



Financial Statements

for the 1st quarter ended September 30,
2018.

Contents

Company Information	02
Director's Report to the Members	03
Director's Report to the Members in Urdu	04
Balance Sheet	05
Profit & Loss Account	06
Statement of Comprehensive Income	06
Cash Flow Statement	07
Statement of Changing in Equity	08
Notes to the Financial Statement	09

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	Rahman Sarfaraz Rahim Iqbal Rafiq 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	
Works	-Spinning Unit - Toba Tek Singh. -Weaving Unit - Kharianwala, Distt: Sheikhpura. -Weaving Unit - Shahkot, Distt: Nankana Sahib. -Processing & Stitching Units - Nishatabad,

DIRECTORS' REPORT TO THE SHAREHOLDER'S

The Directors are presenting before you un-audited financial statements of the Company for the first quarter of financial year 2018-2019 ended on September 30, 2018. The Company had gone under Liquidation by the Lahore High Court Lahore vide its order dated 13-07-2017. Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on June 30, 2018 and September 30, 2018 have been shown as required by the international Accounting standards (IAS) 34 for interim financial reporting.

SALES REVENUE

Sales Revenue of Rs.166.831 million has been earned during the quarter under report as compared to Rs.210.634 million achieved during the same quarter of the preceding year.

FINANCIAL RESULTS

In view of recession in the markets the Company has sustained a financial loss of Rs.46.530 million for the quarter.

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. Thereafter the original management took over the charge.

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 thank full to its financial institutions affording restructuring of financial facilities and its employees who have rendered their dedicated services for the Company.

For and on behalf of
BOARD OF DIRECTORS



FAISALABAD (MUHAMMAD FAISAL LATIF)
10-08-2023 (DIRECTOR)



(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کی جائزہ شدہ (بغیر آڈٹ) 30 ستمبر 2018 کو ختم ہونے والی پہلی سہ ماہی کے مالی حسابات برائے سال 2018-2019 پیش کرتے ہیں۔ کمپنی عدالت عالیہ لاہور کے حکم کے مطابق بمورخہ 13-07-2017 تحلیل ہو چکی ہے پچھلے سال کی اسی سہ ماہی کے اعداد و شمار موازنہ کے لئے بھی پیش کئے ہیں بیلنس شیٹ کے اعداد 30 جون 2018 اور 30 ستمبر 2018 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔اے۔ ایس 34) برائے درمیانی مدت کی فنانشل رپورٹنگ کے زیر تفتیش ہیں۔

سیلز ریونیو:-

166.831 ملین روپے کا سیلز ریونیو اس رپورٹنگ والی سہ ماہی کے دوران حاصل کیا گیا بمقابلہ 210.634 ملین روپے جو کہ پچھلے سال اسی سہ ماہی کے دوران حاصل کیا گیا تھا۔

مالیاتی نتائج:-

مارکیٹ میں کساد بازاری کی وجہ سے کمپنی نے 46.530 ملین روپے کا نقصان برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم مورخہ 14-09-2021 پنکس 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 اور اس کے بعد اصل انتظامیہ نے چارج سنبھال لیا ہے۔ انتظامیہ غیر پیداواری اثاثہ جات کو فروخت کرنے کے لئے کوششیں کر رہی ہے تاکہ کمپنی کے لئے سرمائے کی ضرورت کو پورا کیا جائے۔

تسلیم و تحسین:-

ڈائریکٹرز اپنے مالیاتی اداروں کے شرک گزار ہیں جنہوں نے قرض کی ادائیگی کے لئے نئے شیڈولز دیئے ہیں بشمول اپنے ملازمین کے جنہوں نے تندرہ ہی سے کمپنی کو خدمات فراہم کی ہیں۔

برائے بورڈ آف ڈائریکٹرز:-



محمد فیصل لطیف

ڈائریکٹر

فیصل آباد

10-08-2023



محمد نعیم

چیف ایگزیکٹو

CHENAB LIMITED
Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2018.

