

AMTEX LIMITED

**Half Yearly Report**

**December 31, 2023**



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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. Bushra Bibi

Chairman  
Chief Executive Officer

## Chief Financial Officer

Mr. Waheed Aslam

## Company Secretary

Mr. Muhammad Raza Farooq

## Audit Committee

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

*Chairman*

## Human Resource & Remuneration Committee

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

*Chairman*

## Auditors

Zahid Jamil & Co.  
*Chartered Accountants*

## Legal Advisor

Mr. Aamir Nawaz Bhatti  
*Advocate High Court*

## Share Registrar Office

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

## Registered Office

P-225 Tikka Gali # 2 Montgomery Bazar, Faisalabad

## Projects Locations

Punj Pullian Daewoo Road Faisalabad

*Processing & Stitching Unit*

## Website

[www.amtextile.com](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, 2023.

### Financial Results

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

	Quarter ended		Half Year ended	
	December 31,		December 31,	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
Sales	701,451,660	323,711,635	1,427,189,368	679,068,236
Cost of sales	600,644,449	279,488,934	1,215,387,124	560,538,114
Gross Profit	100,807,211	44,222,701	211,802,244	118,530,122
Other operating income	20,042,980	6,648,727	23,906,980	276,887,540
Net profit / (loss) for the period	8,627,566	(30,004,048)	42,629,677	259,761,792
Earnings per share - Basic and diluted	0.03	(0.12)	0.16	1.00

During 1<sup>st</sup> half year under review company earned gross profit of Rs.211.80 million as compared to gross profit of Rs. 118.53 million in the corresponding period of last year and net profit of Rs. 42.62 million as compared to net profit of Rs. 259.76 million in the corresponding period of last year. Sales volume has significantly increased as compared to previous corresponding period and the company's total sales are Rs. 1,427.18 million in six months against sales of Rs. 679.06 million in the corresponding period of last year. Despite political instability, poor law and order situation, devaluation of currency and significantly increasing prices of utilities, fuel and energy, Company maintained its growth in terms of export volume and Company's sales significantly increased. Further the shareholders in Annual General Meeting held on October 28, 2023 have accorded approval for sale of Land & Building situated at 1 K.M. Khurrianwala Jaranwala Road Faisalabad. In said Annual General Meeting members unanimously approved aforementioned special business transaction. The entire sale proceeds of land and building will be utilized to settle liabilities of the banks.

## **Qualification in Auditors' Report to the Members**

Regarding the "going concern" observation of auditors, directors of your 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 increasing sales volume since last couple of quarters clearly indicate that management's efforts and plans are effective and feasible. Moreover, the company is in process of selling certain properties 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 so Company has not provided any mark up / cost of funds on the outstanding amount as also stated in notes to the accounts. Based on the legal opinion, the Company feels that, after institution of the suit, bank/financial institution is only entitled to cost of funds if so awarded by the Court in case the suit is awarded against the company. The levy of cost of funds and the quantum thereof shall be contingent on passing of the decree and rate prescribed by the State Bank of Pakistan during the period of pendency of the claim and discharge of decree, if passed by the Court.

## **Future outlook**

Regardless of several barriers to trade, it is commendable that the Pakistan's textiles and apparel sector kept on endeavoring to sustain footprints in global markets and continued to explore new business avenues. Despite continually increasing prices of fuel and energy sales volume of company significantly improved as compared to last corresponding half year. The loans with certain banks have been restructured keeping in view the future cash flows and forecasts while negotiations with others banks are in progress. Management is confident that along with consistent increase in export volume company will be able to honor its commitments towards its financial partners and will successfully attain satisfactory level of viability.

