

1st Quarter Ended
September 30,

2019

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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	M/s. 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,

DIRECTORS' REPORT TO THE SHAREHOLDER'S

The Directors are placing before you the un-audited financial statements of the Company for the first quarter of financial year 2019-2020 ended on September 30, 2019. 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, 2019 and September 30, 2019 have been shown as required by the international Accounting standards (IAS) 34 for interim financial reporting.

OTHER OPERATING INCOME

The affairs of the Company during the quarter were looked after by the Joint Official Liquidators appointed by the Court. The liquidators continued arrangement made by the management for renting out building premises and leased out weaving unit for earning income to meet out compelling expenses. During this quarter operating income at Rs. 16.507 million was earned as against 9.275 million during the same quarter of the preceding period.

FINANCIAL RESULTS

In view of limited resources the Company has sustained a loss before Taxation of Rs.23.282 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 2019 کو ختم ہونے والی پہلی سہ ماہی کے مالی حسابات برائے سال 2019-2020 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 2019 اور 30 ستمبر 2019 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔اے۔ایس 34) برائے درمیانی مدت کی فنانشل رپورٹنگ کے زیر تحت ہیں۔

آپریٹنگ انکم:-

اس سہ ماہی کے معاملات کے لئے لیکولڈیٹرز، جنہیں عدالت عالیہ نے مقرر کیا تھا کنٹرول کر رہے تھے۔ لیکولڈیٹرز نے کمپنی ک بلڈنگز اور یونٹ کو کرایہ پر دینے کے انتظامات کو جاری رکھا تاکہ حاصل شدہ آمدنی سے ضروری اخراجات پورے کیے جاسکیں اس سہ ماہی کے دوران 16.507 ملین آمدنی بمقابلہ 9.275 ملین روپے پچھلے سال اسی سہ ماہی کے دوران حاصل کی گئی۔

مالی نتائج:-

قلیل آمدنی کے ذرائع کے پیش نظر کمپنی نے 23.282 ملین نقصان ٹیکشن سے پہلے برواخصت کیا۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم مورخہ 14-09-2021 بینکس کے ساتھ نئے سرے سے سٹاڈائیگی 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 شکر گزار ہیں جنہوں نے قرض کی ادائیگی کے لئے نئے شیڈولز دیئے ہیں بشمول اپنے ملازمین کے جنہوں نے تندرہی سے کمپنی کو خدمات فراہم کی ہیں۔

برائے بورڈ آف ڈائریکٹرز:-


محمد فیصل لطیف

فیصل آباد
10-08-2023


محمد نعیم

چیف ایگزیکٹو

CHENAB LIMITED**Condensed Interim Balance Sheet (Un-audited)**

As at September 30, 2019.

	Notes	Un-audited SEPTEMBER 30, 2019 Rupees	Audited June 30, 2019 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.		5,713,750,921	5,714,390,631
Capital reserves	-	526,409,752	526,409,752
Revenue reserves		(9,095,151,410)	(9,068,679,579)
		(904,990,737)	(877,879,196)
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
		-	-
NON-CURRENT LIABILITIES			
Long term financing		1,869,814,404	2,322,962,831
Unclaim dividend		366,071	366,071
Liabilities against assets subject to finance lease		-	-
Deferred liability			
Staff retirement gratuity		20,294,205	18,475,005
Deferred Revenue		10,314,720	10,314,720
		1,900,789,400	2,352,118,627
CURRENT LIABILITIES			
Trade and other payables		2,140,081,154	2,147,732,568
Interest / markup payable		-	-
Short term borrowings		4,344,992,444	4,344,992,444
Current portion of :			
Long term financing		3,529,191,701	3,076,043,274
Liabilities against assets subject to finance lease		28,702,544	28,702,544
Provision for taxation - income tax		19,782,579	15,952,862
		10,062,750,422	9,613,423,692
CONTINGENCIES AND COMMITMENTS			
	4	-	-
		11,058,549,085	11,087,663,123
NON-CURRENT ASSETS			
Property, plant and equipment		10,865,256,117	10,890,091,750
Long term deposits		12,636,768	12,636,768
		10,877,892,885	10,902,728,518
CURRENT ASSETS			
Stores, spares and loose tools		28,743,953	28,743,953
Stock in trade		230,000	230,000
Trade debts		43,547,704	41,691,634
Loans and advances		22,529,077	21,785,626
Deposits and prepayments		10,658,620	10,658,620
Other receivables		9,864,630	19,773,988
Tax refunds due from Government		44,485,387	44,485,387
Cash and bank balances		20,596,829	17,565,397
		180,656,200	184,934,605
		11,058,549,085	11,087,663,123