	Notes	Un-audited SEPTEMBER 30, 2018 Rupees	Audited June 30, 2018 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	3	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
Surplus on revaluation of property, plant and equipment		5,734,375,031	5,739,343,363
Capital reserves		526,409,752	526,409,752
Revenue reserves		(9,302,140,766)	(9,263,133,935)
		(1,091,355,983)	(1,047,380,820)
NON-CURRENT LIABILITIES			
Long term financing		2,446,667,352	2,448,167,352
Liabilities against assets subject to finance lease		-	-
Deferred liability Staff retirement gratuity		947,604,100	951,995,760
Deferred Revenue		10,314,720	10,314,720
		3,404,586,172	3,410,477,832
CURRENT LIABILITIES			
Trade and other payables		1,986,108,827	1,972,458,011
Interest / markup payable		1,225,297,874	1,225,297,876
Short term borrowings		4,344,992,444	4,344,994,597
Current portion of :			
Long term financing		2,952,338,753	2,952,338,753
Liabilities against assets subject to finance lease		28,702,544	28,702,544
Provision for taxation - income tax		46,383,597	41,953,978
		10,583,824,039	10,565,745,759
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		12,897,054,228	12,928,842,771
NON-CURRENT ASSETS			
Property, plant and equipment		10,966,833,114	10,993,406,655
Long term deposits		12,636,768	12,636,768
		10,979,469,882	11,006,043,423
CURRENT ASSETS			
Stores, spares and loose tools		34,048,439	36,190,798
Stock in trade		31,465,779	29,794,979
Trade debts		1,719,219,490	1,728,209,931
Loans and advances		54,558,604	51,675,148
Deposits and prepayments		10,921,155	10,832,233
Other receivables		17,406,946	18,139,386
Tax refunds due from Government		30,546,671	29,166,833
Cash and bank balances		19,417,260	18,790,040
		1,917,584,344	1,922,799,348
		12,897,054,226	12,928,842,771

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


MUHAMMAD FAISSAL LATIF
(DIRECTOR)


MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

Condensed Interim Profit and Loss Account(Un-audited)

For The 1st Quarter ended September 30, 2018

	Note	Quarter Ended September 30,	
		2018 Rupees	2017 Rupees
Sales		166,830,630	210,634,356
Cost of sales	7	193,974,913	255,396,995
Gross (loss) / profit		(27,144,283)	(44,762,639)
Other operating income		9,274,614	9,046,182
		(17,869,669)	(35,716,457)
Selling and distribution expenses		5,104,215	4,072,589
Administrative expenses		23,028,530	30,474,384
Other operating expenses		-	2,946,164
Finance cost		527,397	3,578,000
		28,660,142	41,071,137
(Loss) for the period before taxation		(46,529,811)	(76,787,594)
Provision for taxation		4,429,619	4,994,382
(Loss) for the period		(50,959,430)	(81,781,976)
(Loss) per share - Basic and diluted		(0.443)	(0.711)

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

Condensed Interim Statement of Comprehensive Income(Un-audited)

For The 1st Quarter ended September 30, 2018

	Quarter Ended September 30,	
	2018 Rupees	2017 Rupees
(Loss) / profit for the period	(50,959,430)	(81,781,976)
Other comprehensive income for the period		
Incremental depreciation on revalued assets for the period	4,968,332	6,747,748
Remeasurement of defined benefit liability	6,984,267	-
	11,952,599	6,747,748
Total comprehensive income/ (loss) / profit for the period	(39,006,831)	(75,034,228)

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

Condensed Interim Cash Flow Statement (Un-audited)