## Acknowledgement

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

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

For and on behalf of the Board



CHIEF EXECUTIVE

Khurram Iftikhar



DIRECTOR

Shahzad Iftikhar

Faisalabad  
February 29, 2024

## ڈائریکٹرز کی رپورٹ:

Amtext Limited کے بورڈ آف ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والی مدت کے لیے کمپنی کی غیر آڈٹ شدہ مالی معلومات کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہیں۔

### مالی نتائج:

زیر جائزہ مدت کے مالی نتائج گزشتہ مدت کے تقابلی اعداد و شمار کے ساتھ ذیل میں پیش کیے گئے ہیں۔

	Quarter ended December 31,		Half Year ended December 31,	
	2023 Rupees	2022 Rupees	2023 Rupees	2022 Rupees
Sales	701,451,660	323,711,635	1,427,189,368	679,068,236
Cost of sales	600,644,449	279,488,934	1,215,387,124	560,538,114
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Earnings per share - Basic and diluted	0.03	(0.12)	0.16	1.00

پہلی ششماہی کے دوران کمپنی کی کل فروخت مبلغ 1427.18 ملین روپے کی مدت میں کل منافع مبلغ 211.80 ملین روپے ہوا جبکہ چھٹی ششماہی کی کل فروخت مبلغ 679.06 ملین روپے اور کل منافع مبلغ 118.53 ملین روپے ہوا تھا۔ پہلی ششماہی کے دوران کے دوران کمپنی کو بعد از ٹیکس ادائیگی مبلغ 42.62 ملین روپے کا خالص منافع ہوا جبکہ چھٹی ششماہی کے دوران بعد از ٹیکس ادائیگی مبلغ 259.76 ملین روپے کا خالص منافع ہوا تھا۔ فروخت کے حجم میں بھی گزشتہ اسی مدت کے مقابلے میں اضافہ ہوا ہے اور کمپنی کی کل فروخت چہرہ ماہ میں 1427.18 ملین روپے رہی ہیں جبکہ چھٹی ششماہی کی کل فروخت مبلغ 679.06 ملین روپے رہی تھیں۔ بدترین سیاسی عدم استحکام، امن وامان کی خراب صورتحال، کرنسی کی قدر میں کمی اور پیٹریولیم، ایندھن اور توانائی کی قیمتوں میں نمایاں اضافہ کے باوجود کمپنی نے برآمدی حجم کے حوالے سے اپنی ترقی کو برقرار رکھا اور کمپنی کی فروخت میں نمایاں اضافہ ہوا۔ مزید برآں 28 اکتوبر 2023 کو منعقدہ سالانہ جنرل میٹنگ میں شیئرز ہولڈرز نے 1 کلومیٹر کھریاں والا جزا نوالہ روڈ فیصل آباد (لیز پر دی گئی پراپرٹی) پر واقع زمین اور عمارت کی فروخت کی منظوری دے دی ہے۔ اس میں سالانہ جنرل میٹنگ کے ممبران نے متفقہ طور پر مذکورہ خصوصی کاروباری لین دین کی منظوری دی۔ زمین اور عمارت کی فروخت سے حاصل ہونے والی تمام رقم بینکوں کی واجبات کو طے کرنے کے لیے استعمال کی جائے گی۔

## آڈیٹر کے مشاہدات:

آڈیٹر حضرات کی ریویو رپورٹ میں کمپنی کی کاروبار کو جاری رکھنے کی اہلیت کے بارے میں توثیق کا اظہار کیا گیا ہے۔ آپ کی کمپنی کے ڈائریکٹرز حضرات وضاحت بیان کر رہے ہیں کہ کمپنی کے منتظمین کی جانب سے کاروبار کو جاری رکھنے کے لیے پوری کوشش کی جارہی ہے۔ کمپنی کے کاموں کا تسلسل اور آخری دوسرے ماہیوں سے فروخت کے حجم میں مسلسل اضافہ واضح طور پر اس بات کی نشاندہی کرتا ہے کہ انتظامیہ کی کوششیں اور منصوبے موثر اور قابل عمل ہیں۔ مزید برآں کمپنی نے بینکوں کے پاس رہن شدہ کمپنی کی کچھ جائیداد کو فروخت کر کے حاصل ہونے والی رقم کو ان بینکوں کے قرضوں میں ایڈجسٹ کر دیا ہے تاکہ ان بینکوں کی طرف سے کینے گئے مقدمات کو سنبھلایا 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 کینے گئے اقدامات کے پیش نظر کمپنی کے منتظمین پر اعتماد ہیں کہ وہ اپنی کاوشوں میں کامیابی سے سر و فر ہو سکتے اور کمپنی اس قابل ہو جائیگی کہ وہ اپنے کاروبار کو جاری رکھ سکے۔

