



Financial Statements
for the half year ended December 31,

2020 *(Un-audited/Reviewed)*

Contents

Company Information	02
Director's Report to the Members	03
Director's Report in Urdu	05
Auditor's Report	07
Balance Sheet	11
Profit & Loss Account	12
Statement of Comprehensive Income	13
Cash Flow Statement	14
Statement of Changing in Equity	16
Notes to the Financial Statement	17

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	RSM Avais Hyder Liaquat Nauman 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 placed before you un-audited/reviewed financial statements together with notes for the half year ended December 31, 2020. The Company had gone under liquidation by the Lahore High Court Lahore which was reversed on 29-10-2021.

Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on December 31, 2020 and June 30, 2020 have been shown as required by the INTERNATIONAL ACCOUNTING STANDARDS (IAS) 34 for interim financial reporting.

REVENUE

The main revenue during this period classified under the head (other income) was generated from the rental of certain business assets as the Company was under liquidation. However rental income was earned at Rs.41.363 million as compared with Rs.33.255 million earned during the preceding period. The core activity of sale and purchase was not carried out during this period.

FINANCIAL RESULTS

In view of unfavorable business circumstances the Company sustained a financial loss of Rs.27.519 million before taxation during the period under report.

FUTURE PROSPECTS

1. The next year i.e 2021-22 was partially under liquidation period. Reversal of liquidation order took place on 29-10-2021 thereafter the management of the company was handed over to its original sponsors.
2. Working Capital required during initial years have also been arranged through sponsors' loan, the sale of non-core assets of the company the banks also committed to providing fresh export-based working capital limits as per requirements.

EXPLANATION TO AUDITORS OBSERVATION.

- a) Redemption of preference shares liabilities has been settled in the Scheme of Arrangement as under;
 - I. Each of the following Lenders currently hold preference shares of the following outstanding amounts (based on the shares face value):

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

- II. The abovementioned amounts will be repaid to each of the Lenders (and any other preference shareholders) 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.

For accounting treatment required as per IFRS-9 and IAS-33 respectively, we are unable to calculate the respective figures (balances) because the matter is sub judice in the court for final decision. (Refer note 03).


- b) No deferred tax liability has been provided during the period due to available accumulation of tax losses and tax credits.
- c) The Company remained non operational for a long period of time and facing with liquidity issues so unable to pay these old outstanding balances but these balances rightly exist.
- d) This requirement has been properly disclosed. But the said amount would be deposited in compliance with Companies Act, 2017 in due course.
- e) In view of the scheme of arrangement no accrual of mark up of is required (Reference note no.14).
- f) On the condensed interim financial statement date the company was in the hands of liquidators appointed by the court, therefore, the requisite information could not be provided.
- g) To fulfill the daily requirements of the company the Joint Official Liquidator has rented some of its key assets. They did not carry out the valuation at that time. So the requisite information could not be obtained / prepared.
- h) The company is hopeful that it will receive the outstanding amount. The company's management is now following up with the customer for the recovery. Therefore, need no adjustment in these balances.
- i) The management of the company is hopeful to receive tax refunds from Govt. including refundable balances.


ACKNOWLEDGEMENT

The board of directors places on record its appreciation for the support of the shareholders, government agencies and financial institutions.

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 ششماہی جائزہ شدہ (بغیر آڈٹ) حسابات معہ نوٹس بابت 31 دسمبر 2020 آپ کے سامنے پیش کرتے ہیں۔ کمپنی عدالت عالیہ کے حکم کے تحت 13-07-2017 تحلیل ہو چکی تھی جو کہ مورخہ 29-10-2023 کو حکم نامہ منسوخ ہو گیا ہے۔ پچھلے سال کے اعداد و شمار برائے موازنہ بھی ظاہر کئے گئے ہیں۔ بیلنس شیٹ کے اعداد و شمار 31 دسمبر 2020 اور 30 جون 2020 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔ اے۔ ایس۔ 34) برائے درمیانی مدت کی فنانشل رپورٹنگ کے زیرِ تحت ہیں۔

ریونیو

اس عرصہ میں بنیادی آمدنی جسے ایڈٹ انکم کے طور پر ظاہر کیا گیا ہے۔ اثاثوں کو کرایہ پر دینے کی وجہ سے حاصل ہوا ہے چونکہ کمپنی زیرِ تحلیل تھی تاہم اثاثوں کا کرایہ 41.363 ملین حاصل کیا گیا بمقابلہ 33.255 ملین روپے آمدنی کے جو کہ پچھلے پریڈکٹا تھا اس عرصہ میں خریداری اور بیچنے کی کاروباری سرگرمیاں نہ ہوئیں تھیں۔

