

FINANCIAL STATEMENTS

For the 3rd quarter ended Mar 31,

2018

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Company Information

Chairman	Mian Muhammad Latif
Chief Executive	Mr. Muhammad Naeem
Directors	Mian Muhammad Javaid Iqbal Mr. Muhammad Faisal Latif Mr. Tariq Ayoub Khan Mr. Masood Ul Hassan Mr. Muhammad Hashim Mr. Muhammad Salman Javed
Nominee Director	Mrs. Sobia Chughtai
Major Bankers	Allied Bank Limited. Askari Bank Limited. Al Baraka Bank (Pakistan) Limited. Citibank, N.A. Faysal Bank Limited. First Credit & Investment Bank Limited. Habib Bank Limited. Habib Metropolitan Bank Limited. KASB Bank Limited. National Bank of Pakistan. NIB Bank Limited. Orix Leasing (Pakistan) Limited. Pak Oman Investment Company Limited. Pak Kuwait Investment Company (Pvt.) Limited. Pak Libya Holding Company (Pvt.) Limited. Saudi Pak Industrial & Agricultural Investment Silk Bank Limited. Standard Chartered Bank (Pakistan) Limited. The Bank of Punjab. United Bank Limited.
Chief Financial Officer	Mr. Faisal Ali Sarwar
Company Secretary	Muhammad Arshad
Auditors	Yousuf Adil Chartered Accountants.
Shares Registrar	F.D. Registrar Services (SMC-Pvt.) Limited Office # 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi. Tel:021-32271905-6/021-35478192-3
Registered Office	Nishatabad, Faisalabad. Tel:+92 41 8754472-8 Fax:+92 41 8752400, 8752700 chenab@chenabgroup.com www.chenabgroup.com
Website Address	www.chenabgroup.com
Works	-Spinning Unit - Toba Tek Singh. -Weaving Unit - Kharianwala, Distt: Sheikhpura. -Weaving Unit - Shahkot, Distt: Nankana Sahib. -Processing & Stitching Units – Nishatabad, Fsd.

DIRECTORS' REPORT TO THE SHAREHOLDER'S

The Directors are presenting before you un-audited financial statements of the Company together with notes for nine months period ended on March 31, 2018. Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on March 31, 2018 and June 30, 2017 have been shown as required by the international Accounting standards (IAS) 34 for interim financial reporting.

SALES AND SERVICES REVENUE

Sales and Services Revenue of Rs.710.068 million was earned as compared with the Sales and Services revenue of Rs.1442.866 million during the same period of the preceding period.

FINANCIAL RESULTS

In view of unfavorable business circumstances the Company has sustained a financial loss of Rs.175.549 million before taxation.

FUTURE PROSPECTS

The management got re-structuring done with banks through a Scheme of Arrangement on 14-09-2021. The winding up order passed by the Lahore High Court also got reversed on 29-10-2021. The management took over the charge and Company has re-started its commercial operations from December 1, 2021.

The management is also pursuing to dispose off certain non core fixed assets of the Company to meet the requirement of working capital.

ACKNOWLEDGEMENT

The directors are thankful to its financial institutions for supporting the Company for revival of the Company and its employees who have rendered their dedicated services for the Company



FAISALABAD (MUHAMMAD FAISAL LATIF)
22-06-2023 (DIRECTOR)

For and on behalf of
BOARD OF DIRECTORS



(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کے نو ماہی حسابات (بغیر آڈٹ) بابت 31 مارچ 2018 بمعہ تفصیلات آپ کے سامنے پیش کرتے ہیں۔

سیلز اور خدمات کار یونیو:-

سیلز اور خدمات کار یونیو 068-710-068 ملین روپے کا حاصل کیا گیا ہے بمقابلہ پچھلے نو ماہی میں جو کہ 866-1442 ملین روپے تھا۔

