term borrowings | 8 | 6,063,442,444 | 6,063,442,444 |
| Current portion of non current liabilities | | 2,234,699,311 | 2,118,917,183 |
| | | 11,239,617,008 | 11,120,356,010 |
| Contingencies and commitments | 9 | - | - |
| | | 3,723,904,717 | 3,724,161,755 |

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 DECEMBER 31, 2020

| NOTE | QUARTER ENDED | | HALF YEAR ENDED | |
|--|----------------|----------------|-----------------|----------------|
| | DECEMBER 31 | | DECEMBER 31 | |
| | 2020 RUPEES | 2019 RUPEES | 2020 RUPEES | 2019 RUPEES |
| Sales | 390,665,438 | 158,220,198 | 643,701,325 | 317,888,212 |
| Cost of sales | 327,983,646 | 185,454,967 | 591,301,549 | 371,396,614 |
| Gross profit / (loss) | 62,681,792 | (27,234,769) | 52,399,776 | (53,508,402) |
| Other income | 9,624,473 | 5,742,382 | 15,607,082 | 10,782,382 |
| | 72,306,265 | (21,492,387) | 68,006,858 | (42,726,020) |
| Selling and distribution expenses | 11,105,699 | 3,043,902 | 16,859,829 | 6,192,023 |
| Administrative expenses | 17,501,010 | 15,279,618 | 33,196,792 | 26,262,400 |
| Finance cost | 21,250,911 | 49,604,662 | 56,206,306 | 98,773,402 |
| | 49,857,620 | 67,928,182 | 106,262,927 | 131,227,825 |
| Loss for the period before taxation | 22,448,645 | (89,420,569) | (38,256,069) | (173,953,845) |
| Provision for taxation | 5,253,597 | 4,408,393 | 7,882,517 | 6,185,531 |
| Net profit / (loss) for the period | 17,195,048 | (93,828,962) | (46,138,586) | (180,139,376) |
| Earnings per share - Basic and diluted | 0.07 | (0.36) | (0.18) | (0.69) |

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 DECEMBER 31, 2020**

| | QUARTER ENDED | | HALF YEAR ENDED | |
|--|-------------------|---------------------|---------------------|----------------------|
| | DECEMBER 31 | | DECEMBER 31 | |
| | 2020 | 2019 | 2020 | 2019 |
| | RUPEES | RUPEES | RUPEES | RUPEES |
| Net profit / (loss) for the period | 17,195,048 | (93,828,962) | (46,138,586) | (180,139,376) |
| Other comprehensive income for the period | - | - | - | - |
| Total comprehensive profit / (loss) for the period | <u>17,195,048</u> | <u>(93,828,962)</u> | <u>(46,138,586)</u> | <u>(180,139,376)</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 DECEMBER 31, 2020

| | HALF YEAR ENDED | |
|--|------------------------|---------------|
| | DECEMBER 31 | |
| | 2020 | 2019 |
| | RUPEES | RUPEES |
| a) CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the period before taxation | (38,256,069) | (173,953,845) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 25,854,280 | 45,547,843 |
| Provision for staff retirement gratuity | 1,330,350 | 2,140,240 |
| Gain on disposal of property, plant and equipment | (5,527,082) | (702,382) |
| Finance cost | 56,206,306 | 98,773,402 |
| Operating cash flows before working capital changes | 39,607,785 | (28,194,742) |
| Changes in working capital | | |
| (Increase) / decrease in current assets | | |
| Stores, spares and loose tools | 23,781,498 | 44,725,198 |
| Stock in trade | 28,990,405 | 47,920,703 |
| Trade debts | (42,310,538) | 62,140,917 |
| Loans and advances | (5,754,092) | 4,003,478 |
| Other receivables | 11,685,900 | 2,895,739 |
| Tax refunds due from the Government | (12,583,640) | (4,129,486) |
| Increase / (decrease) in current liabilities | | |
| Trade and other payables | (3,960,880) | (41,078,319) |
| Contract liabilities | 1,086,780 | - |
| | 935,433 | 116,478,230 |
| Cash generated from operations | 40,543,218 | 88,283,488 |
| Income tax paid | (5,286,130) | (4,196,437) |
| Finance cost paid | (3,131,008) | (10,436,546) |
| Net cash generated from operating activities | 32,126,080 | 73,650,505 |
| b) CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (18,108,363) | - |
| Sale proceed from disposal of vehicles | 15,406,500 | 730,000 |
| Net cash generated from investing activities | (2,701,863) | 730,000 |
| c) CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Long term financing | (5,650,000) | (45,614,000) |
| Short term borrowings - net | - | (11,645,000) |
| Net cash used in financing activities | (5,650,000) | (57,259,000) |
| Net increase in cash and cash equivalents (a+b+c) | 23,774,217 | 17,121,505 |
| Cash and cash equivalents at the beginning of the period | 174,851,830 | 162,688,117 |
| Cash and cash equivalents at the end of the period | 198,626,047 | 179,809,622 |