For The 1st Quarter ended September 30, 2018

a) CASH FLOWS FROM OPERATING ACTIVITIES	Quarter Ended September 30,	
	2018 Rupees	2017 Rupees
(Loss) / profit before taxation	(46,529,811)	(76,787,594)
Adjustments for:		
Depreciation on property, plant and equipment	26,573,541	49,552,210
Provision for staff retirement gratuity	5,000,960	9,123,850
Finance cost	527,397	3,578,000
Operating cash flows before working capital changes	<u>(13,196,678)</u>	<u>(14,578,488)</u>
Changes in working capital		
Decrease/ (Increase) in current assets		
Stores, spares and loose tools	2,142,359	9,457,758
Stock in trade	(1,670,800)	(27,735,090)
Trade debts	8,990,441	2,377,704
Loans and advances	(2,883,456)	(6,499,110)
Deposits and prepayments	(88,922)	814,428
Other receivables	3,720,027	4,324,315
Tax refunds due from Government	(1,379,838)	7,381,202
	<u>8,829,811</u>	<u>(9,878,793)</u>
(decrease) /Increase in current liabilities		
Trade and other payables	<u>10,919,580</u>	<u>28,282,261</u>
	<u>19,749,391</u>	<u>18,403,468</u>
Cash generated from operations	6,552,713	3,824,980
Income tax paid	(2,987,587)	(2,758,318)
Finance cost paid	(527,399)	(2,054,240)
Staff retirement gratuity paid	(2,408,354)	(1,044,415)
Net cash used in operating activities	<u>629,373</u>	<u>(2,031,993)</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(2,127,604)
Proceeds from disposal of property, plant and equipment	-	-
	<u>-</u>	<u>(2,127,604)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	-	-
Repayment of:		
Long term financing	-	(1,500,000)
Liabilities against assets subject to finance lease	-	(1,632,463)
Increase in short term borrowings - net	(2,153)	(37,325)
Net cash from financing activities	<u>(2,153)</u>	<u>(3,169,788)</u>
Net increase in cash and cash equivalents (a+b+c)	627,220	(7,329,385)
Cash and cash equivalents at the beginning of the year	18,790,040	28,422,073
Cash and cash equivalents at the end of the year	<u>19,417,260</u>	<u>21,092,688</u>

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

CHENAB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2018.

	Share Capital		Capital Reserves				Revenue Reserves			Total	
	Issued, subscribed and paid up capital	Cumulative preference shares	Surplus on revaluation of property, plant and equipment	Premium on issue of ordinary shares	Book difference of capital under scheme of arrangement	Preference shares redemption reserve	sub total	General reserve	Unappropriated profit	sub total	TOTAL
	-----Rupees-----										
Balance as at July 01, 2017 (Audited)	1,150,000,000	800,000,000	5,761,095,295	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,100,280,197)	(9,023,847,363)	(786,342,316)
Total comprehensive											
(Loss) for the period									(81,781,976)	(81,781,976)	(81,781,976)
Incremental depreciation on revalued assets for the period			-						6,747,748	6,747,748	6,747,748
Related deferred tax			-						-	-	-
Surplus during the year			-						-	-	-
Remeasurement of defined benefit liability			-						5,355,114	5,355,114	5,355,114
Related deferred tax			-						-	-	-
									(69,679,114)	(69,679,114)	(69,679,114)
Balance as at September 30, 2017	1,150,000,000	800,000,000	5,761,095,295	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,169,959,311)	(9,093,526,477)	(856,021,430)
Total comprehensive											
(Loss) for the period									(200,076,984)	(200,076,984)	(200,076,984)
Incremental depreciation on revalued assets for the year			(21,751,932)						15,004,184	15,004,184	(6,747,748)
Related deferred tax			-						-	-	-
Remeasurement of defined benefit liability			-						15,465,342	15,465,342	15,465,342
Related deferred tax			-						-	-	-
			(21,751,932)						(169,607,458)	(169,607,458)	(191,359,390)
Balance as at June 30, 2018 (Audited)	1,150,000,000	800,000,000	5,739,343,363	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,339,566,769)	(9,263,133,935)	(1,047,380,820)
Total comprehensive											
Profit for the period									(50,959,430)	(50,959,430)	(50,959,430)
Other comprehensive (loss)											
Incremental depreciation on revalued assets for the period									4,968,332	4,968,332	-
Related deferred tax									-	-	-
Remeasurement of defined benefit liability									6,984,267	6,984,267	6,984,267
Related deferred tax									-	-	-
									(39,006,831)	(39,006,831)	(43,975,163)
Balance as at SEP 30, 2018 (unaudited)	1,150,000,000	800,000,000	5,739,343,363	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,378,573,600)	(9,302,140,766)	(1,091,355,983)