مالی نتائج:-

ناموزوں کاروباری حالات کے پیش نظر کمپنی نے ٹیکس سے پہلے 175.549 ملین روپے کا مالی نقصان برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم بمورخہ 14-09-2021 بینکس کے ساتھ نئے سرے سے ادائیگی کے شیڈولز مرتب کئے ہیں عدالت عالیہ لاہور نے کمپنی کا تحلیل شدہ حکم نامہ بمورخہ 29-10-2021 کو منسوخ کر دیا ہے جس پر انتظامیہ نے ادارے کا بندوبست سنبھال لیا ہے اور یکم دسمبر 2021 سے کاروباری پیداوار شروع کر دی ہے۔

تسلیم و تحسین:-

ڈائریکٹرز اپنے مالیاتی اداروں کے شکر گزار ہیں۔ جنہوں نے قرض کی ادائیگی کیلئے نئے شیڈولز دیئے ہیں بشمول اپنے ملازمین کے جنہوں نے تندرہی سے کمپنی کو خدمات فراہم کی ہیں۔

برائے بورڈ ڈائریکٹرز:



محمد فیصل لطیف

ڈائریکٹر

فیصل آباد

22-06-2023



محمد نعیم

چیف ایگزیکٹو

BALANCE SHEET

As at March 31, 2018.

	Notes	(Un-audited) March 31, 2018 Rupees	(Audited) June, 30 2017 Rupees
SHARE CAPITAL AND RESERVES			
Authorised capital			
120,000,000 ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
80,000,000 cumulative preference shares of Rs.10/- each		800,000,000	800,000,000
Issued, subscribed and paid up capital		1,150,000,000	1,150,000,000
Cumulative preference shares		800,000,000	800,000,000
Capital reserves		526,409,752	526,409,752
Revenue reserves		(9,122,338,380)	(9,023,847,363)
		(6,645,928,628)	(6,547,437,611)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		5,673,440,098	5,761,095,295
NON-CURRENT LIABILITIES			
Long term financing		2,708,314,404	2,708,314,404
Liabilities against assets subject to finance lease		-	-
Deferred liability		970,372,449	953,382,223
Deferred revenue		10,314,720	10,314,720
		3,689,001,573	3,672,011,347
CURRENT LIABILITIES			
Trade and other payables		1,979,993,253	1,925,756,401
Interest / markup payable		1,244,926,551	1,187,067,622
Short term borrowings	3	4,344,709,602	4,342,498,926
Current portion of :			
Long term financing		2,692,191,701	2,754,542,792
Liabilities against assets subject to finance lease		28,702,544	30,335,007
Provision for taxation - income tax		37,114,468	21,162,754
		10,327,638,119	10,261,363,502
CONTINGENCIES AND COMMITMENTS	4	-	-
		13,044,151,162	13,147,032,533
NON-CURRENT ASSETS			
Property, plant and equipment	5	11,041,229,959	11,185,697,330
		12,636,768	12,636,768
		11,053,866,727	11,198,334,098
CURRENT ASSETS			
Stores, spares and loose tools		46,285,232	67,364,712
Stock in trade		60,510,214	32,775,124
Trade debts	6	1,749,814,907	1,705,648,751
Loans and advances		53,484,099	41,166,291
Deposits and prepayments		11,166,465	12,618,185
Other receivables		17,884,551	27,503,488
Tax refunds due from			
Government		26,300,690	33,199,811
Cash and bank balances		24,838,277	28,422,073
		1,990,284,435	1,948,698,435
		13,044,151,162	13,147,032,533

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

PROFIT AND LOSS ACCOUNT(Un-audited)

For the 3rd Quarter ended March 31, 2018.

