



Financial Statements

for the half year ended December 31,
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 together with notes for the half year ended on December 31, 2018. The Company had gone under liquidation by the Lahore High Court Lahore vide its order dated 13-07-2017 which was reversed on 29-10-2021. The management of the Company approached the Auditors appointed by the court to conduct review of the financial statements for the half yearly Accounts but they refused to do so on the plea that court has given mandate only for the Audit of financial statements for the year ended June 30,2018 and this assignment does not fall in their scope, Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on December 31, 2018 and June 30, 2018 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. 341.167 million was earned during the period under report as compared to the Sales and Services revenue of Rs.478.529 million same period of last year.

FINANCIAL RESULTS

In view of unfavorable business circumstances the Company sustained a financial loss of Rs.73.179 million before taxation during the period under report.

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 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

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 کے ششماہی جائزہ شدہ (بغیر آڈٹ) حسابات معنوںس بابت 31 دسمبر 2018 آپ کے سامنے پیش کرتے ہیں۔ کمپنی عدالت عالیہ کے حکم کے تحت 13-07-2017 تحلیل ہو چکی تھی جو کہ بمورخہ 29-10-2023 کو حکم نامہ منسوخ ہو گیا ہے۔ انتظامیہ نے ششماہی حسابات کے ریو کے لئے آڈیٹرز جو کہ عدالت نے مقرر کئے تھے کیساتھ رابطہ کیا تھا۔ جنہوں نے ایسا کرنے سے انکار اس بنا پر کر دیا کہ یہ ذمہ داری عدالت نے ان کو نہیں سونپی ہے اور صرف آڈٹ برائے سال 30 جون 2018 کے لئے کہا گیا ہے۔ پچھلے سال کے اعداد و شمار برائے موازنہ بھی ظاہر کئے گئے ہیں۔ بیلنس شیٹ کے اعداد و شمار 31 دسمبر 2018 اور 30 جون 2018 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔ اے۔ ایس۔ 34) برائے درمیانی مدت کی فنانشل رپورٹنگ کے زیرِ تحت ہیں۔

سیلز/خدمات کار یونیو:-

341.167 ملین کا سیلز/خدمات کار یونیو اس عرصہ میں حاصل کیا گیا جو کہ 478.529 ملین روپے بمقابلہ اسی عرصہ کا پچھلے سال تھا۔

مالیاتی نتائج:-

مارکیٹ میں کساد بازاری کی وجہ سے کمپنی نے ملین روپے کا 73.179 ملین روپے کا ٹیکس سے پہلے نقصان اس عرصہ میں برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم بمورخہ 14-09-2021 پینکس کے ساتھ نئے سرے سے ادائیگی کے شیڈولز مرتب کئے ہیں۔ عدالت عالیہ لاہور نے کمپنی کا تحلیل شدہ حکم نامہ مورخہ 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 شکر گزار ہیں۔ جنہوں نے قرض کی ادائیگی کے لئے نئے شیڈولز دیئے ہیں بشمول اپنے ملازمین کے جنہوں نے تندہی 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
BALANCE SHEET

As at December 31, 2018.