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



MUHAMMAD FISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For The 1st Quarter ended September 30, 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 Faisalabad Lhr Road, Kharianwala, Sheikhpura
Weaving Unit-II	Nankana Sahib	7 K.M Main Faisalabad Lhr Rd., Kotla 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 operating losses of Rs. 50.959 million. As at September 30, 2018 the accumulated loss of the Company is Rs. 9,302.140 million and the current liabilities exceed its current assets by Rs. 8,666.239 million. The Company has not redeemed preference shares on exercise of put options for two 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. 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 Compnay 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.

- 1.4 The condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.5 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, 2011.
- 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, 2011.

- 2.6 Standards, amendments to published approved accounting standards and interpretations effective from July 01, 2011:
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, 2011 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 SEPTEMBER 30, 2018 Rupees	Audited June 30, 2018 Rupees
3. Cumulative preference shares			
	80,000,000 cumulative preference shares of Rs. 10/- each fully paid in cash.	800,000,000	800,000,000
3.1	The holders of 55,080,498 cumulative preference shares called upon to convert preference shares into ordinary shares due to non-redemption of their holding on exercise of put options for two consecutive years. The Company proposed to issue new ordinary shares to preference shareholders holding 49,984,998 cumulative preference shares who have called upon to convert their shares, as per conversion formula laid down in the Prospectus (Refer above 4.2) and Articles of Association of the Company. In view of the reservations, one of the investors filed application under Section 474 of the Companies Ordinance 1984 before the Securities and Exchange Commission of Pakistan which was not entertained by the SECP and Appellate bench being out of domain of Companies Ordinance 1984. SECP has initiated proceeding in the court of district and session judge at Karachi alleging trading activities of shares of the company in the manner prohibited under section 17 of Securities and Exchange Ordinance 1969. Since the subject matter of value for conversion of preference shares into ordinary shares is subjudice, the management will issue new ordinary shares on the disposal of the case filed by SECP. The matter of conversion of balance 5,095,500 cumulative preference shares is also pending till the resolution of matter in the court.		
3.2	The cumulative preference shares have been classified as part of equity capital in accordance with the terms and conditions of issue, taking into consideration the classification of share capital as indicated in the various provisions of the Companies Ordinance, 1984. Further the contradictions between classification of share capital in the various provisions of the Companies Ordinance, 1984 and International Accounting Standards is pending for clarification before the Securities and Exchange Commission of Pakistan.		
3.3	The company has executed agreement with a banking company to buy back cumulative preference shares amounting to Rs. 100 million. The company will pay purchase consideration in installments commencing from year 2023.		

4. CONTINGENCIES AND COMMITMENTS

Contingencies

There is no significant change in contingencies since the date of publish audited financial statements for the year ended June 30, 2012 except the following:

	Un-audited SEPTEMBER 30, 2018 Rupees	Audited June 30, 2018 Rupees
Liability of mark-up not acknowledged in view of management's intention to file applications for availing non serviceable grace period on the outstanding liabilities	1,634,522,800	1,580,926,041

5. ACQUISITIONS AND DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT - AT COST

	Quarter Ended Sep 30, 2018		Quarter Ended Sep 30, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposal Rupees
Owned				
Plant and machinery	-	-	10,055	-
Electric installations	-	-	2,111,101	-
Office equipment	-	-	6,448	-
Vehicles	-	-	-	(1,277,664)
	-	-	2,127,604	(1,277,664)

