



2020
FINANCIAL STATEMENTS
for Nine Months period ended March 31,
(un-audited)

Contents

Company Information	02
Director's Report to the Members	03
Director's Report in Urdu	04
Balance Sheet	05
Profit & Loss Account	06
Statement of Comprehensive Income	07
Cash Flow Statement	08
Statement of Changing in Equity	09
Notes to the Financial Statement	10

Company Information

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

DIRECTORS' REPORT TO THE SHAREHOLDER'S

The Directors are presenting before you un-audited financial statements of the Company together with notes for nine months period ended on March 31, 2020. Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on March 31, 2020 and June 30, 2019 have been shown as required by the INTERNATIONAL ACCOUNTING STANDARDS (IAS) 34 for interim financial reporting.

REVENUE

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 income at Rs.51.830 million was earned as against 45.741 million during the same quarter of the preceding period.

FINANCIAL RESULTS

In view of unfavorable business circumstances the Company has sustained a financial loss of Rs.58.961 million before taxation.

FUTURE PROSPECTS

The management got re-structuring done with banks through a Scheme of Arrangement on 14-09-2021. The winding up order passed by the Lahore High Court also got reversed on 29-10-2021. 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
BOARD OF DIRECTORS

FAISALABAD
31-01-2024


(MUHAMMAD FAISAL LATIF)
DIRECTOR


(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کے نو ماہی حسابات (بغیر آڈٹ) بابت 31 مارچ 2020 بمعہ تفصیلات آپ کے سامنے پیش کرتے ہیں۔ 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 31 مارچ 2020 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔ اے۔ ایس۔ 34) برائے درمیانی مدت کی فنانشنل رپورٹنگ کے زیرِ تحت ہیں۔

ریونیو

اس سہ ماہی کے معاملات کے لئے لیکولڈ میٹرز، جنہیں عدالت عالیہ نے مقرر کیا تھا کنٹرول کر رہے تھے۔ لیکولڈ میٹرز نے کمپنی کی بلڈنگز اور یونٹوں کو کرایہ پر دینے کے انتظامات کو جاری رکھا۔ تاہم حاصل شدہ آمدنی سے ضروری اخراجات پورے کیے جاسکیں اس سہ ماہی کے دوران 51.830 ملین آمدنی بمقابلہ 45.741 ملین روپے پچھلے سال اسی سہ ماہی کے دوران حاصل کی گئی۔

مالی نتائج:-

ناموزوں کاروباری حالات کے پیش نظر کمپنی نے ٹیکس سے پہلے 58.961 ملین روپے کا مالی نقصان برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم بمورخہ 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 شکر گزار ہیں۔ جنہوں نے قرض کی ادائیگی کیلئے نئے شیڈولز دیئے ہیں بشمول اپنے ملازمین کے جنہوں نے تندہی سے کمپنی کو خدمات فراہم کی ہیں۔

برائے بورڈ ڈائریکٹرز:-



محمد فیصل لطیف

ڈائریکٹر

فیصل آباد

31-01-2024



محمد نعیم

چیف ایگزیکٹو

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As at March 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

Note	Mar-31, 2020	Jun-30, 2019	Note	Mar-31, 2020	Jun-30, 2019
	(Un-Audited)	(Audited)		(Un-Audited)	(Audited)
	Rupees	Rupees		Rupees	Rupees
SHARE CAPITAL AND RESERVES			NON-CURRENT ASSETS		
Authorised capital			Property, plant and equipments	7	10,643,563,620
120,000,000 ordinary shares of Rs.10/- each	<u>1,200,000,000</u>	<u>1,200,000,000</u>	Right-of-use assets		171,698,146
80,000,000 cumulative preference shares of Rs.10/- each	<u>800,000,000</u>	<u>800,000,000</u>	Long term deposits		12,636,768
					10,827,898,534
					10,902,728,518
Issued, subscribed and paid up capital	1,150,000,000	1,150,000,000			
Cumulative preference shares	800,000,000	800,000,000			
Directors' loan	244,313,086	-			
Surplus on revaluation of property, plant and equipment	5,689,228,344	5,714,390,631			
Capital reserves	526,409,752	526,409,752			
Revenue reserves	(9,111,646,092)	(9,068,679,579)			
	(701,694,910)	(877,879,196)			
NON-CURRENT LIABILITIES					
Long term financing	1,633,872,452	2,322,962,831			
Lease liabilities	-	-			
Deferred liabilities	14,213,512	18,475,005			
Deferred revenue	4,036,370	10,314,720			
	1,652,122,334	2,351,752,556			
CURRENT LIABILITIES			CURRENT ASSETS		
Trade and other payables	2,127,736,067	2,147,732,568	Stores, spares and loose tools		28,743,953
Unclaimed dividend	366,071	366,071	Stock in trade		230,000
Short term bank borrowings	4,344,992,444	4,344,992,444	Trade debts		25,585,266
Current portion of:			Loans and advances		24,866,332
Long term financing	3,529,191,701	3,076,043,274	Deposits and prepayments		10,658,620
Liabilities against assets subject to finance lease	28,702,544	28,702,544	Other receivables		31,214,350
Provision for taxation - income tax	27,634,106	15,952,862	Tax refunds due from Government		44,485,387
	10,058,622,933	9,613,789,763	Cash and bank balances		15,367,914
					181,151,822
					184,934,605
CONTINGENCIES AND COMMITMENTS					
	<u>11,009,050,356</u>	<u>11,087,663,123</u>		<u>11,009,050,356</u>	<u>11,087,663,123</u>

