

AMTEX LIMITED

**Half Yearly Report**  
**December 31, 2021**



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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  
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](http://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, 2021.

### Financial Results

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

	DECEMBER 31		DECEMBER 31	
	2021 RUPEES	2020 RUPEES	2021 RUPEES	2020 RUPEES
Sales	299,180,974	390,665,438	584,040,227	643,701,325
Cost of sales	274,404,395	327,983,646	536,646,071	591,301,549
Gross profit	24,776,579	62,681,792	47,394,156	52,399,776
Net (loss) / profit for the period	(9,612,356)	17,195,048	(34,364,626)	(46,138,586)
Earnings per share - Basic and diluted	(0.04)	0.07	(0.13)	(0.18)

During 1<sup>st</sup> half year under review company earned gross profit of Rs. 47.394 million as compared to gross profit of Rs. 52.399 million in the corresponding period of last year and net loss of Rs. 34.364 million as compared to net loss of Rs. 46.138 million in the corresponding period of last year. Sales volume has slightly decreased as compared to previous corresponding period and the company's total sales are Rs. 584.040 million in 1<sup>st</sup> half year against sales of Rs. 643.701 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. However due to under-utilization of manufacturing capacities and continues increase in oil & energy prices company bears after tax loss of rupees 34.364 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 (land and buildings) situated at addresses provided in the audit report. Directors of the company explain that the management is making all efforts to continue operations and to run the entity as a going concern. Company's continuity of operations and consistency in sales volume since last couple of years despite global pandemic of Covid-19 clearly indicate that management's efforts and plans are effective. Moreover, the company is in process of selling certain properties and machinery, mortgaged with the banks, the entire such sale proceeds will be paid to relevant charge holder banks to reduce the debt burden and to settle the litigation with these banks. The management of the company has already taken steps for extension and restructuring of loans from certain banks and negotiations with other banks of the company are in process. In view of steps mentioned above, the management

is confident that it will be successful in its efforts and hence the company will be able to continue as a going concern.

Certain banks / financial institutions have filed suit against the Company for recovery of its financing and mark up, therefore 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**

The cost of doing business especially fuel and energy prices have continued to show a rising trend in the period under review owing to increase in international oil prices. Increase in prices of oil and other commodities internationally are affecting the developing economies like Pakistan. Pak rupee has been under pressure vis-à-vis other currencies due to huge trade deficit. However Pakistan's exports of textile and clothing rebounded in last couple of years mainly due to significant growth in value-added sectors. Management is well aware of the situation and making full efforts to increase sales / export volume and to settle litigations with 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  
February 28, 2022

## ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹر حضرات آپ کے رو برو نصف سال کی رپورٹ مع مالی غیر آڈٹ شدہ گوشوارہ حساب برائے 31 دسمبر 2021 پیش کرتے ہیں۔

### مالی نتائج:

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

31 دسمبر نصف سال	31 دسمبر نصف سال	31 دسمبر نصف سال	31 دسمبر نصف سال
2021	2020	2021	2020
فروخت	584,040,227	643,701,325	299,180,974
لاگت فروخت	536,646,071	591,301,549	274,404,395
مجموعی منافع	47,394,156	52,399,776	24,776,579
بعد از ٹیکس منافع / نقصان	(34,364,626)	(46,138,586)	(9,612,356)
	(0.13)	(0.18)	(0.04)
			0.07

نصف سال کے دوران کمپنی کی فروخت میں پچھلے سال کی بنسبت کمی ہوئی ہے اور کل فروخت مبلغ 584.040 ملین روپے کی مد میں کل منافع رقم مبلغ 47.394 ملین روپے ہوا جبکہ پچھلے نصف سال کی کل فروخت مبلغ 643.701 ملین روپے اور کل منافع مبلغ 52.399 ملین روپے ہوا تھا۔ نصف سال کے دوران کمپنی کو بعد از ٹیکس ادا نیگی مبلغ 34.364 ملین روپے کا خالص نقصان ہوا جبکہ پچھلے نصف سال میں بعد از ٹیکس ادا نیگی مبلغ 46.138 ملین روپے کا خالص نقصان ہوا تھا۔ COVID-19 کی معمولی بحالی کے بعد معیشت میں بھی بہتری آ رہی ہے اور خاص طور پر ٹیکسٹائل سیکٹر برآمدی آرڈرز کی دستیابی کی وجہ سے نمایاں بہتری حاصل کر رہا ہے۔ تاہم مینوفیکچرنگ سہولیات کے کم استعمال تیل اور توانائی کی مسلسل بڑھتی ہوئی قیمتوں کی وجہ سے کمپنی کو بعد از ادا نیگی ٹیکس مبلغ 34.364 ملین روپے کے خسارے کا سامنا کرنا پڑا۔

