

ADVICE FOR GENERAL PUBLIC

THE INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5.13**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FICTITIOUS AND MULTIPLE APPLICATIONS (MORE THAN ONE APPLICATIONS BY SAME PERSON) IS PROHIBITED AND SUCH APPLICATIONS' MONEY IS LIABLE TO CONFISCATION UNDER SECTION 18A OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NETWORTH INDIVIDUAL INVESTORS

A SINGLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATIONS EXCEPT IN THE CASE OF REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATIONS THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

THE BOOK BUILDING PORTION COMPRISING OF 42.70 MILLION ORDINARY SHARES HAS BEEN SUCCESSFULLY CLOSED. THE PRESENT ISSUE OF 18.30 MILLION ORDINARY SHARES IS BEING MADE TO THE GENERAL PUBLIC AT A PRICE OF PKR13.00 PER ORDINARY SHARE (I.E. STRIKE PRICE DETERMINED THROUGH BOOK BUILDING)



AMTEX LIMITED

PROSPECTUS

For Issue of 61 million Ordinary Shares (25.26% Of the Total Post-IPO Paid Up Capital) of Face Value of PkR 10.00 each

Book Building Portion of the Issue comprises of 42.70 million Ordinary Shares (70% of the Issue) at a floor price of PkR13 per share

General Public Portion of the Issue comprises of 18.30 million Ordinary Shares (30% of the Issue) at a price of PkR13.00 per share (including premium of PkR3.00 per share)


**BIDDING PERIOD DATES: From FEBRUARY 24, 2010 to FEBRUARY 26 2010
(BOTH DAYS INCLUSIVE) FROM 9:00 A.M. TO 5:00 P.M.**

**DATE OF PUBLIC SUBSCRIPTION: From March 24, 2010 to March 25, 2010
(BOTH DAYS INCLUSIVE) DURING BANKING HOURS**

LEAD MANAGER, ARRANGER & BOOK RUNNER



AKD Securities Limited

<p>Book Building Portion Underwritten by:</p>  <p>AKD Securities Limited</p>	<p>General Public Portion Underwritten by:</p> <p>UNITED BANK LIMITED AL BARAKA ISLAMIC BANK PAK LIBYA HODLING COMPANY PAK CHINA INVESTMENT COMPANY LIMITED AKD SECURITIES LIMITED M. M. SECURITIES LIMITED INVEST CAPITAL INVESTMENT BANK LIMITED A & N WORLDWIDE (PVT.) LIMITED</p>
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Date of Publication of this Prospectus: March 17, 2010

GLOSSARY OF TECHNICAL TERMS

AKDS	AKD Securities Limited
CDA	Central Depositories Act, 1997
CDC/CDCPL	The Central Depository Company of Pakistan Limited
CDS	Central Depository System
CNIC	Computerized National Identity Card
Commission/SECP	Securities and Exchange Commission of Pakistan
Company/Amtex	Amtex Limited
CVT	Capital Value Tax
DTR	Direct to Retailer
DTS	Direct to Store
FX	Foreign Exchange
GOP	Government of Pakistan
HNWI	High Net Worth Individual
ITO	Income Tax Ordinance, 2001
IPO	Initial Public Offering
Issue	Initial Public Offering of shares by the Company
Issuer	Amtex Limited or the Company
KIBOR	Karachi Inter Bank Offer Rate
KSE/Stock Exchange/Exchange	Karachi Stock Exchange (Guarantee) Limited
LM & BR	Lead Manager & Book Runner
Ordinance	The Companies Ordinance, 1984
PkR	Pakistan Rupee(s)
USD	US Dollars
WHT	Withholding Tax

DEFINITIONS

Application Money	The total amount of money to be paid by the bidder upon successful allotment of shares which is equivalent to the number of shares allotted to the bidder at the strike price.
Bid	An indication to make an offer during the bidding period by a bidder to subscribe to the Ordinary Shares of Amtex at or above the floor price, including all the revisions thereto.
Bidder	Any prospective investor who makes a bid pursuant to the terms of the Preliminary Prospectus and the Bidding Form.
Bid Amount	The total amount of the bid placed by the bidder, i.e. number of shares multiplied by bid price.
Bid Collection Centre	Pre-determined locations where applications for bidding of shares are collected by the Book Runner on behalf of the Company including the offices of Corporate Brokerage Houses, Schedule Banks, Development Financial Institutions and Investment Finance Companies as may be appointed by the Book Runner through an agreement in writing for the purpose with the consent of the Issuer.
Bidding Form	The form used by a bidder to make a bid and which will be considered as the application for subscription of Ordinary Shares through the book building.
Bidding Period	The period during which bids for subscription of shares will be made by Institutional Investors and HNWI's. The Bidding Period commences on February 24, 2010 and ends on February 26, 2010 (daily from 9:00 a.m. to 5:00 p.m.).
Bidding Process Ending Date	The date after which BR will not accept any bids for the book building phase.
Bidding Process Starting Date	The date on which BR shall start accepting bids for the book building phase.
Book Building	A mechanism of price determination through which indication of interest for subscription of shares issued by the Company is collected from Institutional Investors and HNWI's. Through the process a book is built which gives an idea of demand for the shares at different price levels. The strike price is determined based on the price at which demand for shares at the end of book building period is sufficient to raise the required amount.
Book Building Account	An account opened by the Company with the Collection Bank(s). The bidder will pay the margin amount through demand draft, pay order or cheque in favor of this account and the remainder of the application money, if any, shall be paid through this account after successful allocation of shares.

Prospectus – Amtex Limited

Book Runner	AKD Securities Limited.
Final Prospectus	A document containing all the information and disclosures as required under the Companies Ordinance, 1984 together with disclosure of the strike price and results of the Book Building process.
Floor Price	The minimum price set by the Company for initial public offering of shares which is PkR13.00 per share.
General Public	All individual and institutional investors including both Pakistani (residents & non-residents) and foreign investors.
General Public Issue Price	The price at which ordinary shares are issued to general public. This price can be at or below the strike price.
High Net worth Individual (HNWI)	Individual investor who applies or bids for shares of the value of PKR 1,000,000/- or above in the book building process.
Institutional Investors	Both local and foreign institutional investors
Issue	<p>IPO of 61 million Ordinary Shares by the Company at a price of PkR13.00 per ordinary share (including a share premium of PKR3.00 per ordinary share) aggregating to PkR793 million. The Issue constitutes 25.26% of the post-IPO paid-up capital of the Company.</p> <p>Portion of Institutional Investors/HNWI: 42.7 million ordinary shares - 70% of the total issue size.</p> <p>Portion of General Public: 18.3 million ordinary shares - 30% of the total issue size. (For details please see para 3.1)</p>
Issuer	Amtex Limited
Lead Manager and Book Runner	AKD Securities Limited.
Limit Price	The maximum price a prospective institutional investor or HNWI is willing to pay for a share under the Book Building process.
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of making a bid.
Ordinary Shares	Ordinary Shares of Amtex having face value of PkR10 each unless otherwise specified in the context thereof.
Preliminary Prospectus	The preliminary prospectus containing all the information and disclosures as required under the Companies Ordinance, 1984, and Listing Regulation of the Stock Exchange approved by the Commission under section 57 (1) of the Companies Ordinance, 1984 and issued to the Institutional Investors and HNWIs for the Book Building Process.

Prospectus – Amtex Limited

Strike order	A bid for a specified number of shares at the strike price to be determined through the Book Building process.
Step bid	A series of limit bids at increasing prices.
Strike Price	The price of share determined/discovered on the basis of the Book Building process and is the price at which the shares are issued to Institutional Investors and HNWI.

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PART 1**1. APPROVALS AND LISTING ON THE STOCK EXCHANGE****1.1 APPROVAL OF THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN**

Approval of the Securities & Exchange Commission of Pakistan (the “SECP” or the “Commission”) as required under Section 57(1) of the Companies Ordinance, 1984 (the “Ordinance”) has been obtained by Amtex Limited (“Amtex” or “the Company”) for the issue, circulation and publication of this Prospectus.

It must be distinctly understood that in giving this approval, the SECP does not take any responsibility for the financial soundness of the Company and any of its schemes stated herein or for the correctness of any of the statements made or opinions expressed with regards to them.

The SECP has not evaluated quality of the issue including justification of the premium, and its approval of the Prospectus should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the issue before subscribing.

1.2 CLEARANCE OF THE PROSPECTUS BY THE KARACHI STOCK EXCHANGE (GUARANTEE) LIMITED

The Prospectus has been cleared by the Karachi Stock Exchange (Guarantee) Limited (“KSE”), in accordance with the requirements under their Listing Regulations. While clearing this Prospectus, Karachi Stock Exchange neither guarantees the correctness of the contents of this Prospectus nor the viability of the Company.

The KSE has not evaluated the quality of the issue including justification of the premium and its clearance should not be construed as any commitment of the same. The public/investors should conduct their own independent investigation and analysis regarding the quality of the issue before subscribing.

1.3 FILING OF THE PROSPECTUS AND OTHER DOCUMENTS WITH THE REGISTRAR OF COMPANIES

The Company has filed with the Registrar, Companies Registration Office Faisalabad, as required under Section 57(3) and (4) of the Companies Ordinance 1984, a copy of this Prospectus signed by all the Directors of the Company, along with the following documents are attached hereto:

- a) Letter No. F-01-19/0594 dated January 06, 2010 from Auditors of the Company, M. Yousuf Adil Saleem & Co., consenting to the publication of their names in the Prospectus, which contains in Part 6 certain statements and reports issued by them as experts (for which consent has not been withdrawn), as required under Section 57(5) of the Companies Ordinance, 1984.
- b) Copies of Material Contracts and Agreements mentioned in Part 8 of this Prospectus as required under Section 57(4) of the Ordinance.
- c) Written confirmations of the Legal Advisor to this issue and Bankers to this issue, mentioned in this Prospectus consenting to act in their respective capacities, as required under Section 57(5) of the Companies Ordinance, 1984.

- d) Consent of Directors, Chief Executive and Company Secretary of the Company who have consented to their respective appointments being made and their having been named or described as such Directors and Chief Executive in this Prospectus, as required under Section 57(3) of the Ordinance, read with sub-clause (1) of clause (4) of Section 1 of Part 1 of the Second Schedule to the Ordinance.

1.4 LISTING AT THE KARACHI STOCK EXCHANGE

An Application has been made to the KSE for permission to deal in and for quotation of the shares of the Company.

If for any reason, the application for formal listing is not accepted by the KSE, the Company undertakes to publish immediately in the press a notice to that effect and thereafter to refund the application money to the applicants in pursuance of this Prospectus as required by the provisions of Section 72 of the Ordinance.

PART 2**2 BOOK BUILDING PROCEDURE****2.1 BRIEF ISSUE STRUCTURE****The Present Issue**

The Company is issuing 61 million Ordinary Shares of the face value of PkR10 each for cash (the “Issue”). The Issue constitutes 25.26% of the post-IPO paid-up capital of the Company.

The Issue is being made through the Book Building process at a floor price of PkR13/- per share, whereby 70% of the total issue size i.e. 42.70 million Ordinary Shares of PkR10 each will be offered through the book building process to Institutional Investors and High Net Worth Individuals (HNWI) while the remaining 30% of the total issue size i.e. 18.30 million Ordinary Shares of PkR10 each will be offered to the general public at or below the Strike Price.

IN CASE THE ISSUER DOES NOT RECEIVE BIDS FOR THE MINIMUM NUMBER OF SHARES BEING OFFERED AT FLOOR PRICE, IT MAY WITHDRAW THE ISSUE. THE DECISION OF WITHDRAWAL SHALL BE TAKEN WITHIN A PERIOD NOT MORE THAN THREE WORKING DAYS OF CLOSING OF THE BIDDING PERIOD. THE WITHDRAW SHALL BE IMMEDIATELY INTIMATED TO THE COMMISSION AND THE EXCHANGE.

IN CASE THE COMPANY OPTS FOR WITHDRAWAL OF THE ISSUE, MARGIN MONEY WILL BE REFUNDED TO BIDDERS WITHIN 03 WORKING DAYS OF THE DECISION OF WITHDRAWAL WITHOUT ANY MARKUP, INTEREST ETC.

2.2 BOOK BUILDING PROCEDURE

Book building is a process whereby investors bid for a specific number of shares at various prices. The LM & BR, with the consent of Issuer, sets a floor price which is the lowest price an investor can bid at. An order book of bids from investors is maintained by the BR, which is then used to determine the strike price through the “**Dutch Auction Method**”.

Under the Dutch Auction Method, the strike price is determined by lowering the price to the extent that the total number of shares that the issuer intends to issue through the Book Building process are fully subscribed. Bidders can submit their bids at the allocated bidding centers in person or through facsimile.

A bid by a potential investor can be a “Limit Bid”, “Strike Bid” or a “Step Bid”, which are explained below.

- **Limit Bid:** Limit bid is at the limit price, which is the maximum price an investor is willing to pay for a specified number of shares.

In such a case a bidder explicitly states a price at which he is willing to subscribe to the shares. For instance, a bidder may bid for 2 million shares at PkR15 per share. Since the bidder has placed a limit price of PkR15 per share, this indicates that he is willing to subscribe at or below PkR15 per share.

- **Strike Order:** A bid for a specified number of shares at the strike price.

The bidders explicitly bid that they will be willing to buy 2.0 million shares at the strike price determined through the Book Building Process.

- **Step Bid:** A series of limit bids at different prices.

Under this bidding strategy, bidders place a number of limit bids at different price levels. The bidders may, for instance, make a bid for 2.0 million shares at PkR15 per share, 1.5 million shares at PkR16 per share and 1.0 million shares at PkR17 per share.

Once the bid period is over and book has been built, the BR determines the strike price.

Successful bidders shall be intimated, within two (2) working days of the closing of the bidding period, the strike price and the number of shares provisionally allotted to each of them. The successful institutional bidders shall, within seven (7) working days of the closing of the bidding period, deposit the balance amount as consideration against allotment of shares. **Where a successful bidder defaults in payment of shares allotted to him, the margin money deposited by such bidder shall be forfeited to the BR under clause 8.11 of Appendix 4 of the Listing Regulations of KSE.**

2.3 LEAD MANAGER AND BOOK RUNNER

AKD Securities Limited has been mandated by the Company to act as a Lead Manager and Book Runner to this Issue, which is being made through the Book Building Process as laid out in Appendix 4 of the Listing Regulations of the KSE.

AKD Securities Limited (“AKDS”) is ranked among the premium brokerage houses in Pakistan and its Investment Banking team is among the most active in carrying out financial advisory services in Pakistan’s capital markets.

The Investment Banking team at AKDS has a rich experience in Capital Market transactions and over the years it has initiated and successfully executed transactions unique in structure & size. Driven by experienced professionals and dynamic young talent, AKDS Investment Banking team has been involved in numerous Initial Public Offerings, Acquisitions, TFC Issuances & Asset Backed Securitization as well as leading Privatization deals in the country.

Origination Capability: AKDS have extensive contacts with existing and potential issuers across a wide spectrum of industries and business sectors.

Structuring Capability: AKDS analysts have in-depth industry knowledge, financial modeling and transaction structuring experience.

Placement Capability: A wide network of institutional investor relationships as well as a large, diversified retail investor base provides AKDS with an unmatched distribution capability.

Address: **AKD Securities Limited**
602, Continental Trade Center,
Block 8, Clifton, Karachi

2.4 ROLE AND FUNCTIONS OF LEAD MANAGER AND BOOK RUNNER

- (1) The Lead Manager and Book Runner to the Issue ensures that:
- i. all disclosures as required under the Companies Ordinance, 1984 and the Appendix 4 of the Listing Regulations of the Karachi Stock Exchange have been made in the Prospectus;
 - ii. necessary infrastructure and electronic system/software is available to collect bids and to carry out the Book Building process in a fair, efficient and transparent manner;
 - iii. it has obtained on behalf of the Company, all approvals/consents/NOCs relating to the Issue;
 - iv. the preliminary Prospectus has been uploaded on its own as well as the Company's website; and
 - v. it has established bid collection centers at the following addresses:

Karachi

Contact Officer: **Mr. Syed Faraz Abdul Ghaffar**
Direct No.: +92-21-5371303
Mobile No.: +92-331-221-7678
PABX No.: +92-21-111-253-111 Ext: 628
Fax No.: +92-21-5867992; 92-21-5869715
Email: syed.faraz@akdsecurities.net
Postal Address: **AKD Securities Limited**
6th Floor, Continental Trade Centre
Block 8, Clifton, Karachi

Lahore

Contact Officer: **Mr. Ehsan Ahmad Qureshi**
Direct No.: +92-42-6280742, +92-42-6280743, +92-42-6280744
Mobile No.: +92-334-411-1253
PABX No.: +92-42-111-253-111
Fax No.: +92-42-6280745
Email: ehsan.ahmad@akdtrade.com
Postal Address: **AKD Trade**
Room No. 512/513, 5th Floor,
Lahore Stock Exchange Building, Lahore.

Islamabad

Contact Officer: **Mr. Khalid Hussain**
Direct No.: +92-51-5830450
Mobile No.: +92-332-2125525
PABX No.: +92-51-111-253-111
Fax No.: +92-51-2276621
Email: malik.khalid@akdtrade.com
Postal Address: **AKD Trade**
M-4, Islamabad Stock Exchange Building,
101-E, Fazle-Haq Road, Blue Area, Islamabad.

- (2) The Lead Manager and Book Runner to the Issue shall:
- (i) conduct awareness campaigns through presentations, meetings, road shows etc;
 - (ii) collect bid applications and applications’ money, security, margin as the case may be from the Institutional Investors and HNWI in the manner as mentioned in the Appendix 4 of the Listing Regulations of the Karachi Stock Exchange.
 - (iii) put serial number, date and time on each bidding form at the time of collection of the same from the bidders;
 - (iv) vet the bidding applications;
 - (v) build an order book showing demand for the shares at various prices;
 - (vi) discover the strike price at the close of the bidding period;
 - (vii) enter into underwriting agreement with the issuer;
 - (viii) maintain record of the bids received for subscription of the shares;
 - (ix) circulate copies of the preliminary Prospectus and bidding form cleared by the Exchange and approved by the Commission to the prospective Institutional Investor and HNWI;
 - (x) publish an advertisement, approved by the Commission, in one Urdu and one English daily Newspaper having wide circulation to invite the Institutional investor and HNWI to participate in the bidding process;
 - (xi) use the software for Book Building process provided by the Exchange, which is based on Dutch Auction Methodology for display of the order book and determination of the strike price, on the terms and conditions as may be agreed in writing between the Exchange and the Book Runner; and
 - (xii) for information of the investors, in addition to live display of the order book on the website of the Exchange, also live display the same order book simultaneously on its own website till closing of the bidding period.

2.5 OPENING AND CLOSING OF THE BIDDING PERIOD

The bidding period shall remain open for 3 working days commencing from the business hours at 09:00 a.m. on February 24, 2009 and will close at 05:00 p.m. on February 26, 2009 at the close of business hours.

BIDDING PROCESS STARTS ON	February 24, 2010
BIDDING PROCESS ENDS ON	February 26, 2010

**(Both Days Inclusive)*

Note: No bid shall be entered in the system after the close of the bidding period i.e after 05.00 pm at the last day of the bidding period.

2.6 ELIGIBILITY TO PARTICIPATE IN BIDDING

Eligible investors who can place their bids in the Book Building process are “Institutional Investors” and “HNWI”.

- Institutional Investors include both local and foreign institutional investors
- HNWI investors are individual investors who bid for shares of value of PkR 1,000,000/- (Pak Rupees One Million Only) or above in the Book Building process.

2.7 INFORMATION FOR BIDDERS

- The Preliminary Prospectus for issuance of shares duly cleared by the Karachi Stock Exchange and approved by SECP and the bidding form can be obtained from the Registered Office of Amtex Limited, AKDS and the bid collection centers. Preliminary prospectus can also be downloaded from the website of BR and the Company.
- Eligible investors who are interested in subscribing to the Ordinary Shares should approach LM & BR at the addresses provided in para 2.4 to register their Bids.
- THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON OR THROUGH FAX AT NUMBER: (Karachi) +92-21-586-7992, +92-21-586-9715, (Lahore) +92-42-628-0745, (Islamabad) +92-51-212-5525.

2.8 BIDDING FORM AND PROCEDURE FOR BIDDING

- Standardized bidding form has been prescribed by the BR. Bids shall be submitted at the bid collection centers in person or through fax [(Karachi) +92-21-586-7992, +92-21-586-9715, (Lahore) +92-42-628-0745, (Islamabad) +92-51-212-5525] on the standard bidding form duly filled in and signed in duplicate. The bidding form shall be serially numbered at the bid collection centers and date and time stamped, at the time of collection of the same from the bidders.

Upon completion and submission of the bidding form, the investors are deemed to have authorized the Company to make necessary changes in the preliminary Prospectus and the bidding form as would be required for filing the final Prospectus with the Stock Exchange and SECP, without prior or subsequent notice of such changes to the investor.

The bidding procedure under the Book Building Process is outlined below:

- i. Copy of approved preliminary Prospectus shall be circulated by the Issuer through LM & BR to prospective investors and a copy will also be placed on websites of the Company and AKDS.
- ii. An advertisement, approved by the Commission, shall be published at least in one Urdu and one English daily Newspaper having wide circulation in the Federal and all the provincial capitals, inviting the institutional investors and HNWI to participate in the bidding.
- iii. A Book Building Account shall be opened by the Issuer for collection of bid amount.
- iv. The bidding form shall be issued in duplicate signed by the bidder and countersigned by the BR, with first copy for BR, and the second copy for the bidder.
- v. Bids shall be submitted through the bid collection centers or through facsimile [(Karachi) +92-21-586-7992, +92-21-586-9715, (Lahore) +92-42-628-0745, (Islamabad) +92-51-212-5525] on the standard bidding form duly filled in and signed in duplicate. The addresses for the bid collection centers are given in para 2.4.
- vi. Bids can be placed at “limit price”, “strike order” or “step bid”.
- vii. Bids/margin money shall be deposited through demand draft/pay order/cheque in favor of “Initial Public Offering of Amtex Limited – Book Building Account.”