	Note	Quarter ended March 31,		3rd Quarter ended March 31,	
		2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Sales	7	231,538,153	486,890,566	710,067,908	1,442,866,681
Cost of sales	8	246,978,196	393,012,480	795,413,463	1,235,875,979
Gross Profit / (loss)		(15,440,043)	93,878,086	(85,345,555)	206,990,702
Other operating income	9	9,260,260	(17,474,379)	27,790,477	31,907,383
		(6,179,783)	76,403,707	(57,555,078)	238,898,085
Selling and distribution expenses		6,269,433	3,479,708	15,551,902	9,761,328
Administrative expenses		32,094,621	31,489,590	89,792,938	96,372,799
Other operating expenses		465,800	-	4,039,911	-
Workers' profit participation fund			403,664	-	1,378,898
Finance cost	10	2,672,303	33,361,128	8,609,785	105,185,995
		41,502,157	68,734,090	117,994,536	212,699,020
Profit / (Loss) for the period before taxation		(47,681,940)	7,669,617	(175,549,614)	26,199,065
Provision for taxation	11	5,281,497	5,513,935	15,951,714	16,908,824
Profit / (Loss) for the period after taxation		(52,963,437)	2,155,682	(191,501,328)	9,290,241
Earnings per share - Basic		(0.46)	0.02	(1.67)	0.08

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the 3rd Quarter ended March 31, 2018.

	Quarter ended March 31,		3rd Quarter ended March 31,	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Profit / (Loss) for the period	(52,963,437)	2,155,682	(191,501,328)	9,290,241
Other comprehensive income for the Period incremental depreciation on revalued assets for the period	83,023,714	(13,969,711)	87,655,197	12,082,110
Revalued deferred tax for the period		-	-	5,428,194
	30,060,277	(11,814,029)	(103,846,131)	26,800,545

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MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

CASH FLOW STATEMENT (Un-audited)

For the 3rd Quarter ended March 31, 2018.

a) CASH FLOWS FROM OPERATING ACTIVITIES	3rd Quarter ended March 31,	
	2018 Rupees	2017 Rupees
Profit / (Loss) before taxation	(175,549,614)	26,199,065
Adjustments for:		
Depreciation / impairment loss		
on property, plant and equipment	148,797,813	149,194,015
Provision for staff retirement gratuity	25,246,110	30,387,640
Profit on disposal of property, plant and equipment	155,603	193,493
Finance cost	8,609,785	105,185,995
Balances written back	-	(22,073,314)
Operating cash flows before working capital changes	7,259,697	289,086,894
Changes in working capital		
(Increase) / decrease in current assets		
Stores, spares and loose tools	21,079,480	(18,363,865)
Stock in trade	(27,735,090)	(293,041,500)
Trade debts	(44,166,156)	(24,860,257)
Loans and advances	(12,317,808)	(3,487,516)
Deposits and prepayments	1,451,720	(794,571)
Other receivables	19,526,263	10,874,164
Tax refunds due from Government	6,899,121	(1,931,215)
	(35,262,470)	(331,604,760)
Increase/ (Decrease) in current liabilities		
Trade and other payables	57,132,005	343,191,716
	21,869,535	11,586,956
Cash generated from operating activities	29,129,232	300,673,850
Income tax paid	(9,907,326)	(6,038,545)
Finance cost paid	(24,182)	(61,343,745)
Staff retirement gratuity paid	(13,610,998)	(6,049,042)
Net cash generated from operating activities	5,586,726	227,242,518
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(4,524,839)	-
Proceeds from disposal of property, plant and equipment	350,000	550,000
Net cash generated / (used) in investing activities	(4,174,839)	550,000
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	-	-
Repayment of:		
Long term financing	(6,706,359)	(163,400,000)
Liabilities against assets subject to finance lease	-	-
Increase in short term bank borrowings - net	2,210,676	(63,560,124)
Net cash generated from financing activities	(4,495,683)	(226,960,124)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	(3,083,796)	832,394
Cash and cash equivalents at the beginning of the period	27,922,073	24,231,624
Cash and cash equivalents at the end of the period	24,838,277	25,064,017

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

**CHENAB LIMITED
(IN WINDING UP UNDER THE ORDER OF THE HONOURABLE LAHORE HIGH COURT)
STATEMENT OF CHANGES IN EQUITY
FOR THE PRIOD ENDED MARCH 31, 2018.**