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


MUHAMMAD FAISAL LATIF
(DIRECTOR)


MUHAMMAD NAEEM
(CHIEF EXECUTIVE)

Condensed Interim Profit and Loss Account(Un-audited)

For The 1st Quarter ended September 30, 2019.

	Note	Quarter Ended September 30,	
		2019 Rupees	2018 Rupees
Sales		-	166,830,630
Cost of sales	7	-	194,038,303
Gross (loss) / profit		-	(27,207,673)
Other operating income		16,507,400	9,274,614
		<u>16,507,400</u>	<u>(17,933,059)</u>
Selling and distribution expenses		-	5,104,215
Administrative expenses		39,684,541	23,028,530
Other operating expenses		-	-
Finance cost		104,683	527,397
		<u>39,789,224</u>	<u>28,660,142</u>
(Loss) for the period before taxation		<u>(23,281,824)</u>	<u>(46,593,201)</u>
Provision for taxation		3,829,717	4,429,619
(Loss) for the period		<u>(27,111,541)</u>	<u>(51,022,820)</u>
(Loss) per share - Basic and diluted		<u>(0.236)</u>	<u>(0.444)</u>

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, 2019.

	Quarter Ended September 30,	
	2019 Rupees	2018 Rupees
(Loss) / profit for the period	(27,111,541)	(51,022,820)
Other comprehensive income for the period		
Incremental depreciation on revalued assets for the period	639,710	4,968,332
Related deferred tax	-	6,984,267
	<u>639,710</u>	<u>11,952,599</u>
Total comprehensive income/ (loss) / profit for the period	<u>(26,471,831)</u>	<u>(39,070,221)</u>

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, 2019.

	Quarter Ended September 30,	
	2019	2018
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(23,281,824)	(46,529,811)
Adjustments for:		
Depreciation on property, plant and equipment	24,835,633	26,573,541
Provision for staff retirement gratuity	1,819,200	5,000,960
Finance cost	104,683	527,397
Operating cash flows before working capital changes	<u>3,477,692</u>	<u>(13,196,678)</u>
Changes in working capital		
Decrease/ (Increase) in current assets		
Stores, spares and loose tools	-	2,142,359
Stock in trade	-	(1,670,800)
Trade debts	(1,856,070)	8,990,441
Loans and advances	(743,451)	(2,883,456)
Deposits and prepayments	-	(88,922)
Other receivables	10,652,809	3,720,027
Tax refunds due from Government	-	(1,379,838)
	<u>8,053,288</u>	<u>8,829,811</u>
(decrease) /Increase in current liabilities		
Trade and other payables	<u>(7,651,414)</u>	<u>10,919,580</u>
	401,874	19,749,391
Cash generated from operations	3,879,566	6,552,713
Income tax paid	(743,451)	(2,987,587)
Finance cost paid	(104,683)	(527,399)
Staff retirement gratuity paid	-	(2,408,354)
Net cash used in operating activities	<u>3,031,432</u>	<u>629,373</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment	-	-
	<u>-</u>	<u>-</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Long term financing obtained	-	-
Repayment of:		
Long term financing	-	-
Liabilities against assets subject to finance lease	-	-
Increase in short term borrowings - net	-	(2,153)
Net cash from financing activities	<u>-</u>	<u>(2,153)</u>
Net increase in cash and cash equivalents (a+b+c)	3,031,432	627,220
Cash and cash equivalents at the beginning of the period	17,565,397	18,790,040
Cash and cash equivalents at the end of the period	<u>20,596,829</u>	<u>19,417,260</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, 2019.

