

# Financial Statements

1st Quarter Ended

September 30,

(un-audited)

# 2024

[www.chenabgroup.com](http://www.chenabgroup.com)



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## COMPANY INFORMATION

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### BOARD OF DIRECTORS

Mian Muhammad Latif (Chairman)  
Mr. Muhammad Naeem (Chief Executive Officer)  
Mian Muhammad Javed Iqbal  
Mr. Muhammad Faisal Latif  
Mr. Tariq Ayub Khan  
Mr. Maqsood Ul Hassan  
Mr. Muhammad Hashim  
Mr. Muhammad Salman Javed

Mrs. Sobia Chughtai (Nominee Director)

### CHIEF FINANCIAL OFFICER

Mr. Sadaquat Hussain

### COMPANY SECRETARY

Mr. Muhammad Arshad

### LEGAL ADVISOR

Mian Masroor Akbar (Advocate)

### SHARE REGISTRAR

F.D. Registrar Services (SMC-Pvt.) Limited  
Office # 1705, 17th Floor, Saima Trade Tower-A,  
I.I. Chundrigar Road, Karachi.  
Tel :021-32271905-6/021-354 78192-3

### REGISTERED OFFICE

Nishatabad, Faisalabad.  
Tel:+92 41 8754472-8  
Fax:+92 41 8752400, 8752700

### WEBSITE

Email:- chenab@chenabgroup.com

Website:-www.chenabgroup.com

### WORKS

- Processing & Stitching Units - Nishatabad, Fsd.  
- Weaving Unit- Shakhkot, Distt: Nankana Sahib.

### BANKS

Allied Bank Limited.  
Askari Bank Limited.  
Al Baraka Bank (Pakistan) Limited.  
Bank Islami Limited.  
Citibank, N.A.  
Faysal Bank Limited.  
First Credit & Investment Bank Limited.  
First National Bank Modaraba.  
First Punjab Modaraba.  
Habib Bank Limited.  
Habib Metropolitan Bank Limited.  
MCB Bank Limited.  
National Bank of Pakistan.  
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  
Company (Pvt.) Ltd.  
Silk Bank Limited.  
Standard Chartered Bank (Pakistan) Limited.  
The Bank of Punjab.  
United Bank Limited.

### AUDIT COMMITTEE

Mr. Tariq Ayub Khab - Chairman  
Mr. Muhammad Hashim - Member  
Mr. Muhammad Salman Javed - Member

### HUMAN RESORCE & REMUNERATION COMMITTEE

Mr. Maqsood ul Hassan - Chairman  
Mr. Muhammad Naeem - Member  
Mr. Muhammad Salman Javed - Member

### AUDITORS

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants.

## **DIRECTORS' REPORT TO THE SHAREHOLDER'S**

The Directors are placing before you the un-audited financial statement of the company for the first quarter of financial year 2024-2025 ended on September 30, 2024.

### **SALES REVENUE**

Sales revenue of **Rs.917.245** million has been earned during the quarter under report as compared to **Rs.788.538** million achieved during the same quarter of the preceding year showing **16.32%** increase.

### **FINANCIAL RESULTS**

In view of adverse situation, the company has sustained financial loss in this quarter of **Rs.111.818** million.

### **FUTURE PROSPECTS**

The company is increasing its sales revenue gradually with the existing resources. The company is not short of export orders and it can increase in sale substantially subject to availability of funds. Recently, the mark up rate has declined significantly and it is expected that it will reduce further in the coming months. Now, therefore financial limits have become more feasible for exports. The Company can take benefit of this situation if the financial institutions provide adequate financial limits.


The management of the Company is determined to turn the unit as viable and profitable by improving cost effective measures and cost saving efforts in future.