	Share Capital	Capital Reserves				Revenue Reserves		Total	
		Issued, subscribed and paid up capital	Cumulative preference shares	Premium on issue of ordinary shares	Book difference of capital under scheme of arrangement	Preference shares redemption reserve	General reserve		Unappropriated profit
Balance as at July 01, 2016	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	76,432,834	(8,141,737,768)	(8,065,304,934)	(5,588,895,182)
Total comprehensive (Loss) for the year							(992,228,304)	(992,228,304)	(992,228,304)
Other comprehensive income items that will not be subsequently reclassified to profit or loss:							22,671,239	22,671,239	22,671,239
Incremental depreciation on revalued assets for the year							4,675,834	4,675,834	4,675,834
Related deferred tax							7,646,150	7,646,150	7,646,150
Remeasurement of defined benefit liability							(1,307,348)	(1,307,348)	(1,307,348)
Related deferred tax							(958,542,429)	(958,542,429)	(958,542,429)
Balance as at June 30, 2017	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	76,432,834	(9,100,280,197)	(9,023,847,363)	(6,547,437,611)
Total comprehensive Profit for the period							(191,501,328)	(191,501,328)	(191,501,328)
Other comprehensive (loss)							87,655,197	87,655,197	87,655,197
Incremental depreciation on revalued assets for the period							5,355,114	5,355,114	5,355,114
Related deferred tax							-	-	-
Remeasurement of defined benefit liability							(98,491,017)	(98,491,017)	(98,491,017)
Related deferred tax							(9,122,338,380)	(9,122,338,380)	(6,645,928,628)
Balance as at March 31, 2018	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	76,432,834	(9,198,771,214)	(9,122,338,380)	(6,645,928,628)

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


MUHAMMAD NAEEM
(DIRECTOR)


MIAN MUHAMMAD LATIF
(CHIEF EXECUTIVE)

**Selected Explanatory Notes to The Condensed Interim Financial Report (Unaudited)
For the 3rd Quarter Ended March 31, 2018.**

1 STATUS AND ACTIVITIES

- 1.1 Chenab Limited (the Company) is incorporated as a public limited company under the Companies Ordinance, 1984 (Now Companies Act 2017) and is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Nishatabad, Faisalabad, in the province of Punjab. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. Geographical location and address of business units/plants are following:

Discription	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, faisalabad
Spinning Unit-I	Toba Tek Singh	3 K.M Shorkot Road, Toba Tek Singh
Weaving Unit-1	Kharianwala	11 K.M Main Fsd Lhr Road, Kharianwala, Sheikhpura
Weaving Unit-II	Nankana Sahib	7 K.M Main Fsd Lhr Rd., Kotta Kalo Shahkot, Nankana Sahib
Processing & Stitching Units	Faisalabad	Main Faisalabad Lahore Road, Nishatabad, Faisalabad

- 1.2 Pursuant to schemes of arrangement approved by the Honourable Lahore High Court, Lahore, assets, liabilities and reserves of Faisal Weaving (Private) Limited, Latif Weaving (Private) Limited and Chenab Finishing (Private) Limited were merged with the Company with effect from December 31, 1998 and assets, liabilities and reserves of Chenab Fibres Limited were merged with the Company with effect from April 01, 2003.
- 1.3 The Company has incurred net losses of Rs.239.287 million. As at Sep 30, 2017 the accumulated loss of the Company is Rs.9,263.134 million and the current liabilities exceed its current assets by Rs. 8,642.946 million. The Company has not redeemed preference shares on exercise of put options for three consecutive years by holders of preference shares due to tight cash flow situation. The Company has not been able to comply with terms of certain loan agreements. Certain banks and financial institutions have filed cases for recovery and winding up of the Company which the management is defending. SECP has initiated proceedings for investigations under the Companies Ordinance, 1984. The company has challenged the order and the Honourable Islamabad High Court has stayed the proceedings. The litigation has also adversely affected the process of negotiations with banks for extension and re-scheduling of credit facilities.

Management's efforts for making re-scheduling arrangements with all lenders are not so far fully materialised, however the management has been able to reach at agreement with five major lenders to restructure the loans. The facilities diminishing musharika, term finance, murabah finance and demand finance were settled. Certain short term facilities were converted to long term loans. The management is hopeful that arrangements with other lenders will also materialise in due course. The management is vigorously pursuing the recovery of old outstanding debts and has also adopted the available legal recourse. The management's efforts to dispose of certain non core fixed assets to meet the working capital requirements has not been materialised so far due to adverse economic conditions.

