

FINANCIAL STATEMENTS

For the 1st quarter ended sep 30,

2017

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

SALES REVENUE

Sales Revenue of Rs. 210.634 million has been earned during the quarter under report as compared to Rs. 508.327 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.81.782 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. 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 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



MUHAMMAD FISAL LATIF
(DIRECTOR)



MUHAMMAD AEEM
(CHIEF EXECUTIVE)

FAISALABAD.
22-06-2023

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کی جائزہ شدہ (بغیر آڈٹ) 30 ستمبر 2017 کو ختم ہونے والی پہلی سہ ماہی کے مالی حسابات برائے سال 2017-2018 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 بیننس شیڈ کے اعداد 30 جون 2017 اور 30 ستمبر 2017 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔اے۔ ایس 34) برائے درمیانی مدت کی فنانشنل رپورٹنگ کے زیر تفتیش ہیں۔

سیلز ریونیو:-

210-634 ملین روپے کا سیلز ریونیو اس رپورٹنگ والی سہ ماہی کے دوران حاصل کیا گیا بمقابلہ 508-327 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 782-81 ملین روپے کا نقصان برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم مورخہ 14-09-2021 بیننس کے ساتھ نئے سر 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 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

22-06-2023



محمد نعیم

چیف ایگزیکٹو

CHENAB LIMITED
Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2017.

	Notes	Un-audited SEPTEMBER 30, 2017 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	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
Capital reserves		526,409,752	526,409,752
Revenue reserves		(9,093,526,477)	(9,023,847,363)
		(6,617,116,725)	(6,547,437,611)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		5,754,347,547	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			
Staff retirement gratuity		956,106,544	953,382,223
Deferred Revenue		10,314,720	10,314,720
		3,674,735,668	3,672,011,347
CURRENT LIABILITIES			
Trade and other payables		1,953,948,754	1,925,756,401
Interest / markup payable		1,246,942,473	1,187,067,622
Short term borrowings		4,342,461,601	4,342,498,926
Current portion of :			
Long term financing		2,694,691,701	2,754,542,792
Liabilities against assets subject to finance lease		28,702,544	30,335,007
Provision for taxation - income tax		26,157,136	21,162,754
		10,292,904,209	10,261,363,502
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		13,104,870,699	13,147,032,533
NON-CURRENT ASSETS			
Property, plant and equipment		11,138,227,770	11,185,697,330
Long term deposits		12,636,768	12,636,768
		11,150,864,538	11,198,334,098
CURRENT ASSETS			
Stores, spares and loose tools		57,906,954	67,364,712
Stock in trade		60,510,214	32,775,124
Trade debts		1,703,271,047	1,705,648,751
Loans and advances		47,665,401	41,166,291
Deposits and prepayments		11,803,757	12,618,185
Other receivables		25,937,491	27,503,488
Tax refunds due from Government		25,818,609	33,199,811
Cash and bank balances		21,092,688	28,422,073
		1,954,006,161	1,948,698,435
		13,104,870,699	13,147,032,533

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, 2017

	Note	Quarter Ended September 30,	
		2017 Rupees	2016 Rupees
Sales		210,634,356	508,326,593
Cost of sales	7	255,396,995	430,457,274
Gross profit/ (loss)		(44,762,639)	77,869,319
Other operating income		9,046,182	2,604,274
		(35,716,457)	80,473,593
Selling and distribution expenses		4,072,589	2,848,302
Administrative expenses		30,474,384	32,068,369
Other operating expenses		2,946,164	-
Finance cost		3,578,000	35,878,543
		41,071,137	70,795,214
(Loss) for the period before taxation		(76,787,594)	9,678,379
Provision for taxation		4,994,382	4,965,314
(Loss) for the period		(81,781,976)	4,713,065
(Loss) per share - Basic and dilut		(0.711)	0.041

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

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MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

Condensed Interim Statement of Comprehensive Income(Un-audited)