### **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.

FAISALABAD  
13-01-2025

  
(MUHAMMAD FAISAL LATIF)  
DIRECTOR

For and on behalf  
BOARD OF DIRECTORS  
  
(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER

## ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کی جائزہ شدہ (بغیر آڈٹ) 30 ستمبر 2024 کو ختم ہونے والی پہلی سہ ماہی کے مالی حسابات برائے سال 2024-2025 پیش کرتے ہیں۔

کرتے ہیں۔

### سیلز ریونیو:-

رپورٹ کے تحت سہ ماہی کے دوران 917.245 ملین روپے کی سیلز ریونیو حاصل کی گئی ہے جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران حاصل کردہ 788.538 ملین روپے کے مقابلے میں 16.32 فیصد اضافہ ہوا ہے۔

### مالیاتی نتائج:-

منفی صورتحال کے پیش نظر کمپنی کو اس سہ ماہی میں 111.818 ملین روپے کا مالی نقصان ہوا ہے۔

### مستقبل کا کیفیت نامہ:-

کمپنی موجودہ وسائل کے ساتھ اپنی سیلز ریونیو میں بتدریج اضافہ کر رہی ہے، کمپنی کے پاس برآمدی آرڈرز کی کمی نہیں ہے اور یہ فنڈز کی دستیابی سے مشروط فروخت میں خاطر خواہ اضافہ کر سکتی ہے، حال ہی میں مارک اپ کی شرح میں نمایاں کمی آئی ہے اور توقع ہے کہ آنے والے مہینوں میں اس میں مزید کمی آئے گی۔ اب اس لئے برآمدات کیلئے مالی حدود زیادہ قابل عمل ہو گئی ہیں۔ کمپنی اس صورت حال سے فائدہ اٹھا سکتی ہے اگر مالیاتی ادارے مناسب مالی حدود فراہم کریں۔

کمپنی کی انتظامیہ مستقبل میں لاگت کے موثر اقدامات اور لاگت کی بچت کی کوششوں کو بہتر بنا کر یونٹ کو قابل عمل اور منافع بخش بنانے کے لئے پرعزم 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 تندرہی سے کمپنی کو خدمات فراہم کی ہیں۔

### برائے بورڈ آف ڈائریکٹرز:-



محمد فیصل الطیف

ڈائریکٹر

فیصل آباد




محمد نعیم

چیف ایگزیکٹو


**CHENAB LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT SEPTEMBER 30, 2024**

	Sep-30, 2024 (Un-Audited)	Jun-30, 2024 (Audited)		Sep-30, 2024 (Un-Audited)	Jun-30, 2024 (Audited)	
Note	Rupees	Rupees	Note	Rupees	Rupees	
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>			
<b>Authorised capital</b>			Property, plant and equipments	7	9,037,196,973	9,076,879,986
120,000,000 ordinary shares of Rs.10/- each	<b>1,200,000,000</b>	<b>1,200,000,000</b>	Investment property	8	489,162,821	491,733,640
			Long term deposits		13,418,150	13,418,150
80,000,000 cumulative preference shares of Rs.10/- each	<b>800,000,000</b>	<b>800,000,000</b>			9,539,777,944	9,582,031,776
Issued, subscribed and paid up capital	1,150,000,000	1,150,000,000				
Cumulative preference shares	500,000,000	500,000,000				
Directors' loan	1,053,213,086	1,053,213,086				
Surplus on revaluation of property, plant and equipment	4,867,230,274	4,881,532,753				
Capital reserves	526,409,752	526,409,752				
Revenue reserves	(8,165,934,313)	(8,068,419,157)				
	(69,081,200)	42,736,434				
<b>NON-CURRENT LIABILITIES</b>						
Long term financing	5	7,963,869,775	8,079,014,160			
Deferred revenue	54,616,007	54,883,483				
Deferred markup	619,332,937	576,692,432				
Liability against redemption of preference shares	300,000,000	300,000,000				
Deferred liabilities	52,475,878	50,315,583				
	8,990,294,596	9,060,905,658				
<b>CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Trade and other payables	1,414,014,871	1,448,751,213	Stores, spares and loose tools	149,511,456	145,942,209	
Unclaimed dividend	366,071	366,071	Stock in trade	247,214,114	252,453,190	
Interest / markup payable	5,378,221	6,712,537	Trade debts	9	343,235,668	523,146,574
Short term bank borrowings	256,300,000	284,000,000	Loans and advances	264,461,852	203,374,310	
Current portion of:			Deposits and prepayments	19,121,897	38,263,514	
Long term financing	5	158,834,576	75,226,124	Other receivables	14,737,118	12,993,174
Provision for taxation - income tax	-	-	Tax refunds due from Government	115,322,118	79,076,602	
	1,834,893,739	1,815,055,945	Cash and bank balances	62,724,968	81,416,688	
				1,216,329,191	1,336,666,261	
CONTINGENCIES AND COMMITMENTS	6	-	-			
	<b>10,756,107,135</b>	<b>10,918,698,037</b>	Non current assets held for sale	-	-	
				<b>10,756,107,135</b>	<b>10,918,698,037</b>	