On the operational side, the management continued toll manufacturing and making efforts to increase the volume of business. Additionally, in order to improve liquidity position of the company, the management is also focusing on arranging advance payments from local as well as export customers. The company could not produce desired results due to operational difficulties mainly due to non-availability of working capital facilities. Due to low production, the desired results could not be achieved and the core issue of higher operating cost due to lower production could not be resolved. The management is in regular contact with foreign customers and making small export shipments. The quantum of export could not be increased despite export orders due to shortage of working capital and slow settlements with bankers. The management is negotiating with banks for working capital facilities. The management is confident that the Company will be able to continue as a going concern

Upon filing application for winding up the company by M/s Saudi Pak Industrial & Agricultural Investment Company Limited, Islamabad before Company Judge, Lahore High Court, Lahore the instant company has gone into liquidation on 13 July 2017 vide its order given in civil original no. 43 of 2011. Consequently, Mr. Aurangzeb Mirza, Advocate and Mr. Jalal Ahsan, FCA of M/s Ahsan & Ahsan, Chartered Accountants, Lahore were appointed as official liquidator. Thereafter, the ex-management filed an appeal before Supreme Court of Pakistan against this order and leave of appeal was not granted and dismissed on 08 January 2019.

The condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

- 1.4 All the significant transactions and events that have affected the company's financial position and performance during the year have been appropriately disclosed in respective notes.

2 SIGNIFICANT ACCOUNTING POLICIES

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions of and directions issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions of or directions issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim financial report has been prepared under the "historical cost convention" except staff retirement gratuity carried at present value and certain property, plant and equipment carried at valuation.
- 2.3 This condensed interim financial report does not include all the information required for full annual financial statements, and should be read in conjunction with the Company's published audited financial statements for the year ended June 30, 2017.
- 2.4 This condensed interim financial report is unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 2.5 The accounting policies and methods of computation adopted in the preparation of this condensed interim financial report are the same as those applied in the preparation of the financial statements for the year ended June 30, 2017.

2.6 Standards, amendments to published approved accounting standards and interpretations effective from July 01, 2017:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 01, 2017 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

2.7 Standards, amendments to published approved accounting standards and interpretations effective as adopted in Pakistan, those are not yet effective:

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 01, 2012 but are considered not to be relevant or do not have any significant effect on Company's operations and are, therefore, not detailed in this condensed interim financial report.

	(Un-audited) March 31, 2018 Rupees	(Audited) June, 30 2017 Rupees
1. Short term borrowings		
Secured		
Under mark up arrangements		
From banking companies		
Export finances	3,668,552,114	3,669,073,443
Finance against trust receipt	18,304,000	18,304,000
Running fianace	437,588,483	437,588,483
Murabaha finances	220,265,005	217,533,000
	<u>4,344,709,602</u>	<u>4,342,498,926</u>

2. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies since the date of published audited financial statements for the year ended June 30, 2016 except the following:

	(Un-audited) March 31, 2018	(Audited) June, 30 2017
Liability of markup not acknowledged in view of loan rescheduling applications filed to allow non serviceable grace period on the outstanding liabilities	1,029,213,527	1,021,686,391
3. Property, plant and equipment		
Operating assets	11,041,229,959	11,185,697,330

3.1 ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT - AT COST

	3rd Quarter ended March 31, 2018		3rd Quarter ended March 31, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposal Rupees
Owned				
Plant and machinery	1,418,796	-	-	-
Electric installations	3,099,596	-	-	-
Office equipment	6,447	-	-	-
Vehicles	-	(3,560,568)	-	(2,186,487)
	<u>4,524,839</u>	<u>(3,560,568)</u>	<u>-</u>	<u>(2,186,487)</u>

