

# AMTEX LIMITED

First Quarterly Report  
September 30, 2018



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# Company Information

## Board of Directors

Mr. Muhammad Ahsan  
Mr. Khurram Iftikhar  
Mr. Shahzad Iftikhar  
Mr. Nadeem Iftikhar  
Mr. Suhail Maqsood Ahmed  
Mr. Gul Muhammad Naz  
Mr. Usman Ghani

Chairman  
Chief Executive Officer

## Secretary & Chief Financial Officer

Mr. Tahir Javed

## Audit Committee

Mr. Suhail Maqsood Ahmed  
Mr. Muhammad Ahsan  
Mr. Usman Ghani

*Chairman*

## Human Resource & Remuneration Committee

Mr. Muhammad Ahsan  
Mr. Suhail Maqsood Ahmed  
Shahzad Iftikhar

*Chairman*

## Auditors

Zahid Jamil & Co.  
*Chartered Accountants*

## Legal Advisor

Mr. Mushtaq Ahmed Khan  
*Advocate Supreme Court*

## Share Registrar Office

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

## Registered Office

P-225 Tikka Gali # 2 Montgomery Bazar, Faisalabad

## Projects Locations

30-k.m. Shaiekhupura Road Faisalabad  
Sargodha Road Faisalabad  
1-k.m. Khurrianwala Jaranwala Road

*Spinning Unit*  
*Weaving Unit*  
*Processing & Stitching Unit*

## Website

[www.amtextile.com](http://www.amtextile.com)

## DIRECTORS' REPORT

The Board of Directors of Amtex Limited presents herewith the Directors' Report together with the Company's un-audited financial information for the period ended September 30, 2018.

### Financial Results

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

	Quarter ended	
	September 30 2018 Rupees	September 30 2017 Rupees
Sales	151,519,356	300,907,324
Cost of sales	179,283,967	335,619,481
Gross loss	(27,764,611)	(34,712,157)
Loss for the period	(87,586,007)	(92,401,101)
Earnings per share - Basic and diluted	(0.34)	(0.36)

During 1<sup>st</sup> quarter under review company incurred gross loss of Rs.27.764 million as compared to gross loss of Rs. 34.712 million in the corresponding period of last year and net loss of Rs. 87.586 million as compared to net loss of Rs. 92.401 million in the corresponding period of last year. Sales volume has decreased as compared to previous corresponding period and the company's total sales are Rs.151.519 million in three months against sales of Rs. 300.907 million in the corresponding period of last year. Loss is mainly due to high prices of imported RLNG coupled with highest electricity cost in the region, very low sales volume and overall increase in input cost, under-utilization of manufacturing capacities and non- availability of required financial support from the banks of the company to meet the working capital needs culminated in after tax loss of rupees 87.586 million.

Certain banks / financial institutions have filed a suit against the Company for recovery of its financing and mark up and the Company has not provided any markup / cost of funds on the said outstanding amounts. Based on the legal opinion, the company feels that, after institution of the suit, a financial institution is only entitled to cost of funds if so awarded by the court in case the suit is decided against the company. The levy of cost of funds and the quantum thereof shall be contingent on passing of the decree and rate prescribed by the State Bank of Pakistan during the period of pendency of the claim and discharge of decree, if passed by the Court.

## **Future outlook**

The textile sector in Pakistan is under continuous pressure due to high cost of doing business and very high utility cost in the province. Further, financial market in Pakistan is also reluctant to provide the required financial support to revive the exports of textile industry. Nevertheless, Government has announced to eliminate the inter provinces gas price difference and further announced to reduce the cost of gas and electricity for five major export oriented industries which includes textile industry. However, the future of growth of exports and textile industry mainly depends on the actual realization of the supports announced by the Government, release of refunds to exporters and on availability of financial support from the banks.