## آڈیٹر کے مشاہدات:

آڈیٹر حضرات کی ریویو 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 کاروباری 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 کمپنی کے منتظمین کی جانب سے کاروبار کے عمل کو جاری رکھنے کے لیے پوری کوشش کی جا رہی ہے۔ COVID-19 کی عالمی وباء کے باوجود کمپنی کے آپریشنز اور فروخت کے حجم کا گزشتہ کچھ سالوں سے تسلسل واضح طور پر ظاہر کرتا ہے کہ انتظامیہ کی کوششیں اور منصوبے کارگر ہیں۔ مزید برآں 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 سہل 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۔ اوپر بیان کیے گئے اقدامات کے پیش نظر کمپنی کے منتظمین پر اعتماد ہیں کہ وہ اپنی کاوشوں میں کامیابی سے سر و مرو ہو سکتے اور کمپنی اس قابل ہو جائیگی کہ وہ اپنے کاروبار کو جاری رکھ سکے۔

کچھ بینکوں امانی 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 واجب الادا 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 امانی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے دعویٰ کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اس لیے عدالتی فیصلوں کے التوا اور سٹیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے بینکوں کی واجب الادا قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

### مستقبل کے امکانات :

تیل کی بین الاقوامی قیمتوں میں اضافے کی وجہ سے پیداواری لاگت اور خاص طور پر ایندھن اور توانائی کی قیمتوں میں اضافے کا رجحان برقرار رہا ہے۔ بین الاقوامی سطح پر تیل اور دیگر اشیاء کی قیمتوں میں اضافہ پاکستان جیسی ترقی پذیر معیشتوں کو متاثر کر رہا ہے۔ ہماری تجارتی خسارے کی وجہ سے پاکستانی روپیہ دیگر کرنسیوں کے مقابلے میں دباؤ کا شکار ہے۔ تاہم گزشتہ چند سالوں میں پاکستان کی ٹیکسٹائل اور ملبوسات کی برآمدات میں اضافہ ہوا ہے جسکی بنیادی وجہ ویلیو ایڈڈ ٹیکسٹائز میں نمایاں گروتھ ہے۔ انتظامیہ صورتحال سے بخوبی واقف ہے اور فروخت اور برآمدات کے حجم کو بڑھانے اور بینکوں کے ساتھ قانونی چارہ جوئی کے لیے پوری کوششیں کر رہی ہے۔

### توثیقی بیان :

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

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

خرم افشار

چیف ایگزیکٹو

محمد ادا افشار

ڈائریکٹر

فیصل آباد

تاریخ: 28 فروری 2022



### 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, 2021 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, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2021.

##### *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. 34.365 million (June 2021: Rs. 147.908 million) during the six-month period ended December 31, 2021 and as at that date, its accumulated loss is Rs. 13,173.213 million (June 2021: Rs. 13,152.591 million). and company's current liabilities exceeded its current assets by Rs. 10,105.720 million (June 2021: Rs. 10,080.144million). Further, the Company deferred markup on long term financing instead of accruing it amounting to Rs. 1,337.428 million (June 2021: 1,304.671 million) till reporting date. During the period the Company's spinning unit remained closed and has leased out its land and building of processing division as mentioned in note 6 to the financial statements for the year ended June 30, 2021. The company has curtailed the significant number of employees and is facing operational and financial crisis and is not taking any legal action to recover the past due balances. Moreover, the company is defendant / petitioner in various law suits as mentioned in note 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, 2021. Further,



there is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the company's current situation. These factors, along with matters mentioned in paragraphs (b) below, lead us to believe that going concern assumption used in preparation of financial statements is inappropriate consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- (b) mark up expense has not been fully charged in these financial statements on redeemable capital, lease liabilities 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 378.096 million (June 2021: Rs. 728.857 million), mark up payable and accumulated loss would have been increased by Rs. 6,371.084 million (June 2021: Rs. 5,992.988 million);

The matters as stated above in paragraph (a) and (b) 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) and (b) 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, 2021, 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 Adeel Anwar (ACA).