	Notes	(Un-audited) December 31, 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		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		5,729,326,448	5,739,343,363
Capital reserves		526,409,752	526,409,752
Revenue reserves		(9,322,076,518)	(9,263,133,935)
		(1,116,340,318)	(1,047,380,820)
NON-CURRENT LIABILITIES			
Long term financing		2,322,962,831	2,448,167,352
Liabilities against assets subject to finance lease		-	-
Deferred liability		944,512,994	951,995,760
Deferred revenue		10,314,720	10,314,720
		3,277,790,545	3,410,477,832
CURRENT LIABILITIES			
Trade and other payables		1,963,771,906	1,972,458,011
Interest / markup payable		1,225,297,874	1,225,297,876
Short term borrowings	3	4,344,992,444	4,344,994,597
Current portion of :			
Long term financing		3,076,043,274	2,952,338,753
Liabilities against assets subject to finance lease		28,702,544	28,702,544
Provision for taxation - income tax		51,741,182	41,953,978
		10,690,549,224	10,565,745,759
CONTINGENCIES AND COMMITMENTS	4	-	-
		12,851,999,451	12,928,842,771
NON-CURRENT ASSETS			
Property, plant and equipment	5	10,938,727,639	10,993,406,655
		12,636,768	12,636,768
		10,951,364,407	11,006,043,423
CURRENT ASSETS			
Stores, spares and loose tools		28,743,953	36,190,798
Stock in trade		228,410	29,794,979
Trade debts	6	1,734,578,308	1,728,209,931
Loans and advances		58,314,855	51,675,148
Deposits and prepayments		10,811,366	10,832,233
Other receivables		17,162,581	18,139,386
Tax refunds due from			
Government		32,091,617	29,166,833
Cash and bank balances		18,703,954	18,790,040
		1,900,635,044	1,922,799,348
		12,851,999,451	12,928,842,771

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 half year ended December 31, 2018.

	Note	Quarter ended Dec 31,		Half year ended Dec 31,	
		2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Sales	7	174,336,931	267,895,399	341,167,561	478,529,755
Cost of sales	8	192,034,271	293,038,272	386,009,184	548,435,267
Gross (Loss)		(17,697,340)	(25,142,873)	(44,841,623)	(69,905,512)
Other operating income	9	17,548,861	9,484,035	26,823,475	18,530,217
		(148,479)	(15,658,838)	(18,018,148)	(51,375,295)
Selling and distribution expenses		1,695,085	5,209,880	6,799,300	9,282,469
Administrative expenses		24,532,768	27,223,933	47,561,298	57,698,317
Other operating expenses		-	627,947	-	3,574,111
Workers' profit participation fund		-	-	-	-
Finance cost	10	272,685	2,359,482	800,082	5,937,482
		26,500,538	35,421,242	55,160,680	76,492,379
(Loss) for the period before taxation		(26,649,017)	(51,080,080)	(73,178,828)	(127,867,674)
Provision for taxation	11	5,357,585	5,675,835	9,787,204	10,670,217
(Loss) for the period after taxation		(32,006,602)	(56,755,915)	(82,966,032)	(138,537,891)
Earnings per share - Basic		(0.28)	(0.49)	(0.72)	(1.20)

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 half year ended December 31, 2018.

	Quarter ended Dec 31,		Half year ended Dec 31,	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
Profit / (Loss) for the period	(32,006,602)	(56,755,915)	(82,966,032)	(138,537,891)
Other comprehensive income for the period				
Incremental depreciation on revalued assets for the period	5,048,583	4,631,483	10,016,915	11,379,231
Remeasurement of defined benefit liability	7,022,267	-	14,006,534	-
	(19,935,752)	(52,124,432)	(58,942,583)	(127,158,660)

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

CASH FLOW STATEMENT (Un-audited)

For the half year ended December 31, 2018.