## **Acknowledgement**

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

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

For and on behalf of the Board

  
CHIEF EXECUTIVE  
Khurram Iftikhar

  
DIRECTOR  
Shahzad Iftikhar

Faisalabad  
October 30, 2018

## ڈائریکٹرز کی رپورٹ:

آپ کی کمپنی کے ڈائریکٹرز حضرات آپ کے روبروسہ ماہی رپورٹ معہ مالی غیر آڈٹ شدہ گوشاہ حساب برائے 30 ستمبر 2018 پیش کرتے ہیں۔

### مالی نتائج:

مالی نتائج برائے زیر غور سہ ماہی معہ موازنہ اعداد و شمار باہر بت سابقہ سہ ماہی کو ذیل میں پیش کیا جاتا ہے:-

2017 30 ستمبر	2018, 30 ستمبر	
روپے	روپے	
300,907,324	151,519,356	فروخت
335,619,481	179,283,967	تخمینہ فروخت
(34,712,157)	(27,764,611)	کل نقصان
(92,401,101)	(87,586,007)	بعد از ٹیکس نقصان
(0.36)	(0.34)	فی کس حصص نقصان

سہ ماہی کے دوران کمپنی کی کل فروخت مبلغ 151.519 ملین روپے کی مد میں کل نقصان رقم مبلغ 27.764 ملین روپے ہوا جبکہ پچھلی سہ ماہی کی کل فروخت مبلغ 300.907 ملین روپے اور کل نقصان مبلغ 34.712 ملین روپے ہوا تھا۔ سہ ماہی کے دوران کمپنی کو بعد از ٹیکس ادائیگی مبلغ 87.586 ملین روپے کا خالص نقصان ہوا جبکہ پچھلی سہ ماہی میں بعد از ٹیکس ادائیگی مبلغ 92.401 ملین روپے کا خالص نقصان ہوا تھا۔ خطے میں درآمدی RLNG کی قیمت میں اضافہ اور اسکے ساتھ بجلی کی قیمت میں اضافہ فروخت میں کمی اور اس کی قیمتوں میں اضافہ سرمائے کی کمی کو پورا کرنے کیلئے بینکوں کی جانب سے درکار شدہ مالی معاونت کی عدم دستیابی اور مینوفیکچرنگ سہولیات کے کم استعمال کی وجوہات کی بنا پر کمپنی کو بعد از ادائیگی ٹیکس مبلغ 87.586 ملین روپے کے خسارے کا سامنا کرنا پڑا۔

کچھ بینکوں / مالی ادارہ کی جانب سے سے کمپنی سے اپنی سرمایہ کاری رقم اور مارک اپ کی رقم کو وصول کرنے کے لیے مجاز عدالتوں میں دعویٰ دائر کیا گیا ہے لہذا کمپنی ایسے بینکوں کی واجب الادا قرض اور سرمایہ کاری کی رقم کی باہر مالی لاگت کو اکاؤنٹس میں نہیں لے رہی اور اس رقم کی وضاحت کھاتہ جات کے نوٹس میں بیان کی گئی ہے۔ قانونی رائے پر انحصار کرتے ہوئے کمپنی کی جانب سے اس بات کو محسوس کیا گیا ہے کہ دعویٰ کے دائرہ ہونے کے بعد، بینک / مالی ادارہ کو صرف کمپنی سے فنڈ کی لاگت کی رقم کا استحقاق حاصل ہے اگر عدالت کی جانب سے دعویٰ کی نسبت بینک کو کمپنی کے خلاف فیصلہ مل جائے۔ اسلئے عدالتی فیصلوں کے التوا اور سٹیٹ بینک آف پاکستان کی جانب سے لاگت فنڈ کی فیصد متعین ہونے تک ایسے بینکوں کی واجب الادا قرض کی مالی لاگت کا تخمینہ نہیں لگایا جاسکتا۔

## مستقبل کے امکانات:

پاکستان میں ٹیکسٹائل کی صنعت کو پیداواری لاگت میں اضافے اور توانائی کی قیمت میں اضافے کی وجہ سے سخت مشکلات کا سامنا ہے۔ فنانشل پارٹنرز بھی ٹیکسٹائل کی صنعت کی معاونت کے سلسلہ میں ہچکچاہٹ کا شکار ہیں۔ باوجودیکہ حکومت نے صوبوں میں گیس کی قیمتوں کے فرق کو ختم کرنے کا عندیہ دیا ہے اور مزید برآں پانچ بڑے برآمد کنندگان جن میں ٹیکسٹائل کی صنعت بھی شامل ہے کے لیے بجلی اور گیس کی

قیمتوں میں کمی کا اعلان کیا ہے۔ تاہم ٹیکسٹائل کی صنعت کا مستقبل حکومت کی اعلان کردہ مراعات کی اصل میں وصولی برآمد کنندگان کو رہنمائی  
کی ادائیگی اور بینکوں کی جانب سے مالی معاونت سے ہی ممکن ہے۔

