

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 نیگی مبلغ 46.138 ملین روپے کا خالص نقصان ہوا جبکہ پچھلے نصف سال میں بعد از ٹیکس ادا نیگی 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 مینوفیکچرنگ سہولیات کے کم استعمال کی وجہ سے کمپنی کو بعد از ادا نیگی ٹیکس مبلغ 46.138 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 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 مینٹنس 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 ہونگے 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 الا 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 الا 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 رہنڈ ز 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 رہنڈ ز 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);

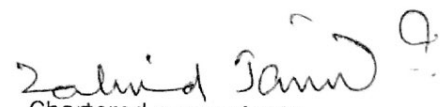
The matters as stated above in paragraph (a) to (c) are not in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Had condensed interim financial statements been prepared in accordance with the accounting and reporting standards as applicable 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

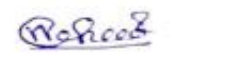
AMTEX LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	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	10	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

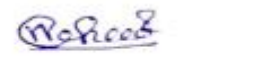

DIRECTOR


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

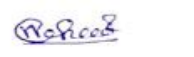
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020**

	CAPITAL RESERVES				REVENUE RESERVES		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, 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	June 30
		2020	2020
		Rupees	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

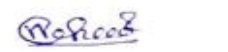
- 16.1.** There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, loss, comprehensive loss, cash flows or equity of the Company.
- 16.2.** Provision for taxation are based on this condensed interim financial information and is subject to adjustments 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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