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


CHIEF EXECUTIVE


DIRECTOR


Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

| | | CAPITAL RESERVES | | | REVENUE RESERVES | | |
|---|---|-------------------|------------------|--|--------------------|---------------------|-----------------|
| | ISSUED, SUBSCRIBED AND PAID UP CAPITAL | MERGER RESERVE | SHARE PREMIUM | SURPLUS ON REVALUA- TION OF PROPERTY, PLANT AND EQUIPMENT | GENERAL RESERVE | ACCUMULATED LOSS | TOTAL |
| | -----Rupees----- | | | | | | |
| Balances 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) |
| Loss for the year from continuing operations | - | - | - | - | - | (180,139,376) | (180,139,376) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (180,139,376) | (180,139,376) |
| 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 | - | - | - | (3,513,925) | - | 3,513,925 | - |
| | - | - | - | (3,513,925) | - | 3,513,925 | - |
| Balances as at December 31, 2019 | 2,594,301,340 | 98,039,330 | 183,000,000 | 864,186,026 | 250,000,000 | (12,522,621,436) | (8,533,094,740) |
| Loss for the year from continuing operations | - | - | - | - | - | (490,826,610) | (490,826,610) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| - Remeasurement of defined benefit obligation | - | - | - | - | - | 2,990,116 | 2,990,116 |
| - Reversal of surplus in respect of revaluation deficit | - | - | - | (29,192,528) | - | - | (29,192,528) |
| Total comprehensive loss for the year | - | - | - | (29,192,528) | - | (487,836,494) | (517,029,022) |
| Transfer to accumulated loss in respect of loss realized on disposal of assets during the year | - | - | - | - | - | - | - |
| Transfer to accumulated loss in respect of depreciation for the year | - | - | - | (2,070,449) | - | 2,070,449 | - |
| | - | - | - | (2,070,449) | - | 2,070,449 | - |
| Balances 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) |
| Loss for the year from continuing operations | - | - | - | - | - | (46,138,586) | (46,138,586) |
| Other comprehensive income for the year | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | - | (46,138,586) | (46,138,586) |
| Transfer to accumulated loss in respect of depreciation for the year | - | - | - | (1,871,475) | - | 1,871,475 | - |
| | - | - | - | (1,871,475) | - | 1,871,475 | - |
| Balances as at December 31, 2020 | 2,594,301,340 | 98,039,330 | 183,000,000 | 831,051,574 | 250,000,000 | (13,052,654,593) | (9,096,262,349) |

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 DECEMBER 31, 2020****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. 38.256 million and its sales have slightly increased 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 but subject to the limited scope review by auditors 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 2020.

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 2020, except for the adoption of new standards effective as of 1 July 2020 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 2020.

| | | Un-audited | Audited |
|---|--------------|----------------------|----------------------|
| | | December 31 | June 30 |
| | | 2020 | 2020 |
| | Note | Rupees | Rupees |
| 3. Property, plant and equipment | | | |
| Operating fixed assets | 3.1 | 1,180,206,466 | 1,206,531,446 |
| Right-of-use assets | 3.2 | 28,800,129 | 30,315,925 |
| Capital work in progress | | 10,215,441 | - |
| | | <u>1,219,222,036</u> | <u>1,236,847,371</u> |
| 3.1. Operating fixed assets | | | |
| Opening balance written down value | | 1,206,531,446 | 1,552,783,503 |
| Additions during 6 months / 12 months | 3.1.1 | 7,892,922 | - |
| Transfer from investment property | | - | 26,295,127 |
| Transfer from right of use assets to company owned assets | | - | 10,000,000 |
| Deletions during 6 months / 12 months | 3.1.2 | (12,414,633) | (57,673,001) |
| Depreciation charge for 6 months / 12 months | | (24,338,484) | (68,719,049) |
| Revaluation deficit | | - | (4,726,277) |
| Impairment loss | | - | (253,629,396) |
| Depreciation adjustment for disposal | | 2,535,215 | 2,200,539 |
| Closing written down value | | <u>1,180,206,466</u> | <u>1,206,531,446</u> |
| 3.1.1. Additions during 6 months / 12 months: | | | |
| Vehicles | | 7,892,922 | - |
| | | <u>7,892,922</u> | <u>-</u> |
| 3.1.2. Deletions during 6 months / 12 months | | | |
| Plant & machinery | | 9,625,410 | 56,257,001 |
| Vehicles | | 2,789,223 | 1,416,000 |
| | | <u>12,414,633</u> | <u>57,673,001</u> |