Prospectus – Amtex Limited

- viii. BR shall collect an amount of 100% of the application money as bid/margin money in respect of bids placed by HNWI's.
- ix. BR shall collect an amount of not less than 25% of the application money as margin money in respect of bids placed by institutional investors.
- x. BR may reject a bid placed by an institutional investor/HNWI for reasons to be recorded in writing and the reasons should be disclosed to such bidder forthwith. Decision of BR shall not be challengeable by the bidder or its associates.
- xi. The bidders will receive back the duplicate form upon submission of their bids which will be proof of their bid submission. In case of facsimile, a copy of form with receiving will be faxed back to the bidder.
- xii. Bidders can revise or withdraw their bids during the bidding period (for details please refer to para 2.12 and 2.14).
- xiii. BR shall maintain record of the bids received.
- xiv. **BR shall ensure that all the bids received by the bid collection centers are entered, before the closing of the bidding period, into the system developed by the Exchange for the purpose of the book building. The Exchange shall display live an order book, in descending order with respect to the bid price, showing the demand for shares at various prices and accumulative number of shares bid for. The order book should also show the revised bids and the bids withdrawn.**
- xv. At the close of the bidding period, the BR shall determine the strike price with the consent of the Company.
- xvi. Successful bidders shall be intimated, within two (2) working days of the closing of the bidding period, the strike price and the number of shares provisionally allotted to each of them.
- xvii. The successful institutional bidders shall, within seven (7) working days of the closing of the bidding period, deposit the balance amount as consideration against allotment of shares.
- xviii. Where a successful institutional bidder defaults in payment of shares allotted to him, the margin money deposited by such institutional bidder shall be forfeited by BR.
- xix. Margin money of unsuccessful bidders will be refunded within three (3) working days of the close of the bidding period.
- xx. Final allotment of shares out of the Book Building portion of the Issue shall be made after receipt of full subscription money from the successful bidders; however, shares to such bidders shall be dispatched or credited, as the case may be, at the time of transfer of shares out of the public issue to successful applicants.
- xxi. An associated person or any other related person or party of the Issuer shall not make bid(s) for shares in excess of 5% of the book building portion of the Issue.

2.9 BANK ACCOUNT FOR BOOK BUILDING AND PUBLIC PORTION

The Company has opened two separate bank accounts for collection of applications' money, one each for the Book Building portion and the General Public portion of the Issue.

The bidders shall draw demand draft, pay order or cheque in favor of **“Initial Public Offering of Amtex Limited – Book Building Account”** which has been opened at Bank Alfalah Limited. The collection bank shall keep and maintain the bid money in the said account. Once the strike price is determined and allottees are finalized, the collection bank shall transfer the money of successful and accepted applications to the Company's account(s) after obtaining NOC from KSE and manage refund of the bid money to unsuccessful bidders.

2.10 PAYMENT INTO THE BOOK BUILDING ACCOUNT

The bidders shall draw a demand draft, pay order or cheque favoring **“Initial Public Offering of Amtex Limited – Book Building Account”** and submit it at the designated bid collection center either in person or through facsimile along with a duly filled in bidding form.

CASH MUST NOT BE SUBMITTED WITH BIDDING FORMS AT THE BID COLLECTION CENTER. ONLY PAY ORDER, BANK DRAFT, CHEQUE AND ANY OTHER APPROPRIATE INSTRUMENT ACCEPTABLE TO BR AND DRAWN IN FAVOR OF “INITIAL PUBLIC OFFERING OF AMTEX LIMITED – BOOK BUILDING ACCOUNT” ARE ACCEPTABLE.

Since the investors can bid for shares through “limit price”, strike order” or “step bid” therefore payment procedure is explained below for all the three methods.

a. PAYMENT FOR LIMIT PRICES

If investors are placing their bids through “limit price” then they shall deposit the margin money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 5.0 million shares at a price of PkR17 per share, then the total application money would amount to PkR85 million. In such a case, (i) HNWI shall deposit PkR85 million in the Book Building account as the bid amount which is 100% of PkR85 million; and (ii) Institutional Investors shall deposit PkR21.25 million in the Book Building account as the margin amount which is at least 25% of PkR85 million.

b. PAYMENT FOR STRIKE ORDERS

If investors are placing a “strike order”, then they shall deposit the margin money equal to the number of shares they are bidding for at PkR13 per share assuming that strike price is discovered at PkR13 per share.

For instance, if the investor is applying for 5.0 million shares then the total application money would be PkR65 million. In such a case, (i) HNWI shall deposit PkR65 million in the Book Building account as margin/bid amount which is 100% of PkR65 million; and (ii) Institutional Investors shall deposit PkR16.25 million in the Book Building Account as margin amount which is at least 25% of PkR65 million.

c. PAYMENT FOR STEP BIDS

If investors are placing a “step bid”, which is a series of limit prices, then they shall deposit the margin money based on the total number of limit prices which they are bidding for.

For instance, if the investor bids for 0.5 million shares at PkR16 per share, 0.3 million shares at PkR15 per share and 0.4 million shares at PkR14 per share, then in essence the investor has placed one “step bid” or three “limit price” bids. The margin money would amount to Rs. 18.1 million, which is arrived at by multiplying number of shares with the price and aggregating all the three bids. In such a case, (i) HNWI shall deposit PkR18.1 million in the Book Building account as margin/bid amount which is 100% of PkR18.1 million; and (ii) Institutional Investors shall deposit PkR4.525 million in the Book Building account as margin money which is at least 25% of PkR 18.1 million.

2.11 PAYMENT BY FOREIGN INVESTORS

Foreign investors may subscribe using their Special Convertible Rupee Accounts (SCRA), as set out under Chapter 20 of the State Bank of Pakistan’s Foreign Exchange Manual.

Payments made by foreign investors shall be supported by proof of receipt of foreign currency through normal banking channels. Such a proof shall be submitted along with the Bidding Application by the foreign investors.

2.12 REVISION OF BIDS BY THE BIDDER

The bidders shall have the right to revise their bids any time during the bidding period. In case the bidders decide to revise their bid, they shall submit the revised bidding form along with the duplicate copy of bid application at any of the designated bid collection centers. The bidders shall collect the revised duplicate copy of bid application from the bid collection centre which shall indicate the new/revised bid price and number of shares.

This can also be done through facsimile [(Karachi) +92-21-586-7992, +92-21-586-9715, (Lahore) +92-42-628-0745, (Islamabad) +92-51-212-5525].

2.13 REJECTION OF BIDS BY THE BOOK RUNNER

In terms of clause 8.4 of Appendix 4 of Listing Regulations of the Karachi Stock Exchange, BR may reject a bid placed by an institutional investor/HNWI for reasons to be recorded in writing and the reasons should be disclosed to such bidder forthwith. Decision of BR shall not be challengeable by the bidder or its associates.

2.14 WITHDRAWAL OF BIDS BY THE BIDDER

A bidder has the right to withdraw placed bid from the bidding system any time during the bidding period. In case bidder decides to withdraw a bid, a request shall be submitted for withdrawal of the bid along with the duplicate copy of bid application.

The Bidder shall collect back the duplicate copy of bid application from the concerned officer of BR and check that “**Bid Withdrawn**” stamp has been properly marked on both the original bid form and duplicate thereof along with proper date and time of withdrawal of bid and initials of the concerned officer.

2.15 WITHDRAWAL OF ISSUE BY THE COMPANY

According to clause 3.10 of Appendix 4 of the listing regulations of Karachi Stock Exchange, in case the Issuer does not receive bids for the minimum number of shares issued at floor price, it may withdraw the Issue. The decision of the withdrawal shall be taken within a period not more than three (3) working days of the closing of bidding period. The withdrawal shall be immediately intimated to the Commission and the Exchange.

In such a case the Issuer shall refund the margin money to the bidders within three (3) working days of the decision of withdrawal.

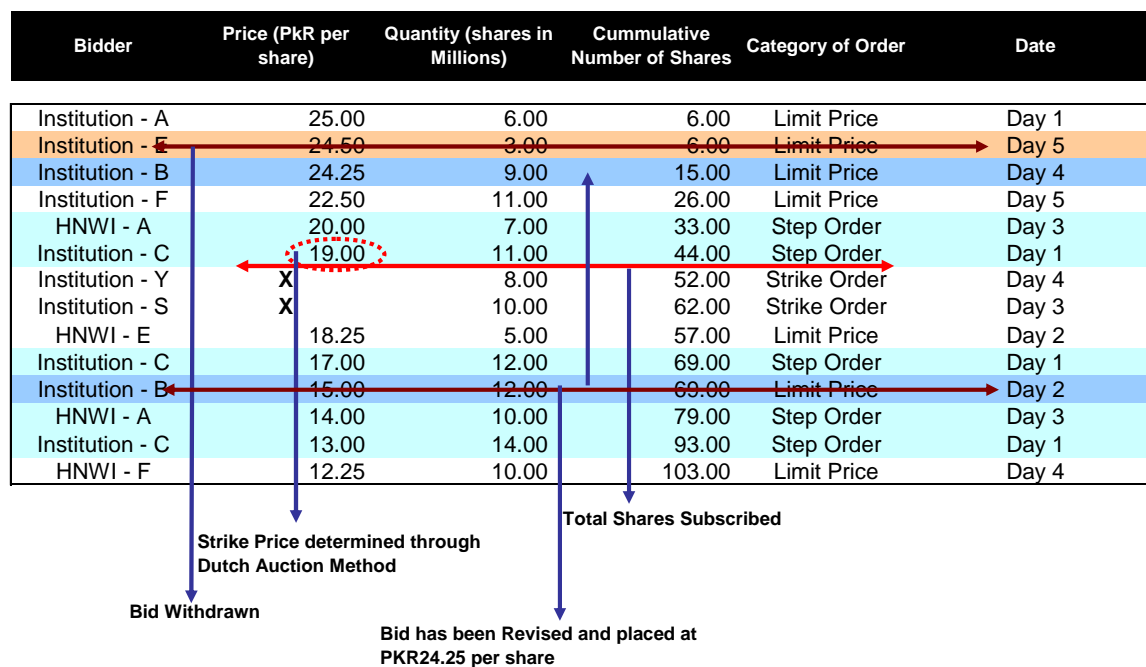
2.16 MECHANISM FOR DETERMINATION OF STRIKE PRICE

42.70 million ordinary shares, which constitute 70% of the total issue size, would be issued to Institutional Investors and High Net worth Individuals through the Book Building process. The remaining 18.30 million ordinary shares constituting 30% of the total issue size would be issued to the general public at or below the strike price determined through the Book Building process. The bidding period shall last for 5 working days for receiving the bids from potential investors. At the close of the bidding period, the strike price would be determined by the BR in consultation with the Issuer.

The mechanism for determination of strike price can be understood by the following illustration.

- **Number of shares being offered through the Book Building:** 42.70 million ordinary shares
- **Floor price:** PkR13.00 per share
- **Bidding Period:** MM/DD, 2010 – MM/DD, 2010

Bidder	Price (PkR per share)	Quantity (shares in Millions)	Cumulative Number of Shares	Category of Order	Date
Institution - A	25.00	6.00	6.00	Limit Price	Day 1
Institution - E	24.50	3.00	6.00	Limit Price	Day 5
Institution - B	24.25	9.00	15.00	Limit Price	Day 4
Institution - F	22.50	11.00	26.00	Limit Price	Day 5
HNWI - A	20.00	7.00	33.00	Step Order	Day 3
Institution - C	19.00	11.00	44.00	Step Order	Day 1
Institution - Y	X	8.00	52.00	Strike Order	Day 4
Institution - S	X	10.00	62.00	Strike Order	Day 3
HNWI - E	18.25	5.00	57.00	Limit Price	Day 2
Institution - C	17.00	12.00	69.00	Step Order	Day 1
Institution - B	15.00	12.00	69.00	Limit Price	Day 2
HNWI - A	14.00	10.00	79.00	Step Order	Day 3
Institution - C	13.00	14.00	93.00	Step Order	Day 1
HNWI - F	12.25	10.00	103.00	Limit Price	Day 4



Setting Strike Price – On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the strike price would be set at PkR19.0 per share to sell the required quantity of 42.7 million ordinary shares.

At PkR25 per share, investors are willing to buy only 6.0 million shares. Since 36.7 million shares are still available, therefore the price will set lower.

At PkR24.25 per shares, investors are willing to buy 9.0 million shares. Since 27.7million shares are still available, therefore, the price will set lower.

At PkR22.50 per shares, investors are willing to buy 11.0 million shares. Since 16.7 million shares are still available, therefore, the price will set lower.

At PkR20.0 per shares, investors are willing to buy 7 million shares. Since 9.7 million shares are still available, therefore, the price will set lower.

At PkR19.0 per shares, investors are willing to buy 11 million shares. However, the number of shares bid for at the Strike order which in this case is 18.0 million shares, will be added to the 11 million shares i.e. the number of shares bid for at PkR19.0 per share, the Strike Price, making it 29 million shares in totality. The said 29 million shares will then be allocated, among the bidders who have made bids at Strike Price and Strike Order, however, preference will be given to the bidder who has made the bid earlier.

Once the strike price is determined all those bidders whose bids have been found successful shall become entitled for allotment of shares. The bidders, who have submitted bids at prices above the strike price, will be issued shares at the strike price and the differential would be refunded. Investors, who have bid below the Strike Price, do not qualify for allotment and their money would be refunded. In case the number of shares bid for at the strike price and the number of shares bid for at strike order exceeds the available number of shares, then such available shares shall be allotted to the bidders who have made bids for shares at strike price and strike order, however, preference will be given to the bidder who has made the bid earlier.

2.17 BASIS OF ALLOTMENT OF SHARES

After the closure of bidding period, the BR will analyze the demand generated at various price levels. Only successful bidders shall be eligible for allotment of shares. Shares to successful bidders, out of the book building portion, shall be issued at the time of the issuance of shares out of the public portion.

2.18 REFUND OF MARGIN MONEY

Investors who have bid lower than the strike price are not eligible for allotment of shares. Margin money of the unsuccessful bidders shall be refunded within three (3) working days of the close of the bidding period.

2.19 UNDERWRITING

After determination of the strike price BR shall within two (2) working days of the closing of the bidding period enter into an underwriting agreement with the Issuer indicating the number of shares that BR would underwrite at the strike price and the underwriting Commission/Fee to be charged.

2.20 PUBLICATION OF THE FINAL PROSPECTUS

The underwriting agreement for the public portion shall be finalized within ten (10) working days from closing of the bidding period.

The LM shall, on the same day or any other day but not later than the tenth (10th) working day from the date of closing of the bidding period, shall submit an application to KSE for allocation of dates for publication of the final Prospectus and subscription of shares by the general public.

The final Prospectus in full or in abridged form must be published within seventeen (17) working days of the closing of the bidding period in the manner as specified in Section 53 of the Companies Ordinance, 1984.

Public subscription for the shares shall be held at any date(s) within thirty days of the publication of the final Prospectus but not earlier than seven days of such publication.

2.21 ADDRESSES OF BID COLLECTION CENTRES

Bid Collection Centers have been established at Karachi, Lahore and Islamabad to collect the bids for the Book Building portion of Amtex Limited in order to provide convenient access to bidders to participate in the bidding process. The bidding form can also be submitted through facsimile at fax number [(Karachi) +92-21-586-7992, +92-21-586-9715, (Lahore) +92-42-628-0745, (Islamabad) +92-51-212-5525].

Karachi

Contact Officer:	Mr. Syed Faraz Abdul Ghaffar
Direct No.:	+92-21-5371303
Mobile No.:	+92-331-221-7678
PABX No.:	+92-21-111-253-111 Ext: 628
Fax No.:	+92-21-5867992; 92-21-5869715
Email:	syed.faraz@akdsecurities.net
Postal Address:	AKD Securities Limited 6 th Floor, Continental Trade Centre Block 8, Clifton, Karachi

Lahore

Contact Officer: **Mr. Ehsan Ahmad Qureshi**
Direct No.: +92-42-6280742, +92-42-6280743, +92-42-6280744
Mobile No.: +92-334-411-1253
PABX No.: +92-42-111-253-111
Fax No.: +92-42-6280745
Email: ehsan.ahmad@akdtrade.com
Postal Address: **AKD Trade**
Room No. 512/513, 5th Floor,
Lahore Stock Exchange Building, Lahore.

Islamabad

Contact Officer: **Mr. Khalid Hussain**
Direct No.: +92-51-5830450
Mobile No.: +92-332-2125525
PABX No.: +92-51-111-253-111
Fax No.: +92-51-2276621
Email: malik.khalid@akdtrade.com
Postal Address: **AKD Trade**
M-4, Islamabad Stock Exchange Building,
101-E, Fazle-Haq Road, Blue Area, Islamabad.

2.22 STATEMENT BY ISSUER

November 7, 2009

The General Manager,
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

On behalf of the Company, we confirm that all material information as required under the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited have been disclosed in the Prospectus and that whatever stated in the Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of
Amtex Limited

-Sd-

Khurram Iftikhar
Chief Executive Officer

2.23 STATEMENT BY LEAD MANAGER & BOOK RUNNER

December 2, 2009

The General Manager,
Karachi Stock Exchange (Guarantee) Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Being mandated as Lead Manager and Book Runner to this Initial Public Offering of Amtex Limited through the Book Building process, we confirm that all material information as required under the Companies Ordinance, 1984 and Appendix 4 of the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited have been disclosed in this Prospectus and that whatever stated herein and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

On behalf of AKD Securities Limited:

-Sd-

Syed Faraz Abdul Ghaffar
Assistant Manager, Investment Banking
AKD Securities Limited

PART 3

3 SHARE CAPITAL AND RELATED MATTERS

3.1 SHARE CAPITAL

Total Number of shares	Share Capital	Total Face Value (Pkr)	Amount of Total Premium	Total (Pkr)
Authorized Share Capital				
250,000,000	(Ordinary shares of Pkr10 per share)	2,500,000,000	-	2,500,000,000
Issued, Subscribed & Paid up capital				
180,490,134	(Ordinary shares of Pkr10 per share)	1,804,901,340	-	1,804,901,340
The Existing Capital of the Company is held as follows:				
Directors / Sponsors				
67,853,712	Mr. Khurram Iftikhar (Sponsor/Director)	678,537,120	-	678,537,120
55,092,912	Mr. Shahzad Iftikhar (Sponsor/Director)	550,929,120	-	550,929,120
48,255,780	Mr. Nadeem Iftikhar (Sponsor/Director)	482,557,800	-	482,557,800
500	Mr. Muhammad Zafar Saleem (Director)	5,000	-	5,000
500	Mrs. Nusrat Parveen (Director)	5,000	-	5,000
500	Mrs. Faiza Khurram (Director)	5,000	-	5,000
500	Mrs. Sajida Shahzad (Director)	5,000	-	5,000
171,204,404		1,712,044,040	-	1,712,044,040
Friends, Relatives & Associates				
6,010,000	Haji Iftikhar Uddin (Sponsor)	60,100,000	-	60,100,000
971,910	Mr. Shahid Ali (Sponsor)	9,719,100	-	9,719,100
971,910	Mr. Umer Ali (Sponsor)	9,719,100	-	9,719,100
971,910	Mr. Hassan Ali (Sponsor)	9,719,100	-	9,719,100
360,000	Haji Akbar Ali (Sponsor)	3,600,000	-	3,600,000
9,285,730		92,857,300	-	92,857,300
180,490,134	SUB TOTAL	1,804,901,340	-	1,804,901,340
Present Issue				
The present issue of 61.0 million ordinary shares by the Company, represents 25.26% of the total post IPO paid up capital of the Company being issued at Pkr13.00 per share including a premium of Pkr3.00 per share.				
42,700,000	Offered to Institutional / HNWI Investors (through the Book Building Mechanism) at a price of Pkr13.00 per share	427,000,000	128,100,000	555,100,000
18,300,000	General Public	183,000,000	54,900,000	237,900,000
61,000,000	SUB TOTAL	610,000,000	183,000,000	793,000,000
241,490,134	TOTAL	2,414,901,340	183,000,000	2,597,901,340

Notes:

- (i). The sponsors of Amtex Limited (the Company) shall at all times retain at least 25% of the capital of the Company;
- (ii). The shares allotted to sponsors in excess of 25% shall not be saleable for a period of six months from the date of public subscription;
- (iii). The shares allotted to investors, other than the sponsors, shall not be saleable for a period of six months from the date of public subscription.
- (iv). 4,046,067 ordinary shares of PkR10 each were issued for consideration other than cash earlier on January 3, 2004 as fully paid shares as per scheme of arrangement for amalgamation sanctioned by the court. Under the arrangement, assets, liabilities & reserves of Amtex Spinning Limited were merged with and into the Company with effect from April 1, 2003. These shares were not issued against any intangible assets.
- (v). 90,245,067 ordinary shares were issued as bonus shares to sponsors of the Company on October 31, 2009.

3.2 OPENING AND CLOSING OF THE PUBLIC SUBSCRIPTION PERIOD

The public subscription will Insha'Allah open at the commencement of business hours on March 24, 2010 and will close on March 25, 2010 at the close of business hours.

3.3 INVESTOR ELIGIBILITY FOR PUBLIC ISSUE

Eligible investors include

- Pakistani citizens resident in or outside Pakistan or persons holding two nationalities including Pakistani Nationality;
- Foreign nationals whether living in or outside Pakistan;
- Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations as the case may be);
- Mutual funds, provident/pension/gratuity funds/trusts (subject to the terms of their Trust Deed and existing regulations); and
- Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

3.4 FACILITIES AVAILABLE TO NON-RESIDENT PAKISTAN AND FOREIGN INVESTORS

Non-resident Pakistani investors and foreign investors may subscribe for the shares being issued through this issue by using their Special Convertible Rupee Account ("SCRA") as set out in Chapter 20 of the Foreign Exchange Manual of the State Banks of Pakistan.

3.5 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OUT OF THE PUBLIC PORTION OF THE ISSUE

The basis and conditions of allotment to the general public shall be as follows:

- a) Application for shares below the total value of PkR6,500 (Issue Price x 500 Shares) shall not be entertained.
- b) The minimum amount of application for subscription of 500 ordinary shares is PkR6,500 (Issue Price x 500 Shares)
- c) Applications for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.