کچھ بینکوں کو مالی ادارہ کی جانب سے کمپنی سے اپنی سرمایہ کاری رقم اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرض اور سرمایہ کاری کی رقم کی باہت مالی لاگت کو کاؤٹس 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 اتنا حوالہ حاصل ہے اگر عدالت کی جانب سے دعویٰ کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اس لیے عدالتی فیصلوں کے اتنا اور سٹیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے



نکس ایسے بینکوں کی واجب الادا قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

## مستقبل کے امکانات :

تجارت میں متعدد کاؤنوں کے باوجود یہ قابل تعریف ہے کہ پاکستان کا ٹیکسٹائل اور ملبوسات کا شعبہ عالمی منڈیوں میں قدم جمانے کے لیے کوشاں رہا اور کاروبار کی نئی راہیں تلاش کرتا رہا۔ ایندھن اور توانائی کی قیمتوں میں مسلسل اضافے کے باوجود کمپنی کی فروخت کے حجم میں گزشتہ اسی ششماہی کے مقابلے میں نمایاں بہتری آئی ہے۔ بعض بینکوں کے ساتھ ادائیگی کی شرائط کو مستقبل میں کیش فلو اور پیشین گوئیوں کو مد نظر رکھتے ہوئے قرضوں کو از سر نو تشکیل دیا گیا ہے جبکہ دیگر بینکوں کے ساتھ بات چیت جاری ہے۔ انتظامیہ کو یقین ہے کہ برآمدات کے حجم میں مسلسل اضافے کے ساتھ ساتھ کمپنی اپنے مالیاتی شرائط داروں کے تین اپنے وعدوں کو پورا کرنے میں کامیاب ہو جائے گی اور کامیابی کے ساتھ قابل عملیت کی تسلی بخش سطح حاصل کر لے گی۔

## توثیقی بیان :

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

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

خرم افتخار  
چیف ایگزیکٹو

شہزاد افتخار  
ڈائریکٹر

فیصل آباد

تاریخ: 29 فروری 2024



**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, 2023 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2023.

**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 earned a net profit of Rs. 42.630 million (June 2023: Rs. 137.911 million) during the six-month period ended December 31, 2023 and as at that date, its accumulated loss is Rs. 12,608.349 million (June 2023: Rs. 12,692.103 million). and company's current liabilities exceeded its current assets by Rs. 8,176.169 million (June 2023: Rs. 9,395.714 million). Further, the Company deferred markup on long term financing instead of accruing it amounting to Rs. 1,517.955 million (June 2023: 1,436.091 million) till reporting date. Further company has leased out building of processing division as mentioned in note 6 to the financial statements for the year ended June 30, 2023 and subsequently, also agreed to disposed off the same as per conditions mentioned in note 6.1 to the financial statements. 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 27 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 15.2, 19.1.6, 20 and 25.7 to the

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financial statements for the year ended June 30, 2023. 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 profit for the six-month period would have been decreased by Rs 761.409 million (June 2023: Rs. 1,068.762 million), mark up payable and accumulated loss would have been increased by Rs. 8,560.437 million (June 2023: Rs. 7,799.028 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, 2023, 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).