| | | Un-audited | Audited |
|--|------|-----------------|-----------------|
| | | December 31 | June 30 |
| | | 2020 | 2020 |
| | Note | Rupees | Rupees |
| 3.2. Right-of-use assets | | | |
| Plant & Machinery | | | |
| Cost | | | |
| Opening balance | | 31,911,500 | 86,636,000 |
| Impact of initial application of IFRS 16 | | - | - |
| Revaluation loss | | | (24,466,251) |
| Impairment loss | | | (288,651) |
| Adjustment of Revaluation loss | | | (19,969,598) |
| Transfer from right of use assets to company owned assets | | | (10,000,000) |
| Closing balance | | 31,911,500 | 31,911,500 |
| Accumulated depreciation | | | |
| Opening balance | | 1,595,575 | 16,460,840 |
| Impact of initial application of IFRS 16 | | - | - |
| Adjustment of Revaluation loss | | - | (19,969,598) |
| Depreciation charge for 6 months / 12 months | | 1,515,796 | 5,104,333 |
| Closing balance | | 3,111,371 | 1,595,575 |
| | | 28,800,129 | 30,315,925 |
| 4. Long term deposits | | | |
| Against utilities | | 41,345,029 | 41,345,029 |
| Against TFC | | 9,374,497 | 9,374,497 |
| | | 50,719,526 | 50,719,526 |
| 5. Trade debts | | | |
| Considered good | | | |
| Unsecured | | | |
| Foreign | | 139,000,247 | 47,880,225 |
| Local | | 12,410,553 | 61,220,037 |
| | | 151,410,800 | 109,100,262 |
| 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) |
| | | - | - |
| | | 151,410,800 | 109,100,262 |
| 5.1. The aging of trade debts as at statement of financial position's date is as under: | | | |
| Not past due | | 151,410,800 | 65,454,793 |
| Past due within one year | | - | 43,645,469 |
| Past due more than one year | | 7,041,998,879 | 7,041,998,879 |
| | | 7,041,998,879 | 7,085,644,348 |
| | | 7,193,409,679 | 7,151,099,141 |

| | | Un-audited | Audited |
|---------------------------------|-----|-------------|---------|
| | | December 31 | June 30 |
| | | 2020 | 2020 |
| | | Rupees | Rupees |
| 6. Redeemable capital | | | |
| Secured | | | |
| Sukuk certificates | 6.1 | - | - |
| Less : Adjusted during the year | | - | - |
| | | - | - |

- 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.

| | | Un-audited | Audited |
|---|------|-----------------|-----------------|
| | | December 31 | June 30 |
| | | 2020 | 2020 |
| | Note | Rupees | 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 | 7.3 | 11,499,072 | 13,399,072 |
| Morabaha finance II | | 104,000,000 | 104,000,000 |
| Not subject to markup | | | |
| Demand finance | | 148,855,923 | 152,605,923 |
| | | 2,460,068,393 | 2,465,718,393 |
| Less: Current portion | | | |
| Installments due / overdue | | (1,873,135,417) | (1,540,234,779) |
| Payable within one year | | (294,237,786) | (511,356,296) |
| | | (2,167,373,203) | (2,051,591,075) |
| | | 292,695,190 | 414,127,318 |

- 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 ranges from 5.00% to 7.00% per annum (June 30, 2020: 5.00% to 7.00% per annum).

- 7.3** It represents principal amount of restructured outstanding loans from First National Bank Modaraba as Company has negotiated the settlement terms and entered into Settlement Agreement ("Agreement") during the period, in respect of outstanding Principal Liability and Markup Liability. As per terms of the Agreement, Company shall pay a settlement amount of Rs 34.43 million as full and final settlement of liabilities i.e. principal, outstanding contractual markup, future cost of funds and cost of suit. As per terms of the Agreement outstanding principal liability amounting to rupees 19.22 million is payable within two years in eight equal quarterly installments of rupees 1,902,510 after making an immediate down payment of rupees 4 million. Outstanding contractual markup along with future cost of funds at the rate of 11% and expenses of suit in aggregate amounting to rupees 15.210 million shall payable in six equal quarterly installments of rupees 2,535,109 at tail end after adjustment of entire principal liability.

| Period | Nature | Installment | Date | Amount (PKR) |
|----------|-------------|--|------------|--------------|
| Year I | Principal | Down Payment | 27.08.2019 | 4,000,000 |
| | Principal | 1st Q | 27.11.2019 | 1,902,510 |
| | Principal | 2nd Q | 27.02.2020 | 1,902,510 |
| | Principal | 3rd Q | 27.05.2020 | 1,902,510 |
| | Principal | 4th Q | 27.08.2020 | 1,902,510 |
| Year II | Principal | 5th Q | 27.11.2020 | 1,902,510 |
| | Principal | 6th Q | 27.02.2021 | 1,902,510 |
| | Principal | 7th Q | 27.05.2021 | 1,902,510 |
| | Principal | 8th Q | 27.08.2021 | 1,902,510 |
| Year III | Markup+ COF | In six equal quarterly Installments of rupees 2,535,109 each | | 15,210,652 |

- 7.4** 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, 2020: 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 5.00% to 15.04% per annum (June 30, 2020: 5.00% to 20.00% per annum).