- d) **SUBMISSION OF FICTITIOUS AND MULTIPLE APPLICATIONS (MORE THAN ONE APPLICATIONS BY SAME PERSON) IS PROHIBITED AND SUCH APPLICATIONS' MONEY SHALL BE LIABLE TO CONFISCATION UNDER SECTION 18-A OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969.**
- e) If the shares to be offered to the general public are sufficient for the purpose, all applications shall be accommodated.
- f) If the shares applied for by such applicants are in excess of the shares offered, the distribution shall be made by computer balloting, in the presence of the representative(s) of KSE in the following manner:
- (i) If all the applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares can not be accommodated then balloting will be conducted among applications for 500 shares only.
 - (ii) If all the applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares can not be accommodated then balloting will be conducted among applications for 1,000 shares only.
 - (iii) If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares can not be accommodated then balloting will be conducted among applications for 1,500 shares only.
 - (iv) If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares can not be accommodated then balloting will be conducted among applications for 2,000 shares only.
 - (v) After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - (a) If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - (b) If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares each to the successful applicants.
- g) If the issue is over subscribed in terms of *amount only*, then allotment of shares shall be made in the following basis:
- (i) First preference will be given to the applicants who applied for 500 shares;
 - (ii) Next preference will be given to the applicants who applied for 1,000 shares;
 - (iii) Next preference will be given to the applicants who applied for 1,500 shares; and then
 - (iv) Next preference will be given to the applicants who applied for 2,000 shares.
- h) After allotment of the above, the balance shares, if any, shall be allotted on a pro rata basis to the applicants who applied for more than 2,000 shares.
- i) Allotment of shares will be subject to scrutiny of applications for subscription of shares.

- j) Applications, which do not meet the above requirements, or applications which are incomplete, will be rejected.

3.6 REFUND OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

The Company shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision, as required under Section 71 of the Ordinance.

As per sub-section (2) of Section 71 of the Ordinance, if refund as required under Sub-section (1) of Section 71 of the Ordinance is not made within the time specified therein, the issuer shall be liable to repay the money with surcharge at the rate of 1.5%, for every month or part thereof from the expiration of the 15th day and, in addition, to a fine not exceeding PkR5,000/- and in case of continuing offense to a further fine not exceeding PkR100/- per day after the said 15th day of which the default continues. Provided that the issuer shall not be liable if he/she proves that the default in making the refund was not due to any misconduct or negligence on his/her part.

3.7 ISSUE AND DISPATCH OF SHARE CERTIFICATES

The Company will dispatch share certificates to successful applicants through their Banker to the Issue or by crediting the respective Central Depository System (“**CDS**”) accounts of the successful applicants within thirty (30) days of the close of public subscription, as per Listing Regulations of the Karachi Stock Exchange.

Shares will be issued either in scrip-less form in the CDS of Central Depository Company of Pakistan Limited (“**CDC**”) or in the shape of physical scrips on the basis of option exercised by the successful applicants. Shares in the physical scrips shall be dispatched to the successful applicants through their Bankers to the issue whereas scripless shares shall be credited through book entries in the respective accounts maintained with the Central Depository Company of Pakistan Limited (“**CDCPL**”).

The applicants who opt for receipt of shares in scrip-less form in CDS should fill in the relevant columns of the Application Form. In order to exercise the scrip-less option, the applicant(s) should have CDS account at the time of subscription.

If the Company makes a default in complying with the above requirements, it shall pay to the Stock Exchange a penalty of PkR5,000/- per day for every day during which the default continues. The Stock Exchange may also notify the fact of such default and the name of the Company by notice and also by publication in its Ready-Board Quotation of the Stock Exchange.

The name of the Company be notified to the members of the Stock Exchange and placed on the website of the Stock Exchange.

3.8 TRANSFER OF SHARES

3.8.1 Physical Scrips:

The Directors of the Company shall not refuse to transfer any fully paid share unless the transfer deed for any reason is defective or invalid under the provisions of Section 77 of the Companies Ordinance, 1984, provided that the Company shall within 30 days from which the instrument of transfer was lodged with it, notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

3.8.2 Transfer under book entry system:

The shares maintained with the CDS in the book entry form shall be transferred in accordance with the provisions of the Central Depositories Act, 1997 and the Central Depository Company of Pakistan Limited Regulations.

3.9 SHARES ISSUED IN PRECEDING YEARS

The details of the shares issued by the Company in preceding years are as follows:

No. of Shares	Par Value (Pkr)	Premium (Pkr)	Amount (Pkr)	Consideration	Date of Allotment
50,000	10.00	-	500,000	Cash	As per MOA
900,000	10.00	-	9,000,000	Cash	May 6, 1993
1,000,000	10.00	-	10,000,000	Cash	September 14, 1993
1,000,000	10.00	-	10,000,000	Cash	November 7, 1993
2,900,000	10.00	-	29,000,000	Cash	July 10, 1994
500,000	10.00	-	5,000,000	Cash	December 9, 1995
14,849,000	10.00	-	148,490,000	Cash	March 24, 2002
4,046,067	10.00	-	40,460,670	Scheme of arrangement for amalgamation as disclosed in notes to Section 3.1	January 3, 2004
30,000,000	10.00	-	300,000,000	Cash	November 8, 2004
18,000,000	10.00	-	180,000,000	Cash	December 29, 2006
7,000,000	10.00	-	70,000,000	Cash	January 9, 2007
10,000,000	10.00	-	100,000,000	Cash	December 16, 2008
90,245,067	10.00	-	902,450,670	Bonus Issue	October 31, 2009
180,490,134	-	-	1,804,901,340	-	-

Other than the above mentioned shares, there has been no other issue of shares since its incorporation. Earlier 4,046,067 ordinary shares were issued for consideration other than cash as per scheme of arrangement for amalgamation sanctioned by the court. Under the arrangement assets, liabilities and reserves of Amtex Spinning Limited were merged with the Company with effect from April 1, 2003. 90,245,067 ordinary shares have been issued to existing shareholders as bonus issue.

3.10 PRINCIPAL PURPOSE OF THE PUBLIC ISSUE

Amtex is positioned for growth, which can be seen from the last five year financials of the Company. With a CAGR of approximately 25%, Amtex has performed well even at the time when global economies faced severe recession.

The aim of listing is to inject additional equity into the Company for working capital requirements and balance sheet optimization. Amtex is operating on DTS model which requires extensive working capital deployment for facilitating large orders therefore the capital raised through the IPO would be directly utilized in bridging working capital requirements arising from sales growth.

Out of the total proceeds raised from IPO approximately 40% would be utilized to retire the long term debt financing facility availed from Bank of Punjab and United Bank Limited. The Company will also make payment towards amount raised through Sukkuk issue. The remaining funds will be utilized for working capital requirements.

Break up of 40% funds to be utilized for retiring long term loans is given below:

Total Number of Shares being Issued	61,000,000 Ordinary shares
Value Per Share	PkR13 per share
Total proceeds from the IPO	PkR793,000,000

Break up of 40% Funds Utilization	PkR317,200,000
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Two installments of SUKKUK with mark-up	152,166,774
Installments of BOP – Long Term Loan	48,400,000
Installments of UBL - Long Term Loan	15,625,000
BOP Term Finance	16,666,652
BOP installment of LTF (EOP) - Stenter	15,748,896
UBL pledge short term	69,550,000

PkR318,157,322

As mentioned above, the remaining 60% of the proceeds of IPO amounting to PkR475,800,000 would be utilized for working capital requirements.

The details of Long Term facilities along with purpose of obtaining this facility, respective mark up rate and other details are outlined below:

DATE	BANK	TENURE - MONTHS	RATE	PURPOSE OF OBTAINING LOAN	AMOUNT OBTAINED	PRINCIPAL OUTSTANDING AS ON 31/12/2009
1/12/2008	BANKISLAMIC PAKISTAN LTD	48	3 Month Kibor+2%	Working Capital Requirement	650,000,000	650,000,000
5/25/2004	THE BANK OF PUNJAB LTD	30	SBP 7.5% P.A	Lease of Stenter	86,618,880	15,748,896
1/25/2007	UNITED BANK LIMITED	54	3 Month Kibor+2.75%	Working Capital Requirement	250,000,000	125,000,000
2/23/2007	THE BANK OF PUNJAB LTD	60	3 Month Kibor+3%	Working Capital Requirement	250,000,000	210,900,000
6/30/2005	THE BANK OF PUNJAB LTD	48	3 Month Kibor+3.75%	Working Capital Requirement	200,000,000	16,666,652
1/29/2007	FAYSAL BANK LTD	33	SBP 2% P.A	Lease of Color Kitchen Mach.	18,226,342	6,075,446
12/31/2006	PAK KUWAIT INVESTMENT CO.	51	SBP 7% P.A	Lease of Sewing Mach.	36,264,030	21,331,784
12/7/2005	HABIB BANK LIMITED	60	6 Months Kibor+3%	Capital Budgeting	189,775,770	52,620,375

3.11 INTEREST OF SHAREHOLDERS

None of the holders of the issued shares of the Company have any special or other interest in the property or profits of the Company other than as holders of the ordinary shares in the capital of the Company.

3.12 DIVIDEND POLICY

The rights in respect of capital and dividends attached to each share are and will be the same. The Company in its general meetings may declare dividends but no dividends shall exceed the amount recommended by the Directors.

The Directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company. No dividends shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividend shall be paid within the period laid down in the Ordinance.

3.13 ELIGIBILITY FOR DIVIDEND

The Company in this matter will follow the provisions of Section 92 (2) of the Companies Ordinance 1984, which reads as under:

“The fresh shares being issued, rank pari-passu with the existing shares of the class in all matters, including the right to such bonus or right issue and dividend as may be declared by the Company subsequent to the issue of such new shares”.

3.14 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980. (XVIII of 1980).

3.15 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to the shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 at the rate of 10% as specified in part I, Division III of First Schedule to the said Ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said Ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits.

3.16 EXEMPTION FROM CAPITAL GAINS

Capital gains derived from the sale of listed securities are not liable to income tax pursuant to Clause (110) of Part 1 of the Second Schedule of the Income Tax Ordinance, 2001. This exemption is presently available up to the tax year ending June 30, 2010.

3.17 DEFERRED TAXATION

Deferred tax is accounted for using the liability method in respect of all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the temporary difference will reverse in the future and the taxable profits will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or subsequently enacted at the balance sheet date.

The Company has booked no deferred tax asset/liability as of October 31, 2009.

3.18 FEDERAL EXCISE DUTY & WITHHOLDING TAX ON SALE/PURCHASE OF SHARES

- a) Federal Excise Duty (FED) of 16% is charged on brokerage commission on purchase/sale of shares on a Stock Exchange.

- b) 0.01% Withholding Tax will be charged on the sale/purchase value of all shares, Modaraba certificates and instruments of redeemable capital as defined in the Ordinance.

3.19 JUSTIFICATION FOR PREMIUM

Investment Rationale

Amtex Limited is an established manufacturing entity that has decade's long proven history. The rich history of Amtex is filled with successful landmarks that have been applauded at both local and international platforms. With the deployment of young and enthusiastic professionals in the group, the outcome has been exceptional and the results speak for themselves. The group's has increased many folds over the last decade.

Amtex is a time tested company that has come a long way, sailing boldly through the rough waters. Initially, Company's operations were confined to local market, however over the time the Company penetrated into the international markets. To date, the Company has become a hallmark export house, with over 95% of its products being sold overseas.

On the premise of novel ideas, strong IT infrastructure, State of the art manufacturing platform, highly advanced R&D complemented by experienced and capable team has positioned Amtex for sustainable growth and multiply its bottom line profitability manifolds.

The Company has been able to record a phenomenal growth levels over the last five years on the premise of various "*Unique Selling Propositions*". The Company is definitely in the league of top tier Textile Companies of Pakistan and its management vision, products, operational efficiencies, margins places Amtex apart from the Competition.

The current IPO of the Company is poised to add further value to the Company. The floor price has been set at PkR13.00 per share. With a par value of PkR10 per share, the share is being offered at a premium of PkR3.00 per share.

▪ Historical Performance

Amtex was established almost 2 decades ago. The Company enjoyed history of successes since inception and has achieved countless milestones in the process. The Company's performance is verifiable from their historical performance that gives a fair idea of the dynamism of the Company's Management and vitality of the Company. The historical growth trend as depicted below will continue as the already-implemented strategies of the management materialize. Further the proceeds of the IPO will be utilized for further expansion of the Company's value chain which shall further accelerates the growth and the value addition process.

▪ Export Oriented Company

The Company first entered the export arena back in the year 1994. From that point, Amtex has transformed into a purely export oriented company with the current exports of the Company standing over 92% of its total sales. In FY09 the Company made export sales of over PkR13.0 billion against total sales of PkR14.1 billion. This is a huge hallmark for the Company as the Company has successfully established its brand image on international platform.

Amtex significant exposure to export sale isolate the Company from risks attached with the local demand dynamics. Further to this, given the aggressive marketing strategies of the management and the availability of up to date infrastructure augmenting Company's execution capability, the rebounding international economies is bound have positive impact the top line of the Company's financials.

▪ **Textile Sector – Turning the Sour “All Sweet”**

The Textile sector recently has been facing immense difficulty due to recent global crises crippling demand and supply side bottleneck – the current times are definitely testing times for the sector.

However, as notified above, it is all “Go-Sweet” for Amtex. Being one of the leading textile sector players, Amtex has been able to shield against this crisis due to niche it has created over the time .i.e. DTS model, focus of R&D, sound IT infrastructure and strong emphasis on high value addition segment. The implementation of the newly introduced GSP plus system would further boost Company's exports as under the new system Pakistani manufacturers would be given preference in the region and the present duties of about 12% will be zero-rated immediately. Furthermore, newly implemented five-year textile policy would assist in obtaining incentives from the GoP as the entire value chain would be facilitated.

▪ **Strong Outsourcing Capabilities**

Amtex has a long history and entrenched relationships in the industry, made over the life of Amtex. Considering the magnitude of operations, outsourcing was a much feasible option as Amtex has made reliable associations within the industry. Over the period, when DTS was being implemented, Amtex crafted a network of dependable partners with whom Amtex is working till date.

The synergies developed have further strengthen Amtex as the Company has been able to develop strong outsourcing capabilities. Currently a sizable amount of work is outsourced to reliable concerns that have standards at par with Amtex. Amtex has also deployed a strong vigilance team to ensure that the quality of the products is maintained at all levels of outsourcing.

▪ **Research & Development**

The Company boasts to have the best R&D facility recognized at both national and international level. The Company's R&D department is equipped with state of the art facilities.

Being a dynamic industry, stiff local and regional competition, survival in textile sector becomes a question mark if the Company is not adaptive and responsive. This phenomenon of being responsive can only be attained if a Company has active R&D setup. Amtex philosophy has always been that sustainable growth level can only be achieved by strong focus on Research & Development. As a policy Company allocates 3% of its Sales revenue as R&D budget which have had catalyst effect and have spearheaded the Company to unprecedented levels.

Amtex abnormal growth can be attributed to strong emphasis on R&D activities which is monitored and upgraded on a continuous basis. The R&D facility employs highly trained and capable human resource. It is courtesy of R&D department that Company has been able to churn out consistently innovative products over the years. The Company has not just been able to keep

Prospectus – Amtex Limited

abreast with the latest changes taking place in the industry but also become a trend setter for others by raising the bar and launching innovative hybrid products that has enabled the Company to increase its exports many folds.

▪ **Huge Customer Base & In-depth Market Segmentation**

Amtex Limited has always remained conscious of the fact that large entities have collapsed due to dependence or concentration on small clientele base. Contrary to this, Amtex has an expanded clientele base that mitigates its dependence on a single large client. Currently Amtex has a ballooned client base of over hundred major clients that includes Springs, Divatex, Arlee, Shllinsky, Natco, Red Cats, Amtex Europe, S. A Ferozen, Franco, Jay Franco and Situp T.V., Bed Bath and Beyond, Linen and Things, JC Penny Corporation, Target Corporation, Sears Holding Corporation, Wal – Mart Stores.

Not only this, but based on past experiences of the management, the group has not confined itself to single market and the exports are spread over the USA, EU, Middle East and Australia region as depicted below

This vast clientele base and proper market segmentation shelters Amtex of any dependence on clients or regions and ensures smooth operations of the Company.

▪ **Direct to Retailer**

Amtex success story can be attributed to novel ideas, which is primarily responsible for delivering value proposition. The Company has been able to deliver stunning performance with thoughtfulness of its able management team. Amtex has implemented many successful ideas, which has placed Amtex in a league of its own and in the process Amtex has left behind many local players.

The Company has successfully implemented Direct to Retail Model which is imperative for realizing sustainable above average growth level. This allows the Company to sell directly to huge retailers, without involvement of any middlemen and allow Company to earn middleman's margin in the process. This, for Amtex, has translated into higher margins as they are able to charge higher spreads which were earlier pocketed by the importers. The idea has also assisted in developing firm relationship with the retailers and obtaining bulk orders from them. The Company has also established warehouses at various local and international locations to cut down on lead time for retailers.

▪ **Additional Duty Drawback**

Under the proposed Textile Policy 2009-14 those entities who achieve an increase of 15% in exports relative to last year will be given a 1% additional drawback. Amtex with a CAGR in excess is 25% over last 4 years is a prime beneficiary from the proposed concessional scheme.

▪ **Valuation Attractiveness**

The annual turnover of the Company is around 200 million US dollars and is the being given the award for the Highest Export for the year 2008-09. Based on the FY10 EPS of PkR 5.19, the offer price presents a PE multiple of 2.5x. If compared with the Average Composite Sector multiple for the last 3 years of 8.15x, the fair value of AML share comes to PkR 42.30, which represents a significant discount of 69%.

PART 4

4 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

4.1 UNDERWRITING

Book Building Portion

AKD Securities Limited has been mandated to act as the Book Runner & Lead Manager to the Issue. The Book Runner has underwritten the Book Building Portion of 42.70 million Ordinary Shares of the Issue at the strike price determined through the book building process.

In the opinion of the Directors, the resources of the Underwriter are sufficient to discharge their underwriting commitments.

Public Portion

As required under clause 6 of Appendix 4 of the listing regulations of the Karachi Stock Exchange, the Public Portion of the issue of 18.30 million ordinary shares has been underwritten as follows:

Name of Underwriter	Number of Shares Underwritten	Amount (Pkr)
<i>United Bank Limited</i>	769,000.00	9,997,000.00
<i>Al Baraka Islamic Bank</i>	384,000.00	4,992,000.00
<i>Pak Libya Holding Company Limited</i>	3,846,153.00	49,999,989.00
<i>Pak China Investment Company Limited</i>	3,846,153.00	49,999,989.00
<i>AKD Securities Limited</i>	3,846,153.00	49,999,989.00
<i>M.M. Securities</i>	1,500,000.00	19,500,000.00
<i>Invest Capital Investment Bank</i>	769,230.00	9,999,990.00
<i>A & N Worldwide (Pvt.) Limited</i>	3,339,400.00	43,412,200.00
Total Shares	18,300,089.00	237,901,157.00

4.2 UNDERWRITING COMMISSION

The underwriter will be paid an underwriting commission at the rate of 0.50% on the amount of Book Building portion underwritten by the Book Runner.

In addition to the underwriting commission, the BR will be paid a take up commission at the rate of 0.50% of the amount taken up.

The commission to be paid to the underwriters for underwriting the public portion is 0.75% whereas the take up commission is 0.50%.

4.3 COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of 0.20%-0.25% of the amount collected on allotment in respect of successful applicants will be paid by the issuer to the Bankers to this issue for services to be rendered by them in connection with this Public Issue, plus out-of-pocket expenses, if any.

4.4 BROKERAGE

For this Issue, brokerage shall be paid to the members of KSE, LSE and ISE at the rate of 1.0% of the value of shares (including premium) actually sold through them. No brokerage shall be payable in respect of shares taken up by the Underwriters by virtue of their underwriting commitments.

4.5 ESTIMATED EXPENSES OF THE ISSUE

The expenses of this issue are estimated not to exceed Pkr23,235,150 as mentioned below:

Expense	Rate	Amount (Pkr)
Underwriting Commission – Book Building	0.50%	2,775,500
Underwriting Commission – General Public*	0.75%	1,784,250
Take up Commission*	0.50%	1,189,500
Bankers to the issue Commission	0.2%	512,400
Brokerage to Members of the Stock Exchange	1.0 %	2,562,000
Lead Manager Fee	0.75%	5,947,500
Book Runner Fee	0.25%	1,982,500
Printing, Publication and notice Costs		1,000,000
KSE Fees and Listing Charges		1,954,000
KSE Software Charges		500,000
CDC Annual Fees for Eligible Security		67,500
CDC Fresh Issue Fees		610,000
SECP Application and Processing Fee		100,000
Legal & Professional Fees		500,000
Balloting Agent		750,000
Miscellaneous Cost		1,000,000
TOTAL		23,235,150

PART 5

5 HISTORY AND PROSPECTS

The Company – Amtex Limited

5.1 Overview

Amtex Limited was incorporated in Pakistan as a Private Limited Company under the Companies Ordinance, 1984 in 1991 and converted into a Public Limited Company with effect from March 20, 2007. 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 home textiles, value added fabrics, textile made ups, casual and fashion garments. The Company is also engaged in the business of manufacturing and sale of yarn.

Pursuant to the scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with and into the Company with effect from April 01, 2003.

Amtex is a vertically integrated group with operations in all sectors of the textile industry from spinning to weaving, processing, printing, finishing, cut and sewn processes. Average annual turnover of the Company is around US dollars 200 million.

The Company has a diversified product portfolio each dedicated towards different segments of the market. Amtex holds a special position in the Global Textile industry in the sense that it provides the largest variety and combination of products to its customers under one roof, a concept more familiarly known as **“One Stop Shop”**.

The core strength of Amtex lies in utilizing Pakistan’s largest greige fabric manufacturing set up with approximately 57,088 spindles and over 5,000 looms producing 500,000 meters daily to cater for the immediate requirement of valued customers with minimum lead time providing Amtex an additional edge over its competitors. The company enjoys position as one of the leaders of Pakistan Textile Industry with huge capacity in vertically–integrated manufacturing setup, covering textile operations from spinning to weaving, dyeing/printing, processing and provision of all cut/sewn applications all in well synchronized and internationally recognized production facilities.

Amtex Research and Product Development (R&D) department has been a key factor in Amtex success. Amtex has a leading Product Development department at both national and regional level which is primarily responsible for giving Amtex the niche in developing innovative design/fabrics and excelling in value added products. Amtex has the history of unprecedented YoY annual growth. At Amtex, business orientation is heavily tilted towards direct dealing with retailers instead of intermediaries/importers. The current exposure of the Company is 80% towards retailers with remaining 20% being with intermediary.