مالی نتائج:-

مارکیٹ میں کساد بازاری کی وجہ سے اس عرصہ میں کمپنی نے 27.519 ملین روپے کا ٹیکس سے پہلے نقصان برداشت کیا ہے۔

مستقبل کا کیفیت نامہ:-

- (1)۔ اگلے مالی سال 2021-22 میں کمپنی جزوی طور پر زیرِ تحلیل رہی۔ مورخہ 29-10-2021 کو عدالت نے کمپنی کے تحلیل ہونے کا حکم نامہ واپس لے لیا تھا۔ جس کے بعد کمپنی اصل مالکان کے حوالے کر دی گئی تھی تب اصل مالکان نے کمپنی کے اثاثوں کی مرمت اور بحالی کا کام شروع کیا اور بلا آخر مورخہ 01-04-2022 کو مرمت اور بحالی کے بعد کاروباری پروڈکشن شروع کر دی تھی۔
- (2)۔ ابتدائی طور پر سرمایہ کی ضرورت کو سپانسرز کے قرضہ اور غیر پیداواری اثاثوں کی فروخت سے حاصل کر لیا ہے۔ بینکوں نے ضرورت کے مطابق برآمدی آرڈرز کے لئے سرمایہ فراہم کرنے کا وعدہ بھی کیا ہے۔

آڈیٹرز کے خدشات پر وضاحت:-

(A)۔ ترجیحی حصص کی ذمہ داریوں کا ازالہ بندوبست کی گئی سکیم میں حسب ذیل کیا گیا ہے۔

(i)۔ مندرجہ ذیل قرض دہندگان میں سے ہر ایک پر فی الحال درج ذیل بقایا رقم کے ترجیحی حصص رکھتا ہے۔ (حصص کی قیمت کی بنیاد پر)

قرض دینے والے	فیس ویلیو پر ترجیحی حصص کی ادائیگی اور بقایا رقم
حبیب بینک لمیٹڈ	100,000,000/- پاکستانی روپے
عسکری بینک لمیٹڈ	100,000,000/- پاکستانی روپے
نیشنل بینک آف پنجاب پاکستان	100,000,000/- پاکستانی روپے

(ii)۔ مذکورہ بالا رقم ہر ایک ترجیحی شیئرز پر قرضہ دینے والوں کو یا اسی طرح ترجیحی شیئرز رکھنے والوں کو تین برابر کی اقساط میں پرنسپل قرضہ 14 سال میں ادا ہونے کے بعد تین سال بعد ادا کی جائیگی۔

☆۔ اکاؤنٹینگ ٹریٹمنٹ بالترتیب IFRS-9 اور IAS-33 کی ریکوآرمنٹ کے تحت بیلنس کا حساب لگانے سے قاصر ہیں کیونکہ معاملہ حتمی فیصلے کیلئے عدالت میں زیر التواء ہے (حوالہ نوٹ نمبر 3)

(B)۔ دستیاب مجموعی نقصان اور ٹیکس کریڈٹ کے پیش نظر ڈیفیریڈ ٹیکس کی رقم مہیا نہیں کی گئی ہے۔

(c)۔ کمپنی طویل عرصے تک غیر فعال رہی اور اسے لیکویڈیٹی کے مسائل کا سامنا ہے اس لئے کمپنی ان پرانے بقاجات کو ادا کرنے سے قاصر ہے لیکن یہ بیلنس بجا طور پر موجود ہیں۔

(d)۔ اس ضرورت کا صحیح طور پر انکشاف کیا گیا ہے لیکن مذکورہ رقم کمپنیز ایکٹ 2017 کی تعمیل سے مقررہ وقت میں جمع کرائی جائے گی۔

(E)۔ بندوبست کی گئی سکیم کی منظوری کے بعد مارک آپ کی پرووژن کی ضرورت نہیں رہی (حوالہ نوٹ نمبر 14)۔

(f)۔ کنڈنسیڈ عبوری مالیاتی گوشوارے کی تاریخ پر کمپنی عدالت کے ذریعہ مقرر کردہ لیکویڈیٹرز کے کنٹرول میں تھی تاہم مطلوبہ معلومات فراہم نہیں کی جاسکیں۔

(g)۔ کمپنی کی روزمرہ کی ضروریات کو پورا کرنے کیلئے جو اینٹ آفیشل لیکویڈیٹرز نے اپنے کچھ اہم اثاثے کرائے پر دیئے تھے۔ انہوں نے اس وقت از سر نو قیمت کا تعین نہیں کیا تھا لہذا مطلوبہ معلومات حاصل / تیار نہیں کی جاسکیں۔