The annexed notes from 1 to 16 are an integral part of these financial statements.

  
(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER


  
(MUHAMMAD FAISAL LATIF)  
DIRECTOR

  
(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER


**CHENAB LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	Note	<b>QUARTER ENDED</b>	
		<b>30-Sep-2024</b>	<b>30-Sep-2023</b>
		<b>Rupees</b>	<b>Rupees</b>
Sales	10	917,245,431	788,537,919
Cost of sales	11	(904,622,105)	(764,737,961)
Gross profit / (loss)		12,623,326	23,799,958
<b>Operating Expenses</b>			
Selling and distribution expenses		(60,150,437)	(28,916,678)
Administrative expenses		(69,757,117)	(58,818,282)
Other operating expenses		-	-
		(129,907,554)	(87,734,960)
Operating (loss)		(117,284,229)	(63,935,002)
Other income	12	74,322,851	92,604,707
Finance cost		(58,270,293)	(65,817,943)
(Loss) for the period before income tax and minimum tax differential / final tax		(101,231,671)	(37,148,239)
Levies		(10,585,963)	(7,885,379)
(Loss) for the period before income tax		(111,817,634)	(45,033,618)
Provision for taxation		-	-
(Loss) for the period		(111,817,634)	(45,033,618)
(Loss) per share- Basic and diluted		(0.97)	(0.39)

The annexed notes from 1 to 16 are an integral part of these financial statements.

  
(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER

  
(MUHAMMAD FAISAL LATIF)  
DIRECTOR

  
(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

**CHENAB LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**

**FOR THE QUARTER ENDED SEPTEMBER 30, 2024**

	<b>QUARTER ENDED</b>	
	<b>30-Sep-2024</b>	<b>30-Sep-2023</b>
	<b>Rupees</b>	<b>Rupees</b>
(loss) after Taxation	(111,817,634)	(45,033,618)
Other comprehensive income / (loss) for the period	-	-
Items that will not be subsequently reclassified to profit or loss		
Surplus on revaluation of property, plant and equipment arisen during the period- net	-	-
Remesurement of defined benefit liability	-	-
	-	-
Total comprehensive (loss) / profit for the period	(111,817,634)	(45,033,618)

The annexed notes from 1 to 16 are an integral part of these financial statements.