Chartered Accountants

Place: Lahore

Date: February 29, 2024

UDIN: RR202310366LrjQY7m1e

**AMTEX LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

		<b>Un-audited</b>	<b>Audited</b>
		<b>December 31</b>	<b>June 30</b>
		<b>2023</b>	<b>2023</b>
	<b>NOTE</b>	<b>RUPEES</b>	<b>RUPEES</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3.	957,427,933	952,481,891
Investment property- fair value		1,258,691,557	1,258,691,557
Long term deposits		15,103,828	15,103,828
		<b>2,231,223,318</b>	<b>2,226,277,276</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		196,635,997	173,226,112
Stock in trade		350,568,646	261,847,909
Trade debts	4.	274,157,128	247,322,571
Loans and advances		23,256,882	26,003,572
Deposits and prepayments		4,799,126	4,799,126
Other receivables		24,750,017	19,623,150
Tax refunds due from the Government		289,404,022	238,832,422
Cash and bank balances		60,781,203	112,088,168
		<b>1,224,353,021</b>	<b>1,083,743,030</b>
		<b>3,455,576,339</b>	<b>3,310,020,306</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
260,000,000 (2023: 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		(12,608,349,144)	(12,692,102,450)
Surplus on revaluation of property, plant and equipment		892,111,631	933,235,260
		<b>(8,590,896,843)</b>	<b>(8,633,526,520)</b>
<b>NON CURRENT LIABILITIES</b>			
Redeemable capital		-	-
Long term financing	5.	977,557,110	-
Lease liabilities / Ijarah		-	-
Advances	6.	120,000,000	-
Deferred liabilities		1,548,394,117	1,464,089,365
		<b>2,645,951,227</b>	<b>1,464,089,365</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		461,084,711	236,585,802
Contract Liabilities		39,959,237	39,545,748
Interest / markup payable		2,684,334,659	2,730,625,453
Short term borrowings		5,166,503,194	5,407,100,994
Current portion of non current liabilities		1,048,640,154	2,065,599,464
		<b>9,400,521,955</b>	<b>10,479,457,461</b>
<b>Contingencies and commitments</b>	7.	-	-
		<b>3,455,576,339</b>	<b>3,310,020,306</b>

The annexed notes from 1 to 15 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 ACCOUNT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2023**

	Note	Quarter ended		Half Year ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		Rupees	Rupees	Rupees	Rupees
Sales		701,451,660	323,711,635	1,427,189,368	679,068,236
Cost of sales	8	600,644,449	279,488,934	1,215,387,124	560,538,114
Gross Profit		100,807,211	44,222,701	211,802,244	118,530,122
Other operating income	9	20,042,980	6,648,727	23,906,980	276,887,540
		120,850,191	50,871,428	235,709,224	395,417,662
Selling and distribution expenses		26,278,739	18,066,072	45,364,003	26,626,290
Administrative expenses		31,392,556	18,535,511	68,102,095	42,974,937
Finance cost	10	44,575,458	19,723,565	62,134,523	36,048,803
		102,246,753	56,325,148	175,600,621	105,650,030
Profit / (loss) for the period before taxation		18,603,438	(5,453,720)	60,108,603	289,767,632
Provision for taxation		9,975,872	24,550,328	17,478,926	30,005,840
Net profit / (loss) for the period		8,627,566	(30,004,048)	42,629,677	259,761,792
Earnings per share - Basic and diluted		0.03	(0.12)	0.16	1.00

The annexed notes from 1 to 15 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, 2023**

	<u>Quarter ended</u>		<u>Half Year ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Profit/(loss) after taxation	8,627,566	(30,004,048)	42,629,677	259,761,792
Other comprehensive income	-	-	-	-
Total comprehensive profit/(loss) for the period	<u>8,627,566</u>	<u>(30,004,048)</u>	<u>42,629,677</u>	<u>259,761,792</u>

The annexed notes from 1 to 15 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, 2023**