Amtex’s production facilities mainly comprises of Spinning, Weaving, Singeing and Preparation, Dyeing, Printing, Finishing, Embroidery and Stitching.

5.2 Location

The cloth processing unit, embroidery and stitching units are located at 1 KM, Kharrianwala, District Faisalabad spanning over an area of 199.12 Kanals. Spinning unit is located at Sheikhpura Road, Khurrianwala, District Faisalabad spanning over an area of 52.60 Kanals. Weaving unit is located in Zeenat Town, Sargodha Road, Faisalabad spanning over an area of 231.65 Kanals. These all are freehold lands and title deeds are in the name of Amtex Limited.

5.3 Business and Operations

Amtex is a vertically integrated unit engaged in segments of Textile Industry from Spinning to Stitching. The company has increased emphasis on export sales in the post quota era realizing vast potential in export market. This is illustrative from Amtex's sales composition with export being the major contributor towards total revenue of the Company. Amtex's export destinations are mainly USA, Europe and Australia.

Quality Assurance Department is an integral part of Operations. The Company has always emphasized on Quality. Quality is embedded into manufacturing processes of a finished product to ensure minimal defect which is further complemented by extensive in-house quality and process control. Quality is assured at Amtex by using the latest technology and best available dyes and chemicals. The Company is honored to have best equipped QC laboratory in the region. Amtex has access to best QC technicians who are well experienced in assessing all new developments.

To further ensure Quality attained, the Company has a policy of validating the lab results from internationally accredited laboratories in the Far East.

Research and Product Development has been a key factor in the success of Amtex. The Company takes pride in developing fabric finishes. Amtex has a leading Product Development department at both national and regional level. Product Development department is responsible for developing innovative fabrics and value added products like:

- Wrinkle free / Nano – tex finish products
- Aloe Vera finish
- Vitamin E finish Products
- Bamboo Fibre
- Corn Fibre
- Back Coated Fabric for Roman, Roller and Vertical Blinds
- Water Repellant Finish
- Jacquards & Dobbies
- Special Weaves
- High Thread Count Sateens

The Company as a policy allocates a budget of 3% of annual its annual sales turnover for product research and development. As per the new textile policy 2009, this research and development expense is claimable from the Government.

Amtex has been awarded the following certificates from various renowned certification authorities:

Certificate	Certifying Authority
Certificate of Compliance	OneCert Certified Organic
ISO 9001:2000 Certification (Quality Management System)	Bureau Veritas Certification
ISO 14001;2004 Certification (Environmental Management System)	Bureau Veritas Certification
Certificate of Conformity (Certification for Development)	FLO Cert GmbH
Certificate of Compliance	WRAP (World-wide Responsible Apparel Production) Certification
SA 8000:2008 Certification (Social Accountability)	SGS - System Certification
Oeko – Tex Standard 100 Certification	Shirley Technologies Limited

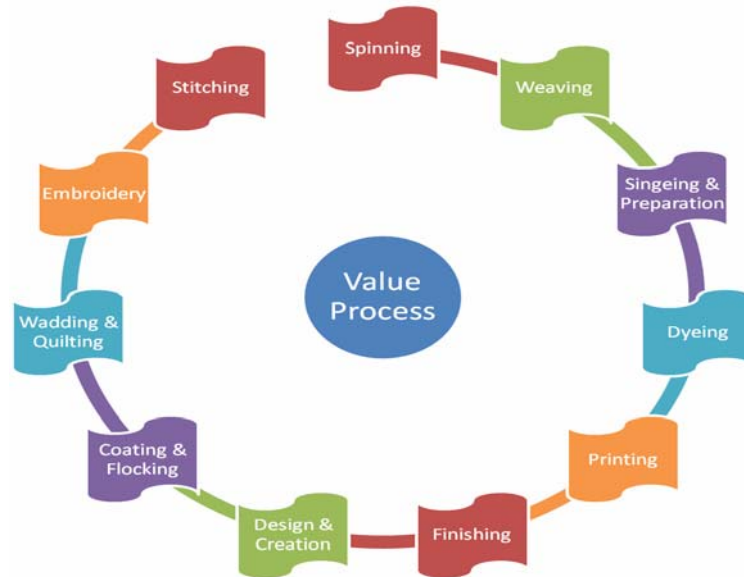
5.4 Plant & machinery

Amtex being a vertically integrated unit comprises of the following segments and have the following machinery for each particular segment:

Line of Business	Machinery Particulars
Spinning	7/S to 120/S Yarn Counts
Weaving	Power, Auto, Shuttles, Air Jet and Water Jet Looms producing Dobbies, Jacquards and Seer Sucker Weave Patterns
Dyeing	Dyeing Machines include Monforts (Germany) fitted with KUSTER padder (Germany) and new pad steam / wash range from BENNINGER
Printing	Zimmer Printing Machines capable of Printing 21 colors of Fabric upto the width of 3,200 mm and variety of colors
Finishing	Stentering Machines from Monforts (Germany) with fully automatic controls
Embroidery	Computerized BARUDAN 20 head, 9 color machines

Amtex has been able to make a mark on international level by focusing on value added products unlike other textile companies whose main focus has been confined to low margin products. To gear itself up for this transition, Amtex has to equip itself with up-to date plant and machinery coupled with benchmarking itself against best practices to ensure that the Company delivers high quality products, with international recognition worldwide.

The value process is described below for further understanding of the process along with details of plant & machinery:



Spinning

Amtex Limited has state of the art spinning facilities covering the complete sphere of yarn manufacturing including ultramodern automated setup with high speed ring frames. Amtex’s automated spinning facility is the most modern in the region and comprises of 57,088 spindles.

The Company has installed facilities to produce carded as well as combed yarn. The flexibility of in house machinery results in manufacturing of yarn counts from 7s to 120s with high uniformity, evenness and low IPI’s which is reflected in Company’s woven products.

As Amtex has always focused on being a producer of value added products, yarn manufacturing has remained a small piece of the pie and a sizeable chunk is purchased and imported from various local and international suppliers.

The Company has two spinning units comprising of 40,960 and 16, 128 spindles respectively. With 100% utilization, both the units produce approximately 1,100,000 kg and 500,000 kg of cloth per month respectively.

Prospectus – Amtex Limited

AMTEX LIMITED - SPINNING UNIT I						
Description	Make & Model	Country	No. of Units	Supplier	New/Old	Utilization
Blow Room	2002	China & Switzerland	-	Rieter Machine Works Limited	New	100%
Card Section	C-51	Switzerland	16	Do	New	100%
Drawing Section	-	Switzerland	20	Do	New	100%
Comber	2002	-	-	Do	Old	100%
Lap former	E-32	Switzerland	1	Do	New	100%
Simplex Section	FA-415A	China	5	JIANGSU	New	100%
Ring Section (10 frames with 1000 Spindles each)	Type 8R2	Japan	10,000	Toyota Tsusho Corp.	New	100%
Ring (20 frames with 516 spindles each)	F-1520	China	10,320	JINGWEI	New	100%
Ring (20 frames with 516 spindles each)	DTM-129	China	10,320	DONGTAI	New	100%
Auto coner	C-21	Japan	7	MURATEC	Old	100%
Compressor	Llegro-15	Germany	1	ALUP	New	100%
Compressor	Opus-75	Germany	1	ALUP	New	100%
Electrical Panel	---	Pakistan	1	SIEMENS	New	100%
Air Conditioning Plants	2002	Pak, China & Finland	-	Cone Air & Abb	New	100%
Spindle oiling machine	AU 521 F	China	1	XIANGTAN	Old	100%
Wire Mounting Machine	2005	China		WUXI - LIDA	New	100%
Yarn condition machine	67466	Germany	1	WELKER	New	100%
Gas generator (1034 KW)	JGS-320	Austria	4	JENBACHER	Old	100%
Gas generator (1095 KW)	JGS-320	Austria	2	JENBACHER	Old	100%
Ring (20 frames with 516 spindles each)	DTM-129	China	10,320	DONGTAI	New	100%

AMTEX LIMITED - SPINNING UNIT II						
Description	Make & Model	Country	No. of Units	Supplier	New/Old	Utilization
Blow Room	1994/95	Switzerland	10	Rieter & Itochu Corp.	New	100%
Card Section	C-50	Canada	20	Rieter	New	100%
Drawing Section	SB-2	Switzerland		Rieter	New	100%
Simplex Section	F-5D	SZland	4	Rieter	New	100%
Ring Section (16 frames with 1008 frames each)	G-30	Switzerland, German	16,128	Rieter, Schlasforst, Uster	New	100%
Laboratory Equipment	-	-	-	Uster, An Technologies	New	100%
Air Conditioning Plants	2004/05	Pakistan	-	Cone Air	New	100%
Baling Press System	1994	Switzerland	3	Rieter	New	100%
Electrical Panel	-	Pakistan	-	Pakistan Cables	New	100%

Weaving

Amtex has an extensive weaving set up having variety of machines including Power, Auto, Shuttles, Air jet and Water jet looms which produces an enormous variety of fabrics having multiple weaves from 1/1 plain weave to jacquard in different widths ranging from 36 inch to 153 inch with maximum thread count of 1400 threads per square inch.

The weaving division comprises of almost 1,500 in-house looms and 3,500 out-sourced looms bringing the total number of looms to around 5,000. These looms are fully equipped with various kinds of secondary and auxiliary equipments to produce Dobbies, Jacquards and Seer sucker weave patterns.

To cater to the on-going customer demands, Amtex also buys and imports huge quantity of grey cloth from various suppliers in order to meet the bulk requirements for its value added products.

Prospectus – Amtex Limited

A team of competent, experienced and skilled professionals including textile and mechanical engineers run the weaving division. The company has a large stock of greige fabric and maintains an inventory of 15 to 20 million meters fabric for its regular customers. The fabric is prepared under comprehensive quality control parameters based on “Four Points Inspection System”. It operates right from raw material input quality level to the end product according to the requirement of customers. The prime objective is to provide quality products and to ensure prompt deliveries.

AMTEX WEAVING UNIT MACHINERY	SUPPLIER	NEW / OLD	UNITS INSTALLED	INSTALLED CAPACITY	UTILIZATION	USEFUL LIFE (Yrs)	AGEING (Yrs)
WEAVING UNIT							
Shuttle less loom TW-11	ROOMI IMPEX KARACHI	NEW	185	250RPM	80-90%	15	5
Compressor air cool type	DO	NEW	2	Stroke in 5, Pressure 100 kg/cm ² RPM 900	80-90%	15	5
Air Conditioner	DO	NEW	2		80-90%	15	5
Shuttle less loom TW-11	ADREES BHAI KARACHI	NEW	106	250RPM	80-90%	15	6
Compressor	DO	NEW	1	Stroke in 5, Pressure 100 kg/cm ² RPM 900	80-90%	15	6
Air Conditioner	DO	NEW	2		80-90%	15	5
Shuttle less loom TW-11	MUNAF BHAI KARACHI	NEW	214	230 RPM	80-90%	15	7
Verdol Jaquard, 1344 Hooks	DO	NEW	100	1344 Hooks	80-90%	15	7
Air Compressor	DO	NEW	2	Stroke in 6.5; Pres. 80 kg/cm ² ; RPM 600	80-90%	15	7
Auto loom	RASHID AND SONS	NEW	90	150 RPM	80-90%	15	6
Jaquard	DO	NEW	45	1344 Hooks	80-90%	15	6
Air Compressor	DO	NEW	1	Stroke in 6.5; Pres. 80 kg/cm ² ; RPM 600	80-90%	15	7
Shuttle less loom TW-11	ADREES BHAI, KHI	NEW	135	240 RPM	80-90%	15	6
Air Compressor	DO	NEW	1	Stroke in 6.5; Pres. 80 kg/cm ² ; RPM 600	80-90%	15	7
Sizing machine, Zell Beninger	NAJEEB AND SONS, KHI	OLD	1	300 BAGS	80-90%	10	5
Warping machine, Zell Beninger	Do	OLD	2	300 BAGS	80-90%	10	5
Sizing Machine	Do	OLD	1	200 BAGS	80-90%	12	6
Boiler marine type fire tube	Do	OLD	1	4.5 TONS	80-90%	15	4
16 Spindle rewinder	AMJAD AND SONS	NEW	1	100 BAGS	80-90%	10	5
Silky warping machine	RASHID AND SONS	NEW	1	500	80-90%	10	5
Folding machine 130” to 153”	Do	NEW	1	160”	80-90%	10	5
Folding screens	Do	NEW	1	160”	80-90%	10	5
Generator, Capacity 960 KWW	ALLIED ENGINEERING	NEW	1	960KWW	80-90%	10	6
Shutter Less Looms	ADREES BHAI KARACHI	NEW	598	250RPM	80-90%	15	6
AC Plant Fan	ADREES BHAI KARACHI	NEW	1	500 PRESSUE	80-90%	15	5
Folding Machine	RASHID AND SONS	NEW	1	160”	80-90%	10	5
Inspection Machine	Do	NEW	1	160”	80-90%	10	5
Inspection Table	Do	NEW	1	160”	80-90%	10	5
Bailing press Machine	Do	NEW	1	160”	80-90%	10	5
Weighing Scale	ZAHID ENGINEER		1	500KG	80-90%	10	5
AC Plants	ADREES BHAI KARACHI	NEW	1	500 PRESSUE	80-90%	15	5
Head Traveling Crane	Do	NEW	1	1 TON	80-90%	15	5
Gas Generator	ALLIED ENGINEERING	NEW	1	1000KWW	80-90%	10	6
Diesel Generator	Do	NEW	1	250KVA	80-90%	10	6
Electrical Control Panel	ARSHAD AND SONS	NEW	1	AS PER WORKING	80-90%	10	6
Beam Lifter	Do	NEW	1	AS PER WORKING	80-90%	10	6
Cone Winder	Do	NEW	1	AS PER WORKING	80-90%	10	6
Water Turbine	Do	NEW	1	AS PER WORKING	80-90%	10	6

Value Added Processes

Working in the lines of what Amtex stands for, various value added processes are being worked upon to ensure that the Company can deliver international quality products and offer a wide range bouquet of various products for its customers. A strong Research and Development coupled with stringent Quality Control Department has lead Amtex to becoming a leading textile export house.

Following are the value added processes, unique and exclusive, much of which is unknown to other local players in the textile sector.

Singeing & Preparation

Singeing is an initial process which is required for enhancing the fabric quality. Singeing of fabrics improve the moisture level which results in better dyeing characteristics, superior reflection & appearance, even surface, finer printing and enhanced visibility of the fabric structure.

Amtex has procured modern singeing machines from *Vollenweider* and *Osthoff*. These are the one of the best and most efficient machinery available for singeing. Amtex has also installed the latest wide width continuous bleaching rang from *Goller* with fully computerized PLC Chemical Dosing System. This state of art machine has been procured from Germany.

Dyeing

The dyeing operations of Amtex are equipped with the most sophisticated dyeing machineries. Amtex has wide width thermasol range from *Monforts* fitted with *Kuster* padder. These machines have been procured from Germany. Amtex has also procured dyeing machinery from *Benninger*, Germany.

Machines are just part of the process for making dyeing a successful and creative process. Besides these, the procuring team is very careful for selection of chemicals and additives to be used in the entire process. The quality assurance team is involved in each process to ensure that most suitable dyestuffs are applied in the process. The whole process is closely monitored to maintain highest quality standards in the dyeing process.

Printing

Being a true value adder, Amtex has created one of the finest printing facilities, having installed state of the art, most modern *Zimmer* printing machines, the recent one installed with wide width flat bed panel printing system “*Magnoprint Trandline*” which can print repeats up to 3500 mm. The printing facility is capable of printing 21 colors on fabric up to a width of 3200 mm, and repeat sizes ranging from 641 mm to 1200 mm. This is one of the largest printing facility when compared amongst peer companies both on local and regional level.

The machines coupled with wax jet and conventional engraving, ensure that Amtex achieve the finest and most sophisticated designs on a wide range of fabrics. The sampling department, being a crucial part of Printing facility, has fresh ink-jet printers in addition to sampling tables, allowing very rapid translation of designs from the “original concept” on to fabrics. This is one of the core strengths of Amtex that allows it to differentiate and make a mark on its retailer base.

R&D is aggressively involved in blending creative ideas and concepts to widen range of Amtex’s printing styles including pigment and reactive colors. The R&D is also actively gaining grounds in *specialties* such as “*Glow in the Dark*”, “*Panel Prints*”, “*Puff/Foam Print*” and “*Burn-out*”, the new printing techniques in textile sector.

Amtex has also procured brand new automatic color kitchen ranges “*Thermo Electronica*”, from Italy which ensures excellent re-product ability from run to run and exceptional consistency within runs.

Finishing

Amtex has wide ranging stentering machines procured from *Monforts*, Germany. These are equipped with fully automated controls and can be utilized for batching and finishing of fabrics having *Mahlo Weft Straighter* at entry and exit points to avoid bowing and skewness. The machines are equipped with infra-red technology which helps in pigment dyeing in pastel and medium shades. Amtex has extensive *Calendering* equipment including the latest *Ramisch Kleinewefer* with “*Nipco Bowls*”, wide width *Sanforising* machines and *Xetma* combined *Peaching/Raising* machines from Germany.

Design & Creation

Amtex has an in-house design studio with the responsibility for procuring and generating designs for various markets under the guidance of international professionals. Amtex regularly receives input from Western Europe, Australia and the USA regarding the prevailing international fashion trends. This allows Amtex to stay competitive in the global markets and provide cutting edge design and styling. Amtex has also facilitated its clientele to view its online design library.

Amtex has the facility of most modern fabric plotter that can readily print various designs on fabrics without making screens just to provide their valued clientele with actual look of design on the fabric.

Coating & Flocking

Amtex has state of the art vertically integrated setup with unmatched process that is one of the core strengths. Amtex has installed 280cm wide Coating and Flocking Line procured from *Aigle*, Italian textile machinery experts. This facility allows Amtex to experiment and produce a variety of special finishes including thermal backing, blackout, water repellent, fire retardant and heat resistant aluminum coating for iron board covers, as well as velour “*Flocked Fabrics*”

Wadding & Quilting

Amtex has installed a special wadding line that gives it an edge over other suppliers of quilted products. Due to different stream lined processes, including sandwich carding, the products retain their original shape. Even vacuum packing or long time storage does not affect the quality of products.

The combined “in-house” high speed quilting machines and wadding facility assists in ensuring high quality maintenance of products and prompt deliveries.

Embroidery

Like other facilitated sections, the embroidery division is also equipped with in house computerized *Barudan* 20 head, 9 color machines that allows the production facility to rapidly translate designs onto fabrics, guaranteeing prompt quality work and finest finishing. Amtex has also employed seasoned creative team, who deploy their creativity and concepts to give life to some of the finest work pieces of embroidery.

Stitching

The stitching facility at Amtex comprises of latest stitching machines equipped with various tools to produce a diversified product range. All the stitching machines are specialized and automated, having varied customized sequences that can be altered with varying products to achieve finest finishing. Each stitching unit is designed to achieve the optimum production efficiencies and highest level of quality standards.

Amtex is in the process of deploying state of the art *eaton system* and *reverse production tracking* that will allow the facility to track each and every operation done on the product ensuring that customers gets high quality end products.

The details of machinery installed in the value added processing unit are given below along with their installed capacity, utilization and number of remaining useful life in years.

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AMTEX LIMITED - VALUE ADDED PROCESSING UNIT							
Serial No.	MACHINE	MAKE	WIDTH	Units Installed	Installed Capacity (in meters)	Utilization	Useful life
1	Arioli Curing Machine	BJ 1993	130 inches	1	30000	100%	12
2	Curing Machine # 2	Pak Made	116 inches	1	50000	100%	10
3	Curing Machine # 1	Pak made	110 inches	1	50000	100%	10
4	Monfort Stenter - 7 chamber	Montex 5000 Germany	132 inches	1	80000	100%	10
5	Calandar # 1	Japan Made	118 inches	1	50000	95%	10
6	Calander # 2	Pak made	114 inches	1	50000	95%	10
7	Ramesh Calander	L-Type Germany	122 inches	1	50000	100%	10
8	Flat Bed Zimmer	2004 Austria	126 inches width	1	20000	100%	12
			12 Colors				
			Repeat Size 133 inches				
9	Flat Bed Engraving	Zimmer Austria CST-DLE. (2005)		1		100%	12
10	Babcock Stenter 6 Chamber	Babcock, Germany	116 inches	1	60000	100%	12
11	Termoelettronica Automatic Color Kitchen	(Italian) 22colors with 4 auxiliaries + 4 Thickener lines with sampling head of 72 positions.		1		100%	12
12	J- Zimmer Sampling Rotary	BJ 1998 Austria	110 inches	1		100%	10
13	Sitara Engineering Sampling Rotary	Pak Made	110 inches	1		100%	10
14	J-Zimmer Rotary	21 colors Mod RSD 589 BJ 2001 Austria	126 inches	1	50000	100%	12
16	J-Zimmer Rotary	15 colors RSD-648	124.75 inches	1	50000	100%	12
		BJ 2004- Austria					
17	Singing Machine	Vollen –Weider type Skb BJ 1983 Germany	120 inches	1	100000	100%	12
18	Kier Bleaching	Pak Made	4 ton	1	30000	100%	10
19	Rope Washing	Pak Made	4 Feet	1	30000	98%	10
20	Drying Water mangle	Benninger (24 cylinders)	125 inches	1	30000	97%	10
21	Steam Boiler No 1	Maxicon	5420 Sq Ft	1		100%	10
22	Steam Boiler No 2	Babcock	7230 Sq Ft	1		100%	12

AMTEX LIMITED - VALUE ADDED PROCESSING UNIT							
Serial No.	MACHINE	MAKE	WIDTH	Units Installed	Installed Capacity (in meters)	Utilization	Useful life
23	RO Plant	Sever	50 tons/hour	1		100%	10
24	Folding	Pak Made	110-132 inches	5		100%	12
26	Rolling & Inspection machine	Pak made	130 inches	7		100%	10
27	Bailing Press	Pak made		1		98%	15
28	Wax jet	China	3050 mm	1		100%	10
29	Wax jet	China	3500mm	1		100%	10
30	Engraving -exposing	Pak made	2990 mm	2		100%	12
31	Engraving Jet Master	Pak Made Ink Jet	3500 mm	1		100%	15
32	Stenter – 7 Chamber	Shanghai Montex(China)	134 inch	1	60000	100%	10
33	Stenter – 8 Chamber	SHANDONG M-500(2004) (China)	134 inch	1	60000	100%	10
34	Benninger Bleaching Plant	Switzer Land 1997	134 inch	1	40000	95%	10
35	Osthof Singe timeframe	Bj-2002 Mod-Vp99, 6663 Germany	126 inches 42327 Wuppertal	1	40000	100%	11
36	Goller Bleaching Plant	Machine-NR-9658 Bj-2001 Germany	128 inches	1	125000	100%	10
37	Mercerise Benninger	Ben-Extracta-7909-Switzer Land 1994	116 inches	1	40000	98%	12
38	Babcock Stenter-10 chamber	Typ-5880, Bj-1989 Germany	122 inches	1	80000	100%	10
39	Monforts Thermosol	Mod- EUA Kombi Machine-NR-62170208 Bj-2001 Germany	120 inches	1	40000	100%	10
40	Sanforizeing Machine	Monforts	100 inches	1	35000	90%	10
41	Benninger pad Steam	Bj-2002	126 inches	1	40000	100%	10

Serial No.	MACHINE	MAKE	WIDTH	Units Installed	Installed Capacity (in meters)	Utilization	Useful life
42	Monforts Stenter- 07 Chamber	Montex-6000	126 inches	1	80000	100%	10
	Dyeing and Finishing with Thermex	Germany 2004					
43	Soaper Machine (Washing)	China (T&N) Model-LMH-630-360 (Year 2004)	138"	1		100%	10
	Open WidthWashing Compartments						
44	Pressure Jigger	Pak Made	500 kg	1		99%	10
45	Open Jigger	Pak Made		1		92%	10
46	Winch	Pak Made	300 kg	1		100%	10
47	V-Rock stantor	China	126 inches	1	60000	100%	10
		08 Chambers					
48	Xetma –Raising / Peaching	Optisystem Xeltex 30	128 inches	1	35000	100%	12
		BJ 2002-Germany					
49	Monforts Peaching	Mod-5401	74 inches	1	35000	100%	12
		Bj-1976 Germany					
50	Coating & Flocking machine	Eagle Type BSRIF	118 inches	1	25000	100%	10
	Famatex Stenter	BJ 2000 Italy					
		Germany					
51	Mon forts Stenter	7 Chamber Germany	126 inches	1		100%	10
52	Wadding Machine	Hunder	110 inches	1		100%	10

5.5 Products Range

Amtex sells its products categorically under different heads namely, Home Textile, Apparel and Fabrics.