(H)۔ کمپنی پُر امید ہے کہ واجب الوصول رقم مل جائے گی اور کمپنی کی انتظامیہ واجب الوصول رقم کی وصولی کیلئے سرگرم عمل ہے لہذا رقم میں ایڈجسٹمنٹ کی ضرورت ہے۔

(I)۔ انتظامیہ پُر امید ہے کہ واجب الوصول ٹیکس ریفرنڈ گورنمنٹ سے بشمول واجب الوصول رقم مل جائے گی۔

تسلیم و تحسین:-

بورڈ آف ڈائریکٹرز حصص یافتگان و سرکاری ایجنسیوں اور مالیاتی اداروں کی حمایت کے لئے اپنی تعریف ریکارڈ پر رکھتا ہے۔

محمد نعیم

(چیف ایگزیکٹو آفیسر)

محمد فیصل لطیف

(ڈائریکٹر)

(حسب الحکم بورڈ آف ڈائریکٹرز)

فیصل آباد:- 31 جنوری 2024ء



**RSM Avais Hyder Liaquat Nauman
Chartered Accountants**

**478-D, Peoples Colony No. 1
Faisalabad – Pakistan**

**T: +92 (41) 854 1165, 854 1965
F: +92 (41) 854 2765**

www.rsmPakistan.pk

INDEPENDENT AUDITOR’S REVIEW REPORT

To the members of Chenab Limited

Report on Review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Chenab Limited (the Company) as at December 31, 2020 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standards on Review Engagements 2410, “Review of Interim Financial Information performed by the Independent Auditor of the Entity”. A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- (a) As disclosed in note 3 to the condensed interim financial statements for the half year ended December 31, 2020 the company had issued cumulative, redeemable preference shares of Rs.800 million containing put option and has not complied with the requirement of IFRS-9 with respect to accounting treatment of Compound Financial instruments including in prior years, which constitutes a departure from the said IFRS. Preference shares with a put option carries the dilutive effect as per IAS 33 - Earnings per Share. The above mentioned accounting treatment restricts the true and fair presentation of the condensed interim financial statements;
- (b) The deferred tax liability has not been provided in the condensed interim financial statements despite the taxable temporary differences which constitutes the departure from IAS-12. The effect of the same on the condensed interim financial statements, had the deferred tax liability been provided, could not be determined;
- (c) 'Trade creditors' and 'Contract liabilities' under head "Trade and other payables" include old outstanding balances which could not be verified on the basis of our review procedures. The effect of adjustments, had the liability been verified, could not be determined;
- (d) 'Security deposit' under head "Trade and other payables" includes an amount of Rs 10.23 million which has not been kept in separate bank as required under Section 217 of the Companies Act, 2017;
- (e) As discussed in detail in note 5 to the condensed interim financial statements, the Company has not provided markup, since July 2011 in respect of certain long term financing and short term borrowings. The quantum of adjustments, had the markup been provided, and its impact on the condensed interim financial statements could not be determined;
- (f) The company has stated property plant and equipment at the revaluation in the statement of financial position. The Company has not revalued its assets as per requirements of paragraphs 31 and 34 of IAS-16. The quantum of adjustment, had the revaluation been made, could not be determined. Further, impairment testing has not been carried out as per requirements of paragraph 12 of IAS-36 'Impairment of Assets' in view of adverse effect on the operational activities. Any impact of the same on the condensed interim financial statements could not be determined;

The company has neither maintained updated fixed asset register nor any policy to conduct periodic physical verification of fixed assets is followed. Due to above reasons, the existence, completeness and valuation of the property and equipment could not be verified;

- (g) In prior period transfer from property, plant and equipment to investment property was made at written down value against the International accounting standard (IAS-40). The said treatment could impact the comparability of the current period's figures with the corresponding figures of prior periods. The quantum of adjustment, had the revaluation been made, could not be determined;
- (h) Trade debts of Rs. 25.5 million and Advances to suppliers of Rs. 19.62 million respectively are long outstanding. These outstanding balances, in our opinion are impaired against which no provision has been made. Had the provision been made, the loss for the period would have been increased by Rs. 45.12 million and accumulated loss by Rs. 45.12 million;
- (i) Tax refunds due from Government includes refundable balances of Rs. 10.55 million which in our opinion, are no more refundable balances and no adjustment in the condensed interim financial statements have been made. Had the provision been made, the loss for the period would have been increased by Rs. 10.55 million and accumulated loss by Rs. 10.55 million;

Qualified Conclusion

Based on our review, except for the matters described in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at December 31, 2020 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Material Uncertainty relating to going concern

The company suffered financial difficulties. These conditions as set forth in Note 1.3, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 16 of the condensed interim financial statements, which discloses the occurrence of significant event subsequent to the statement of condensed interim financial statement date. Our conclusion is not modified in respect of this matter.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2020, and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2020.