	Half year ended Dec 31,	
	2018 Rupees	2017 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(73,178,828)	(127,867,674)
Adjustments for:		
Depreciation / impairment loss		
on property, plant and equipment	50,407,253	89,266,424
Provision for staff retirement gratuity	10,151,440	19,020,920
Profit on disposal of property, plant and equipment	3,828,237	155,603
Finance cost	800,082	5,937,482
Balances written back	1,681,235	-
Operating cash flows before working capital changes	(6,310,581)	(13,487,245)
Changes in working capital (Increase) / decrease in current assets		
Stores, spares and loose tools	7,446,845	11,786,713
Stock in trade	29,566,569	(1,879,891)
Trade debts	(6,368,377)	(23,293,245)
Loans and advances	(6,639,707)	(10,556,851)
Deposits and prepayments	20,867	1,121,169
Other receivables	7,784,662	16,633,758
Tax refunds due from Government	(2,924,784)	8,238,161
	28,886,075	2,049,814
Increase/ (Decrease) in current liabilities		
Trade and other payables	(26,331,671)	43,023,615
	2,554,404	45,073,429
Cash generated from operating activities	(3,756,177)	31,586,184
Income tax paid	-	(6,529,574)
Finance cost paid	(800,084)	(4,712,521)
Staff retirement gratuity paid	(3,627,672)	(12,609,963)
Net cash generated from operating activities	(8,183,933)	7,734,126
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	(2,127,604)
Proceeds from disposal of property, plant and equipment	8,100,000	350,000
Net cash generated / (used) in investing activities	8,100,000	(1,777,604)
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	-	-
Repayment of:		
Long term financing	-	(3,000,000)
Liabilities against assets subject to finance lease	-	-
Increase in short term bank borrowings - net	(2,153)	(8,972,325)
Net cash generated from financing activities	(2,153)	(11,972,325)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	(86,086)	(6,015,803)
Cash and cash equivalents at the beginning of the period	18,790,040	27,922,073
Cash and cash equivalents at the end of the period	18,703,954	21,906,270

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)

CHENAB LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR DECEMBER 31, 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									(138,537,891)	(138,537,891)	(138,537,891)
Incremental depreciation on revalued assets for the period			-						11,379,231	11,379,231	11,379,231
Related deferred tax			-						-	-	-
Surplus during the year			-						-	-	-
Remeasurement of defined benefit liability			-						10,560,228	10,560,228	10,560,228
Related deferred tax			-						-	-	-
									(116,598,432)	(116,598,432)	(116,598,432)
Balance as at December 31, 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	(9,216,878,629)	(9,140,445,795)	(902,940,748)
Total comprehensive											
(Loss) for the period									(143,321,069)	(143,321,069)	(143,321,069)
Incremental depreciation on revalued assets for the year			(21,751,932)						10,372,701	10,372,701	(11,379,231)
Related deferred tax			-						-	-	-
Remeasurement of defined benefit liability			-						10,260,228	10,260,228	10,260,228
Related deferred tax			-						-	-	-
			(21,751,932)						(122,688,140)	(122,688,140)	(144,440,072)
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									(82,966,032)	(82,966,032)	(82,966,032)
Other comprehensive (loss)											
Incremental depreciation on revalued assets for the period									10,016,915	10,016,915	-
Related deferred tax									-	-	-
Remeasurement of defined benefit liability									14,006,534	14,006,534	14,006,534
Related deferred tax									-	-	-
									(58,942,583)	(58,942,583)	(68,959,498)
Balance as at Dec 31, 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	(9,398,509,352)	(9,322,076,518)	(1,116,340,318)

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 Report(UNaudited)
For The Half Year Ended December 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 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 earned Loss of Rs. 82.966 million. As at December 31, 2018 the accumulated loss of the Company is Rs. 9,322.07 million, shareholders' equity is negative by Rs. 1,116.34 million and the current liabilities of the company exceed its current assets by Rs. 8,789.91 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 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.

- 1.4 This condensed interim financial information is 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 period have been appropriately disclosed in respective notes.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

- 2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements of IAS 34 differ with the requirements of the Companies Ordinance, 1984, the provisions of or the directives issued under the Companies Ordinance, 1984 have been followed.
- 2.1.2 This condensed interim financial information is un-audited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.
- 2.1.3 This condensed interim financial information does not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the period ended December 31, 2018.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current period:

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 of the Company beginning on or after July 01, 2016 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the period ended December 31, 2018.

2.2.2 Standards, amendments to standards and interpretations becoming effective in future:

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2017 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the Period ended December 31, 2018.

2.3 Basis of preparation

This condensed interim financial information 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.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published audited financial statements for the period ended December 31, 2018.