Heads	Category	Products
Home Textile	Bed linen	Quilt Covers and Pillow Cases Flat and Fitted Sheets Comforter Shells and Shams Mattress Covers Valances and Bed Skirts
	Kitchen Products	Runners Place Mate Tea Cozy Aprons Kitchen Bags Pot Holders and Oven Gloves Table Covers with Napkins Printed Kitchen Tea Towels Kitchen Curtains
	Upholstery Range	Cushions and Neck Rolls Grand Foulards and Throws Chair and Sofa Covers Iron Board Covers
	Quilted Products	Bed Spreads Comforters and Shams, Mattress Cover Chair Pads and Seat Backs Sleeping Bags, Bumper pads, Baby Quilts
	Curtains	Rod Pocket Curtains Comice / Plain Valances Metal Ring / Eyelet Curtains Tab Tops and Loop Curtains Jabots Sels, Plemets and Scarts Tape and (Pinch) Pleated Curtains Folding Curtains and Roman Blinds Tie Backs in various Confections Shower Curtains
Apparels		Bottom Wear Sleep Wear Work wear Hospital wear and Scrub Sets Robes Gowns and Embroidered Dresses
Fabrics	Blends	100% Cotton 100% Polyester Poly / Cotton 100% Viscose Poly / Viscose

Category	Type	Products
Fabrics	Weaves	Cretonne
		Rein Force
		Percal (180-300 threads)
		Satin (150-800 threads)
		Twill
		Drill
		BFC
		Canvas
Hi / Low BFC		
Automen		
Oxford		
Fine Twills		
Harring Bone		
Novelty Weaves		
Dyeing	Dyeing	Reactive
		Disperse
		Vat
		Disperse Reactive
		Disperse Vat
Printing	Printing	Pigment
		Reactive
		Disperse
		Special Printing
Wet Processing	Wet Processing	Stone Wash
		Silicon Wash
		Enzyme Wash
		Bleach Wash
		Sand Blasting
		Spray
Finishing	Finishing	Moustache
		Garment Wash
		Special Finishes
		Fashion Trends
		Special Effects
		Fabric Protection
Coating	Coating	User Protection
		Normal Finishes
Flocking	Flocking	Normal Coating
		Special Coating
		Flock Pattern Printing
		Velour / Flocked Fabrics

5.6 Major Clients

With the Company’s major revenue coming from Exports, Amtex clientele base is mainly based abroad. The export clients are mainly in USA, Europe and Australia. Amtex also has presence in local market.

Export base clients of Amtex consist of mainly high profile retailers in different regions of the world as follows:

Market	Client’s Name
USA	Bed Bath and Beyond Linen and Things JC Penny Corporation Target Corporation Sears Holding Corporation Wal – Mart Stores
Europe	Marks and Spencer Next Carefour IKEA
Australia	Logan and Mason Pillow Talk Myers Target

In addition to exporting directly to end retailers, Amtex also exports to Design and Import Business Houses. These houses act as intermediaries between exporters and retailer. These include companies such as Springs, Divatex, Arlee, Shllinsky, Natco, Red Cats, Amtex Europe, S. A Ferozen, Franco, Jay Franco and Situp T.V.

5.7 Milestone achieved by the Group and the Company

Over the years, Amtex has multiple success stories to share its dynamic growth in the area of home fashion products. The Company caters to the world’s leading retail chains comprising top sellers from America to Europe, Australia to Africa which have allowed Amtex to sustain double digits portfolio growth. Amtex has made industry benchmarks by shaping the outlook of home textiles business strategy in manufacturing and servicing by joining hands with top retailers’ world wide, managing direct imports and domestic services to major markets.

Successful conversion of seasonal products manufacturing to in-line full year programs business cycle has been a great milestone bringing in stability to products manufacturing cost, continuity in financial forecasts and outlook for future research and developments efforts. This double edged sword strategy not only helped improve business value addition proposition but provided multifold benefits to the retailers in shape of valuable reduction in product lead time, availability of merchandise at their door step with 99% sell through and significant reduction in operational costs by trimming down unnecessary and hefty layers of supply chain using cutting edge modernized tools of direct import, direct to Store and domestic services.

Years	Milestone Achieved
1991	<ul style="list-style-type: none"> Year of Incorporation
2000	<ul style="list-style-type: none"> Year when Amtex crossed PKR1 billion mark in Sales
2001	<ul style="list-style-type: none"> Received Shield from Pakistan Chamber Of Commerce & Industry for attaining PKR 450 million export of Cotton Fabric
2002	<ul style="list-style-type: none"> Received Shield from all Pakistan Cloth exporters Association for the year 2002-03.
2003	<ul style="list-style-type: none"> Received shield for valuable support in Industrial Exhibition & Technology Fair (IETF)
2006	<ul style="list-style-type: none"> Year when DTR was implemented
2007	<ul style="list-style-type: none"> Year of Conversion from Pvt into Public Received shield from Trade Development Authority of Pakistan for XPO Pakistan Received ISO 9001 Certificate Received ISO 14001 Certificate
2008	<ul style="list-style-type: none"> Year when Amtex crossed PKR10 billion mark in Sales. Received WRAP certificate
2009	<ul style="list-style-type: none"> Year when Highest export Trophy award is given to Amtex. Received SA 8000 Certificate Received FLO-Cert Certificate Received Oeko Tex Certificate

5.8 Direct to Store (DTS) – Business Model

As the global economy shows initial signs of recovery, traditional textile manufacturers, operating in today’s retail-driven supply chain environment, are faced with a challenging dilemma – optimizing product availability/quality and reducing costs at the same time.

In today’s retail-driven supply chain, textile manufacturers find themselves faced with competing initiatives — optimizing product availability/quality and reducing costs. With globalization on the rise, and the field of competitors continuing to grow, manufacturers are struggling to differentiate themselves and retain retail mindshare. This has led to a proliferation of new and innovative solutions for optimizing supply chain i.e. “*DTS Phenomenon*”.

Direct to Store or DTS is essentially a model whereby the role of **intermediary** is eliminated. Traditionally, manufacturers sell goods to importers who act as an intermediary between the manufacturers and the retailers. The disadvantage in this model is the additional burden that the final consumer has to bear in form of the middlemen’s profit margin. Secondly, lack of visibility and control over processes/assets in extended multi-tier/multi vendor retail supply chain models impeded productivity, response time and resulted in sub optimal outcome for both the retailer and manufacturer alike.

Diminished consumer purchasing power as a result of the recent global economic slowdown has forced the retailers to either cut back on profit margins or rethink their supply chain strategy to offer competitive pricing to the end consumer. Most of the retailers have opted for the latter option by eliminating the role of the intermediary to cut down on middlemen's profit margin and thus offer competitive price to the final customer. However under this new scheme of things manufacturer has to gear themselves up for additional role i.e. Manufacturer and Intermediary.

DTS is a **revolutionary model** where we believe its acceptance is inevitable as the industry undergoes a seismic shift. With many of the top global retailers opting to switch to the DTS model, **Amtex** has a distinctive edge over its peer companies as it achieved absolute integration with the DTS model by dealing directly with the retailers beginning in FY06 and also enhanced margins in the process. However, switching to DTS is not just a simplistic adoption of a model but a quantum leap. It requires not just adhering to new technology and up-gradation of existing IT infrastructure to conform to the strict requirement of the retailer/buyer but it also involves a philosophy and cultural change.

The DTS model induces the culture of continuous improvement for providing products and services of the highest quality. This strenuous process is intended to ensure that the inspection and inventory cost of retailer is reduced to an optimal level as product delivery is directly at the store. Amtex has state of the art technology infrastructure enhances its delivery capability. This has been a major factor in ensuring high client retention percentage but has also helped the Company to secure additional business.

Amtex's sister concerns, Amsway Inc - US and Amtex Europe GmbH play a vital role in Amtex's DTS service. By having presence via its sister concerns in US and Europe, retailers find it more convenient to visit product showrooms and are assured about Amtex's delivering capability. Amtex has allocated an area of 100,000 sq ft approx for warehousing facility in Swan, production stitching facility for **Direct-To-Store** Operational activity.

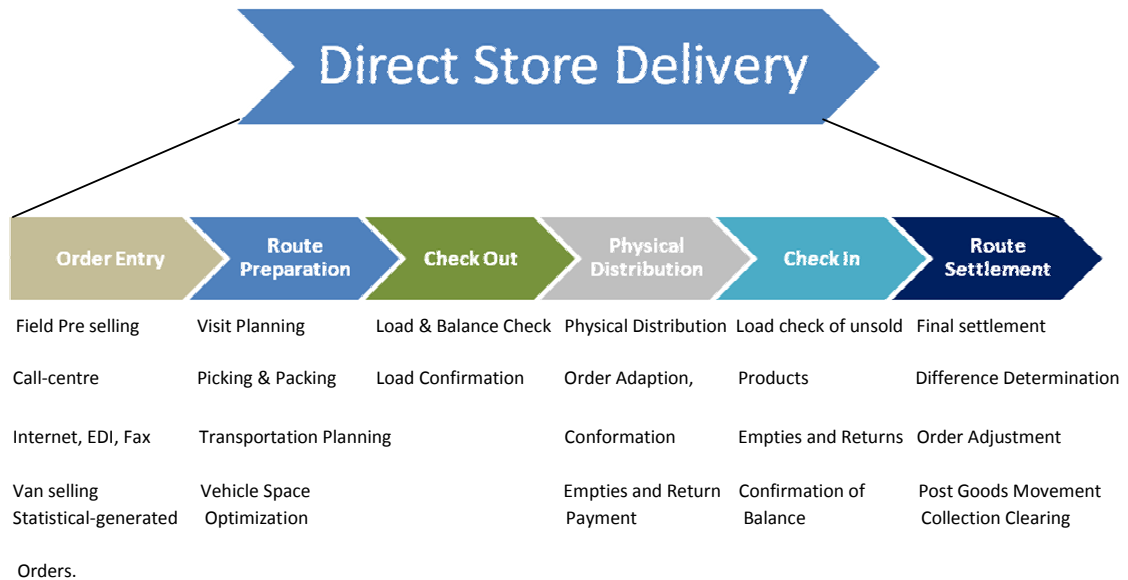
Electronic Data Interchange (EDI) System

DTS program runs on the basis of EDI (Electronic Data Interchange) system. This system is linked with Point of Sale in every store of a retailer and whenever a sale is made, the inventory is updated automatically. Simultaneous demand for new stock is generated through the system which is forwarded to the manufacturer for inventory replenishments.

At DTS, ready stock is kept in pick and pack warehousing facility for replenishment in order to ensure timely delivery of orders on the shortest possible lead time. The area is equipped with all the necessary facilities like E.D.I, warehouse management, logistic, trucking to port etc.

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DTS Model in a Nutshell



DTS at AMTEX - Insight

Once the program is awarded by the Retailer, three different types of deliveries are to be made:

- Roll Out shipments
- Backup shipments
- Replenishment Shipments

The customer/retailer after awarding the program issue (Buy Sheet) which gives an idea of total quantum and expected date of shipment. The size of the shipment is dependent on the number of stores that the product has to be placed in. Normally, the number of stores ranges from 1,000 to 2,500 while the whole consignment is to be manufactured in one go. The size of shipment ranges from PkR 350 million to PkR 1,000 million. This shipment is termed as “**Roll Out Shipment**”.

After being awarded the Buy Sheet, the procurement team starts making fabric arrangements. Two types of arrangements are being made.

- Either direct purchase of fabric from vendors
- Procurement of yarn for conversion on looms.

The delivery of fabric starts from 45 days and ends before 180 days depending upon the size of order. Once the fabric is available with the processing units, in-house and out source arrangements are being made. Its processing normally takes up to 30 to 45 days. The stitching job (value added) is very technical in nature which is executed completely in-house under strict quality procedures and supervision. This may take a maximum of 60 days from handover of fabric. The total product cycle for Roll Out Shipment thus takes approximately 180 to 270 days.

Once all details regarding the Roll Out Shipment are finalized, the retailers' Buying Team issues the “**Back up Shipments**” program to the manufacturer. This is the safety stock that has to be kept as backup inventory in stores to meet day to day requirements. The Back up Shipments program size is normally 50% to 75% of the Roll Out program. These are to be shipped within one month of the Roll Out Shipment. Same product cycle is followed as the Roll Out Shipment program.

Once initial deliveries are made, Amtex's MIS team takes up the charge of the product by direct linkage with the TILL of the Retailer. Complete product analysis is constantly performed while at the same time the material management team decides the stock levels to be kept to replenish the stock. Inventory is kept as

- Grey Fabric
- Fabric in processing
- Processed fabric in Godown
- Fabric in from of cutting
- Fabric in stitching process
- Stitched articles

Inventory management team ensures that the inventory level is kept at an optimal level to prevent any stock outs and also avoid excessive stock for working capital management. After getting the update of sales in each store, replenishment of sold articles are being made on weekly basis. These PO's are received on Tuesday and shipment is made on Friday of the same week. No additional lead time is available if a miscalculation is made by Amtex. That is why, business analysts at Amtex are continuously conducting detailed analysis and assuring that all anomalies in demand are properly accommodated. For one program of Sheeting, there are in minimum 8 styles/colors with 5 sizes. So in total 40 SKU's in minimum are to be analyzed by the Business Analyst. The team utilizes high ended Decision Support System and therefore, inventory levels are revised and amended as required. These are called “**Replenishment Shipments**”.

Retailers either give contract followed by L/C or contract followed by Non- banking L/C or only contract. Payment is normally on sight or 30 days. Retailers issue contract at the start of the program and issue L/C approximately 15-30 days before shipment date.

5.9 Management Philosophy

Amtex has a core philosophy of providing best quality to its customers with a perceived high value for money. As the world is becoming a global village and customers becoming ever more quality conscious, it is critical not only to sustain quality but to strive for further perfection to ensure customer gets value for money.

Sustaining high level quality is the pre-dominant criteria in every value added activities initiated at Amtex where aim is not just to be at par with the expectations of the consumer but to exceed these expectations by achieving excellence in quality which is synonymous with Amtex slogan of being “**Textile Expert**”.

Amtex has optimized all its value added activities with the help of its technical & professional talent pool across the board in all areas of manufacturing i.e. from raw material procurement to customer service. Amtex management priorities and strategies are designed keeping in view its philosophy of staying ahead of the competition to ensure guaranteed business growth in its existing market while at the same time developing new markets and enhancing business portfolio.

At Amtex focus has always been on developing Innovative products, cost competitive manufacturing methodologies and quicker supply chain solutions. Amtex aim is to become “***One stop shop for valued customers around the world***”.

5.10 Marketing Strategy

Amtex marketing department with diligent focus and commitment have been successful in revitalizing “***Direct Point of Sales Strategy***” to major international retailers during the last 5 years. Amtex research department with its unique designs have added feathers from the perspective of product conceptualization to final product design and have been pivotal in maintaining brand competitiveness and bringing additional revenues for the stakeholders.

This radical change of approaching the major international retailers directly as part of “***Direct Point of Sales Strategy***” has significantly leveraged Amtex position and has given it an unprecedented edge over its competitors. Not just it has fasten up the response time to changing taste of the customers but also substantially increased Amtex margins by eliminating the intermediaries.

Innovation has been the most significant contributing factor in shaping the face of home textiles. Amtex is the proud forerunner of introducing innovative fabrics which has significantly enhanced value of household items. These innovative technologies have provided the breakthrough in opening new avenues in the field of home textiles by enabling consumers to enjoy the performance, wellness and energy saving features of products while providing value for money at the same time.

Amtex does not limit its versatile approach to its core product but has taken a step forward by contributing responsibly towards the important issue of healthy environment sustainability by joining hands with vendors in supporting environment and nature friendly packaging. Closeness to the customer and the feel of empathy is a ground reality in the success of today’s business. Amtex has empowered its key executives with the necessary resources to achieve the ultimate objective of customer satisfaction.

5.11 Future Plans

Amtex’s future aim is to sustain competitiveness in servicing Global retail customer base while expanding on value added export oriented manufacturing operations. Amtex strives for continuous pursuit in achieving innovative business solutions. This has translated into increased margin enhancing return on investments for group stakeholders over the years and should do so in the future.

Maintaining focus and commitment in balancing, modernization and value addition activities has been the philosophy of the group. Amtex aims at developing synergies by keeping abreast with their strong vendor base and establishing partnerships with them so as to increase the product portfolio as well as to have the flexibility to react to the dynamics of ever demanding growing parameters of market and global business.

This requires vision and deep rooted awareness and successful dissemination of the plan down to the lowest possible hierarchy so as to make each and everyone a contributing factor and step towards the ultimate success. An orientation of this vision has already been initiated with the launch of vendor city in a close proximity to processing units as well as off shore supply chain management and logistics has been strengthened to maximize returns.

5.12 The Textile Sector

Overview

International Perspective

The global trade in textile and apparel products amounts to approximately USD440bn. The average annual growth rate of the textile market was about 5% in the 1990s which increased to 10% during FY07. The general economic slowdown saw the textile market growth rate to slip to 3.9% in FY08 and to 1.8% in FY09.

China has a rapidly growing share in the world textile market. During the 1990s, China accounted for about 6.9% of the world export of textiles which surged after 2005. Remarkable growth was witnessed in China's exports of clothing in the post-quota era with its share of the world market increasing from 8.9% in 1990 to 26.9% in 2009. The share of US and Hong Kong, which is mostly due to re-exporting, is about 7%. The share of India was about 3.8% in FY09 while that of Pakistan was 3.0%. Over the years, Pakistan has lost market share in global textile trade due to a host of internal and external reasons.

Similar to the world market structure for textiles, the European Union has the largest share in the world market for textile and clothing. The European Union (EU-27) captures one-third of the total world export of textiles (USD 380bn)¹.

Regional Perspective

Pakistan is a heavyweight itself amongst regional competitors like India and China. Pakistan has the comparative advantage in being the fourth largest producer of cotton and thus is one of the leading exporters of primarily low-value added textiles in the world. In this regard, Pakistan is the largest exporter of cotton yarn and a leading exporter of home textiles to the world. Abundant availability of the raw material gives Pakistan an edge over other countries in the region. However, Pakistan's main competitors India and China have a highly diversified economic base. While India and Bangladesh lead in garments manufacturing they are unable to compete with Pakistan in the Home Textiles category excluding China.

A comparison of regional textile industries suggests that the Indian and Chinese textile industries are better placed in the post quota environment with greater scale and more focus on diversification & value-addition. Pakistan remains at a disadvantage against the region in terms of rising cost of production (elimination of power subsidy), higher prevailing interest rate environment in Pakistan and benefits enjoyed by regional counterparts (Bangladesh's GSP + status). To counter these weaknesses, the government has recently announced the first ever Textile Policy to help revive core business growth and boost up textile exports to US\$25bn by 2014 from US\$9.56bn in 2009².

Local Perspective

With around 521 mills in operation, the textile sector has been the backbone of Pakistan's manufacturing sector and continues to be so going forward. Therefore, any change in the dynamics of this sector has an affect on the overall economy one way or another.

^{1,2} AKD Research

Prospectus – Amtex Limited

The Pakistan textile industry on average contributes more than 60%¹ to the country's total exports. Employing about 38% of the manufacturing labor force, the textile sector contributes approximately 46%² to the total manufacturing output in the country. That said the sector's contribution to total GDP is around 9%².

However the overall textile exports have slowed down in the last few years, but some value added segment have registered significant growth over the same period and perhaps is indicative of the future direction of the textile exports. In this regard, the home textile category operating in the same difficult operating conditions as the rest of the sector seems to have bucked the general downtrend.

As the global economy shows initial signs of recovery together with improving domestic conditions and the recent government incentives should revive the growth trajectory of the sector going forward. Pakistan is currently exporting textile products to a number of countries, in which USA and the EU-27 region together accounts for more than 65%³ of the overall textile exports.