### **توثیقی بیان :**

آپ کی کمپنی کے ڈائریکٹر صاحبان کی جانب سے بینکوں، مالی اداروں، شراکت داروں اور ریگولیٹرز کی معاونت قابل تحسین ہے اور مستقبل  
میں بھی ایسی ہی امید وابستہ کی جاتی ہے۔  
نیز آپ کے کمپنی کے ڈائریکٹر صاحبان کی جانب سے کمپنی ہذا کے سٹاف اور ورکرز کا پختہ عزم، محنت اور مستقل مزاجی قابل تحسین ہے۔

خرم افتخار  
چیف ایگزیکٹو

شہزاد افتخار  
ڈائریکٹر

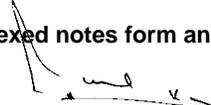
فیصل آباد

تاریخ: 30 اکتوبر 2018

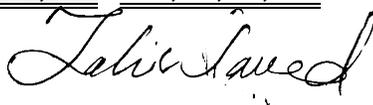
**AMTEX LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (Un-audited)**  
**AS AT SEPTEMBER 30, 2018**

	NOTE	Un-audited September 30 2018 RUPEES	Audited June 30 2018 RUPEES
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	3	1,716,050,395	1,750,599,973
Investment property- fair value		1,013,917,913	1,013,917,913
Long term deposits		57,021,425	57,021,425
		<b>2,786,989,733</b>	<b>2,821,539,311</b>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		420,855,115	459,379,792
Stock in trade		882,113,418	885,981,055
Trade debts	4	148,328,959	162,271,598
Loans and advances		5,690,564	8,786,288
Deposits and prepayments		10,613,511	7,613,571
Other receivables		108,530,020	104,164,984
Tax refunds due from the Government		189,711,257	188,999,804
Cash and bank balances		155,786,869	143,771,493
		<b>1,921,629,713</b>	<b>1,960,968,585</b>
		<b>4,708,619,446</b>	<b>4,782,507,896</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 260,000,000 (2018: 260,000,000) ordinary shares of Rs.10/- each		<b>2,600,000,000</b>	<b>2,600,000,000</b>
Issued, subscribed and paid up capital		2,594,301,340	2,594,301,340
Reserves		531,039,330	531,039,330
Accumulated loss		(12,177,256,813)	(12,092,125,616)
Surplus on revaluation of property, plant and equipment		873,349,783	875,804,593
		<b>(8,178,566,360)</b>	<b>(8,090,980,353)</b>
<b>NON-CURRENT LIABILITIES</b>			
Redeemable capital	5	-	-
Long term financing	6	1,174,553,331	1,497,729,820
Liabilities against assets subject to finance lease		-	-
Deferred liabilities		1,003,946,402	971,217,849
		<b>2,178,499,733</b>	<b>2,468,947,669</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		316,540,081	345,384,902
Interest / markup payable		2,642,678,476	2,632,364,651
Short term borrowings		6,177,590,344	6,177,590,344
Current portion of non current liabilities		1,571,877,172	1,249,200,683
		<b>10,708,686,073</b>	<b>10,404,540,580</b>
Contingencies and commitments	7	-	-
		<b>4,708,619,446</b>	<b>4,782,507,896</b>

The annexed notes form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**  
 Khurram Iftikhar

  
**DIRECTOR**  
 Shahzad Iftikhar

  
**CHIEF FINANCIAL OFFICER**  
 Tahir Javed

**AMTEX LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Note	Quarter ended	
		September 30 2018 Rupees	September 30 2017 Rupees
Sales		151,519,356	300,907,324
Cost of sales	8	179,283,967	335,619,481
Gross loss		(27,764,611)	(34,712,157)
Other operating income		1,040,000	2,037,901
		(26,724,611)	(32,674,256)
Selling and distribution expenses		2,788,266	3,733,923
Administrative expenses		11,850,891	15,052,002
Finance cost	9	44,617,170	37,561,989
		59,256,327	56,347,914
Loss for the period before taxation		(85,980,938)	(89,022,170)
Provision for taxation		1,605,069	3,378,931
Loss for the period		(87,586,007)	(92,401,101)
Earnings per share - Basic and diluted		(0.34)	(0.36)

The annexed notes form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**  
**KHURRAM IFTIKHAR**

  
**DIRECTOR**  
**SHAHZAD IFTIKHAR**

  
**CHIEF FINANCIAL OFFICER**  
**TAHIR JAVED**

**AMTEX LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter ended	
	September 30 2018 Rupees	September 30 2017 Rupees
Loss after taxation	(87,586,007)	(92,401,101)
Other comprehensive income	-	-
Total comprehensive loss for the period	<u>(87,586,007)</u>	<u>(92,401,101)</u>

The annexed notes form an integral part of these financial statements.