	HALF YEAR ENDED	
	DECEMBER 31	
	2023	2022
	RUPEES	RUPEES
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	60,108,603	289,767,632
Adjustments for:		
Depreciation of property, plant and equipment	17,639,201	15,512,441
Provision for staff retirement gratuity	4,151,425	2,102,821
Gain on disposal of property, plant and equipment	(17,835,980)	(265,223,540)
Finance cost	62,134,523	36,048,803
Operating cash flows before working capital changes	126,197,772	78,208,157
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(23,409,885)	(21,013,114)
Stock in trade	(88,720,737)	25,865,383
Trade debts	(26,834,557)	(16,536,184)
Loans and advances	2,746,690	5,439,883
Other receivables	(5,126,867)	829,238
Tax refunds due from the Government	(50,440,847)	7,218,168
Increase / (decrease) in current liabilities		
Trade and other payables	224,498,909	6,776,032
Contract liabilities	413,489	7,603,521
	33,126,195	16,182,927
Cash generated from operations	159,323,967	94,391,084
Income tax paid	(17,609,679)	(8,377,330)
Finance cost paid	(28,271,990)	(10,878,671)
Net cash generated from operating activities	113,442,298	75,135,083
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(63,612,113)	(1,000,000)
Capital work in process	-	(5,247,032)
Sale proceed from disposal of fixed assets	178,862,850	805,000,000
Net cash (used in)/generated from investing activities	115,250,737	798,752,968
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term financing	(170,000,000)	(298,915,890)
Lease liability	(10,000,000)	-
Short term borrowings - net	(100,000,000)	(534,800,000)
Net cash used in financing activities	(280,000,000)	(833,715,890)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(51,306,965)	40,172,161
Cash and cash equivalents at the beginning of the period	112,088,168	82,722,503
Cash and cash equivalents at the end of the period	60,781,203	122,894,664

The annexed notes from 1 to 15 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, 2023**

	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-----						
<b>Balances as at July 01, 2022</b>	<b>2,594,301,340</b>	<b>98,039,330</b>	<b>183,000,000</b>	<b>813,848,118</b>	<b>250,000,000</b>	<b>(13,032,072,797)</b>	<b>(9,092,884,009)</b>
Net profit for the year	-	-	-	-	-	259,761,792	259,761,792
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	-	-	259,761,792	259,761,792
Transfer to accumulated loss in respect of -incremental depreciation for the year	-	-	-	(1,369,895)	-	1,369,895	-
-disposal of fixed asset	-	-	-	(195,322,827)	-	195,322,827	-
	-	-	-	(196,692,722)	-	196,692,722	-
<b>Balances as at December 31, 2022</b>	<b>2,594,301,340</b>	<b>98,039,330</b>	<b>183,000,000</b>	<b>617,155,396</b>	<b>250,000,000</b>	<b>(12,575,618,283)</b>	<b>(8,833,122,217)</b>
Net loss for the year	-	-	-	-	-	(121,850,959)	(121,850,959)
Other comprehensive income for the year	-	-	-	-	-	-	-
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,022,364	1,022,364
- Reversal of surplus in respect of revaluation deficit	-	-	-	320,424,292	-	-	320,424,292
Total comprehensive income for the year	-	-	-	320,424,292	-	(120,828,595)	199,595,697
Transfer to accumulated loss in respect of -incremental depreciation for the year	-	-	-	(1,121,702)	-	1,121,702	-
-disposal of fixed asset	-	-	-	(3,222,726)	-	3,222,726	-
	-	-	-	(4,344,428)	-	4,344,428	-
<b>Balances as at June 30, 2023</b>	<b>2,594,301,340</b>	<b>98,039,330</b>	<b>183,000,000</b>	<b>933,235,260</b>	<b>250,000,000</b>	<b>(12,692,102,450)</b>	<b>(8,633,526,520)</b>
Loss for the year	-	-	-	-	-	42,629,677	42,629,677
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	42,629,677	42,629,677
Transfer to accumulated loss in respect of -incremental depreciation for the year	-	-	-	(2,464,778)	-	2,464,778	-
-disposal of fixed assets	-	-	-	(38,658,851)	-	38,658,851	-
	-	-	-	(41,123,629)	-	41,123,629	-
<b>Balances as at December 31, 2023</b>	<b>2,594,301,340</b>	<b>98,039,330</b>	<b>183,000,000</b>	<b>892,111,631</b>	<b>250,000,000</b>	<b>(12,608,349,144)</b>	<b>(8,590,896,843)</b>

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statements.