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¹ Federal Bureau of Statistics

² APTMA

³ TDAP

Textile Sector - Sectoral Analysis

Valuation Multiples	NML	GATM	ADMM	MEHT	MSOT	KTML	CRTM	CHBL
EPS (Pkr)	5.23	1.26	4.48	6.86	15.06	-3.02	3.64	-0.84
PER (x)	13.5	21.4	6.9	7.3	2.6	(2.6)	8.9	(4.6)
ROE	7%	3%	14%	6%	18%	-15%	5%	-3%
ROA	4%	1%	8%	2%	5%	-4%	2%	-1%
BVS (Pkr)	79.7	49.1	31.9	114.1	83.9	19.7	79.3	31.8
P/BVS (x)	0.9	0.5	1.0	0.4	0.5	0.4	0.4	0.1
CFS (Pkr)	8.8	7.0	8.4	38.2	25.2	0.8	3.3	(1.2)
P/CFS (x)	8.0	3.9	3.7	1.3	1.5	10.4	9.8	(3.1)
Key Ratios	NML	GATM	ADMM	MEHT	MSOT	KTML	CRTM	CHBL
Gross Margin	18%	17%	22%	16%	19%	15%	15%	22%
Operating Margin	11%	9%	18%	11%	12%	7%	9%	16%
Net Margin	5%	1%	12%	2%	4%	-5%	2%	-1%
Effective tax rate	19%	53%	8%	46%	18%	18%	31%	-604%
Profit & Loss Accounts (In Pkrmn)	NML	GATM	ADMM	MEHT	MSOT	KTML	CRTM	CHBL
Net Sales	23,870	13,906	3,125	6,811	10,946	8,459	10,751	9,091
COGS	19,519	11,568	2,427	5,727	8,851	7,199	9,175	7,107
Gross Profit	4,352	2,338	698	1,084	2,095	1,260	1,575	1,984
Operating Exp	1,751	1,138	140	308	765	641	561	505
Operating Profit	2,601	1,200	558	776	1,330	619	1,014	1,480
Other Income	599	26	75	73	11	139	436	1
Other Charges	192	17	37	277	71	34	376	7
Financial Charges	1,447	1,039	186	381	720	1,260	816	1,488
NPBT	1,562	170	410	190	550	(537)	258	(14)
Taxation	294	90	34	87	98	(97)	79	83
NPAT	1,268	80	376	103	452	(440)	179	(97)
Balance Sheet (In Pkrmn)	NML	GATM	ADMM	MEHT	MSOT	KTML	CRTM	CHBL
Long Term Assets	23,218	6,224	3,432	1,977	3,167	6,690	6,730	7,415
Current Assets	8,295	7,359	1,220	2,441	6,455	5,132	4,086	9,526
Total Assets	31,513	13,584	4,652	4,418	9,622	11,822	10,816	16,941
Long Term Liabilities	2,580	2,716	491	735	1,952	2,190	1,108	2,915
Current Liabilities	9,602	7,750	1,479	1,972	5,152	6,763	5,806	10,373
Total Liabilities	12,182	10,466	1,971	2,707	7,104	8,953	6,914	13,288
Share Holders' Equity	19,331	3,118	2,681	1,711	2,518	2,869	3,902	3,654
Total Liabilities & Equity	31,513	13,584	4,652	4,418	9,622	11,822	10,816	16,941
Cash flow Statement (In Pkrmn)	NML	GATM	ADMM	MEHT	MSOT	KTML	CRTM	CHBL
CF from operations	2,138	442	704	573	756	111	162	(143)
CF from investing activities	(2,128)	(931)	(377)	(78)	(371)	(650)	(228)	(65)
CF from financing activities	25	398	(446)	(493)	(202)	544	76	212
Net chg. In cash & equiv.	35	(92)	(119)	2	184	5	10	3
Cash & Equiv. At beg. of the year	77	(5,141)	67	8	137	75	9	60
Cash & Equiv. At end of the period	111	(5,233)	(52)	9	321	80	19	63

Legend

Company Name	Initials
Nishat Mills Limited	NML
Gul Ahmed Textile Mills Limited	GATM
Artistic Denim Mills Limited	ADMM
Mahmood Textile Mills Ltd.	MEHT
Masood Textile Mills Ltd.	MSOT
Kohinoor Textile Mills Ltd.	KTML
Crescent Textile Mills Ltd.	CRTM
Chenab Limited	CHBL

Source: AKD Research

Textile Sector - Segment Classification

“Pakistan’s biggest advantage lies in the indigenous production of cotton, being the fourth largest cotton producer. Pakistani cotton is regarded as the best in the world for producing lower and medium counts of yarns. As a result, our cotton is more suited for producing main stream products such as denim, bed wear products, towels, knit wears, curtains & linings, and pocketing materials”.

Cotton Yarn

Making up 16%¹ of the Pakistan’s total textile export, cotton yarn is one of the most exported products. With exports of approx US\$1.6bn¹ in FY09, the low-value added nature of the product hedges the sector from general slowdowns. China and Hong Kong were the major importers of the product from Pakistan in FY09.

China and Hong Kong are the largest importers of cotton yarn from Pakistan, making up 37%² of Pakistan's total cotton yarn exports. Despite stellar domestic cotton arrivals, up 24%YoY¹, domestic yarn prices are up 32%YoY² compared to last year. This can be explained by the combination of slower global production (expected 5.1%YoY³ decline and rebounding consumption. As a result, the spinning sector of Pakistan is booming with robust export and domestic demand. Due to cotton crop shortfall in the major cotton producing countries like China and USA, the world market is facing a severe compression in cotton yarn stocks, opening new export opportunities for Pakistan's spinning sector.

Home Textiles

A wide range of products are classified under the Home Textile category. These include, Bedlinen, Towels, Upholstery Range, Quilted Product and Curtains to name a few.

Making up 30%+ plus⁴ of total textile exports, Pakistan’s Home Textiles occupy an authoritative market share in the world. In this regard, Home Textiles made in Pakistan enjoyed a 26.38%⁵ market share in the EU-27 market and 23.88%⁶ in the American market in FY09. These statistics make Pakistan the second most imported destination after China. Drilling down, we see that Pakistan leads in the Bedlinen category in the EU-27 market, commanding a 29.21%⁴ market share (volume-wise) in FY09. In terms of competitive positioning, only China with a market share of 11.43%⁴ come close to Pakistan. In the post quota regime, Pakistan has been able to post a volumetric CAGR of 4%⁴ during the last 5 years. If Pakistan not been excluded from the GSP Plus scheme, its market share would have been significantly higher. In this regards, Bangladesh, which was blessed with the GSP Plus scheme coupled with 0% anti-dumping duty in 2005, has been able double its bedlinen market share in the EU market from just over 4.5%⁴ in 2004 to 8%⁴ in 2008.

After the termination of the anti-dumping duty by the EU in March ‘09, bedlinen exports of Pakistan will now be subjected to normal custom duty of about 10%. If no new investigation proceedings are initiated, the medium term outlook for Pakistan's bedlinen exports will be positive. Pakistan also commands the most competitive unit value amongst its regional exporting competitors. In this regard, Pakistan has an edge due to indigenous production of cotton which is best suited for manufacturing

¹ Pakistan Cotton Ginners Association

² Business Recorder

³ United State Department of Agriculture

⁴ Federal Bureau of Statistics

⁵ EUROSTAT

⁶ OTEXA

Prospectus – Amtex Limited

home textiles. We believe that China and Bangladesh could pose threats for Pakistan bedlinen exports in the EU market if Pakistan exporters and government policy action fail to capitalize on the current market superiority. That said, with the international community urging for greater market access to Pakistan, we believe that such a policy action, if implemented, would auger well for Pakistan textiles.

Apparels

The apparels category covers a fairly broad range of knitwear and ready-made garment. Some of the major categories are bottom wear, sleep wear, work wear, gowns and embroidered dresses.

Exports of apparel from Pakistan in the last ten years had increased from US\$1.5bn to only around US\$3bn¹ in FY09. Pakistan lag behind its regional competitors in Apparel exports due to low-value added production facility and lack of focus on technology upgradation. As per UN report, 102 countries import textile and apparel products and 104 countries export these products. Global trade in textile and apparel products account for an approximately \$440 billion.

Knit wear played a vital role in textile sector in FY09. With 18%³ share in total textile exports, it is well behind its regional competitors in terms of market share. In this regard, Pakistan only had a market share of 3.14%² in the EU-27 market and 3.34%² in the American market. In comparison China, India, Turkey and Bangladesh together have a market share of about 76%¹ in the EU-27 market and around 27%³ in the American market. Ready made garment exports make up around 12%⁴ of total textile exports of Pakistan. This category also suffers from strong regional competition as it only has a 1.92%¹ market share in the EU-27 market and 1.67%² share in the American market. On the flip side, China, India, Turkey and Bangladesh together have a market share of about 71%¹ in the EU-27 market and around 49%² in the American market.

This sector would be favorably impacted by the government's increasing focus on encouraging and facilitating the value-added sector through favorable financing rates and duty draw back incentives offered in the recent textile policy. This will provide cushion on production cost while allowing competitive pricing in the international market.

Fabrics

Blends like 100% cotton, 100% polyester and 100% Viscose incorporate the sector.

The global trade in woven fabric can be classified into two broad categories, cotton and blended fabrics and synthetic and artificial fabric, commonly referred to as man-made fabric. Asia is fast emerging as major source of exports, especially of textiles to the USA, EU and other countries of the world. Due to the low-value added nature of the product, Pakistan has emerged as one of the major fabrics exporter in the world market. Fabrics exports made up 20%³ of total textile exports in FY09. It came under one of the top exported product of the textile sector. In terms of product and market penetration, Pakistan has an edge in woven fabrics, having a market share of 30.44%¹ in the EU-27 market. In terms of regional comparison only China comes close to Pakistan with a market share of around 22%¹ in the EU-27 market. On the flip side, Pakistan lags behind China in the American market with a market share of 14.21%² compared with China's superior market share of about 45%². In the knitted fabrics category, Pakistan's share in world markets lags regional competitors with regional competitors coming out on top in both markets.

¹ SBP

² EUROSTAT

³ OTEXA

⁴ Federal Bureau of Statistics

Investment in Textile Sector

Although being the largest foreign exchange earner, the investment in the textile sector has been lackluster and has receded investment in other sector. With the introduction of first ever Textile Policy, the fortune of the Textile sector is bound for a U-turn.

To portray the grim picture, as per statistics of the International Textile Manufacturers Federation (ITMF), Asia added 12.05 million textile spindles in 2007 accounting for 94 per cent of total spindles installed in the world. China, with addition of 6.06 million spindles, accounted for 47 per cent of total investment. India added 3.74 million spindles, which was 29 per cent of total spindles added globally in 2007. Pakistan could not add even a single textile spindle in that year while Bangladesh added 0.606 million spindles.

The domestic textile industry has made an investment of about US\$7.5bn during the last ten years (1999-2009) according to the Economic Survey of Pakistan. This investment has been made into various segments of Textile.

Post quota elimination at the end of CY05, almost US\$5bn¹ has been invested in the textile industry with majority going towards the spinning sector to increase its scale. Against industry expectations that the investment in the textile sector would pick up considerably, imports of textile machinery has exhibited a declining trend mainly on the back of high financing costs and import duties. Textile machinery imports have declined by 43%YoY in FY09 to US\$236mn against US\$418mn in the previous year. Ceteris paribus, the recent zero rating of duties on textile machinery imports coupled with improving macro indicators should arrest the declining trend going forward. In this regard, recent textile machinery orders in December '09 at US\$35mn² were the highest in the last 16 months, and are now back to FY08 levels. Robust textile machinery import orders are encouraging in our view, despite weakening of the Pkr, and points towards a recovery as the global economy gains traction.

In the new Textile Policy various incentives have been proposed for up-gradation of the existing plant and machinery and support for import of new technology.

Textile Policy 2009-14

A five-year textile policy has been inked. The new policy has prioritized restructuring and reorganization of the textile sector to augment textile exports to US\$25bn by 2014 from US\$9.56bn achieved in FY09. The policy incentivizes all aspects of value chain process. It includes include special duty draw back rates of 1% - 3% on value-added textile exports, reduced export refinance rate at 5% and establishment of Textile Investment Support Fund (TISF) and Technology Up-gradation Fund (TEF). Although a detailed SRO from the government is awaited, the policy itself is very favorable as the entire textile value chain is being facilitated. Furthermore, the government's emphasis and focus on the value-added sector is refreshing as greater orientation being placed on value-added activities. This requires showcasing the high end of the Pakistan's Textile potential Pakistan can compete at a higher margin space rather than being confined to the commodity space in the global textile trade.

¹ APTMA

² Federal Bureau of Statistics

Sector Outlook

Cynics might argue that the pigeons have come home to roost, or in other words textile exports are primarily cashing in on the prevailing favorable exchange rate environment and which had eluded the sector previously. That said, we are also of the opinion that volume growth across selected product categories justifies our argument that although global recessionary concerns choke spending, demand destruction is likely to adversely impact the premium high value-added products at the outset. In this regard, Pakistan's low-value added export product base is expected to benefit as global consumer preferences switch to cheaper substitutes.

Pakistan's textile sector outlook looks very optimistic with the introduction of the first ever Textile Policy. The benefit to the sector will be unfolded with positive externalities setting the stage for the sector to achieve new highs.

5.13 Risks & Mitigants

- **Operational Risk**

The risk that the Company, given the magnitude of its operations, may face difficulties on the back of production hindrances or any other malfunctioning that may significantly affect the operations of the Company adversely

Mitigation

The operations of the Company have grown significantly over the last decade. The Company has been able to manage this growth with the expertise of its management team and appropriate planning.

As the Company is working in close coordination with the retailers (customers), it is able to plan the annual production flow and prioritize production schedule well within time. This enables the Company to control the overall production flow and mitigate operational risks.

- **Sale Decline Risk**

The risk that the sales of the Company are concentrated within a narrow clientele base which may affect the sales of the Company

Mitigation

Amtex enjoys highly reputable relationship with its clientele. The reason for this is that Amtex is one of the few concerns in Pakistan having composite production facility that can meet its retail client's demand. Other local players are also providing to huge retail stores through middlemen but usually they loose the clients as they are not capable to meet their demands.

Moreover the sales of Amtex is not concentrated to a few retailer stores, but instead comprises of more than hundred clients who make up almost fifty percent of the sales of Amtex. This secures Amtex from the aforementioned risk as Amtex has broad clientele base and is not dependent on few clients only.

- **Political Risk**

Instability in political conditions may effect foreign investments and the clients may be reluctant to buy from local markets thereby affecting Amtex's business

Mitigation

A five-year textile policy has prioritized restructuring and reorganization of the textile sector to augment textile exports to US\$25bn by 2014, this clearly indicates the growth of sector with extensive help of Government of Pakistan.

Further Amtex is an export oriented Company with 96% of its sales comprising of foreign orders. This has been possible due to proactive management decision to setup international display show rooms of its value added products for clients where they can conveniently place orders. The decision has proven fruitful and these international display centres have become the hub for securing orders from foreign clients. Thus local political risks have negligible impact on Amtex's business.

- **Economic Risk**

Global economic slowdown coupled with deteriorating local macroeconomics may hamper growth for Amtex

Mitigation

As Amtex is an export oriented Company, the management is continuously involved to forecast and analyze trends in international markets. Further, Amtex is catering to huge clientele including premier customers since long now who have placed recurring confirmed bulk orders worth multi million dollars with the Company.

The advantage to Amtex has been the fact that it has been catering to premier customers but who are operating in different leagues in a similar market and have different target markets. So even during the economic recession of 2008, Amtex sales were not depressed due to the fact that customers buying from the most premium retailer brand shifted to second most preferred premium brand while customers of second most preferred premium brand started buying from third most preferred premium brand and so on. This is also backed by the fact that the sales of Wal-Mart, which is considered to be a discount departmental store, raised significantly in times of recession. Since Amtex has been selling from the most preferred top tier brands including Bed Bath & Beyond, JC Penny Corporation, Target Corporation, Carrefour and Marks and Spencer to discount stores like Wal-Mart, the economic slowdown has not impacted the sales of the Company and the bottom line has showed consistent growth.

Moreover, the local macroeconomics figures are also improving and Amtex has entrenched relationships within the value chain to address any such risk that may hamper the Company's performance.

- **Competition Risk**

The local players may follow business model of Amtex creating a hostile competitive environment for the Company

Mitigation

Amtex has been operating on a totally different business model and its value proposition is entirely different - *Direct to Retailers*. Secondly, Amtex's manufacturing concern is one of the largest in Pakistan focusing on production of value added products rather than simply selling basic textile products. The Company also has special Direct to Store (DTS) Exclusive Service for retail stores of valued customers which is a unique selling proposition (USP) for the company. Amtex has been able to achieve all these hallmarks over a period of time, almost a decade. It will not be easy for other big players to benchmark Amtex that easily.

Further, some small manufacturing concerns are in the phase of adopting DTR model but it would take a lot of effort at their end to enhance their production facility to cater to bulk orders received from these retailers.

However, the grounds are open for everyone, but Amtex being the premier Company to adopt and implement DTR, would always have competitive edge over others.

• Technology Obsolescence Risk

Using obsolete machinery may not be viable to provide support for consistent growth.

Mitigation

Amtex has installed state of the art machineries that have been procured from renowned premium manufacturers from Germany, Italy and other European countries. The Company has most up to date Research & Development facility that is run according to international standards and upgraded periodically.

Therefore, the risk is minimized as the Company has consistently kept itself abreast with all the international technological advances and rigorous R&D facility.

• Foreign Exchange Risk

Foreign exchange exposure might affect profitability and exports of the Company.

Mitigation

Amtex is an export oriented Company therefore it is susceptible to variation in the forex rates. The management is at forefront to mitigate this risk as this can significantly hinder the bottom line of the Company.

However, keeping in view the past trends in which Pak Rupee has depreciated against other currencies, Amtex is unlikely to face any brunt.

Going forward, the Company will benefit from any appreciation of foreign currencies against Pak Rupee.

- **Under Subscription Risk**

The risk of the present issue getting under-subscribed on account of lack of investors interest.

Mitigation

The shares of Amtex Limited are being offered at a considerable discount. Based on the projected FY10 EPS of PkR5.17 (FY09: EPS of PkR3.81), the issue price presents a PE multiple of 2.5x (FY09: PE multiple of 3.4x). If compared with the Average Composite Sector multiple for the last 3 years of 8.15x, the fair value of Amtex share comes to PkR42.16 (FY09: PkR 31.05), which represents a significant discount of 69%.

Based on the projected FY10 BVPS of PkR38.44 (FY09 BVPS of PkR29.98) including surplus on revaluation of assets of PkR2,470,995,447, the issue price presents a P/BV multiple of 0.34x (FY09: 0.43x). If compared with the Average Composite Sector multiple for the last 3 years of 0.51x, the fair value of Amtex share comes to PkR19.60 (FY09: PkR 15.29), which represents a discount of 34%.

Based on the above, we believe that the share provides a lucrative investment opportunity to the investors. Further the entire issue will be firmly underwritten to secure the under-subscription risk.

- **Price Risk**

This risk relates to the price performance of the share after getting listed at the Karachi Stock Exchange.

Mitigation

The annual turnover of the Company is around USD 200 mn and the Company has received award for the highest export for the year for 2008-2009. The Company has very strong financials and the top line is expected to grow further posing strengthened bottom line. This will enable stability in the price of the share and mitigate significant variation in the share price.

- **Liquidity Risk**

This is the risk that the investors might face difficulty in selling the shares in the secondary market.

Mitigation

After the IPO, a sizeable portion of 25% of the post IPO-capital would be owned by outside investors. Since the free float of the Company would be high therefore the liquidity risk in the market will minimize.

It is stated that all material risks factors, with respect to this offer, have been disclosed and that nothing has been concealed.

PART 6 -

6 FINANCIAL INFORMATION

6.1 Auditor’s report under section 53 (1) read with clause 28 of section 2 part I of the Second Schedule to the Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus of Amtex Limited -

M. Yousuf Adil Saleem & Co
Chartered Accountants
478-D, Peoples Colony No. 1,
Faisalabad
Pakistan

Tel: +92 (0) 41 8541165, 8541965
Fax: +92 (0) 41-8542765
Web: www.deloitte.com

F-01-19/0597
January 06, 2010

The Board of Directors,
Amtex Limited,
Faisalabad.

Dear Sirs,

**AUDITORS’ REPORT UNDER SECTION 53(1) READ WITH
CLAUSE 28(1) OF SECTION 2 OF PART I OF THE SECOND
SCHEDULE TO THE COMPANIES ORDINANCE, 1984**

We have examined the financial statements of Amtex Limited (the Company) for the period of four months ended October 31, 2009 and for the years ended June 30, 2005 to June 30, 2009. Financial statements for the years ended June 30, 2005 to June 30, 2007 were audited by another firm of chartered accountants. We report that in accordance with Section 53(1) read with clause 28(1) of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984, the assets and liabilities of the Company as at October 31, 2009 and profit and loss account for the period of four months ended October 31, 2009 and for the years ended June 30, 2005 to June 30, 2009 were as follows:

1. SUMMARY OF ASSETS AND LIABILITIES AS AT OCTOBER 31, 2009

	Rupees in ‘000’
NON-CURRENT ASSETS	
Property, plant and equipment	5,602,140
Intangible asset	9,910
Long term deposits	23,099
	5,635,149
CURRENT ASSETS	
Stores, spares and loose tools	932,238
Stock in trade	6,189,150
Trade debts	4,520,191
Advances, deposits and prepayments	415,502
Other receivables	197,421
Tax refunds due from Government	228,421
Cash and bank balances	124,636
	12,607,559

M. Yousuf Adil Saleem & Co
Chartered Accountants

	<u>Rupees in '000'</u>
CURRENT LIABILITIES	
Trade and other payables	1,203,720
Interest / markup payable	287,784
Short term borrowings	7,901,569
Current portion of non current liabilities	544,514
	<u>9,937,586</u>
WORKING CAPITAL	<u>2,669,973</u>
NET CAPITAL EMPLOYED	<u>8,305,122</u>
REPRESENTED BY:	
SHARE CAPITAL AND RESERVES	
Authorised capital 250,000,000 ordinary shares of Rs.10/- each	<u>2,500,000</u>
Issued, subscribed and paid-up capital	1,804,901
Reserves	
Capital reserve - Merger reserve	98,039
Revenue reserves	
General reserve	250,000
Unappropriated profit	2,978,469
	<u>3,228,469</u>
	<u>5,131,410</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	2,430,064
NON-CURRENT LIABILITIES	
Redeemable capital	433,368
Long term financing	197,663
Liabilities against assets subject to finance lease	79,125
Deferred liability	
Staff retirement gratuity	33,493
	<u>8,305,122</u>

1.1 CONTINGENCIES AND COMMITMENTS

Contingencies

Bank guarantees issued in favour of Sui Northern Gas Pipelines Limited for supply of gas	104,999
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Commitments

Under letters of credit for Raw material, stores and spares	10,328
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M. Yousuf Adil Saleem & Co
Chartered Accountants

2. PROFIT AND LOSS ACCOUNT FOR THE PERIOD OF FOUR MONTHS ENDED OCTOBER 31, 2009 AND FOR THE YEARS ENDED JUNE 30, 2005 TO JUNE 30, 2009.