Faisalabad  
February 28, 2022

*Zahid Jamil & Co.*  
Chartered Accountants

**AMTEX LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2021**

		<b>UN-AUDITED</b>	<b>AUDITED</b>
		<b>DECEMBER 31</b>	<b>JUNE 30</b>
		<b>2021</b>	<b>2021</b>
	<b>NOTE</b>	<b>RUPEES</b>	<b>RUPEES</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3	1,172,461,841	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
		<b>2,411,821,016</b>	<b>2,441,231,345</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		158,886,662	160,872,094
Stock in trade		465,967,087	489,990,439
Trade debts	5	159,763,967	58,871,206
Loans and advances		31,761,949	12,895,364
Deposits and prepayments		4,799,126	4,799,126
Other receivables		76,610,441	80,161,086
Tax refunds due from the Government		189,971,511	178,445,595
Cash and bank balances		119,501,944	149,640,033
		<b>1,207,262,687</b>	<b>1,135,674,943</b>
		<b>3,619,083,703</b>	<b>3,576,906,288</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
260,000,000 (2021: 260,000,000)			
ordinary shares of Rs.10/- each		<b>2,600,000,000</b>	<b>2,600,000,000</b>
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Reserves		531,039,330	531,039,330
Accumulated loss		(13,173,213,384)	(13,152,591,765)
Surplus on revaluation of property, plant and equipment		815,437,091	829,180,098
		<b>(9,232,435,623)</b>	<b>(9,198,070,997)</b>
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital	6	-	-
Long term financing	7	181,037,000	236,376,127
Deferred liabilities		1,357,498,963	1,322,782,108
		<b>1,538,535,963</b>	<b>1,559,158,235</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		207,862,073	163,324,256
Contract Liabilities		27,153,613	22,726,189
Interest / markup payable		2,732,092,067	2,729,859,122
Short term borrowings	8	6,015,444,052	6,015,444,052
Current portion of non current liabilities		2,330,431,558	2,284,465,431
		<b>11,312,983,363</b>	<b>11,215,819,050</b>
Contingencies and commitments	9	-	-
		<b>3,619,083,703</b>	<b>3,576,906,288</b>

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, 2021**

	NOTE	QUARTER ENDED		HALF YEAR ENDED	
		DECEMBER 31		DECEMBER 31	
		2021 RUPEES	2020 RUPEES	2021 RUPEES	2020 RUPEES
Sales	10	299,180,974	390,665,438	584,040,227	643,701,325
Cost of sales		274,404,395	327,983,646	536,646,071	591,301,549
Gross profit		24,776,579	62,681,792	47,394,156	52,399,776
Other income		19,572,940	9,624,473	26,459,171	15,607,082
		44,349,519	72,306,265	73,853,327	68,006,858
Selling and distribution expenses		12,484,915	11,105,699	21,354,660	16,859,829
Administrative expenses		15,953,070	17,501,010	38,975,480	33,196,792
Finance cost		20,286,342	21,250,911	40,215,347	56,206,306
		48,724,327	49,857,620	100,545,487	106,262,927
Loss for the period before taxation		(4,374,808)	22,448,645	(26,692,160)	(38,256,069)
Provision for taxation		5,237,548	5,253,597	7,672,466	7,882,517
Net (loss) / profit for the period		(9,612,356)	17,195,048	(34,364,626)	(46,138,586)
Earnings per share - Basic and diluted		(0.04)	0.07	(0.13)	(0.18)

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, 2021**

	QUARTER ENDED		HALF YEAR ENDED	
	DECEMBER 31		DECEMBER 31	
	2021	2020	2021	2020
	RUPEES	RUPEES	RUPEES	RUPEES
Net (loss) / profit for the period	(9,612,356)	17,195,048	(34,364,626)	(46,138,586)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / profit for the period	<u>(9,612,356)</u>	<u>17,195,048</u>	<u>(34,364,626)</u>	<u>(46,138,586)</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, 2021**