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 Chief Financial Officer



## AMTEX LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

#### FOR THE HALF YEAR ENDED December 31, 2023

##### 1. STATUS AND ACTIVITIES

**1.1** Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the Companies Ordinance, 1984 (now the Companies Act 2017) and listed on Pakistan Stock Exchange limited (formerly Karachi Stock Exchange Limited) in Pakistan. The registered office of the Company is situated at P-225, Tikka Gali No. 2, Montgomery Bazar, Faisalabad. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. The Company is also engaged in the business of manufacturing and sale of yarn and fabrics on its own & conversion basis. The cloth processing unit and stitching units are located at chak 120 Punj Pullian Daewoo Road, District Faisalabad, in the province of Punjab.

**1.2** The Company has earned profit before taxation of Rs. 60.108 million and its sales have also increased during the period as compared to previous corresponding period. Due to tight cash flow situation company has not been able to comply with the terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts.

Worst political instability, energy shortage, high inflation rate and increasing cost of doing business has hit Pakistan's vital textile industry, which supplies everything from denim to bed linen towards markets in the US and Europe, and accounts for 60 percent of the country's exports. The textile industry is in a state of emergency, unannounced and unscheduled outages disrupt the textile supply chain, which is "causing millions of rupees of losses". The management of the Company aware of the situation and making best efforts in facing these challenges. The major bankers of the Company had restructured the facilities and negotiations with other banks are in process. There is material uncertainty related to events or conditions which may cast significant doubt about the Company's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern. Further shareholders in Annual General Meeting held on October 28, 2023 have accorded approval for sale of Land & Building situated at 1 K.M. Khurrianwala Jaranwala Road Faisalabad (Leased Property). In said Annual General Meeting members unanimously approved aforementioned special business transaction. The Lessee M/s Abwa Knowledge Village Private Limited being interested in purchase of said mortgaged property, will pay entire principal liability and cost of funds directly to the bank as per restructuring arrangement between Company and the lender bank. (Refer # 5.1 & 6.1)

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

##### 2. SIGNIFICANT ACCOUNTING POLICIES

**2.1** This condensed interim financial report has been prepared in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standard (IAS) 34 "Interim Financial Reporting" as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act, 2017 and in compliance with the requirements of section 237 of the Companies Act 2017 and Rule Book of Pakistan Stock Exchange Limited

**2.2** This condensed interim financial report has been prepared under "historical cost convention" except certain items of property, plant and equipment included at revaluation and staff retirement gratuity carried at present value and certain financial instruments at fair value.

**2.3** This condensed interim financial report does not include all the information required for annual financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2023.

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

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

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

	Note	Un-audited December 31, 2023 Rupees	Audited June 30, 2023 Rupees
<b>3. Property, plant and equipment</b>			
Operating assets	<b>3.1</b>	957,427,933	952,481,891
<b>3.1 Operating assets</b>			
Opening written down value		952,481,891	1,130,664,497
Addition during 6 months / 12 months:	<b>3.1.1</b>	63,612,113	44,166,856
Deletions during 6 months / 12 months:	<b>3.1.2</b>	(41,205,500)	(600,454,540)
Depreciation charge for 6 months / 12 months		(17,639,201)	(34,563,105)
Depreciation adjustment for disposal		178,630	92,243,893
Surplus on revaluation		-	320,424,292
Closing written down value		957,427,933	952,481,891
<b>3.1.1 Addition during 6 months / 12 months:</b>			
Building		-	20,183,166
Plant & machinery		15,383,697	19,089,235
Electric installation		35,806,989	4,894,455
Furniture and fixture		12,421,427	-
		63,612,113	44,166,856
<b>3.1.2 Deletions during 6 months / 12 months:</b>			
Land		32,274,000	211,500,000
Building		8,931,500	348,505,950
Plant and Machinery		-	24,548,590
Electric Installations		-	13,500,000
Factory Equipment		-	800,000
Laboratory Equipment		-	1,600,000
		41,205,500	600,454,540
<b>4. Trade debts</b>			
Considered good			
Secured			
Foreign		33,257,864	41,940,346
Unsecured			
Foreign		205,902,485	171,812,234
Local	<b>4.1</b>	34,996,780	33,569,991
		240,899,265	205,382,225
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)
		-	-
		274,157,128	247,322,571
<b>4.1 It includes Balance from related party as follows:</b>			
Cotton Passion (Pvt) Limited		13,070,889	18,776,947
<b>4.2 The aging of trade debts as at satatement of financial statement date is as under:</b>			
Not past due		274,157,128	247,322,571
Past due less than one year		-	-
Past due more than one year		7,041,998,879	7,041,998,879
		7,041,998,879	7,041,998,879
		7,316,156,007	7,289,321,450