	Un-audited SEPTEMBER 30, 2018 Rupees	Audited June 30, 2018 Rupees
6. Trade debts		
Considered good		
Secured		
Foreign	(22,261,535)	7,485,243
Unsecured		
Foreign	1,698,060,404	1,691,735,048
Local	43,420,621	28,989,640
	<u>1,719,219,490</u>	<u>1,728,209,931</u>
6.1 The aging of trade debts is as under:	(8,990,441)	
Not past due	230,547,060	208,937,398
	23,712,515	22,956,979
	<u>1,464,959,915</u>	<u>1,905,826,742</u>
Past due	1,488,672,430	1,928,783,721
	<u>1,719,219,490</u>	<u>2,137,721,119</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. The credit risk exposure is limited in respect of bank balances as bank balances are placed with foreign and local banks having good credit rating from international and local credit rating agencies

	Quarter Ended September 30, 2018 Rupees	2017 Rupees
7. Cost of sales		
manufactured (Note 7.1)	194,674,495	270,809,550
Finished goods		
Opening stock	11,345,057	18,213,332
Closing stock	(11,981,249)	(33,625,887)
	(636,192)	(15,412,555)
	<u>194,038,303</u>	<u>255,396,995</u>
7.1 Cost of goods manufactured		
Raw material consumed (Note 7.1.1)	84,739,190	103,756,311
Salaries, wages and benefits	40,132,548	45,453,888
Staff retirement benefits	3,290,210	6,755,450
Stores and spares	11,135,582	21,669,467
Dyes and chemicals	9,000,850	10,432,342
Packing material	3,809,502	6,884,496
Repairs and maintenance	187,375	108,755
Fuel and power	8,227,375	9,387,207
Insurance	-	-
Depreciation	25,521,009	48,381,853
Other	9,602,072	23,448,576
	<u>195,645,713</u>	<u>276,278,345</u>
Work in process		
Opening stock	17,319,498	6,462,587
Closing stock	(18,290,716)	(11,931,382)
	(971,218)	(5,468,795)
	<u>194,674,495</u>	<u>270,809,550</u>
7.1.1 Raw material consumed		
Opening stock	1,193,814	8,099,205
Purchases including purchase expenses	84,739,190	110,610,051
	85,933,004	118,709,256
Closing stock	(1,193,814)	(14,952,945)
	<u>84,739,190</u>	<u>103,756,311</u>
8. Finance cost		
Refer note no.11		

Quarter Ended September 30,
2018 **2017**
Rupees **Rupees**

9. Earnings per share - Basic

(Loss) / profit for the period ordinary share holders	(50,959,430)	(81,781,976)
Weighted average number of ordinary shares outstanding during the period	115,000,000	115,000,000
	(0.443)	(0.711)

9.1 There is no dilutive effect on the basic earnings per share of the Company.

10. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings and key management personnel. Significant transactions with related parties nil.

11. Overdue loans

The mark-up on the Tier 1 Debt shall be 5% per annum and shall start accruing from the Effective Date.

The mark-up on Tier 2 Debt shall be 3% per annum. The Initial Tier 2 Debt Mark-Up shall start accruing from the Effective Date and such accrual shall end on the earlier of (i) the date on which the Tier 1 Debt is repaid, and (ii) the date by which the Tier 1 Debt is required to be repaid.

Thereafter, the mark-up on Tier 2 Debt shall accrue at 5% per annum.

The Lenders shall have the sole discretion to revise the quantum and applicability of the Tier 1 Debt Mark-Up, the Initial Tier 2 Debt Mark-Up, and the Subsequent Tier 2 Debt Mark-Up.

The Past Mark-up upto the Effective Date shall be calculated by aggregating:

- (a) Mark-up accrued but not paid under each Lenders' financing agreements as per the rate of mark-up under such financing agreement until the date of default; and,
- (b) (from the date of default under each financing agreement up to the Effective Date) mark-up equal to the cost of funds on the outstanding principal amount under each financing agreement at the rate of the cost of funds of the relevant Lender for each financing agreement.

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **10-08-2023** by the Board of Directors of the Company.

13. GENERAL

- (i) There is no unusual item included in the condensed interim financial statements which is affecting liabilities, assets, loss, cash flows or equity of the Company.
- (ii) The provision for taxation, worker's welfare fund are based on these condensed interim financial statements and are subject to adjustments in annual financial statements.
- (iii) Figures have been rounded off to the nearest Rupee.



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

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