	HALF YEAR ENDED	
	DECEMBER 31	
	2021 RUPEES	2020 RUPEES
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period before taxation	(26,692,160)	(38,256,069)
Adjustments for:		
Depreciation of property, plant and equipment	24,231,170	25,854,280
Provision for staff retirement gratuity	1,959,968	1,330,350
Gain on disposal of property, plant and equipment	(14,582,171)	(5,527,082)
Finance cost	40,215,347	56,206,306
Operating cash flows before working capital changes	25,132,154	39,607,785
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	1,985,432	23,781,498
Stock in trade	24,023,352	28,990,405
Trade debts	(100,892,761)	(42,310,538)
Loans and advances	(18,866,585)	(5,754,092)
Other receivables	3,550,645	11,685,900
Tax refunds due from the Government	(13,520,736)	(12,583,640)
Increase / (decrease) in current liabilities		
Trade and other payables	44,537,817	(3,960,880)
Contract liabilities	4,427,424	1,086,780
	(54,755,412)	935,433
Cash generated from operations	(29,623,258)	40,543,218
Income tax paid	(5,677,646)	(5,286,130)
Finance cost paid	(5,225,515)	(3,131,008)
Net cash (used in) / generated from operating activities	(40,526,419)	32,126,080
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(20,310,965)	(18,108,363)
Sale proceed from disposal of fixed assets	40,072,295	15,406,500
Net cash generated / (used in) from investing activities	19,761,330	(2,701,863)
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(9,373,000)	(5,650,000)
Short term borrowings - net	-	-
Net cash used in financing activities	(9,373,000)	(5,650,000)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(30,138,089)	23,774,217
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	119,501,944	198,626,047

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**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	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	-	-	-	-	-	(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 surplus realized on disposal of assets during the year	-	-	-	-	-	-	-
Transfer to accumulated loss in respect of incremental 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)
Loss for the year	-	-	-	-	-	(101,770,156)	(101,770,156)
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	-	-	-	-	-	(101,808,648)	(101,808,648)
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	-	-	-	(1,871,476)	-	1,871,476	-
	-	-	-	(1,871,476)	-	1,871,476	-
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	-	-	-	-	-	(34,364,626)	(34,364,626)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(34,364,626)	(34,364,626)
Transfer to accumulated loss in respect of -incremental depreciation for the year	-	-	-	(1,669,369)	-	1,669,369	-
-disposal of fixed assets	-	-	-	(12,073,638)	-	12,073,638	-
	-	-	-	(13,743,007)	-	13,743,007	-
Balances as at December 31, 2021	2,594,301,340	98,039,330	183,000,000	815,437,091	250,000,000	(13,173,213,384)	(9,232,435,623)

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, 2021**

#### **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. 34.364 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 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 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
		December 31	June 30
		2021	2021
		Rupees	Rupees
	Note		
<b>3. Property, plant and equipment</b>			
Operating fixed assets	<b>3.1</b>	1,155,823,421	1,189,116,559
Capital work in progress		16,638,420	12,755,611
		<u>1,172,461,841</u>	<u>1,201,872,170</u>
<b>3.1. Operating fixed assets</b>			
Opening balance written down value		1,189,116,559	1,236,847,371
Additions during 6 months / 12 months	<b>3.1.1</b>	16,428,156	22,742,090
Deletions during 6 months / 12 months	<b>3.1.2</b>	(28,943,211)	(21,046,633)
Depreciation charge for 6 months / 12 months		(24,231,170)	(52,913,029)
Depreciation adjustment for disposal		3,453,087	3,486,760
Closing written down value		<u>1,155,823,421</u>	<u>1,189,116,559</u>
<b>3.1.1. Additions during 6 months / 12 months:</b>			
Plant and Machinery		-	3,769,088
Vehicles		16,428,156	18,973,002
		<u>16,428,156</u>	<u>22,742,090</u>
<b>3.1.2. Deletions during 6 months / 12 months</b>			
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
		December 31	June 30
		2021	2021
		Rupees	Rupees
<b>4. Long term deposits</b>	<b>Note</b>		
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>
<b>5. Trade debts</b>			
Considered good			
Unsecured			
Foreign		136,057,066	41,921,978
Local		23,706,901	16,949,228
		<u>159,763,967</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>-</u>	<u>-</u>
		<u>159,763,967</u>	<u>58,871,206</u>
<b>5.1. The aging of trade debts as at statement of financial position's date is as under:</b>			
Not past due		150,623,571	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>7,192,622,450</u>	<u>7,100,870,085</u>
<b>6. Redeemable capital</b>			
Secured			
Sukuk certificates	<b>6.1</b>	-	-
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
		December 31 2021 Rupees	June 30 2021 Rupees
<b>7. Long term financing</b>			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	<b>7.1</b>	2,166,037,235	2,166,037,235
Long term finances under SBP	<b>7.2</b>	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		(2,152,427,195)	(2,039,468,511)
Payable within one year		(110,678,255)	(177,670,812)
		<u>(2,263,105,450)</u>	<u>(2,217,139,323)</u>
		<u>181,037,000</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 9.17% to 9.65% per annum (June 30, 2021: 8.45% to 9.38% 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, 2021 except the following:
- 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.