  
CHIEF EXECUTIVE  
KHURRAM IFTIKHAR

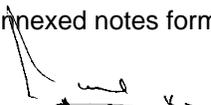
  
DIRECTOR  
SHAHZAD IFTIKHAR

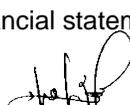
  
CHIEF FINANCIAL OFFICER  
TAHIR JAVED

**AMTEX LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Quarter ended	
	September 30 2018	September 30 2017
	Rupees	Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period before taxation	(85,980,938)	(89,022,170)
Adjustments for:		
Depreciation of property, plant and equipment	25,549,578	41,860,632
Loss / Gain on disposal of property plant & equipment	4,000,000	(2,037,901)
Provision for staff retirement gratuity	450,788	1,415,845
Finance cost	44,617,170	37,561,989
Operating cash flows before working capital changes	(11,363,402)	(10,221,605)
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	38,524,677	41,496,841
Stock in trade	3,867,637	24,026,072
Trade debts	13,942,639	38,698,707
Loans & advances	3,452,100	(1,995,018)
Deposits and prepayments	(2,999,940)	258,208
Other receivables	(4,365,036)	984,738
Tax refunds due from Government	(711,453)	9,713,380
Increase / (decrease) in current liabilities		
Trade and other payables	(28,844,821)	(49,037,397)
	22,865,803	64,145,531
Cash generated from operations	11,502,401	53,923,926
Income tax paid	(1,961,445)	(2,055,902)
Finance cost paid	(1,274,730)	(8,120,133)
Staff retirement gratuity paid	(750,850)	(2,857,000)
Net cash generated from operating activities	7,515,376	40,890,891
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale proceeds of fixed assets	5,000,000	2,715,000
Net cash generated from investing activities	5,000,000	2,715,000
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
Long term loans	(500,000)	(7,342,961)
Decrease in short term borrowings - net	-	(58,520,000)
Net cash used in financing activities	(500,000)	(65,862,961)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	12,015,376	(22,257,070)
Cash and cash equivalents at the beginning of the year	143,771,493	191,853,839
Cash and cash equivalents at the end of the year	155,786,869	169,596,769

The annexed notes form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**  
**KHURRAM IFTIKHAR**

  
**DIRECTOR**  
**SHAHZAD IFTIKHAR**

  
**CHIEF FINANCIAL OFFICER**  
**TAHIR JAVED**

**AMTEX LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

	Capital reserves				Revenue reserves		Total
	Issued subscribed and paid up capital	Merger reserve	Share premium	Surplus on Revaluation of property plant and equipment	General reserve	Accumulated loss	
	Rupees						
Balance as at July 01, 2017	2,594,301,340	98,039,330	183,000,000	1,127,310,252	250,000,000	(9,074,981,823)	(4,822,330,901)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(92,401,101)	(92,401,101)
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(2,452,717)	-	2,452,717	-
	-	-	-	(2,452,717)	-	(89,948,384)	(92,401,101)
Balance as at September 30, 2017	2,594,301,340	98,039,330	183,000,000	1,124,857,535	250,000,000	(9,164,930,207)	(4,914,732,002)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(3,173,277,573)	(3,173,277,573)
(Loss) for the period from discontinued operation	-	-	-	-	-	(4,646,045)	(4,646,045)
Other comprehensive income for the period	-	-	-	-	-	1,675,267	1,675,267
	-	-	-	-	-	(3,176,248,351)	(3,176,248,351)
Transfer to accumulated loss in respect of surplus realized on disposal of assets	-	-	-	(242,680,302)	-	242,680,302	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(6,372,640)	-	6,372,640	-
	-	-	-	(249,052,942)	-	249,052,942	-
Balance as at June 30, 2018	2,594,301,340	98,039,330	183,000,000	875,804,593	250,000,000	(12,092,125,616)	(8,090,980,353)
Total comprehensive (loss) for the period							
(Loss) for the period	-	-	-	-	-	(87,586,007)	(87,586,007)
Other comprehensive income for the period	-	-	-	-	-	-	-
	-	-	-	-	-	(87,586,007)	(87,586,007)
Transfer to accumulated loss in respect of surplus realized on disposal of assets	-	-	-	(520,388)	-	520,388	-
Transfer to accumulated loss in respect of incremental depreceiation	-	-	-	(1,934,422)	-	1,934,422	-
	-	-	-	(2,454,810)	-	2,454,810	-
Balance as at September 30, 2017	2,594,301,340	98,039,330	183,000,000	873,349,783	250,000,000	(12,177,256,813)	(8,178,566,360)

The annexed notes form an integral part of this condensed interim financial report.