(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FAISAL LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER



# CHENAB LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	QUARTER ENDED	
	30-Sep-2024 Rupees	30-Sep-2023 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) for the period before levies and income tax	(101,231,671)	(37,148,239)
Adjustments for:		
Depreciation	45,675,986	43,538,055
Finance cost	58,270,293	65,817,943
Provision for staff retirement gratuity	2,160,295	2,811,539
Balances written back - net	(64,609,185)	(70,138,868)
Balance write off	-	-
Gain on disposal of asset	(907,577)	(3,632,200)
Fair value adjustment of deferred revenue	(267,476)	(272,794)
Operating cash flows before working capital changes	(60,909,334)	975,437
Changes in working capital:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(3,569,247)	(42,141,429)
Stock in trade	5,239,076	(28,004,313)
Trade debts	179,910,906	52,130,260
Loans and advances	(61,087,542)	2,949,010
Deposits and prepayments	19,141,617	(221,144)
Other receivables	(1,743,944)	(21,809,924)
Tax refunds due from Government	(36,245,516)	36,657
Increase / (Decrease) in current liabilities:		
Trade and other payables	20,286,880	8,638,396
	121,932,229	(28,422,486)
Cash generated from / (used in) operations	61,022,895	(27,447,049)
Income tax paid	(2,334,317)	(4,212,014)
Finance cost paid	(15,362,312)	(11,739,406)
Net cash generated from / (used in) operating activities	43,326,266	(43,398,469)

**QUARTER ENDED**

	<b>30-Sep-2023</b> Rupees	<b>30-Sep-2022</b> Rupees
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in operating assets	(3,434,577)	(28,514,469)
Proceeds from disposal of assets	920,000	1,467,600
Advance against sale of non core assets	-	-
Net cash (used in) investing activities	<u>(2,514,577)</u>	<u>(27,046,869)</u>
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Receipt of loan from directors	-	41,500,000
Repayment of:		
Long term financing	(31,803,409)	(14,538,775)
Increase in long term financing	-	14,827,000
(Decrease) / Increase in short term bank borrowings	(27,700,000)	36,000,000
Net cash (used in) / generated from financing activities	<u>(59,503,409)</u>	<u>77,788,225</u>
Net increase in cash and cash equivalents (a+b+c)	(18,691,720)	7,342,887
Cash and cash equivalents at the beginning of the period	81,416,688	72,439,992
Cash and cash equivalents at the end of the period	<u>62,724,968</u>	<u>79,782,879</u>

The annexed notes from 1 to 16 are an integral part of these financial statements.



(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FAISAL LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER


**CHENAB LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**


FOR THE QUARTER ENDED SEPTEMBER 30, 2024

	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 amalgamation	Preference shares redemption reserve	Sub total	General reserve	Accumulated loss		Sub total
<b>Balance as at June 30, 2023 (audited)</b>	1,150,000,000	500,000,000	826,713,086	5,167,585,126	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,102,788,103)	(8,026,355,269)	144,352,695
(loss) for the period								-		(45,033,618)	(45,033,618)	(45,033,618)
Other comprehensive income								-		-	-	-
Items that will not be subsequently reclassified to profit or loss:												
Surplus on revaluation of property, plant and equipment arisen during the period- net				-				-		-	-	-
Remeasurement of defined benefit liability								-		-	-	-
Incremental depreciation on revalued assets for the period				(19,751,322)						(45,033,618)	(45,033,618)	(45,033,618)
Transactions with owner - Loan from directors			41,500,000							19,751,322	19,751,322	-
<b>Balance as at Sep-30, 2023 (un-audited)</b>	1,150,000,000	500,000,000	868,213,086	5,147,833,804	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,128,070,399)	(8,051,637,565)	<b>140,819,077</b>
(Loss) for the period										(281,175,769)	(281,175,769)	(281,175,769)
Other comprehensive income										-	-	-
Items that will not be subsequently reclassified to profit or loss:												
Surplus on revaluation of property, plant and equipment arisen during the period - net				-				-		-	-	-
Remeasurement of defined benefit liability								-		(1,906,874)	(1,906,874)	(1,906,874)
Incremental depreciation on revalued assets for the period				(44,618,811)						(283,082,643)	(283,082,643)	(283,082,643)
Surplus realised on disposal of property, plant and equipments				(221,682,240)						44,618,811	44,618,811	-
Transactions with owner - Loan from directors			185,000,000							221,682,240	221,682,240	-
<b>Balance as at June 30, 2024 (audited)</b>	1,150,000,000	500,000,000	1,053,213,086	4,881,532,753	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,144,851,991)	(8,068,419,157)	<b>42,736,434</b>
(loss) for the period										(111,817,634)	(111,817,634)	(111,817,634)
Other comprehensive income										-	-	-
Items that may be subsequently reclassified to profit or loss:												
Surplus on revaluation of property plant and equipment arisen during the period - net										-	-	-
Remeasurement of defined benefit liability										-	-	-
Incremental depreciation on revalued assets for the period				(14,302,479)						(111,817,634)	(111,817,634)	(111,817,634)
Transactions with owner - Loan from directors										14,302,479	14,302,479	-
<b>Balance as at Sep-30, 2024 (un-audited)</b>	1,150,000,000	500,000,000	1,053,213,086	4,867,230,274	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,242,367,147)	(8,165,934,313)	<b>(69,081,200)</b>