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the nine months ended March 31, 2020 (Un-audited)

(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Notes	PERIOD ENDED		QUARTER ENDED	
		March 31, 2020 Rupees	March 31, 2019 Rupees	March 31, 2020 Rupees	March 31, 2019 Rupees
Sales	8	-	352,348,422	-	11,180,861
Cost of sales	9	-	(412,653,216)	-	(26,644,032)
Gross loss		-	(60,304,794)	-	(15,463,171)
Operating Expenses					
Selling and distribution expenses		-	(6,918,844)	-	(119,544)
Administrative expenses		(110,608,388)	(66,028,086)	(37,660,205)	(18,466,788)
		(110,608,388)	(72,946,930)	(37,660,205)	(18,586,332)
Operating loss		(110,608,388)	(133,251,724)	(37,660,205)	(34,049,503)
Other income	10	51,829,943	45,740,684	17,095,317	18,917,209
Finance cost	11	(182,823)	(874,808)	(46,558)	(74,726)
(loss) before taxation		(58,961,268)	(88,385,848)	(20,611,446)	(15,207,020)
Provision for taxation	12	(11,681,244)	(13,041,254)	(3,966,114)	(3,254,050)
(loss) after taxation		(70,642,511)	(101,427,102)	(24,577,559)	(18,461,070)
Earnings per share - Basic		(0.61)	(0.88)	(0.21)	(0.16)

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended March 31, 2020 (Un-audited)

(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	PERIOD ENDED		QUARTER ENDED	
	March 31, 2020 Rupees	March 31, 2019 Rupees	March 31, 2020 Rupees	March 31, 2019 Rupees
(loss) after Taxation	(70,642,511)	(101,427,102)	(24,577,559)	(18,461,070)
Other comprehensive income for the period	-	-	-	-
Items that will not be subsequently reclassified to profit or loss	-	-	-	-
Incremental depreciation on revalued assets for the period	25,162,287	14,325,421	8,387,429	4,308,506
Remeasurement of defined benefit liability	2,513,711	18,926,530	670,998	4,919,996
Deferred tax relating to remeasurement of staff retirement gratuity	-	-	-	-
	27,675,998	33,251,951	9,058,427	9,228,502
Total comprehensive (loss) for the period	(42,966,513)	(68,175,151)	(15,519,132)	(9,232,568)

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2020 (Un-audited)

(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	PERIOD ENDED	
	March 31, 2020 Rupees	March 31, 2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(58,961,268)	(88,385,848)
Adjustments for:		
Depreciation	72,455,977	75,073,563
Provision for staff retirement gratuity	2,718,764	18,016,740
Gain on disposal of operating assets	(1,479,755)	3,828,237
Finance cost	182,823	874,808
Balances written back - net	-	2,325,235
Operating cash flows before working capital changes	14,916,541	11,732,735
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	-	7,446,845
Stock in trade	-	29,564,979
Trade debts	4,600	(5,687,974)
Loans and advances	(3,080,706)	(8,241,669)
Deposits and prepayments	-	120,888
Other receivables	4,661,406	9,054,551
Tax refunds due from Government	-	(2,909,414)
(Decrease) in current liabilities:		
Trade and other payables	(19,996,501)	(36,280,989)
	(18,411,201)	(6,932,783)
Cash generated from operations	(3,494,660)	4,799,952
Income tax paid	-	(8,122,481)
Finance cost paid	(182,823)	(874,810)
Staff retirement gratuity paid	-	(3,712,199)
Net cash (used in) operating activities	(3,677,483)	(7,909,538)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of operating assets	1,480,000	8,100,000
Net cash generated from investing activities	1,480,000	8,100,000
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of:		
(Decrease) in short term bank borrowings - net	-	(2,153)
Net cash (used in) financing activities	-	(2,153)
Net (decrease) / increase in cash and cash equivalents (a+b+c)	(2,197,483)	188,309
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	15,367,914	18,978,349