	(Un-audited) March 31, 2018 Rupees	(Audited) June, 30 2017 Rupees
4. Trade debts		
Considered good		
Secured		
Foreign	(13,306,847)	7,485,243
Unsecured		
Foreign	1,698,060,404	1,668,088,376
Local	65,061,350	30,075,132
	<u>1,763,121,754</u>	<u>1,698,163,508</u>
	<u>1,749,814,907</u>	<u>1,705,648,751</u>

4.1 The aging of trade debts is as under:

	(Un-audited) March 31, 2018	(Audited) June, 30 2017
Not past due	49,357,752	175,312,556
Past due within one year	8,018,495	6,292,115
Past due over one year	1,692,438,660	1,524,514,005
	<u>1,700,457,155</u>	<u>1,530,806,120</u>
	<u>1,749,814,907</u>	<u>1,706,118,676</u>

The management is taking measures for the recovery of past due trade debts and is in the process of negotiations and settlement with the customers. Considering these factors and the fact that legal recourse for recovery of past due debts is available to the Company, the Company believes that past due trade debts do not require any impairment..

	Quarter ended March 31,		3rd Quarter ended March 31,	
	2018	2017	2018	2017
	Rupees	Rupees	Rupees	Rupees
5. Sales				
Export				
Fabrics / made ups / garments	105,400,360	139,182,484	281,658,055	368,592,598
Add: Export rebate / duty drawback	1,018,477	1,599,767	3,327,855	4,042,858
	106,418,837	140,782,251	284,985,910	372,635,456
Less:				
Commission	762,890	639,911	3,314,084	639,911
Discount	-	-	-	-
	762,890	639,911	3,314,084	639,911
	105,655,947	140,142,340	281,671,826	371,995,545
Local				
Yarn	1,670,000	174,824,137	1,670,000	540,365,124
Fabrics / made ups	22,658,349	77,845,263	179,351,970	261,652,607
Processing, conversion and stitching charges	101,553,857	94,078,826	247,374,112	268,853,405
	231,538,153	486,890,566	710,067,908	1,442,866,681
6. Cost of sales				
Cost of goods manufactured (Note 10.1)	261,346,084	383,684,116	810,826,018	1,352,063,454
Finished goods				
Opening stock	19,257,999	258,203,707	18,213,332	132,687,868
Closing stock	(33,625,887)	(248,875,343)	(33,625,887)	(248,875,343)
	(14,367,888)	9,328,364	(15,412,555)	(116,187,475)
	246,978,196	393,012,480	795,413,463	1,235,875,979
6.1 Cost of goods manufactured				
Raw material consumed (Note 10.1.1)	106,723,290	198,563,438	327,662,004	780,527,367
Salaries, wages and benefits	42,099,871	59,056,174	133,764,139	174,422,667
Staff retirement benefits	3,993,700	8,103,888	18,204,100	24,310,225
Stores and spares	14,566,978	17,555,628	54,013,003	64,317,289
Dyes and chemicals	8,847,025	8,014,847	29,412,144	24,110,669
Packing material	6,645,606	4,476,582	20,910,481	27,729,063
Repairs and maintenance	941,096	1,336,235	1,160,975	2,961,619
Fuel and power	4,909,217	28,966,295	21,799,439	113,744,847
Insurance	-	571,087	-	1,738,734
Depreciation	58,415,299	46,412,493	145,372,863	145,237,481
Other	19,302,121	26,938,071	63,995,665	90,029,693
	266,444,203	399,994,738	816,294,813	1,449,129,654
Work in process				
Opening stock	6,833,263	191,606,659	6,462,587	110,851,081
Closing stock	(11,931,382)	(207,917,281)	(11,931,382)	(207,917,281)
	(5,098,119)	(16,310,622)	(5,468,795)	(97,066,200)
	261,346,084	383,684,116	810,826,018	1,352,063,454
6.1.1 Raw material consumed				
Opening stock	8,563,753	95,172,381	8,099,205	91,118,913
Purchases including purchase expenses	113,112,482	274,297,795	334,515,744	860,315,192
	121,676,235	369,470,176	342,614,949	951,434,105
Closing stock	(14,952,945)	(170,906,738)	(14,952,945)	(170,906,738)
	106,723,290	198,563,438	327,662,004	780,527,367
7. Other operating income				
Income from assets other than financial assets:				
Sale of waste material	117,469	376,088	807,134	966,009
Rental income	9,142,791	3,301,236	26,827,740	8,526,115
Gain on disposal of property, plant and equipment	-	341,945	155,603	341,945
Balances written back - net	-	(21,493,648)	-	22,073,314
	9,260,260	(17,474,379)	27,790,477	31,907,383