For The 1st Quarter ended September 30, 2017

	Quarter Ended September 30,	
	2017 Rupees	2016 Rupees
(Loss) / profit for the period	(81,781,976)	4,713,065
Other comprehensive income for the period		
Incremental depreciation on revalued assets for the period	6,747,748	2,155,701
Related deferred tax	-	968,503
	6,747,748	3,124,204
Total comprehensive income/ (loss) / profit for the period	(75,034,228)	7,837,269

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, 2017

	Quarter Ended September 30,	
	2017 Rupees	2016 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(76,787,594)	(120,621,012)
Adjustments for:		
Depreciation on property, plant and equipment	49,552,210	46,149,647
Provision for staff retirement gratuity	9,123,850	6,264,474
Profit on disposal of property, plant and equipment	(44,954)	60175
Finance cost	3,578,000	32,130,705
Balances written off / (written back) - net	-	(1,262,879)
Operating cash flows before working capital changes	(14,578,488)	(37,278,890)
Changes in working capital		
Decrease/ (Increase) in current assets		
Stores, spares and loose tools	9,457,758	3,061,535
Stock in trade	(27,735,090)	(4,010,510)
Trade debts	2,377,704	82,354,897
Loans and advances	(6,499,110)	(23,401,338)
Deposits and prepayments	814,428	(1,619,810)
Other receivables	4,324,315	4,033,094
Tax refunds due from Government	7,381,202	1,112,705
	(9,878,793)	61,530,573
(decrease) / Increase in current liabilities		
Trade and other payables	28,282,261	6,763,402
	18,403,468	68,293,975
Cash generated from operations	3,824,980	31,015,085
Income tax paid	(2,758,318)	(2,415,566)
Finance cost paid	(2,054,240)	(20,525,049)
Staff retirement gratuity paid	(1,044,415)	(1,238,413)
Net cash used in operating activities	(2,031,993)	6,836,057
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(2,127,604)	-
Proceeds from disposal of property, plant and equipment	-	180,000
	(2,127,604)	180,000
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	-	-
Repayment of:		
Long term financing	(1,500,000)	(52,218,218)
Liabilities against assets subject to finance lease	(1,632,463)	-
Increase in short term borrowings - net	(37,325)	41,068,914
Net cash from financing activities	(3,169,788)	(11,149,304)
Net increase in cash and cash equivalents (a+b+c)	(7,329,385)	(4,133,247)
Cash and cash equivalents at the beginning of the year	28,422,073	27,300,940
Cash and cash equivalents at the end of the year	21,092,688	23,167,693

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



MUHAMMAD FAISAL LATIF
(DIRECTOR)



MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

STATEMENT OF CHANGES IN EQUITY
For the 1st quarter ended September 30, 2017.

CHENAB LIMITED

	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	sub total	General reserve	Unappropriated profit	sub total	
Balance as at July 01, 2016 (Audited)	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,141,737,768)	(8,065,304,934)	(5,588,895,182)
Total comprehensive (Loss) For the period	-	-	-	-	-	-	-	7,134,559	7,134,559	7,134,559
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	11,290,536	11,290,536	11,290,536
Related deferred tax	-	-	-	-	-	-	-	2,383,002	2,383,002	2,383,002
Balance as at Sep 30, 2016 (unaudited)	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,120,929,671)	(8,044,496,837)	(5,569,087,065)
Total comprehensive (Loss) For the year	-	-	-	-	-	-	-	(999,362,863)	(999,362,863)	(999,362,863)
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	-	-	-	-	-	-	-	(3,644,386)	(3,644,386)	(3,644,386)
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(3,690,350)	(3,690,350)	(3,690,350)
Related deferred tax	-	-	-	-	-	-	-	(979,350,526)	(979,350,526)	(979,350,526)
Balance as at June 30, 2017 (Audited)	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,100,280,197)	(9,023,847,363)	(6,547,437,611)
Total comprehensive Profit for the period	-	-	-	-	-	-	-	(81,781,976)	(81,781,976)	(81,781,976)
Other comprehensive (loss)	-	-	-	-	-	-	-	6,747,748	6,747,748	6,747,748
Incremental depreciation on revalued assets for the period	-	-	-	-	-	-	-	5,355,114	5,355,114	5,355,114
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	(69,679,114)	(69,679,114)	(69,679,114)
Related deferred tax	-	-	-	-	-	-	-	(9,169,959,311)	(9,093,556,477)	(6,617,116,726)
Balance as at SEP 30, 2017 (unaudited)	1,150,000,000	800,000,000	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,169,959,311)	(9,093,556,477)	(6,617,116,726)

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, 2017

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 net losses of Rs.81.781 million. As at Sep 30, 2017 the accumulated loss of the Company is Rs.9,093.526 million and the current liabilities exceed its current assets by Rs. 8,338.898 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.