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


CHIEF EXECUTIVE OFFICER


DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2020 (Un-audited)

(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Issued, subscribed and paid up capital	Cumulative preference shares	Loan from Directors	Surplus on revaluation of property, plant and equipment	Capital reserves			Revenue reserves			Total	
					Premium on issue of ordinary shares	Book difference of capital under scheme of arrangement for amalgamation	Preference shares redemption reserve	Sub total	General reserve	Accumulated loss		Sub total
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)
(loss) for the period								-		(101,427,102)	(101,427,102)	(101,427,102)
Other comprehensive income								-		-	-	-
Items that may be subsequently reclassified to profit or loss:												
Items that will not be subsequently reclassified to profit or loss:												
Incremental depreciation on revalued assets for the period				(14,325,421)						14,325,421	14,325,421	-
Remeasurement of defined benefit liability								-		18,926,530	18,926,530	18,926,530
Related deferred tax								-		-	-	-
	-	-	-	(14,325,421)	-	-	-	-	-	(68,175,151)	(68,175,151)	(82,500,572)
Balance as at March 31, 2019 (un-audited)	1,150,000,000	800,000,000	-	5,725,017,942	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,407,741,920)	(9,331,309,086)	(1,129,881,392)
Profit for the period										242,791,656	242,791,656	242,791,656
Other comprehensive income								-		-	-	-
Items that may be subsequently reclassified to profit or loss:												
Items that will not be subsequently reclassified to profit or loss:												
Incremental depreciation on revalued assets for the period				(10,627,311)						10,627,311	10,627,311	-
Remeasurement of defined benefit liability								-		9,210,540	9,210,540	9,210,540
Related deferred tax								-		-	-	-
	-	-	-	(10,627,311)	-	-	-	-	-	262,629,507	262,629,507	252,002,196
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	(9,145,112,413)	(9,068,679,579)	(877,879,196)
(loss) for the period										(70,642,511)	(70,642,511)	(70,642,511)
Other comprehensive income										-	-	-
Items that may be subsequently reclassified to profit or loss:												
Items that will not be subsequently reclassified to profit or loss:												
Incremental depreciation on revalued assets for the period				(25,162,287)						25,162,287	25,162,287	-
Remeasurement of defined benefit liability								-		2,513,711	2,513,711	2,513,711
Related deferred tax								-		-	-	-
	-	-	-	(25,162,287)	-	-	-	-	-	(42,966,513)	(42,966,513)	(68,128,800)
Loan from directors			244,313,086									244,313,086
Balance as at March 31, 2020 (un-audited)	1,150,000,000	800,000,000	244,313,086	5,689,228,344	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,188,078,926)	(9,111,646,092)	(701,694,910)

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

CHENAB LIMITED
SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
For the nine months ended March 31, 2020 (Un-audited)
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

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 Office / 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, Sheikhpura.
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 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 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 Chairmen ship 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 it's pro-rata share of such repayments. However, upon approval of scheme of arrangement by the lenders/financial institutions the management is confident that it's 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 it's 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 it's 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.

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

2. BASIS OF PREPARATION

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, 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 the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company.

5 SHORT TERM BORROWINGS

Secured

Under mark up arrangements

	Mar-31, 2020 (Un-Audited) Rupees	Jun-30, 2019 (Audited) Rupees
Export finances	3,668,552,114	3,668,552,114
Finance against trust receipts	18,301,847	18,301,847
Running finance	437,588,483	437,588,483
Murabaha finances	220,550,000	220,550,000
	<u>4,344,992,444</u>	<u>4,344,992,444</u>

5.1 The company is facing financial and operational problems as part of its long term plan to overcome these problems, the management has filed applications to its bankers / financial institutions to reschedule the existing long term and short term borrowings along with outstanding markup thereon and to convert the entire outstanding liabilities into non serviceable loans / loans subject to reduced rate of markup for a reasonable period of time. Subsequently scheme of arrangement with the lenders for rescheduling of borrowing including the short term borrowings, was approved whereby entire short term borrowing is converted into long term loan and past markup has been waived off therefore, no provision for markup has been made.

6 CONTINGENCIES AND COMMITMENTS

a) Contingencies

There was no significant change in contingencies as on March 31, 2020 except the followings.