The annexed notes from 1 to 16 are an integral part of these financial statements.

  
(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER

  
(MUHAMMAD FAISAL LATIF)  
DIRECTOR

  
(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

**CHENAB LIMITED**  
**SELECTED EXPLANATORY NOTES TO THE**  
**CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
**For the quarter ended September 30, 2024**

**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.
Weaving Unit	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.

- 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 As at September 30, 2024 the accumulated loss of the Company is Rs.8,242 million and the current liabilities exceed its current assets by Rs.618 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 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 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 its pro-rata share of such repayments. In view of 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 is 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 rescheduled 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**

For the smooth operations, company needs additional working capital facilities from banks. The banks have agreed to provide working capital facilities under the scheme of arrangement. The lead bank and other financial institution have disbursed their share agreed under the scheme of arrangement.

**(d) Induction of fresh equity**

The sponsors had arranged an injection of fresh equity through sales of personal shares into the company by realizing Rs. 350 million as per Scheme of arrangement. However, to improve the financial health of the company the sponsors have further injected a sum of Rs. 458.90 million till the balance sheet date as subordinated loan since its revival.

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 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 published audited financial statements for the year ended June 30, 2024.

## 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 published audited financial statements for the year ended June 30, 2024.

## 5 LONG TERM FINANCING

Under mark up arrangements

From banking companies/financial institutions

Secured

Tier - I debt

Increment in the loan

Paid during the period / year

Tier - II debt

Increment in the loan

Less: Current portion

Installments over due

Payable within one year

Associates

	<b>Sep-30, 2024 (Un-Audited)</b>	<b>Jun-30, 2024 (Audited)</b>
	<b>Rupees</b>	<b>Rupees</b>
	3,400,493,903	4,079,342,364
	-	7,413,500
	(31,803,409)	(686,261,961)
	3,368,690,494	3,400,493,903
	4,744,899,864	4,737,486,364
	-	7,413,500
	4,744,899,864	4,744,899,864
	8,113,590,358	8,145,393,767
	4,288,235	4,288,235
	154,546,341	70,937,889
	158,834,576	75,226,124
	7,954,755,782	8,070,167,643
	9,113,993	8,846,517
	<b>7,963,869,775</b>	<b>8,079,014,160</b>

## 6 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

There was no significant change in contingencies since the date of published audited financial statements for the year ended June 30, 2024.