8. Finance cost	Quarter ended March 31,		3rd Quarter ended March 31,	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Interest / mark up on:				
Long term financing	-	19,343,504	-	61,699,987
Liabilities against assets subject to finance lease	-	-	-	1,034,221
Long term murabaha	-	-	-	-
Short term borrowings	-	13,224,256	4,759,394	38,829,798
Bank charges and commission	2,672,303	793,368	3,850,391	3,621,989
	<u>2,672,303</u>	<u>33,361,128</u>	<u>8,609,785</u>	<u>105,185,995</u>

10.1 The Company is facing financial and operational problems. As part of its long term plan to overcome these problems, the management has filed applications to its bankers / financial institutions to reschedule the existing long term finances and short term borrowings along with outstanding mark up thereon (except demand finance VII, own source finances and murabaha finances) and to convert the entire outstanding liabilities into non serviceable loans / loans subject to reduced rate of mark up for a reasonable period of time. The Company is hopeful that its bankers / financial institutions will consider the proposals favorably, therefore no further provision of markup in respect of these long term financing and short term borrowings has been made as the mark up expense amount depends on the outcome of the applications.

9. Provision for taxation	Quarter ended March 31,		3rd Quarter ended March 31,	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Current				
For the period	5,281,497	5,513,935	15,951,714	16,380,569
For the prior periods	-	-	-	528,255
	<u>5,281,497</u>	<u>5,513,935</u>	<u>15,951,714</u>	<u>16,908,824</u>

9.1 The provision for taxation made in this condensed interim financial information is subject to adjustment in annual financial statements.

10. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of an associated undertaking, directors and key management personnel. The Company has not carried out any significant transaction with related parties during the year except payment of remuneration to Chief Executive Officer, Directors and Executives amounting to Rs. 3,797,044/- (2016 : Rs. 6,342,003).

11. Overdue loans

On the balance sheet date, the installments of long term financing amounting to Rs. 2,692.18 million (June 30, 2016: Rs. 2,526.13 million) alongwith mark up of Rs. 550.99 million (June 30, 2016: Rs. 492.64 million), lease finances amounting to Rs. 28.70 million (June 30, 2016: Rs. 13.378 million) alongwith mark up of Rs. 7.41 million (June 30, 2016: Rs. 3.637 million) and short term borrowings amounting to Rs. 4,344.71 million (June 30, 2016: Rs. 4,666.650 million) alongwith mark up of Rs. 686.52 million (June 30, 2016: Rs. 661.934 million) were over due.

On the balance sheet date, the carrying amount of loans relevant to above overdues were long term financing Rs. 5,110.27 million (June 30, 2016: Rs. 4,111.72 million), lease finances Rs. 28.70 million (June 30, 2016: Rs. 32.37 million) and short term borrowings Rs. 4,344.71 million (June 30, 2016: Rs. 4,987.89 million).

The Company's requests for restructuring of the overdue loans and related markup and conversion into non serviceable loans / loans subject to reduced rate of mark up for a reasonable period of time are under negotiation with the lenders (Refer Note 10.1).

12. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on **22-06-2023** by the Board of Directors of the Company.

13. GENERAL

- There is no unusual item included in this condensed interim financial report which is affecting liabilities, assets, loss, comprehensive loss, cash flows or equity of the Company.
- Provision for workers' profit participation fund made in this condensed interim financial information is subject to adjustment in the annual financial statements.
- Figures have been rounded off to the nearest Rupee.



MUHAMMAD FAISAL LATIF
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