		<b>Un-audited</b>	<b>Audited</b>
		<b>December 31,</b>	<b>June 30,</b>
		<b>2023</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>5. Long term financing</b>			
Secured			
From banking companies and financial institutions			
Under mark up arrangements			
Demand finance	<b>5.1</b>	1,701,265,941	1,730,668,141
Long term finances under SBP		19,176,163	19,176,163
Morabaha finance		9,594,052	9,594,052
Morabaha finance II		104,000,000	104,000,000
Not subject to mark up			
Demand finance		134,835,000	134,835,000
		<u>1,968,871,156</u>	<u>1,998,273,356</u>
Less: Current portion			
Installments due		(736,314,046)	(1,998,273,356)
Payable within one year		(255,000,000)	-
		<u>(991,314,046)</u>	<u>(1,998,273,356)</u>
		<u>977,557,110</u>	<u>-</u>

**5.1** It includes an amount of rupees 1,097.722 million payable to United Bank Limited restructured during the period. The Company entered in to tripartite Settlement agreement with the Bank and Abwa knowledge village private limited in November 2023 according to which company has paid an amount of rupees 110 million as down payment and balance principal that includes Demand finance rupees 967.124 million, export finance rupees 109.725 million and LG encashment rupees 30.872 million along with IRIS cost of rupees 18.033 million will be paid in seven years in 28 quarterly installments commencing from December 2023 till September 2030. Mark up at cost of funds i.e., 5.69% will be accrued and will be paid after entire adjustment of principal in eight equal quarterly installments of rupees 28.899 million each commencing from December 2030 to September 2032. Further Markup decretal liability and cost of funds from the date of decree till execution of settlement agreement shall be waived off amounting to Rs.834.242 millions by the bank at the tail end subject to regular payments in accordance with the agreement.

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

		<b>Un-audited</b>	<b>Audited</b>
		<b>December 31,</b>	<b>June 30,</b>
		<b>2023</b>	<b>2023</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>6. Advances</b>			
Due to related party	<b>6.1</b>	<u>120,000,000</u>	<u>-</u>

**6.1.** In November 2023 company entered into tripartite debt restructuring/ rescheduling agreement between Amtex Limited " The Company ", United Bank Limited " The Bank" and Abwa knowledge village private limited " The Lessee" according to which company and lessee have agreed to pay outstanding decretal liability along with future cost of fund (Refer Note # 5.1). The lessee being interested in purchase of investment property, will pay entire principal liability of Rs. 1,236.03 million plus Rs. 263 million (approx.) on account of cost of funds directly to the bank as per restructuring agreement between company and the lender bank. The company shall execute the sale deed in respect of property, after payment of entire liability of the bank and will ensure that the title documents of the property are released by the respective bank directly to the buyer. The terms of payment and transfer of title to the buyer may be revised with mutual consent.

## **7. CONTINGENCIES AND COMMITMENTS**

### **7.1 Contingencies**

**a.** There is no material change in the status of contingencies as disclosed in note # 27.1 of the financial statements for the year ended June 30,2023 except the following:

- b. In accordance with Note 27.1.22 of the Annual Financial Statements, the Company and United Bank Limited entered in to settlement agreement in November 2023 (Ref: Note 6.1) according to which entire principal amount will be paid in 28 quarterly installments and future markup at cost of fund will also be paid at tail end after entire adjustment of principal. Upon execution of said agreement case pending before Lahore High Court has been sine die adjourned.
- c. The company has not fully recognised mark up on redeemable capital and on long and short term financing due to pending litigations and also due to settlements with other banks.