### b) Commitments

There was no commitments as on 30 September 2024. (2024: Nil)

	Sep-30, 2024 (Un-Audited) Rupees	Jun-30, 2024 (Audited) Rupees
<b>7 PROPERTY, PLANT AND EQUIPMENTS</b>		
Operating assets (Note: 7.1)	<b>9,037,196,973</b>	<b>9,076,879,986</b>
<b>7.1 Operating assets</b>		
Opening book value	9,076,879,986	9,168,196,248
Add: Cost of additions during the period / year	-	-
Add: Additions during the period / year	3,434,577	97,843,196
Less: Book value of disposals during the period / year	(12,423)	(60,688)
	9,080,302,140	9,265,978,756
Less: Depreciation charged during the period / year	(43,105,167)	(189,098,770)
	<b>9,037,196,973</b>	<b>9,076,879,986</b>
<b>8 INVESTMENT PROPERTY</b>		
<b>Land</b>		
Closing net book value as at	234,651,713	234,651,713
<b>Building</b>		
Opening net book value	257,081,927	267,793,674
Less: Depreciation charge during the period / year	(2,570,819)	(10,711,747)
Closing net book value (Building)	254,511,108	257,081,927
	<b>489,162,821</b>	<b>491,733,640</b>
<b>9 TRADE DEBTS</b>		
Considered good		
Unsecured		
Foreign	197,597,990	372,596,229
Local	145,637,679	150,550,345
	<b>343,235,668</b>	<b>523,146,574</b>

	QUARTER ENDED	
	30-Sep-2024 Rupees	30-Sep-2023 Rupees
<b>Note</b>		
<b>10 Sales</b>		
Export		
Fabrics / made ups / garments	629,049,803	531,443,618
Local		
Fabrics / made ups	14,849,978	16,580,022
	643,899,781	548,023,640
Add: Export rebate / duty drawback	5,546,763	3,344,164
	649,446,544	551,367,804
Less:		
Commission	(21,670,444)	(14,904,451)
Discount	(3,073,343)	(4,344,075)
	(24,743,786)	(19,248,526)
Processing and conversion income	292,542,673	256,418,641
	<b>917,245,431</b>	<b>788,537,919</b>

		<b>QUARTER ENDED</b>	
		<b>30-Sep-2024</b>	<b>30-Sep-2023</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>11 Cost of sales</b>	<b>Note</b>		
Cost of goods manufactured	11.1	884,092,362	777,922,129
Finished goods			
Opening stock		62,725,567	22,886,052
Closing stock		(42,195,824)	(36,070,220)
		20,529,743	(13,184,168)
Cost of sales		904,622,105	764,737,961
<b>11.1 Cost of goods manufactured</b>			
Raw material consumed	11.1.1	311,503,876	353,748,861
Salaries, wages and benefits		121,994,939	103,281,072
Staff retirement benefits		1,728,236	2,811,539
Processing charges		25,595,639	46,588,129
Conversion charges		7,662,193	2,387,652
Stores and spares		20,667,658	15,711,128
Dyes and chemicals		90,593,680	72,785,519
Packing material		40,138,850	19,665,980
Repairs and maintenance		970,473	2,624,091
Fuel and power		232,623,299	152,582,199
Insurance		4,165,670	64,974
Depreciation		33,554,954	31,074,819
Other		795,362	565,872
		891,994,829	803,891,836
Work in process			
Opening stock		169,568,921	90,623,514
Closing stock		(177,471,388)	(116,593,221)
		(7,902,467)	(25,969,707)
		884,092,362	777,922,129
<b>11.1.1 Raw material consumed</b>			
Opening stock		18,645,973	94,173,295
Purchases including purchase expenses		318,892,076	343,835,859
		337,538,049	438,009,154
Closing stock		(26,034,173)	(84,260,293)
		311,503,876	353,748,861
<b>12 OTHER INCOME</b>			
Income from assets other than financial assets:			
Sale of waste material		2,605,924	1,529,995
Rental Income		5,932,689	17,030,850
Gain on disposal of asset		907,577	3,632,200
Balances written back - net		64,609,185	70,138,868
Fair value adjustment of deferred revenue		267,476	272,794
		74,322,851	92,604,707

### 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 of the company and authorized for issue on **13-01-2025**.

### 16 GENERAL

Figures have been rounded off to the nearest Rupee except where mentioned otherwise.



(MUHAMMAD NAEEM)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FAISAL LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER



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