  
**CHIEF EXECUTIVE**  
**KHURRAM IFTIKHAR**

  
**DIRECTOR**  
**SHAHZAD IFTIKHAR**

  
**CHIEF FINANCIAL OFFICER**  
**TAHIR JAVED**

**AMTEX LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2018**

**1. STATUS AND ACTIVITIES**

- 1.1 Amtex Limited (the Company) is a public limited company incorporated in Punjab, Pakistan under the Companies Ordinance, 1984 (now the Companies Act 2017) and listed on Pakistan Stock Exchange limited (formerly Karachi Stock Exchange Limited) in Pakistan. The registered office of the Company is situated at P-225, Tikka Gali No. 2, Montgomery Bazar, Faisalabad. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. The Company is also engaged in the business of manufacturing and sale of yarn and fabrics on its own & conversion basis. The cloth processing unit and stitching units are located at 1 KM Jaranwala Road, Khurrianwala, District Faisalabad and spinning unit is located at 30 KM Sheikhupura Road, Khurrianwala, District Faisalabad, in the province of Punjab. The weaving unit is located at Sargodha road, District Faisalabad.
- 1.2 Pursuant to scheme of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Amtex Spinning Limited were merged with the assets, liabilities and reserves of the Company with effect from April 01, 2003.
- 1.3 The Company has incurred loss before taxation of Rs. 85,938,980/ and its sales have also been significantly decreased during the year as compared to previous corresponding year. Loss is mainly due to significantly under / low utilization of manufacturing capacities due to high RLNG prices in the Punjab province and increase in raw material prices for our value added business. Further the immense shortage gas / power forced the company to operate under / low capacity resulting huge losses. Due to unfavorable textile market conditions in the country the Company is facing tight cash flow situation and has not been able to comply with the terms of certain loan agreements. The Company is in litigation with Sukuk unit holders and certain other banks / financial institutions have also filed suits against the company for recovery of their outstanding debts

The management is working hard, hopeful that with the improvement of textile market along with removal of gas price differential in the Punjab Province bringing the gas price down up to the price in other provinces will reduce the operating cost and the production and operating results will be improved. The management of the Company has already taken steps for extension and restructuring of loans. The major bankers of the Company have agreed to restructure the facilities and negotiations with other banks are in process. There is material uncertainty related to events or conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management is confident that it will be successful in its efforts and hence the Company will be able to continue as a going concern.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

- 2.1 This condensed interim financial report has been prepared in accordance with the requirements of the International Financial Reporting Standards, International Accounting Standard (IAS) 34 "Interim Financial Reporting" as notified under the Companies Act 2017 and provisions of and directives issued under the Companies Act, 2017 and in compliance with the requirements of section 237 of the Companies Act 2017 and Rule Book of Pakistan Stock Exchange Limited
- 2.2 This condensed interim financial report has been prepared under "historical cost convention" except certain items of property, plant and equipment included at revaluation and staff retirement gratuity carried at present value and certain financial instruments at fair value.
- 2.3 This condensed interim financial report does not include all the information required for annual financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2018.
- 2.4 The accounting policies and methods of computation followed in the preparation of this condensed interim financial report is the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2018.
- 2.5 The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- During preparation of this condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2018.