- c. The Bank of Punjab has instituted a suit for recovery of Rs. 6,373,121,000/- under Financial Institutions (Recovery of finances) Ordinance, 2001 in the Honorable High Court Lahore against the company. Court has passed the decree in favor of the company. The Honorable Lahore High Court ordered auction of the mortgaged/hypothecated properties vide its orders dated 08-11-2021 and consequently the Spinning unit of the company was auctioned on 30-12-2021. The said auction has been challenged by the Bank of Punjab as well as by the Company as certain major irregularities were committed by the court auctioneers. Moreover, the property was auctioned at much lower price than its market value. Both the Bank of Punjab and the Company has prayed before the Honorable Lahore High Court to set aside the auction being in contravention of the applicable laws.
- d. The company has not fully recognized mark up on redeemable capital and on long & short term financing due to pending litigation & also due to settlement with other banks.

		Un-audited	Audited
		December 31	June 30
		2021	2021
	Note	Rupees	Rupees
<b>9.2. Commitments</b>			
Collector of custom		142,946,569	142,946,569

		Quarter ended		Half year ended	
		December 31		December 31	
		2021	2020	2021	2020
	Note	Rupees	Rupees	Rupees	Rupees
<b>10. Cost of sales</b>					
Cost of goods manufactured	10.1	267,133,944	315,542,820	523,110,580	557,433,642
Finished goods					
Opening stock		161,394,779	200,821,568	167,659,819	222,248,649
Closing stock		(154,124,328)	(188,380,742)	(154,124,328)	(188,380,742)
		7,270,451	12,440,826	13,535,491	33,867,907
		274,404,395	327,983,646	536,646,071	591,301,549

**10.1. Cost of goods manufactured**

Raw material consumed	127,842,077	179,488,942	255,999,577	278,839,302
Salaries, wages and benefits	25,209,617	8,384,260	44,720,029	31,250,998
Staff retirement benefits	989,790	680,250	1,959,968	1,330,350
Stores and spares	823,593	5,104,890	3,966,291	10,913,463
Dyes and chemicals	29,391,271	20,130,412	61,233,389	57,346,122
Packing material	27,206,526	16,001,410	55,600,002	35,521,550
Conversion and processing charges	42,601,248	47,088,073	63,962,881	80,896,489
Repairs and maintenance	3,194,998	7,590,505	4,356,634	8,142,294
Fuel and power	6,874,411	10,059,395	17,068,242	16,029,209
Depreciation	10,872,430	12,281,684	22,115,224	24,598,101
Other	2,253,509	7,292,090	3,853,675	10,255,055
	277,259,470	314,101,911	534,835,912	555,122,933
Work in process				
Opening stock	9,805,417	8,545,454	8,205,611	9,415,254
Closing stock	(19,930,943)	(7,104,545)	(19,930,943)	(7,104,545)
	(10,125,526)	1,440,909	(11,725,332)	2,310,709
	267,133,944	315,542,820	523,110,580	557,433,642

**11. Overdue loans**

On the reporting date the installments of long term finances amounting to Rs.2,152.427 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. 2,519.18 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
		December 31 2021 Rupees	June 30 2021 Rupees
Relationship with the Party	Nature of transactions		
Associated undertakings	- Sales	19,308,869	17,343,696
	- Rentals	11,877,000	23,124,000
	- Rent receivable	-	1,373,500
	- Receivable	21,140,196	10,349,556
	- Advance Rent Received	11,612,000	-
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 February 28, 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



PAKISTAN OFFICE

**AMTEX LIMITED**

**P-225, Tikka Gali # 2 Montgomery Bazar Faisalabad**

**Tel: +9241-2428500 Fax: +9241-4361726,27**