	For the period of four months ended October 31, 2009	Years Ended June 30,				
		2009	2008	2007	2006	2005
-----Rupees in ' 000 '-----						
Sales	4,955,090	14,119,588	10,043,446	8,338,648	7,337,879	5,252,469
Cost of sales	3,794,298	10,731,034	7,760,941	6,300,098	5,594,894	4,307,898
Gross profit	1,160,792	3,388,554	2,282,505	2,038,550	1,742,985	944,571
Other operating income	-	5,132	22,122	-	-	-
	1,160,792	3,393,686	2,304,627	2,038,550	1,742,985	944,571
Selling and distribution expenses	187,942	560,159	383,403	343,377	311,010	211,006
Administrative expenses	52,852	126,536	90,675	96,625	80,722	73,092
Other operating expenses	26,042	74,069	50,018	45,687	10,126	25,040
Finance cost	529,040	1,577,759	1,021,194	862,550	717,593	331,873
	795,876	2,338,523	1,545,290	1,348,239	1,119,451	641,011
Profit for the period / year before taxation	364,916	1,055,163	759,337	690,311	623,534	303,560
Provision for taxation	44,299	134,300	86,440	75,438	66,271	51,171
Profit for the period / year	320,617	920,863	672,897	614,873	557,263	252,389
Unappropriated profit brought forward	3,519,371	2,555,975	1,835,607	1,240,473	675,480	411,156
Incremental depreciation on revalued assets for the period / year	40,931	42,533	47,471	52,214	57,730	61,935
Surplus realized on disposal of revalued assets	-	-	-	28,047	-	-
Profit available for appropriations	3,880,919	3,519,371	2,555,975	1,935,607	1,290,473	725,480
Appropriations:						
Transferred to general reserve	-	-	-	100,000	50,000	50,000
Bonus shares issued during the period / year	902,451	-	-	-	-	-
Unappropriated profit carried forward	2,978,468	3,519,371	2,555,975	1,835,607	1,240,473	675,480

M. Yousuf Adil Saleem & Co
Chartered Accountants

3. Items of non recurring nature included in the financial statements for the period of four months ended October 31, 2009 and for the years ended June 30, 2005 to June 30, 2009 are as follows:

3.1. CHANGES IN ACCOUNTING POLICIES

- 3.1.1 Staff retirement benefits – Gratuity was accounted for on payment basis till June 30, 2006. The management decided to make provision for gratuity payable for more appropriate presentation.
- 3.1.2 The Company has adopted International Accounting Standard 19 – “Employees Benefits” with effect from July 01, 2006. Provision of defined benefit plan is being made to cover the obligation on the basis of actuarial valuation. Provision of Rs. 11,390,893/- was made upto June 30, 2007 using the Projected Unit Credit method.

3.2 CHANGES IN ACCOUNTING METHOD

The Company charged full year’s depreciation on additions in fixed assets and no depreciation on deletions during the year till June 30, 2006. The method of charging depreciation was changed from July 01, 2006 and depreciation on additions is charged from the month of acquisition or capitalisation and upto the month preceding the month of disposal.

We further report that:

- The Company has issued 100% bonus shares during the period of four months ended October 31, 2009. The Company has neither paid any dividend nor has issued any bonus shares for the years ended June 30, 2005 to June 30, 2009.
- No adjustments were considered necessary by us in the balance sheet. The figures of profit and loss account for the years ended June 30, 2005 to June 30, 2007 have been adjusted. Depreciation was presented as an expense item in the profit and loss account, it has been allocated to the cost of sales and administrative expenses.
- No financial statements have been audited by us subsequent to the audit of the financial statements for the period of four months ended October 31, 2009.
- The Company had no subsidiary as at October 31, 2009.

Sincerely,


M. YOUSUF ADIL SALEEM & CO.,
CHARTERED ACCOUNTANTS

6.2 Share Break-up Value Certificate:

M. Yousuf Adil Saleem & Co
Chartered Accountants
478-D, Peoples Colony No. 1,
Faisalabad
Pakistan

Tel: +92 (0) 41 8541165, 8541965
Fax: +92 (0) 41-8542765
Web: www.deloitte.com

F-01-19/0596
 January 06, 2010

The Board of Directors,
 Amtex Limited,
 Faisalabad.

Dear Sirs,

BREAK UP VALUES OF SHARES AS AT OCTOBER 31, 2009

This is to certify that the breakup value of ordinary shares of Rs. 10/- each of Amtex Limited, as at October 31, 2009 is Rs. 28.43/- (excluding the effect of surplus on revaluation of property, plant and equipment) and Rs. 41.89/- (Including the effect of surplus on revaluation of property, plant and equipment) which is worked out as under:

	Rupees
Issued, subscribed and paid-up capital as per audited financial statements	1,804,901,340
Reserves	
Capital reserve - merger reserve	98,039,330
Revenue reserves	
General reserve	250,000,000
Un-appropriated profit	2,978,469,145
	3,228,469,145
	5,131,409,815
Number of shares	180,490,134
Break-up value per ordinary share of Rs. 10 each excluding effect of surplus on revaluation of property, plant and equipment	28.43

M. Yousuf Adil Saleem & Co
Chartered Accountants

	Rupees
Issued, subscribed and paid-up capital as per audited financial statements	1,804,901,340
Reserves	
Capital reserve - merger reserve	98,039,330
Revenue reserves	
General reserve	250,000,000
Un-appropriated profit	2,978,469,145
	3,228,469,145
Surplus on revaluation of property, plant and equipment	2,430,064,139
	7,561,473,954
Number of shares	180,490,134
Break-up value per ordinary share of Rs. 10 each including effect of surplus on revaluation of property, plant and equipment	41.89

Sincerely,

M. Yousuf Adil Saleem
M. YOUSUF ADIL SALEEM & CO.,
CHARTERED ACCOUNTANTS

6.3 Auditors Certificate on Issued, Subscribed, and Paid-up-capital of the Company

M. Yousuf Adil Saleem & Co
Chartered Accountants
478-D, Peoples Colony No. 1,
Faisalabad
Pakistan

Tel: +92 (0) 41 8541165, 8541955
Fax: +92 (0) 41-8542765
Web: www.deloitte.com

F-01-19/0595
January 06, 2010

The Board of Directors,
Amtex Limited,
Faisalabad.

Dear Sirs,

**AUDITORS' CERTIFICATE ON ISSUED,
SUBSCRIBED AND PAID UP CAPITAL**

We have verified from books of account and related records of Amtex Limited and hereby certify that the issued, subscribed and paid up capital of Amtex Limited as at October 31, 2009 is Rs.1,804,901,340/- divided into 180,490,134/- ordinary shares of Rs. 10/- each. The break-up of shareholding is as follows:-

Particulars	No. of Shares	Rupees
Directors / sponsors	171,204,404	1,712,044,040
Friends, relatives and associates	9,285,730	92,857,300
Total	<u>180,490,134</u>	<u>1,804,901,340</u>

Sincerely,

M. Yousuf Adil Saleem
M. YOUSUF ADIL SALEEM & Co.,
CHARTERED ACCOUNTANTS

6.4 Financial Ratios

(In Millions)	FY05	FY06	FY07	FY08	FY09
<i>Sales</i>	5,397.24	7,382.36	8,370.38	10,043.45	14,119.59
<i>GP</i>	949.87	1,741.12	2,000.27	2,282.50	3,388.55
<i>Operating Profit</i>	635.43	1,341.13	1,524.29	1,758.41	2,627.79
<i>Profit After Tax</i>	252.39	557.26	614.87	672.90	920.86
<i>Total Assets</i>	8,589.44	10,377.34	12,896.10	15,256.73	18,053.13
<i>Total Liabilities</i>	6,008.78	7,239.42	8,893.31	10,581.04	10,812.28
<i>ROE</i>	9.78%	17.76%	15.36%	14.39%	12.72%
<i>ROA</i>	2.94%	5.37%	4.77%	4.41%	5.10%
<i>EPS</i>	1.05	2.31	2.55	2.79	3.81
<i>EPS Growth</i>	70.91%	120.80%	10.34%	9.44%	36.85%
<i>PER (x)</i>	12.44	5.63	5.11	4.67	3.41
<i>BVS (Pkr)</i>	10.69	12.99	16.58	19.36	29.98
<i>P/BVS (x)</i>	1.22	1.00	0.78	0.67	0.43

* - Based on post-IPO number of shares of 241,490,134 & Floor price of Pkr13 per share

PART 7

7 MANAGEMENT

7.1 BOARD OF DIRECTORS OF THE COMPANY

Name & Address	Designation	Nomination as Director in Other Companies
Mr. Khurram Iftikhar Address: Raza Garden, East Canal Road, Faisalabad	Chief Executive Officer	Nil
Mr. Nadeem Iftikhar Address: Raza Garden, East Canal Road, Faisalabad	Director Marketing	Nil
Mr. Shahzad Iftikhar Address: Raza Garden, East Canal Road, Faisalabad	Director Operations	Nil
Mr. Muhammad Zafar Saleem Address: Plot No. 3, Block X, Madina Town, Street No. 3, Faisalabad	Director Administration & HR	Nil
Mrs. Faiza Khurram Address: Raza Garden, East Canal Road, Faisalabad	Director	Nil
Mrs. Sajida Shehzad Address: Raza Garden, East Canal Road, Faisalabad	Director	Amcap Securities (Pvt.) Ltd.
Mrs. Nusrat Parveen Address: Raza Garden, East Canal Road, Faisalabad	Director	Nil

7.2 OVER DUE LOANS

There are no overdue loans (local or foreign currency) on the Company or its Directors.

7.3 PROFILE OF DIRECTORS AND KEY MANAGEMENT

Key Management Profile

Amtex is a family owned business headed by Mr. Haji Iftikhar Uddin. He is supported by his son Mr. Khurram Iftikhar, Mr. Shahzad Iftikhar and Mr. Nadeem Iftikhar. The Sponsors of the Company are experienced industrialists. The Company has employed experienced professionals to look after managerial and operational activities of the Company. A brief profile of the Key members of the Management of Amtex is given below:

Mr. Khurram Iftikhar – Chief Executive Officer

On completing his education from Kensington College of Business, London, Mr. Khurram started his career by joining the family business and has played pivotal role in developing and consolidating the export business of the Company. Considering his glorious service to his business, he has been awarded Gold Medal for **“Businessman of the Year 2001–02”**. Apart from contributing to his family business he has served in several organizations in various capacities.

Organization / Institution Type	Position
Business	<ul style="list-style-type: none"> ▪ CEO - Faisalabad Industrial Estate Development and Management Co. ▪ Chairman Pakistan Textile Exporters Association ▪ Chairman Export Processing Zone Trust, Faisalabad (EPZTF) ▪ Chairman Khurrianwala Industrial Estate Association (KIEA)
Educational	<ul style="list-style-type: none"> ▪ Chairman Faisalabad Institute of Textile and Fashion Design Trust ▪ Member - Syndicate of the Government College University, Faisalabad ▪ Member - Board of Governors, National Textile University, Faisalabad ▪ Member - Executive Committee of the Pakistan School of Fashion Design
Social	<ul style="list-style-type: none"> ▪ Chief - Citizens Police Liaison Committee, Faisalabad ▪ Member - General Body Punjab Municipal Development Fund Company

Mr. Nadeem Iftikhar – Director Marketing

Mr. Nadeem Iftikhar spearheads the marketing division of the Company. Over the years, Amtex has made its presence felt in every corner of the global market courtesy of pro-active marketing strategies initiated by the Company under the leadership and the vision of its Senior Management. After completing education, Mr. Nadeem decided to head the marketing team of Amtex and has achieved many milestones in introducing and developing the product range of Amtex. He has been responsible for exploring new international markets and has played a pivotal role in establishing Amtex name as one of the best garment manufacturing units in the country.

Mr. Shahzad Iftikhar – Director Operations

After completing his MBA, Mr. Shahzad Iftikhar has played pivotal role of an anchor person in strengthening Company’s Operations. Mr. Shahzad is responsible for all the operations of the Company ranging from spinning, weaving, processing and value addition activities. Mr. Shahzad is also responsible for ensuring that the Company stays abreast of the latest technology not just by updating existing Plant and Machinery but also introducing latest technology of industrial engineering.

Mr. Muhammad Zafar Saleem – Director Administration & HR

Mr. Zafar joined Pakistan Army in October 1977 and completed his graduation from Pakistan Military Academy, Kakul. Afterwards he remained on different appointments and completed various courses in high grades. He did double masters in Administration & Logistics from Army College of Logistics, Murree and masters in Defenses studies from Command and Staff College, Quetta. Mr. Zafar has commanded a Battalion comprising of more than thousand solders and nineteen offices, the command was extended from China Pakistan border till Gawader Port.

Mr. Zafar also received two Chief of Army Staff Commendation Cards within two years which is a unique example in Pakistan Army.

In October 2003 after completion of rank Lieutenant Colonel, Mr. Zafar resigned from Army and joined Amtex Limited as Director Administration & HR. He has rich experience in Administration and HR.

Mr. Zeeshan Abid – Chief Financial Officer

Mr. Zeeshan Abid has 8 years of post qualification experience of corporate finance advisory, financial control and internal audit. He has extensive professional experience of progressively responsible management positions in mainly manufacturing industry and professional services in a chartered accountant firm. He has performed a wide range of functions from grass root to senior management level including day to day accounting & financial matters, business development, financial planning, budgeting & forecasting, internal audit, treasury, corporate finance, handling taxation, secretarial, insurance and litigation matters, dealing with regulatory authorities, management consultancy. He joined Amtex Group in 2002 at the position of Finance Manager and worked in different capacities.

Mr. Muhammad Zeeshan Abid is an Associate member of Institute of Chartered Accountants of Pakistan (ICAP) and a fellow member of the Pakistan Institute of Public Finance Accountants (PIPFA) and Masters in Commerce.

Mr. Faisal Mahmood Mirza – Senior Executive Director Marketing

Mr. Mirza is servicing Textile and Apparel industry for the last 20 years on national and regional level at leading management positions. His professional diversified expertise and business acumen in sales and marketing as well as in global sourcing arena is very well recognized at many retail and wholesale renowned channels across the world. Educated distinctively with honor in Master degree of business administration & commerce with specialization in marketing that enabled him to further sharpen his skills through extensive professional training and coaching in leadership and business management with different international corporation over 15 years.

Mr. Mirza was associated for 10 years in startup of his professional career with 150 years old world renown multinational “Levi Strauss & Co.” where not only he enjoyed progressive career growth managing national level hemisphere position of operation as well as won numerous business and professional awards in recognition to his achievements in working with regional and corporate offices. For next 5 years, he was associated with global renowned wholesalers and retailers like Nike, Haggar, Tommy Hilfiger, JCPenney, Wal-Mart, for providing services in numerous key management positions country wide and regional level covering South east Asia and Middle East.

Mr. Mirza joined Amtex Limited 6 years back and the Company has witnessed exponential growth levels since then. Amtex taking full advantage of post quota scenario by reaching out in the Global key markets through diversifying product mix, developing competitive advantage for the company in competition to national, regional and Global suppliers via direct point of sales, putting on front innovative products with distinctive and cost competitive supply chain solutions for valued clients. He is also responsible for “One Stop Shop” inspiration for clients by maximizing global & regional market access with enhanced product offerings in economies of scale for enhancing business revenues while changing altogether company business reliability from import house based to direct point of sale “Retailers” across Europe, Australia and North American Markets.

Mr. Faisal continuous strive and go-getting approach in developing new emerging markets (like South Africa, Latin America and Russia etc) has also started showing prosperous results in sales increase and revenue generation.

Mr. Hassan Sulehri - Assistant General Manager Marketing

Mr. Hassan Sulehri is working in the capacity of Assistant General Manager Marketing at Amtex since 2007. He is a qualified and experienced professional within the textile export industry. He thrives on developing business and has been engaged in marketing and product development since last 14 years. Mr. Sulehri is a team oriented person with superior communication and managerial skills.

His professional qualification includes masters in business administration from the university of Baha-ud-Din Zikaryia, Multan in the year 1996 with majors in marketing and management information systems.

After successful completion of studies he has attained professional competence and enhanced his managerial and marketing skills working in leading home textile mills of the country. During his years at Amtex, he has proven his professional competence and sees his career growing while working in this organization.

Mr. Yunis Javaid - Director Procurement

A seasoned professional with over 40 years of progressive experience in diversified fields of administration, Industrial Management, Procurement and Training in fast paced environment. He possesses extensive exposure to procurement and industrial management. Being an ex Army officer and with an experience of field and staff appointments, he has demonstrated outstanding degree of professionalism reliability and initiative. His career exhibits a record of strong achievements and significant contributions for the organizations.

A post graduate in Economics from Punjab University, a strict financial disciplinarian, but recognizes the achievements and rewards performances. A specialist of contract administration, he provides cost estimates for equipping new or existing facilities. As strong negotiator, he worked with General Motors of USA, Siemens, Daimler Benz of Germany and Savaim of France.

As a qualified logistician and procurement specialist, he possess many feathers in his cap and was awarded special commendations by Chief of Army Staff for setting up high standards of personal moral discipline in the field of procurement for Army.

Mr. Sajjad Rashid Khan - Sr.General Manager Production

Mr. Khan is highly skilled and experienced management professional with more than 17 years experience in Business Operations & Management, Manufacturing, Business process improvement, Warehouse/distribution design, and logistics. He is specialist in the system management using ERP software's like SAP and ORACLE with practical experience of implementing lean manufacturing, SIX SIGMA, KPI techniques and Methodology like Just in Time. As a professional Mr. Khan demonstrate a track record of strong achievements at national and international levels.

He is an MBA in Financial Management, BA Industrial Management and Masters of Commerce with proven track record for delivering projects on time and to budget. He also has International / European working experience of distribution networks, Project management for logistics & Supply Chain areas for Tran's atlantics markets as well. He is an effective Project Manager capable of coordinating resources to achieve targets and meeting deadline.

Mr. Tanzeem Akhtar – General Manager (Made-ups)

Mr. Tanzeem Akhtar has done his graduation from a local university. A result oriented professional with nearly 25 years of experience in Project Implementation, Execution, Operations, and Production & Quality Adherence. Mr. Tanzeem has technically demonstrated abilities in working on initiatives, thereby bringing down equipment breakdown & achieving annual costs savings. He is skilled at handling all types of textile machineries on production, maintenance and quality. He is an effective communicator with excellent relationship, management skills and strong analytical, problem solving and organizational abilities.

He is responsible for handling activities involving working out various requirements & monitoring overall production operations for during shifts ensuring timely completion. He is also responsible for monitoring the activity at sites and reviewing project schedule, ensuring cost control within budget, planning for cash flow requirements, etc. He also ensures mapping the customers' complaints and following up with design, research and development, assembly, production planning, material planning, purchase, product development and sales departments to eradicate those complaints in the future.

Mr. Siddique Raza - General Manager P & A.

Mr. Siddique has 25 years of experience. Mr Raza is L.L. B, D.I.L.L and D. P. A. I. R. He is the responsible for all Personnel and Administrative activities i.e. formulation and implementation of HR policies, identifying manpower requirements and organise recruitment, induction and retention of right talent. He is also responsible for Identifying training needs and skill up-gradation. He also liaises with regulatory authorities and also handles contractor related issues.

7.4 NUMBER OF DIRECTORS

Pursuant to Section 174 of the Ordinance, the number of directors of the Company shall not be less than seven. At present, the Company's Board of Directors consists of seven directors including the Chief Executive.

7.5 QUALIFICATION OF DIRECTORS

No person shall be appointed as a director of the Company who is ineligible to be appointed as director on any one or more of the grounds enumerated in Section 187 or any other law for the time being in force.

7.6 REMUNERATION OF THE DIRECTORS

Pursuant to the Articles of Association of the Company, the remuneration of a Director for performing extra services, including holding of the office of Chairman, and the remuneration to be paid to any director for attending meetings of the Directors or a committee of Directors shall from time to time be determined by the Board of Directors in accordance with the law.

7.7 BENEFITS TO THE PROMOTERS AND OFFICERS

No amount of benefits has been paid or given during the last year or is intended to be paid or given to any promoter or to any officer of the Company other than as remuneration for services rendered as whole-time executive of the Company and the remuneration for services shall be borne by the Company.

7.8 INTEREST OF DIRECTORS

The directors may be deemed to be interested to the extent of fees payable to them for attending Board meetings. The directors performing whole time service to the Company may also be deemed interested in the remuneration payable to them from the Company. The directors may also be deemed to be interested, to the extent of any shares held by each of them in the Company and the dividends to be declared on their shareholding in the Company.

7.9 INTEREST OF DIRECTORS IN PROPERTY ACQUIRED BY THE COMPANY

None of the Directors of the Company have or had any interest in any property acquired by the Company.

7.10 ELECTION OF DIRECTORS

The directors shall subject to the provision of Section 178 of the Ordinance fix the number of directors and the directors shall be elected by the members of the Company in General Meeting.

The present directors of the Company were elected in the annual general meeting of the Company held on 31-10-2008. The next election of directors is due on or before 31-10-2011.

7.11 VOTING RIGHTS

The rights and privileges, including voting rights, attached to the ordinary shares of the company are equal.