- 1.4 The condensed interim financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.45 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 September 2017 Rupees	Audited June 2017 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, 2018 except the following:

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

	Quarter Ended Sep 30, 2017		Quarter Ended Sep 30, 2016	
	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 2017 Rupees	Audited June 2017 Rupees
6. Trade debts		
Considered good		
Secured		
Foreign	(27,726,185)	7,485,243
Unsecured		
Foreign	1,698,060,404	1,668,088,376
Local	32,936,828	30,075,132
	<u>1,703,271,047</u>	<u>1,705,648,751</u>
6.1 The aging of trade debts is as under:		
Not past due	230,547,060	208,937,398
	<u>23,712,515</u>	<u>22,956,979</u>
	<u>1,449,011,472</u>	<u>1,905,826,742</u>
Past due	1,472,723,987	1,928,783,721
	<u>1,703,271,047</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, 2017 Rupees	2016 Rupees
7. Cost of sales		
manufactured (Note 7.1)	270,809,550	436,024,562
Finished goods		
Opening stock	18,213,332	132,687,868
Closing stock	(33,625,887)	(138,255,156)
	<u>(15,412,555)</u>	<u>(5,567,288)</u>
	<u>255,396,995</u>	<u>430,457,274</u>
7.1 Cost of goods manufactured		
Raw material consumed (Note 7.1.1)	103,756,311	240,497,957
Salaries, wages and benefits	45,453,888	50,707,578
Staff retirement benefits	6,755,450	4,103,200
Stores and spares	21,669,467	15,676,226
Dyes and chemicals	10,432,342	8,036,591
Packing material	6,884,496	9,049,338
Repairs and maintenance	108,755	451,769
Fuel and power	9,387,207	39,082,512
Insurance	-	613,833
Depreciation	48,381,853	45,842,442
Other	23,448,576	26,614,181
	<u>276,278,345</u>	<u>440,675,627</u>
Work in process		
Opening stock	6,462,587	110,851,081
Closing stock	(11,931,382)	(115,502,146)
	<u>(5,468,795)</u>	<u>(4,651,065)</u>
	<u>270,809,550</u>	<u>436,024,562</u>
7.1.1 Raw material consumed		
Opening stock	8,099,205	91,118,913
Purchases including purchase expenses	110,610,051	244,321,104
	<u>118,709,256</u>	<u>335,440,017</u>
Closing stock	(14,952,945)	(94,942,060)
	<u>103,756,311</u>	<u>240,497,957</u>
8. Finance cost		

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 and short term borrowings along with outstanding mark up thereon (except demand finance VII, term finance XI, own source finance and murabaha finance) 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 and short term finances has been made as the mark up expense amount depends on the outcome of the application.

	Quarter Ended September 30,	
	2017 Rupees	2016 Rupees
(Loss) / profit for the period ordinary share holders	(81,781,976)	4,713,065
Weighted average number of ordinary shares outstanding during the period	115,000,000	115,000,000
	(0.711)	0.041

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 are as follows:-

14. Overdue loans

On the reporting date, the installments of long term financing amounting to Rs.2,694.692 million (2017:Rs.2,754.543 million) along with mark up of Rs.550.993 million (2017: Rs. 492.642 million), lease finances amounting to Rs.28.703 million (2017: Rs. 20.939 million) along with mark up of Rs.7.409 million (2018: Rs.7.409 million) and short term borrowings amounting to Rs. 4,342.46 million (2017: Rs.4,342.50 million) along with mark up of Rs.688.541Rs.687.016 were over due

11. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **22-06-2023** by the Board of Directors of the Company.

12. 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
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