Un-audited	Audited
December 31, 2023	June 30, 2023
Rupees	Rupees

## 7.2 Commitments

Collector of custom

115,411,750

110,929,107

	Quarter ended December 31,		Half year ended September 30,	
	Un-audited		Un-audited	
	2023	2022	2023	2022
	Rupees	Rupees	Rupees	Rupees
8. Cost of sales				
Cost of goods manufactured	595,649,598	274,047,709	1,191,441,607	546,309,433
Finished goods				
Opening stock	95,197,336	135,705,271	114,148,002	144,492,727
Closing stock	(90,202,485)	(130,264,046)	(90,202,485)	(130,264,046)
	4,994,851	5,441,225	23,945,517	14,228,681
	600,644,449	279,488,934	1,215,387,124	560,538,114

## 8.1 Cost of goods manufactured

Raw material consumed	318,928,561	130,162,063	631,829,249	238,065,605
Salaries, wages and benefits	35,037,138	21,761,577	71,145,161	44,256,983
Staff retirement benefits	3,004,200	998,121	4,151,425	2,102,821
Stores and spares	1,642,621	1,520,680	2,968,071	3,169,617
Dyes and chemicals	64,263,417	44,027,622	152,202,171	85,186,244
Packing material	56,780,741	31,113,643	118,782,658	73,035,861
Conversion and processing charges	96,423,181	23,548,258	165,748,406	62,460,021
Repairs and maintenance	1,245,620	1,250,479	2,327,600	2,500,958
Fuel and power	10,866,842	8,889,214	28,089,501	18,137,493
Depreciation	9,706,192	6,705,338	17,286,417	12,604,952
Other	1,513,116	2,740,302	4,016,566	5,939,383
	599,411,629	272,717,297	1,198,547,225	547,459,938
Work in process				
Opening stock	18,650,477	16,131,324	15,306,890	13,650,407
Closing stock	(22,412,508)	(14,800,912)	(22,412,508)	(14,800,912)
	(3,762,031)	1,330,412	(7,105,618)	(1,150,505)
	595,649,598	274,047,709	1,191,441,607	546,309,433

## 9. Other operating income

Rental Income	2,207,000	6,648,727	6,071,000	11,664,000
Gain on sale of fixed assets	17,835,980	-	17,835,980	265,223,540
	20,042,980	6,648,727	23,906,980	276,887,540

## 10. Finance cost

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

## 11. Transactions with related parties

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

Description	Nature of Transaction	Un-audited	Audited
		December 31, 2023 Rupees	June 30, 2023 Rupees
i- Associated party	- Sales	64,213,942	67,673,208
	- Rentals	6,071,000	23,598,000
	- Receivable	13,070,889	18,776,947
	- Advance against sale of assets	120,000,000	-
ii- Key management personnel	- Remuneration to Directors	5,100,000	2,400,000
	- Loan from Directors	-	100,000,000

## 12. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.736.314 million along with mark up of Rs.99.888 million, lease finance amounting to Rs. 57.326 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs.5,166.503 million along with mark up of Rs. 2,512.100 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 1968.871 million, lease finance Rs 57.326 million and short term borrowings Rs 5,166.503 million. An amount of Rs. 50 million has subsequently paid against loan outstanding.

## 13. Corresponding figures

In order to comply with the requirement 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 statement of precedong financial year, whereas, the condensed statement of profit and loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

## 14. Date of authorization for issue

This condensed interim financial report was authorised for issue on Feburary 29, 2024 by the Board of Directors of the Company.

## 15. GENERAL

- 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.
- Provision for taxation & provision for gratuity is based on this condensed interim financial report and is subject to adjustment in annual financial statements.
- 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**

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