- (i) In respect of bank guarantees issued on behalf of the company Sui Northern Gas Pipelines limited for supply of gas of Rs.33,266,900/-

b) Commitments

There was no commitments as on March 31, 2020. (2019: Nil)

	Mar-31, 2020 (Un-Audited) Rupees	Jun-30, 2019 (Audited) Rupees
7 PROPERTY, PLANT AND EQUIPMENTS		
Operating assets (Note: 7.1)	10,643,563,620	10,717,044,490
7.1 Operating assets		
Opening book value	10,717,044,490	10,818,587,904
Add: Cost of additions during the period / year	-	-
Less: Book value of disposals during the period / year (Note: 7.1.1)	(245)	(4,271,763)
	10,717,044,245	10,814,316,141
Less: Depreciation charged during the period / year	(73,480,625)	(97,271,651)
	10,643,563,620	10,717,044,490
7.1.1 Book value of disposals		
Vehicles	(245)	(4,271,763)
	(245)	(4,271,763)

	PERIOD ENDED		QUARTER ENDED	
	Mar-31, 2020 Rupees	Mar-31, 2019 Rupees	Mar-31, 2020 Rupees	Mar-31, 2019 Rupees
8 SALES				
Export				
Fabrics / made ups / garments	-	82,105,860	-	8,525,479
Add: Export rebate / duty drawback	-	712,082	-	44,735
	-	82,817,942	-	8,570,214
Less:				
Commission	-	(453,503)	-	(337,240)
Discount	-	-	-	-
	-	(453,503)	-	(337,240)
	-	82,364,439	-	8,907,454
Local				
Fabrics / made ups	-	2,142,548	-	521,384
Processing, conversion and stitching charges	-	267,841,435	-	1,752,023
	-	269,983,983	-	2,273,407
	-	352,348,422	-	11,180,861

9 COST OF SALES

Cost of goods manufactured	-	401,538,159	-	26,645,622
Finished goods				
Opening stock	-	11,345,057	-	228,410
Closing stock	-	(230,000)	-	(230,000)
	-	11,115,057	-	(1,590)
Cost of sales	-	412,653,216	-	26,644,032

	PERIOD ENDED		QUARTER ENDED	
	Mar-31, 2020 Rupees	Mar-31, 2019 Rupees	Mar-31, 2020 Rupees	Mar-31, 2019 Rupees
9.1 Cost of goods manufactured				
Raw material consumed (Note: 9.1.1)	-	160,248,909	-	436,295
Salaries, wages and benefits	-	72,672,112	-	-
Staff retirement benefits	-	8,285,600	-	1,655,200
Stores and spares	-	19,114,464	-	-
Dyes and chemicals	-	18,346,097	-	506,100
Packing material	-	5,894,611	-	-
Repair and maintenance	-	296,173	-	6,508
Fuel and power	-	13,160,438	-	-
Insurance	-	-	-	-
Depreciation	-	72,621,728	-	23,859,917
Other	-	13,578,529	-	181,602
	-	384,218,661	-	26,645,622

Work in process				
Opening stock	-	17,319,498	-	-
Closing stock	-	-	-	-
	-	17,319,498	-	-
	-	401,538,159	-	26,645,622

9.1.1 Raw material consumed

Opening stock	-	1,130,424	-	-
Purchases including purchase expenses	-	159,118,485	-	436,295
	-	160,248,909	-	436,295
Closing stock	-	-	-	-
	-	160,248,909	-	436,295

10 OTHER INCOME

Income from assets other than financial assets:

Sale of waste material	-	85,878	-	-
Rental Income	50,350,188	44,151,804	17,095,317	19,561,209
Gain on disposal of operating assets	1,479,755	3,828,237	-	-
Balance written back - net	-	(2,325,235)	-	(644,000)
	<u>51,829,943</u>	<u>45,740,684</u>	<u>17,095,317</u>	<u>18,917,209</u>

PERIOD ENDED

QUARTER ENDED

Mar-31, 2020

Mar-31, 2019

Mar-31, 2020

Mar-31, 2019

Rupees

Rupees

Rupees

Rupees

11 FINANCE COST

Interest / mark up on:

Long term financing	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-
Short term bank borrowings	-	-	-	-
Bank charges and commission	182,823	874,808	46,558	74,726
	<u>182,823</u>	<u>874,808</u>	<u>46,558</u>	<u>74,726</u>

11.1 No provision for markup has been made as per explanation in Note 5.1

12 PROVISION FOR TAXATION

Current

For the period	11,681,244	13,041,254	3,966,114	3,254,050
For the prior periods	-	-	-	-
	<u>11,681,244</u>	<u>13,041,254</u>	<u>3,966,114</u>	<u>3,254,050</u>

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

13 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertaking, directors and key management personnel. Amounts due to and due from related parties are shown under relevant notes to the financial statements, no other significant transactions with related parties.

14 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year. Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However, no significant re-arrangements / re-classification have been made during the period.

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were approved by the Board of Directors and authorized for issue on **31-01-2024**.

16 GENERAL

Figures have been rounded off to the nearest of Rupees.



CHIEF EXECUTIVE OFFICER



DIRECTOR

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