2.5 Estimates, judgments and risk management policies

2.5.1 The preparation of financial information in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial information are the same as those disclosed in the published audited financial statements for the period ended December 31, 2018.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the period ended December 31, 2018

3. Short term borrowings

Secured

Under mark up arrangements

From banking companies

Export finances

Finance against trust receipt

Running fianace

Murabaha finances

	(Un-audited) December 31, 2018 Rupees	(Audited) June, 30 2018 Rupees
	3,668,552,114	3,668,552,114
	18,301,847	18,304,000
	437,588,483	437,588,483
	220,550,000	220,550,000
	<u>4,344,992,444</u>	<u>4,344,994,597</u>

3.1 The aggregate unavailed short term borrowing facilities available to the Company are Rs.nil million. Total sanctioned limits are Rs. 5.17 billion (June 30, 2018: Rs. 5.17 billion) out of which Rs. 4.34 billion (June 30, 2018: Rs. 4.34 billion) are expired and renewable.

4. CONTINGENCIES AND COMMITMENTS

There is no significant change in contingencies since the date of published audited financial statements for the priod ended December 31, 2018 except the following:

Liability of markup not acknowledged in view of loan rescheduling applications filed to allow non serviceable grace period on the outstanding liabilities

	(Un-audited) December 31, 2018	(Audited) June, 30 2018
	1,031,682,527	1,021,686,391

5. Property, plant and equipment

Operating assets

	10,938,727,639	10,993,406,655
--	----------------	----------------

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

	Half year ended December 31, 2018		Half year ended December 31, 2017	
	Acquisitions Rupees	Disposals Rupees	Acquisitions Rupees	Disposal Rupees
Owned				
Plant and machinery	-	-	10,055	-
Office equipment	-	-	6,448	-
Vehicles	-	(19,366,386)	-	(1,277,664)
	-	<u>(19,366,386)</u>	16,503	<u>(1,277,664)</u>

	(Un-audited) December 31, 2018 Rupees	(Audited) June, 30 2018 Rupees
6. Trade debts		
Considered good		
Secured		
Foreign	(4,321,931)	7,485,243
Unsecured		
Foreign	1,698,060,404	1,691,735,048
Local	40,839,835	28,989,640
	1,738,900,239	1,720,724,688
	1,734,578,308	1,728,209,931
6.1 The aging of trade debts is as under:		
Not past due	46,357,752	12,827,714
Past due within one year	8,018,495	7,348,538
Past due over one year	1,680,202,061	1,708,033,679
	1,688,220,556	1,715,382,217
	1,734,578,308	1,728,209,931

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 Dec 31,		Half year ended Dec 31,	
	2018 Rupees	2017 Rupees	2018 Rupees	2017 Rupees
7. Sales				
Export				
Fabrics / made ups / garments	43,792,507	114,805,060	73,580,381	176,257,695
Add: Export rebate / duty drawback	198,996	1,355,256	667,347	2,309,378
	43,991,503	116,160,316	74,247,728	178,567,073
Less:				
Commission	220,624	547,570	790,743	2,551,194
Discount	-	-	-	-
	220,624	547,570	790,743	2,551,194
	43,770,879	115,612,746	73,456,985	176,015,879
Local				
Yarn	-	-	-	-
Fabrics / made ups	-	71,535,420	1,621,164	156,693,621
Processing, conversion and stitching charges	130,566,052	80,747,233	266,089,412	145,820,255
	174,336,931	267,895,399	341,167,561	478,529,755
8. Cost of sales				
Cost of goods manufactured (Note 10.1)	180,281,432	278,670,384	374,892,537	549,479,934
Finished goods				
Opening stock	11,981,249	33,625,887	11,345,057	18,213,332
Closing stock	(228,410)	(19,257,999)	(228,410)	(19,257,999)
	11,752,839	14,367,888	11,116,647	(1,044,667)
	192,034,271	293,038,272	386,009,184	548,435,267
8.1 Cost of goods manufactured				
Raw material consumed (Note 10.1.1)	75,136,814	117,182,403	159,812,614	220,938,714
Salaries, wages and benefits	32,539,564	46,210,380	72,672,112	91,664,268
Staff retirement benefits	3,340,190	7,454,950	6,630,400	14,210,400
Stores and spares	7,978,882	17,776,558	19,114,464	39,446,025
Dyes and chemicals	8,839,147	10,132,777	17,839,997	20,565,119
Packing material	2,085,109	7,380,379	5,894,611	14,264,875
Repairs and maintenance	102,290	111,124	289,665	219,879
Fuel and power	4,933,063	7,503,015	13,160,438	16,890,222
Insurance	-	-	-	-
Depreciation	23,240,802	38,575,711	48,761,811	86,957,564
Other	3,794,855	21,244,968	13,396,927	44,693,544
	161,990,716	273,572,265	357,573,039	549,850,610
Work in process				
Opening stock	18,290,716	11,931,382	17,319,498	6,462,587
Closing stock	-	(6,833,263)	-	(6,833,263)
	18,290,716	5,098,119	17,319,498	(370,676)
	180,281,432	278,670,384	374,892,537	549,479,934