	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>3. Property, plant and equipment</b>		
Operating assets	1,716,050,395	1,750,599,973
Capital work in progress	-	-
	<u>1,716,050,395</u>	<u>1,750,599,973</u>
<b>3.1 Operating assets</b>		
Opening balance written down value.	1,750,599,973	3,388,060,909
Additions during 3 months / 12 months:	-	-
Deletions during 3 months / 12 months:	(10,000,000)	(498,352,836)
Depreciation charge for 3 months / 12 months	(25,549,578)	(129,202,841)
Depreciation adjustment for disposal	1,000,000	14,996,564
Transfer to investment property	-	(1,024,901,823)
Closing written down value	<u>1,716,050,395</u>	<u>1,750,599,973</u>
<b>3.1.1 Deletions during 3 months / 12 months:</b>		
Freehold land	-	260,384,000
Building on free hold land	-	72,215,107
Plant and Machinery	10,000,000	158,780,999
Vehicles	-	6,972,730
	<u>10,000,000</u>	<u>498,352,836</u>
<b>4. Trade debts</b>		
Considered good		
Unsecured		
Foreign	9,426,285	19,605,379
Local	138,902,674	142,666,219
	<u>148,328,959</u>	<u>162,271,598</u>
Considered doubtful		
Unsecured		
Foreign	7,041,998,879	7,041,998,879
Less provision for doubtful debts	(7,041,998,879)	(7,041,998,879)
	<u>148,328,959</u>	<u>162,271,598</u>
<b>5. Redeemable capital</b>		

The company has filed suit under the Financial Institutions (Recovery of Finances) Ordinance, against the sukuk unit holders in the Honorable Lahore High Court, Lahore and prayed for declaration of undertaking to purchase the sukuk units at a pre agreed price as void, unlawful and satisfaction of obligations against the existing amounts paid. The company has also sought relief of suspension of operation of the undertaking and the bank guarantee issued there under till the final decision of the suit.



		<b>Quarter ended September 30, Un-audited</b>	
		<b>2018 Rupees</b>	<b>2017 Rupees</b>
<b>8. Cost of sales</b>			
Cost of goods manufactured	<b>8.1</b>	171,095,928	325,906,104
Finished goods			
Opening stock		362,285,494	661,505,777
Closing stock		(354,097,455)	(651,792,400)
		8,188,039	9,713,377
		<u>179,283,967</u>	<u>335,619,481</u>
<b>8.1 Cost of goods manufactured</b>			
Raw material consumed		37,970,911	63,253,152
Salaries, wages and benefits		24,737,067	52,398,315
Staff retirement benefits		450,788	1,415,845
Stores and spares		6,995,912	9,354,954
Dyes and chemicals		41,704,399	83,165,774
Packing material		10,578,449	9,642,584
Conversion and processing charges		12,289,966	-
Engraving and wadding		-	3,429,501
Repairs and maintenance		550,120	1,450,378
Fuel and power		3,407,301	51,297,366
Insurance		-	258,208
Depreciation		24,950,355	41,067,927
Other		1,467,033	2,456,406
		165,102,301	319,190,410
Work in process			
Opening stock		42,106,215	82,525,239
Closing stock		(36,112,588)	(75,809,545)
		5,993,627	6,715,694
		<u>171,095,928</u>	<u>325,906,104</u>

## 9. Finance cost

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

## 10. Transactions with related parties

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

		<b>Quarter ended September 30, Un-audited</b>	
<b>Relationship with the Party</b>	<b>Nature of Transaction</b>	<b>2018 Rupees</b>	<b>2017 Rupees</b>
i- Associated undertaking	Purchase of goods	4,612,882	-
	Rental income	5,040,000	-
	Payable against goods purchase	4,612,882	
	Rent Receivable	21,000,000	
ii- Key management personnel	Remuneration to directors	600,000	600,000

## 11. Overdue loans

On the reporting date the installments of long term finances amounting to Rs.747.434 million along with mark up of Rs.107.856 million, lease finance amounting to Rs. 68.248 million along with mark up of Rs. 19.619 million and short term borrowings amounting to Rs.6,207.590 million along with mark up of Rs. 2,433.512 million were over due. On reporting date the carrying amount of loans relevant to above overdue were long term finances Rs 1,174.553 million, lease finance Rs 68.248 million and short term borrowings Rs 6,177.590 million. An amount of Rs. 1.050 million has subsequently paid against overdue installment.

## 12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on October 30, 2018 by the Board of Directors of the Company.

## 13. GENERAL

- i) There is no unusual item included in this condensed interim financial report which is affecting assets, liabilities, loss, comprehensive loss, cash flows or equity of the Company.
- ii) Provision for taxation is based on this condensed interim financial report and is subject to adjustment in annual financial statements.
- iii) Figures have been rounded off to the nearest Rupee.



**CHIEF EXECUTIVE**  
**KHURRAM IFTIKHAR**



**DIRECTOR**  
**SHAHZAD IFTIKHAR**



**CHIEF FINANCIAL OFFICER**  
**TAHIR JAVED**

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