9. Contingencies & commitments

9.1. 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 Honorable Lahore High Court, Lahore against the company in September 2020. The company has filed its petition for leave to defend in the said matter and same is pending adjudication.
- M/S United Bank Limited has instituted a suit for recovery of Rs. 2,069,996,910/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in Honorable Lahore High Court, Lahore against the company in December 2020. The company has filed its petition for leave to defend in the said matter and same is pending adjudication.

| | | Un-audited December 31 2020 Rupees | Audited June 30 2020 Rupees |
|-------------------------|--|---|--------------------------------------|
| 9.2. Commitments | | | |
| Collector of custom | | - | 1,345,890 |

| | | Quarter ended December 31 | | Half year ended December 31 | |
|---|------|------------------------------|----------------|--------------------------------|----------------|
| | Note | 2020 Rupees | 2019 Rupees | 2020 Rupees | 2019 Rupees |
| 10. Cost of sales | | | | | |
| Cost of goods manufactured | 10.1 | 315,542,820 | 174,355,402 | 557,433,642 | 351,668,581 |
| Finished goods | | | | | |
| Opening stock | | 200,821,568 | 309,502,676 | 222,248,649 | 318,131,144 |
| Closing stock | | (188,380,742) | (298,403,111) | (188,380,742) | (298,403,111) |
| | | 12,440,826 | 11,099,565 | 33,867,907 | 19,728,033 |
| | | 327,983,646 | 185,454,967 | 591,301,549 | 371,396,614 |
| 10.1. Cost of goods manufactured | | | | | |
| Raw material consumed | | 179,488,942 | 71,629,662 | 278,839,302 | 130,682,950 |
| Salaries, wages and benefits | | 8,384,260 | 17,340,859 | 31,250,998 | 36,104,414 |
| Staff retirement benefits | | 680,250 | 895,140 | 1,330,350 | 2,140,240 |
| Stores and spares | | 5,104,890 | 4,313,329 | 10,913,463 | 5,643,806 |
| Dyes and chemicals | | 20,130,412 | 24,931,245 | 57,346,122 | 62,985,053 |
| Packing material | | 16,001,410 | 6,254,072 | 35,521,550 | 15,659,212 |
| Conversion and processing charges | | 47,088,073 | 19,460,189 | 80,896,489 | 38,672,334 |
| Repairs and maintenance | | 7,590,505 | 211,537 | 8,142,294 | 833,587 |
| Fuel and power | | 10,059,395 | 5,179,170 | 16,029,209 | 9,275,716 |
| Depreciation | | 12,281,684 | 22,276,471 | 24,598,101 | 44,552,946 |
| Other | | 7,292,090 | 1,008,884 | 10,255,055 | 2,448,693 |
| | | 314,101,911 | 173,500,558 | 555,122,933 | 348,998,951 |
| Work in process | | | | | |
| Opening stock | | 8,545,454 | 14,399,954 | 9,415,254 | 16,214,740 |
| Closing stock | | (7,104,545) | (13,545,110) | (7,104,545) | (13,545,110) |
| | | 1,440,909 | 854,844 | 2,310,709 | 2,669,630 |
| | | 315,542,820 | 174,355,402 | 557,433,642 | 351,668,581 |
| 11. Overdue loans | | | | | |

On the reporting date the installments of long term finances amounting to Rs.1,873.135 million along with mark up of Rs.614.366 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. 2,076.034 million were overdue. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 2,460.068 million, lease finance Rs 67.326 million and short term borrowings Rs 6,063.442 million. An amount of Rs. 3.7 million 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 |
|-----------------------------|----------------------------|-------------------------------|---------------------------|
| | | December 31 2020 Rupees | June 30 2020 Rupees |
| Relationship with the Party | Nature of transactions | | |
| Associated undertakings | - Rental income | 10,080,000 | 20,430,000 |
| | - Rent receivable | 9,900,000 | 24,820,000 |
| Key management personnel | -Remuneration to directors | 1,200,000 | 2,400,000 |

14. Date Of authorisation for Issue

This condensed interim financial information was authorised for issue on March 01, 2021 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

Book Post



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