	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, 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 (Loss) for the period									(50,959,430)	(50,959,430)	(50,959,430)
Incremental depreciation on revalued assets for the period			-						-	-	-
Related deferred tax			-						(4,968,332)	(4,968,332)	-
Surplus during the year			-						-	-	-
Remeasurement of defined benefit liability			-						(6,984,267)	(6,984,267)	(6,984,267)
Related deferred tax			-						-	-	-
Balance as at September 30, 2018	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	(9,402,478,798)	(9,326,045,964)	(1,105,324,517)
Total comprehensive (Loss) for the period									192,323,984	192,323,984	192,323,984
Incremental depreciation on revalued assets for the year			(24,952,732)						24,952,732	24,952,732	-
Related deferred tax			-						-	-	-
Remeasurement of defined benefit liability			-						35,121,337	35,121,337	35,121,337
Related deferred tax			-						-	-	-
Balance as at June 30, 2019 (Audited)	1,150,000,000	800,000,000	5,714,390,631	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,150,080,745)	(9,073,647,911)	(877,879,196)
Total comprehensive Profit for the period									(27,111,541)	(27,111,541)	(27,111,541)
Other comprehensive (loss)											
Incremental depreciation on revalued assets for the period			-						-	-	-
Related deferred tax			-						-	-	-
Remeasurement of defined benefit liability			-						-	-	-
Related deferred tax			-						-	-	-
Balance as at Sep 30, 2019 (unaudited)	1,150,000,000	800,000,000	5,714,390,631	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,177,192,286)	(9,100,759,452)	(904,990,737)

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, 2019.

1. GENERAL INFORMATION

- 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:

Description	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, Faisalabad.
Spinning Unit	Toba Tek Singh	3 K.M Shorkot Road, Toba Tek Singh.
Weaving Unit-I	Kharianwala	11 K.M Main Faisalabad Lahore Road, Kharianwala, Sheikhupura.
Weaving Unit-II	Nankana Sahib	7 K.M Main Faisalabad Lahore Road, Kotla Kalo Shahkot, Nankana Sahib.
Processing & Stitching Units	Faisalabad	Main Faisalabad Lahore Road, Nishatabad, Faisalabad.
Stitching Unit	Faisalabad	Jhumra road Gatti, Faisalabad.
Office	Karachi	14-15 Clifton, Karachi.

- 1.2 Pursuant to schemes of arrangement approved by the Honorable 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 Fibers Limited were merged with the Company with effect from April 01, 2003.

- 1.3 The Company has incurred net loss of Rs.27.111 million. As at September 30, 2019 the accumulated loss of the Company is Rs.9,095.15 million and the current liabilities exceed its current assets by Rs. 9,882.46 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. The company was wound up by the order of Honorable Lahore High Court dated July13, 2017 due to application filed by one of the creditor because of breach of debt covenants. The company preferred an appeal before the Honorable Supreme Court against this order but leave of appeal was not granted and dismissed vide order dated January 08, 2019 and official liquidator was appointed under the winding up order. SECP has initiated proceedings for investigations under the U/S-257 of Companies Act 2017,(Section 265 of the repealed Companies Ordinance, 1984.) The company has challenged the order and the Honourable Lahore High Court has stayed the proceedings.

The sponsors of the Company filed a Scheme of Arrangement before Lahore High Court Lahore on January 20, 2021 u/s 279 to 283 and 285(8) of companies Act, 2017 for reversal of winding up order whereupon a meeting was held on February 22, 2021 by the Share holders and Secured creditors of the company under the Chairmanship of lawyers duly appointed by the Honorable Lahore High Court Lahore. 100% contributories/shareholders and 90.40% Secured Creditors approved the said scheme of arrangement. Which was approved by the Court on September 14, 2021 and subsequently the Court issued Reversal of winding up order dated October 29, 2021 and Company was handed over to the management. Thereafter the Court issued Reversal of winding up order dated October 29, 2021 read with said scheme of arrangement and fixed assets of the Company were handed over to the management.