7.12 AUDIT COMMITTEE/CONSTITUTION OF AUDIT COMMITTEE

Audit Committee of the Board has been formed to comply with the Code of Corporate Governance, which comprises of the following members:

- Colonel Zafar Saleem
- Mrs. Sajida Shahzad
- Mrs. Faiza Khurram

7.13 INTERNAL AUDIT

The board has setup an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

7.14 BORROWING POWERS

Subject to the provisions of the Ordinance, the Board of Directors may from time to time borrow any money for the purposes of the Company from its members or from any other person, firms, companies, corporations, Government Agencies, institutions or the directors may themselves lend moneys to the Company.

7.15 POWERS OF DIRECTORS

The business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or any statutory modification thereof for time being in force, or by the Articles of Association, required to be exercised by the Company in General Meeting.

7.16 INDEMNITY

Section 103 of the Company's Article of Association reads as follows:

“Every Director, Managing Director, Chairman, Manager or Officer of the company or any person (whether an officer of the company or not) employed by the company as Auditor or Advisor, shall be indemnified out of the funds of the Company against any liability incurred by him as such Director, Managing Director, Chairman, Manager, Officer, Auditor or Advisor in defending and proceedings, whether civil or criminal, in which judgment is given in connection with any application of a provision of the Ordinance in which relief is granted to him by the Court.”

7.17 INVESTMENTS IN ASSOCIATED COMPANIES

The Company has not made any investment in any of associated companies nor has any resolution been passed for investment in associated companies under Section 208 of the Ordinance.

7.18 INVESTMENT IN SUBSIDIARIES

The Company has not sponsored nor acquired any subsidiaries nor has any resolution been passed for sponsoring or acquiring any subsidiaries under Section 208 of the Ordinance.

7.19 REVALUATION OF ASSETS

The Company undertook revaluation of its freehold land, building on freehold land, plant and machinery, electric installations and factory equipment first on June 03, 2004. This revaluation was carried out by an independent valuation company M/S Observers (Pvt.) Limited. Accordingly a surplus amount of PkR1,216,620,475 was adopted on the basis of depreciated replacement value. A Second revaluation exercise was undertaken by M/S BFA (Pvt.) Limited as at June 30, 2009 and a surplus amount of PkR1,544,305,163 was adopted on the basis of depreciated replacement value.

As per section 235 of the Companies Ordinance, the incremental depreciation on the revalued assets for the year 2009 and previous year have been transferred to un-appropriated profits.

7.20 CAPITALIZATION OF RESERVES

The Company has capitalized reserves of PkR902,450,670 by issuing 90,245,067 bonus shares on October 31, 2009 to sponsors of the Company.

PART 8

8 MISCELLANEOUS INFORMATION

8.1 REGISTERED OFFICE/CORPORATE OFFICE

Amtex Limited

1 km, Khurruanwala, Jaranwala Road
Faisalabad, Pakistan
Phone: 00-92-41-4361724
Fax: 00-92-41-4361726

8.2 BANKERS TO THE ISSUE FOR BOOK BUILDING PORTION

- Bank Alfalah Limited

8.3 BID COLLECTION CENTRE

Karachi Office:

AKD Securities Limited

6th Floor, Continental Trade Centre,
Block 8, Clifton, Karachi.
Phone: 00-92-21-111-253-111

Lahore Office:

AKD Trade

Room No. 512/513, 5th Floor,
Lahore Stock Exchange Building,
Lahore.
Phone: 00-92-42-111-253-111

Islamabad Office:

M-4, Islamabad Stock Exchange Building,
101-E, Fazle-Haq Road,
Blue Area, Islamabad.
Phone: 00-92-51-111-253-111

8.4 BANKERS OF THE COMPANY

- United Bank Limited
- HBL Bank
- The Bank of Punjab
- Askari Bank Limited
- KASB Bank Limited
- National Bank Limited
- Al-Baraka Islamic Bank
- NIB Bank Limited
- Bank Alfalah Limited
- Soneri Bank Limited

8.5 AUDITORS OF THE COMPANY

M. Yousuf Adil Saleem & Co.

Chartered Accountants
478 – D, Peoples Colony No. 1
Faisalabad
Pakistan

8.6 BANKERS TO THE ISSUE

- Arif Habib Bank Limited
- Askari Bank Limited
- Bank Alfalah Limited
- Faysal Bank Limited
- Habib Metropolitan Bank
- HBL
- KASB Bank Limited
- MCB Bank Limited
- Soneri Bank Limited
- The Bank of Punjab
- United Bank Limited

8.7 LEGAL ADVISOR OF THE COMPANY

Rai Munir Ahmad

Tammizuddin Chamber No. 39
District Courts
Faisalabad

8.8 LEGAL ADVISOR TO THE ISSUE

Mohsin Tayebaly & Co.

2nd Floor Dine Centre, BC-4
Block 9, Kehkashan, Clifton, Karachi.
Phone: (021) – 537 5658-59
Fax: (021) – 587 70240

8.9 LEAD MANAGER AND BOOK RUNNER

AKD Securities Limited

6th Floor, Continental Trade Centre,
Block 8, Clifton, Karachi.
Phone: (021) – 111-253-253
Fax: (021) – 586 7992
www.akdsecurities.net

8.10 COMPUTER BALLOTTER AND SHARES REGISTRAR

Vision Consulting Limited

1st Floor, 3-C, LDA Flats,
Lawrence Road,
Lahore.
Ph: +92-42-36375531, 36375339
Fax: +92-42-36374839

8.11 MATERIAL CONTRACTS/DOCUMENTS

Details of Short Term Financing Facilities

Amtex Limited Short Term Loans Quarter Ended On December 31, 2009					
	Facility	Sanction limit	Availed Amount	Mark Up Rate	Date
BOP	RF	20.00	20.00	3Month KIBOR + 2.75%	8/28/2004
	FAFB	1,450.00	1,448.58	3Month KIBOR + 2.25%	8/13/2004
	Part I/II	1,134.00	1,133.80	3Month KIBOR + 3.00%	3/30/2005
	Part I	891.00	891.00	3Month KIBOR + 3.00%	8/13/2006
	Guarantee Limit	20.00	19.79	0.2% Per Quarter	
	Long term Loan I	104.17	16.66	3Month KIBOR + 3.75% (Highest KIBOR of the Qtr)	2/24/2006
	Long term Loan II	250.00	210.90	3Month KIBOR + 3.00%	2/24/2006
	Bank Guarantee OTT	900.00	740.00	As Per Schedule of Charges ("APSC"), 5% Yearly	
	LTF-EOP	47.25	15.74	As stipulated by SBP	10/5/2006
	Sub - Total	4,816.41	4,496.47		
SBL	Pre Shipment Part II	290.00	290.00	As Per SBP (7.5%)	Before 2004
	FAFB/POST	200.00	58.25	6M KIBOR + 1.5%	Before 2004
	FAPC	(50.00)	46.90	6M KIBOR + 1.5%	11/26/2004
	LC (Sight)	60.00	-	0.20/RS 100/Quarter	
	LC (D/A 120Days)	20.00	-	0.20/RS 100/Quarter	
	(Accp. Delivered)	(20.00)	-	APSC	
	LG	10.00	-	0.4% Per Quarter	
	FBP under LC Sight	400.00	-	APSC	
	Sub - Total	910.00	395.15		
Askari Bank	FAPC OS	100.00	100.00	3Month KIBOR+2.5%	12/11/2007
	FAFB	100.00	100.00	3Month KIBOR+2.5%	10/20/2008
	FATR	200.00	-	18.98% on balance	
	Sub - Total	400.00	200.00		
NBP	Cash Finance (Pledge)	200.00	193.86	3 Month Kibor + 2.25	3/2/2005
	CF(Hypo), PF,ERF I/II		185.23	3 Month Kibor + 2.25	11/19/2003
	ERFI/II	300.00	114.00	As per SBP Rate	12/10/2003
	FCF		-		
	FE-25(Sub limit)	120.00	-	LIBOR + 2.5/Annum	
	FAFB	100.00	100.00	3 Month Kibor + 2.25	11/8/2005
	ERFI/II	150.00	150.00	As per SBP Rate(7.5%)	2/25/2009
	FAFB	150.00	148.16	3 Month Kibor + 2.00	1/24/2009
	FAPC-own source	400.00	400.00	3 Month Kibor + 3.00	11/10/2009
	Import/Inland LC	100.00	-	Commission 0.10% per Quarter	
Sub - Total	1,520.00	1,291.25	(Mark up policy last day of previous quarter)		
UBL	FAPC	500.00	499.91	1M Kibor + 3.00(Reset Monthly)	1/21/2003
	ERF-I/II	465.00	464.50	SBP Rate	9/29/2005
	FAFB	475.00	434.13	1M Kibor + 2.00(Reset Monthly)	8/17/2004
	NICF-HYPO	(50.00)	39.17	1M Kibor + 2.00(Reset Monthly)	6/29/2007
	LG	30.00	-	APSC	
	DF-1	10.00	-	Base Rate(SBP)+3.00	
	NICF-Pledge	80.00	69.55	1M Kibor + 3.00(Reset Monthly)	12/25/2003
	NIDF	250.00	125.00	3M Kibor + 2.75(Reset Monthly)	2/9/2007
	ERF-I/FAPC Own source	-	-	SBP Rate, 1M KOIBOR + 3.00(Reset Monthly)	
	Sub - Total	1,760.00	1,632.26		
HBL	ERF I/II		265.00	SBP Rate	Before 2004
	FCF Preshipment	265.00	-	Matching LIBOR + 2.50	
	FAPC		-	3Month Kibor + 3.00	
	ERF Postshipment		-	As per SBP	
	FAFB		123.10	3 Month KIBOR +3.00	Before 2004
	FCF Post Shipment	230.00	-	Matching LIBOR + 2.50	
	FBP/FCBP		-	Discounting	
	FAFB-FAPC		100.00	3 Month KIBOR +3.00	8/13/2003
	FAPC / FAFB Hypo	50.00	-		
	FAPC-One off	225.00	225.00	3 Month KIBOR +3.00	7/29/2008
	FAFB-(Structured for retailers)	100.00	32.80	3 Month KIBOR +3.00	10/29/2008
	FAFB-FAPC-(Structured for retailers)	(50.00)	49.50	3 Month KIBOR +3.00	9/2/2008
	Inland /Foreign LC	20.00	20.00	ASPSC	
	LG	20.00	19.99	.20% per quarter	
	CF Pledge	25.00	8.10	3 Month KIBOR +3.00	8/1/2003
	Running Finance	30.00	30.00	3 Month KIBOR +3.00	9/1/2003
	FAFA spinning(syndication)	37.50	4.80	SBP Discount rate + 3%	5/26/2004
FAFA spinning(syndication)	180.30	132.84	6Month Kibor + 3.00	5/26/2004	
Sub - Total	1,132.80	1,011.13			
NIB	ERF I/II	100.00	100.00	SBP rate	4/6/2009
	FAPC Own Source	17.50	17.50	3 M KIBOR +3.5	10/11/2004
	FDB (Sub limit)	50.00	-	Last 7 days average	
	Sight documentary LC	20.00	-	.14% per quarter	
	Sub - Total	187.50	117.50		
KASB	FAPC II SBP Refinance	(22.50)	22.50	SBP Rate + 1%	
	FAFB Own LC/Contract	150.00	81.00	6M Kibor + 3%	6/13/2008
	LC sight/usance	(50.00)	-	APSC	
Sub - Total	77.50	103.50			

Prospectus – Amtex Limited

Amtex Limited Short Term Loans Quarter Ended On December 31, 2009						
	Facility	Sanction limit	Availed Amount	Mark Up Rate	Date	
First National Bank Modarbah			11.00	6M KIBOR + 4%	6/16/2007	
			-			
	Morabah	30.00	7.00	6M KIBOR + 4%	6/28/2007	
			-			
			3.50	6M KIBOR + 4%	6/30/2007	
	Sub - Total	30.00	21.50			
Bank Alfalah	Cash finance (Pledge)	250.00	7.00	6M KIBOR + 3.00%		
	Finan Agst Import Merchandise		-			
	Sub - Total	250.00	7.00			
NBP Islamic Banking Division			19.50		1/23/2008	
	Murabaha(100.00 Million)	100.00	19.20	3 KIBOR + 1.75%	1/23/2008	
			20.76		1/23/2008	
			20.00	One day before Disbursement	1/23/2008	
			20.50		1/23/2008	
	Sub - Total	100.00	99.96			
Bank Islami	Sukuk Certificates	650.00	650.00	3 M Kibor + 2.00	8/31/2007	
	Sub - Total	650.00	650.00			
Al-Barakah Islamic Bank	Murabah Finance	2.00	-	Matching tenor KIBOR + 2.50		
	Part-II	60.00	60.00	SBP rate 7.5%	3/30/2009	
	Export Morabah	450.00	294.40	Matching tenor KIBOR + 2.50	5/28/2004	
	Murabah Finance		139.50	Matching tenor KIBOR + 2.50	5/17/2004	
	Morabah finance Pledge	50.00	50.00	Matching tenor KIBOR + 2.50	9/30/2006	
			562.00	543.90		
	Sub - Total		562.00	543.90		
GRAND TOTAL		12,366.21	10,548.12			

Details of Sukuk & Long Term Financing Facilities

DATE	BANK	TENURE - MONTHS	RATE	CONVERTIBILITY	PURPOSE OF OBTAINING LOAN	AMOUNT OBTAINED	PRINCIPAL OUTSTANDING AS ON 31/12/2009
1/12/2008	BANKISLAMI PAKISTAN LTD	48	3 Month Kibor+2%	N/A	Working Capital Requirement	650,000,000	650,000,000
5/25/2004	THE BANK OF PUNJAB LTD	30	SBP 7.5% P.A	LTF (EOP)	Lease of Stenter	86,618,880	15,748,896
1/25/2007	UNITED BANK LIMITED	54	3 Month Kibor+2.75%	N/A	Working Capital Requirement	250,000,000	125,000,000
2/23/2007	THE BANK OF PUNJAB LTD	60	3 Month Kibor+3%	N/A	Working Capital Requirement	250,000,000	210,900,000
6/30/2005	THE BANK OF PUNJAB LTD	48	3 Month Kibor+3.75%	N/A	Working Capital Requirement	200,000,000	16,666,652
1/29/2007	FAYSAL BANK LTD	33	SBP 2% P.A	LTF (EOP)	Lease of Color Kitchen Mach.	18,226,342	6,075,446
12/31/2006	PAK KUWAIT INVESTMENT CO.	51	SBP 7% P.A	LTF (EOP)	Lease of Sewing Mach.	36,264,030	21,331,784
12/7/2005	HABIB BANK LIMITED (SYNDICATION LOAN)	60	6 Months Kibor+3%	N/A	Capital Budgeting	189,775,770	52,620,375

8.11.1 UNDERWRITING AGREEMENTS

Name of Underwriter	Number of Shares Underwritten	Amount (PkR)
United Bank Limited	769,000.00	9,997,000.00
Al Baraka Islamic Bank	384,000.00	4,992,000.00
Pak Libya Holding Company Limited	3,846,153.00	49,999,989.00
Pak China Investment Company Limited	3,846,153.00	49,999,989.00
AKD Securities Limited	3,846,153.00	49,999,989.00
M.M. Securities	1,500,000.00	19,500,000.00
Invest Capital Investment Bank	769,230.00	9,999,990.00
A & N Worldwide (Pvt.) Limited	3,339,400.00	43,412,200.00
Total Shares	18,300,089.00	237,901,157.00

8.11.2 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the audited financial statements, the Auditor's Certificates, Information Memorandum, Appraisal Report, Financial Plan and copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company during the bidding period/public subscription period.

8.12 LEGAL PROCEEDINGS

There are no legal proceeding pending against the Company and the Company has not initiated any legal proceedings against any party or person.

8.13 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alias, sets forth the objects for which the Company was incorporated and the business, which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus.

8.14 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences from 1st day of July and ends on the 30th day of June each year.

PART 9**9 APPLICATION AND ALLOTMENT INSTRUCTIONS****9.1 Eligible investors include:**

- a. Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
- b. Foreign Nationals whether living in or outside Pakistan;
- c. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
- d. Mutual Funds, Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations); and
- e. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

9.2 APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE COPY THEREOF ON A PAPER OF A4 SIZE WEIGHING ATLEAST 62 GMS.**9.3** Copies of this Prospectus and applications forms can be obtained from members of Karachi Stock Exchange (Guarantee) Limited, Lahore Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited, the Bankers to the issue and their Branches, the Lead Manager & Book Runner, and the registered office of the Company. The Prospectus and the application form can also be downloaded from the following website: www.akdsecurities.net and www.amtextile.com**9.4** The applicants opting for scripless form of shares are required to complete the relevant sections of the application. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such shares is allowed ONLY in the applicant's own CDC account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the Company reserves the right to issue shares in physical form.**9.5** Name(s) and address(es) must be written in full block letters, in English and should not be abbreviated.**9.6** All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.**9.7 APPLICATIONS MADE BY INDIVIDUAL INVESTORS**

- (i) In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis)/Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC/Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
- (ii) Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the banker to the issue and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

9.8 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- (i) Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument/document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal/Provincial Government Gazetted Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
- (ii) Attested photocopies of the documents mentioned in 8(i) must be produced for verification to the banker to the issue and the applicant's banker (if different from the banker to the issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

- 9.9** Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
- 9.10** Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs/Passport. The Shares will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.
- 9.11** Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the issue **“Initial Public Offering of Amtex Limited”** and crossed “A/C PAYEE ONLY”.
- 9.12** For the applications made through pay order/bank draft, it would be permissible for a banker to the issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application.
- 9.13** **The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.**
- 9.14** Applications are not to be made by minors and/or persons of unsound mind.
- 9.15** Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form.
- 9.16** Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- 9.17** **Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.**

Prospectus – Amtex Limited

- 9.18** Bankers to the issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the bankers to the issue.
- 9.19** It would be permissible for a Banker to the issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- 9.20** Submission of Fictitious and multiple applications (more than one applications by same person) is prohibited and such application money shall be liable to confiscation under section 18A of the Securities and Exchange Ordinance, 1969.

ADDITIONAL INSTRUCTIONS FOR FOREIGN/NON-RESIDENT INVESTORS

- 9.21** In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- 9.22** Applicants may also subscribe using their Special Convertible Rupee Account (SCRA) as set out under the State Bank of Pakistan's Foreign Exchange Manual.

BASIS OF ALLOTMENT

1. The minimum amount of application for subscription of 500 Shares is PkR6,500/-. Application for Shares below the total value of PkR6,500/- shall not be entertained.
2. Application for Shares must be made for 500 Shares or in multiple thereof only. Applications, which are neither for 500 Shares nor for multiple thereof, shall be rejected.
3. Allotment/Transfer of Shares to successful applicants shall be made in accordance with the allotment criteria/ instructions disclosed in the Prospectus.
4. **Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan.**
5. **Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.**
6. The Company will dispatch Shares to successful applicants through their Bankers to the issue or credit the respective CDS accounts of the successful applicants (as the case maybe).

9.23 Bankers to the issue

Code No.	Bank
01	Arif Habib Bank Limited
02	Askari Bank Limited
03	Bank Alfalah Limited
04	Faysal Bank Limited
05	Habib Metropolitan Bank Limited
06	HBL
07	KASB Bank Limited
08	MCB Bank Limited
09	Soneri Bank Limited
10	The Bank of Punjab
11	United Bank Limited

9.24 Code of Occupation

Code No.	Occupation	Code No.	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Others

PART 10

10 BIDDING FORM OF AMTEX LIMITED

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PART 11

11 SIGNATORIES TO THE PROSPECTUS

Mr. Khurram Iftikhar	-Sd-
Mr. Nadeem Iftikhar	-Sd-
Mr. Shahzad Iftikhar	-Sd-
Mr. Muhammad Zafar Saleem	-Sd-
Mrs. Faiza Khurram	-Sd-
Mrs. Sajida Shehzad	Sd-
Mrs. Nusrat Parveen	-Sd-

Witness

Signature: -Sd-

Name: Syed Faraz Abdul Ghaffar

Place: Karachi

Date: December 24, 2009

PART 12

12 MEMORANDUM OF ASSOCIATION

*The Companies Ordinance, 1984
(Public Company Limited by Shares)*

Memorandum of Association

Of

AMTEX LIMITED

- I. The name of the Company is “ **AMTEX LIMITED** “
- II. The Registered Office of the Company will be situated in the Province of the Punjab.
- III. The objects for which the Company is established are as follow:
 1. To carry on the business of bleaching, printing, dyeing or otherwise carrying on the business as sizer, spinners, weaver, manufacturers, pressers, doublers, packers and bailers of cotton, jute, hems, silk, artificial silks, synthetic fibre, wool and any fibrous materials used for textile and the cultivation or manufacturing, bleaching, printing whether textile, frebled, netted or looped and of importing, buying, selling and dealing in cotton, wool and other raw material and transact mercantile business that may be necessary or expedient and to purchase and sell raw material and manufacture articles.
 2. To borrow or raise money by means of loans from directors, commercial bank and government or other financial institutions for the purpose of business of the company in such manner as the company may think fit and in particular by issue of debentures, perpetual or other convertible into shares or non-convertible or perpetual annuities and as security for any such money so borrowed, and to mortgage, pledge or charge whole or any part of the property, assets or revenue of the company by special assignment or otherwise to transfer or convey the same absolutely or in trust as may seem expedient and to purchase, redeem or pay off any such securities.
 3. To issue and execute guarantee/guarantees for and on behalf of the company to secure its liability or of any sister concerns or company incorporated under the relevant provisions of law in favour of any bank of financial institution and offer the assets of the company as security to the said bank or financial institution and to create a charge or lien against the assets of the company making itself liable as a guarantor in the transaction of the said sister concerns or company with the banks or financial institution.
 4. It is declared that notwithstanding anything contained in the foregoing objects clauses of this Memorandum of Association nothing shall construe any power upon the Company to undertake or indulge in the business of a banking company, any investment company, insurance and leasing company, managing agency business or any other unlawful business or operation in Pakistan directly or indirectly. It is further declared that the company shall not involve in any business except mentioned in sub-clause-1 of clause-III of this Memorandum of Association.
- IV. The liability of the members is limited.

Prospectus – Amtex Limited

- V. The authorized capital of the company is Rs.2,500,000,000/- (Rupees Two billion and Five Hundred Million only) divided into 250,000,000 (Two Hundred Fifty Million only) ordinary shares of Rs.10/- each with powers to increase, reduce, consolidate or otherwise re-organise the share capital and to divide the shares of the company into different classes in accordance with the provisions of the Companies Ordinance, 1984.