		Quarter ended Dec 31, 2018		Half year ended Dec 31, 2017	
		Rupees	Rupees	Rupees	Rupees
8.1.1	Raw material consumed				
	Opening stock	1,193,814	14,952,945	1,130,424	8,099,205
	Purchases including purchase expenses	73,943,000	110,793,211	158,682,190	221,403,262
		75,136,814	125,746,156	159,812,614	229,502,467
	Closing stock	-	(8,563,753)	-	(8,563,753)
		<u>75,136,814</u>	<u>117,182,403</u>	<u>159,812,614</u>	<u>220,938,714</u>
9.	Other operating income				
	Income from assets other than financial assets:				
	Sale of waste material	-	262,186	85,878	689,665
	Rental income	14,170,624	9,021,292	24,590,595	17,684,949
	Gain on disposal of property, plant and equipment	3,828,237	200,557	3,828,237	155,603
	Balances written back - net	(450,000)	-	(1,681,235)	-
		<u>17,548,861</u>	<u>9,484,035</u>	<u>26,823,475</u>	<u>18,530,217</u>
10.	Finance cost				
	Interest / mark up on:				
	Long term financing	-	-	-	-
	Liabilities against assets subject to finance lease	-	-	-	-
	Long term murabaha	-	-	-	-
	Short term borrowings	-	1,620,403	-	4,759,394
	Bank charges and commission	272,685	739,079	800,082	1,178,088
		<u>272,685</u>	<u>2,359,482</u>	<u>800,082</u>	<u>5,937,482</u>

10.1 Ref note no 13

		Quarter ended Dec 31, 2018		Half year ended Dec 31, 2017	
		Rupees	Rupees	Rupees	Rupees
11.	Provision for taxation				
	Current				
	For the period	5,357,585	5,675,835	9,787,204	10,670,217
	For the prior periods	-	-	-	-
		<u>5,357,585</u>	<u>5,675,835</u>	<u>9,787,204</u>	<u>10,670,217</u>

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

12. 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 period except payment of remuneration to Chief Executive Officer, Directors and Executives amounting to Rs.null.

13. 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:

- 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,
- (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.

14. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial report was authorised for issue on **10-08-2023** by the Board of Directors of the Company.

15. GENERAL

- (i) 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.
- (ii) Provision for workers' profit participation fund made in this condensed interim financial information is subject to adjustment in the annual financial statements.
- (iii) Figures have been rounded off to the nearest Rupee.



**MUHAMMAD FAISAL LATIF
(DIRECTOR)**



**MUHAMMAD NAEEM
(CHIEF EXECUTIVE OFFICER)**

If not delivered return to :



Nishatabad, Faisalabad - Pakistan

Tel: +92 41 8754475-76

Fax: +90 41 8752400, 8752700

Email: chenab@chenabgroup.com

Web: www.chenabgroup.com