According to Scheme of Arrangement the breakup of Principal Debt owed to each of the Lenders individually is bifurcated in the Tier 1 Debt consisting of Rs. 4,737,486,364/- and Tier 2 debt of Rs.4,737,486,364/- aggregated to Rs.9,474,972,728/-. Tier 1 debt shall be repaid in seven and half (7.5) years from the effective Date. The Tier 2 debt shall be repaid in six and a half (6.5) years from the earlier of (i) the date on which the Tier 1 Debt is repaid, and (ii) the date by which Tier 1 Debt is required to be repaid as per repayment schedule agreed under scheme of arrangement.

The Company shall pay the Principal Debt and Mark-Up to the Agent Bank and the Agent Bank shall pay each lenders its pro-rata share of such repayments.

However, upon approval of scheme of arrangement by the lenders/financial institutions the management is confident that its implementation will result in improvement in the financial and operational condition of the Company are discussed below:

(a) Disposal of non-core assets

The management is committed to dispose off non core assets, within the grace period of one year from the effective date on which scheme of arrangement will be approved. Disposal proceeds of non core assets of Rs 1.4 Billion will result in payment of loan amounts as well as injection in the working capital of the company for carrying out its operations.

(b) Settlement / rescheduling of loans / finances with lenders

As per scheme of arrangement lenders/ financial institutions payment of principal is proposed over the course of 14 years from the effective date. This will improve the financial health and also settle all the disputes with the lenders/financial institutions.

(c) Additional Working Capital facility

The company required the running facility for managing its working capital in two consecutive years as proposed under the scheme of arrangement.

(d) Induction of fresh equity

Sponsors will arrange an injection of fresh equity through the sale of personal shares into the company by realizing Rs. 350 Million as per Scheme of arrangement.

The above mentioned proposals will help to overcome the financial and operational problems of the Company. Considering management's plans and adherence to facilities approved under the arrangement as discussed in para (a) to (d) above, management is confident that the Company will be able to continue as a going concern.

- 1.4 The Company has not carried out any commercial activity during the year due to winding up order and appointment of liquidator.
- 1.5 These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.
- 1.6 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 Statement of compliance

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.

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS's) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS's, the provisions of and directives issued under the Companies Act, 2017 have been followed.

Un-audited SEPTEMBER 30, 2019 Rupees	Audited June 30, 2019 Rupees
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3. Cumulative preference shares

80,000,000 cumulative preference shares of Rs. 10/- each fully paid in cash.

800,000,000	800,000,000
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- 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 and Articles of Association of the Company. SECP has initiated proceedings 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 However as per scheme of arrangement approved by Honorable Lahore High Court subsequent to the statement of financial position date redemption of preference shares shall be as under:-

I. Each of the following Lenders currently hold preference shares of the following outstanding amount (based on the shares face value)

Lenders	Paid-up and outstanding amount of preference Shares at Face
Habib Bank Limited	PKR 100,00,000
Askari Bank Limited	PKR 100,00,000
National Bank of Pakistan	PKR 100,00,000

II. The above mentioned amounts will be repaid to each of the Lenders (and any other preference shareholder) in equal quarterly installments (over a three (3) year period commencing from the first calendar quarter end to occur after the repayment of the total Principal Debt in 14 years.

	Un-audited SEPTEMBER 30, 2019 Rupees	Audited June 30, 2019 Rupees
4. DIRECTORS' LOAN	244,313,086	244,313,086
4.1 These loans are interest free and are repayable at the discretion of the company. These loans are subordinated to the financial facilities availed from banks		
	Un-audited SEPTEMBER 30, 2019 Rupees	Audited June 30, 2019 Rupees
5. Trade and other payables		
Creditors	1,015,191,432	1,017,611,973
Accrued liabilities	211,152,304	211,367,099
Contract liabilities	433,279,597	435,238,614
Security deposit	442,225,288	442,225,288
Unclaimed dividend	-	-
Other	38,232,533	41,289,594
	<u>2,140,081,154</u>	<u>2,147,732,568</u>
6. CONTINGENCIES AND COMMITMENTS		
Contingencies		
There is no significant change in contingencies since the date of publish audited financial statements for the period ended September 30, 2019.		
Commitments		
There was no commitments as on 30 September 2019.		
7. PROPERTY, PLANT AND EQUIPMENT - AT COST		
	Un-audited SEPTEMBER 30, 2019 Rupees	Audited June 30, 2019 Rupees
	10,865,256,117	10,890,091,750
	<u>10,865,256,117</u>	<u>10,890,091,750</u>
	Quarter Ended September 30, 2019 Rupees	2018 Rupees
8. Cost of sales		
manufactured (Note 7.1)	-	194,674,495
Finished goods		
Opening stock	230,000	11,345,057
Closing stock	(230,000)	(11,981,249)
	-	(636,192)
	<u>-</u>	<u>194,038,303</u>
8.1 Cost of goods manufactured		
Raw material consumed (Note 7.1.1)	-	84,739,190
Salaries, wages and benefits	-	40,132,548
Staff retirement benefits	-	3,290,210
Stores and spares	-	11,135,582
Dyes and chemicals	-	9,000,850
Packing material	-	3,809,502
Repairs and maintenance	-	187,375
Fuel and power	-	8,227,375
Insurance	-	-
Depreciation	-	25,521,009
Other	-	9,602,072
	<u>-</u>	<u>195,645,713</u>
work in process		
Opening stock	-	17,319,498
Closing stock	-	(18,290,716)
	-	(971,218)
	<u>-</u>	<u>194,674,495</u>
8.1.1 Raw material consumed		
Opening stock	-	1,193,814
Purchases including purchase expenses	-	84,739,190
	-	85,933,004
Closing stock	-	(1,193,814)
	<u>-</u>	<u>84,739,190</u>

	Quarter Ended September 30,	
	2019	2018
	Rupees	Rupees
9. Other income		
Income from assets other than financial assets:		
Sale of waste material	-	85,878
Rental income	16,507,400	10,419,971
Gain on disposal of operating assets	-	-
Balances written back - net	-	(1,231,235)
	-	-
	<u>16,507,400</u>	<u>9,274,614</u>

	Quarter Ended September 30,	
	2019	2018
	Rupees	Rupees
10. Earnings per share - Basic		
(Loss) / profit for the period ordinary share holders	<u>(27,111,541)</u>	<u>(51,022,820)</u>
Weighted average number of ordinary shares outstanding during the period	<u>115,000,000</u>	<u>115,000,000</u>
	<u>(0.236)</u>	<u>(0.444)</u>

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

11. 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 nil.

12. Overdue loans & Markup

Under Scheme of Arrangement approved subsequent to the statement of financial position date whereby the past markup has been waived off under each lender agreement subject to the condition that company makes no default in making payment of Principal (Refer Note 9.4) and markup agreed under the arrangement as described below:

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.

Both Tier-1 Debt markup and subsequent Tier-2 Debt markup shall be paid within 03 years after the earlier of (i) the date on which the Tier 1 Debt and tier-2 Debt is repaid, and (ii) the date by which the Tier 1 Debt and Tier-2 Debt is required to be repaid.

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.

13. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

After the statement of financial position date the sponsors of company filed a Scheme of Arrangement before Lahore High Court Lahore u/s 279 to 283 and 285(8) of companies Act, 2017 for reversal of winding up order whereupon a meeting was held on February, 22-2021 by the Share holders and Secured creditors of the company under the Chairmanship of lawyers duly appointed by the Honorable Lahore High Court Lahore. 100% contributories/shareholders and 90.40% Secured Creditors approved the said scheme of arrangement. Which was approved by the Court on September, 14-2021 and subsequently the Court issued Reversal of winding up order dated October, 29-2021 and Company was handed over to the management. As this significant event was incurred subsequent to statement of financial position date so require no adjustment in the current financial statement period.

1. 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.

2. 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)**

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