The annual financial statements of the company for the year ended June 30, 2020 were audited by another firm of Chartered Accountants who vide their report dated June 22, 2023 expressed qualified opinion thereon.

The engagement partner on the audit resulting in this independent auditor's report is Hamid Masood.

Rsm Avasi Hyder Liaquat Nauman
RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad

Date: 31 JAN 2024

CHENAB LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Note	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees		Note	(Un-audited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital				Property, plant and equipment			
120,000,000 ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000	Operating assets	6	9,690,726,470	9,729,874,102
				Right of use	7	170,358,381	171,248,441
80,000,000 cumulative preference shares of Rs.10/- each		800,000,000	800,000,000	Investment property	8	881,128,131	889,195,976
				Long term deposits		11,738,715	11,738,715
						10,753,951,697	10,802,057,234
Issued, subscribed and paid up capital							
Cumulative preference shares	3	1,150,000,000	1,150,000,000				
Directors' loan		800,000,000	800,000,000				
Surplus on revaluation of property, plant and equipment		244,313,086	244,313,086				
Capital reserves		5,664,627,268	5,680,840,915				
Revenue reserves		526,409,752	526,409,752				
		(9,149,304,867)	(9,129,025,659)				
		(763,954,761)	(727,461,906)				
NON-CURRENT LIABILITIES							
Long term financing	15	1,518,872,452	1,633,872,452				
Liabilities against assets subject to finance lease		-	-				
Deferred liabilities		15,011,247	17,759,106				
Deferred revenue		1,943,586	1,943,586				
		1,535,827,285	1,653,575,144				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		2,123,953,910	2,122,876,307	Stores, spares and loose tools		28,743,953	28,743,953
Unclaimed dividend		366,071	366,071	Stock in trade		230,000	230,000
Interest / markup payable	14	-	-	Trade debts	9	25,505,484	25,357,484
Short term borrowings	4	4,344,992,444	4,344,992,444	Loans and advances		28,601,986	25,647,006
Current portion of :				Deposits and prepayments		10,627,120	10,627,120
Long term financing	15	3,644,191,701	3,529,191,701	Other receivables		40,834,733	33,460,794
Liabilities against assets subject to finance lease	15	28,702,544	28,702,544	Tax refunds due from Government		44,485,387	44,485,387
Provision for taxation - income tax		40,880,269	31,283,980	Cash and bank balances		21,979,103	12,917,307
		10,183,086,939	10,057,413,047			201,007,766	181,469,051
CONTINGENCIES AND COMMITMENTS	5	-	-				
		10,954,959,463	10,983,526,285			10,954,959,463	10,983,526,285

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

CHENAB LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

		Quarter ended December 31,		Half year ended December 31,	
	Note	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross (loss)		-	-	-	-
Other income	10	23,981,090	18,227,226	41,363,309	34,734,626
		23,981,090	18,227,226	41,363,309	34,734,626
Administrative expenses		36,657,615	34,869,151	68,872,843	74,553,692
Finance cost	11	4,834	31,582	9,596	136,265
		36,662,449	34,900,733	68,882,439	74,689,957
(Loss) for the period before taxation		(12,681,359)	(16,673,507)	(27,519,130)	(39,955,331)
Provision for taxation	12	5,563,614	3,885,413	9,596,289	7,715,130
(Loss) for the period		(18,244,973)	(20,558,920)	(37,115,419)	(47,670,461)
(Loss) per share - Basic and diluted		(0.16)	(0.18)	(0.32)	(0.41)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

CHENAB LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Quarter ended December 31, 2020 Rupees	2019 Rupees	Half year ended December 31, 2020 Rupees	2019 Rupees
(Loss) for the period	(18,244,973)	(20,558,920)	(37,115,419)	(47,670,461)
Other comprehensive income				
Items that will not be subsequently reclassified to profit or loss:	-	-	-	-
Remeasurement of defined benefit liability	311,282	1,341,996	622,564	1,341,996
	311,282	1,341,996	622,564	1,341,996
Total comprehensive (loss) for the period	<u>(17,933,691)</u>	<u>(19,216,924)</u>	<u>(36,492,855)</u>	<u>(46,328,465)</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR

CHENAB LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Half year ended 2020 Rupees	December 31, 2019 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(27,519,130)	(39,955,331)
Adjustments for:		
Depreciation of operating assets	39,147,632	49,886,493
Depreciation of right-of-use assets	890,060	-
Depreciation of investment property	8,067,845	-
Provision for staff retirement gratuity	1,105,113	1,812,509
(Gain) on disposal of operating assets	-	(1,479,755)
Finance cost	9,596	136,265
Operating cash flows before working capital changes	<u>21,701,116</u>	<u>10,400,181</u>
Changes in working capital		
(Increase) current assets		
Trade debts	(148,000)	(5,138,845)
Loans and advances	(2,954,980)	(2,073,804)
Other receivables	(7,373,939)	9,909,358
	<u>(10,476,919)</u>	<u>2,696,709</u>
(Decrease) in current liabilities		
Trade and other payables	(2,152,805)	(13,971,801)
	<u>(12,629,724)</u>	<u>(11,275,092)</u>
Cash generated from / (used in) operating activities	9,071,392	(874,911)
Finance cost paid	(9,596)	(136,265)
Net cash generated from / (used in) operating activities	<u>9,061,796</u>	<u>(1,011,176)</u>
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of operating assets	-	1,480,000
Net cash generated from investing activities	<u>-</u>	<u>1,480,000</u>

	Half year ended December 31,	
	2020	2019
Net increase in cash and cash equivalents (a+b)	9,061,796	468,824
Cash and cash equivalents at the beginning of the period	12,917,307	17,565,397
Cash and cash equivalents at the end of the period	<u>21,979,103</u>	<u>18,034,221</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

CHENAB LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

	Capital reserves							Revenue reserves			Total	
	Issued, subscribed and paid up capital	Cumulative preference shares	Loan from Director	Surplus on revaluation of property, plant and equipment	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
R u p e e s												
Balance as at July 01, 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)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(47,670,461)	(47,670,461)	(47,670,461)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss :												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	1,341,996	1,341,996	1,341,996
Incremental depreciation on revalued assets for the period	-	-	-	(16,774,859)	-	-	-	-	-	(46,328,465)	(46,328,465)	(46,328,465)
Transaction with owner												
Transfer from loan from Directors			244,313,086									244,313,086
Balance as at December 31, 2019 (Unaudited)	1,150,000,000	800,000,000	244,313,086	5,697,615,772	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,174,666,019)	(9,098,233,185)	(679,894,575)
Total comprehensive (loss) for the period												
Loss for the period	-	-	-	-	-	-	-	-	-	(48,909,327)	(48,909,327)	(48,909,327)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss :												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	1,341,996	1,341,996	1,341,996
Incremental depreciation on revalued assets for the period	-	-	-	(16,774,857)	-	-	-	-	-	(47,567,331)	(47,567,331)	(47,567,331)
Balance as at June 30, 2020 (Audited)	1,150,000,000	800,000,000	244,313,086	5,680,840,915	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,205,458,493)	(9,129,025,659)	(727,461,906)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(37,115,419)	(37,115,419)	(37,115,419)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss :												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	622,564	622,564	622,564
Incremental depreciation on revalued assets for the period	-	-	-	(16,213,647)	-	-	-	-	-	(36,492,855)	(36,492,855)	(36,492,855)
Balance as at December 31, 2020 (Unaudited)	1,150,000,000	800,000,000	244,313,086	5,664,627,268	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,225,737,701)	(9,149,304,867)	(763,954,761)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR

CHENAB LIMITED
SELECTED EXPLANATORY NOTES TO THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

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:

Description	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, Faisalabad.
Spinning Unit-I	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.

- 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 loss of Rs. 37.12 million (2019 : Rs. 47.67 million). As at December 31, 2020 the accumulated loss of the Company is Rs. 9,225.74 million (June 30, 2020: Rs. 9,205.46 million), shareholders' equity is negative by Rs. 763.95 million (June 30, 2020: Rs. 727.46 million) and the current liabilities of the company exceed its current assets by Rs. 9,982.08 million (June 30, 2020: Rs. 9,875.94 million). The Company has not redeemed preference shares on exercise of put options for two consecutive years by holders of preference shares due to tight cash flow situation. The Company has not been able to comply with terms of certain loan agreements. 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.

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 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 period due to winding up order and appointment of liquidator.
- 1.5 These condensed interim 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 period have been appropriately disclosed in respective notes.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

2.1.1 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;
- 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.

2.1.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

2.1.3 These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2020.

2.2 Application of new and revised International Financial Reporting Standards

2.2.1 Standards, interpretations and amendments to published approved accounting standards that are effective:

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2020 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2020.

2.3 Basis of preparation

This condensed interim financial statements has been prepared under the "historical cost convention" except staff retirement gratuity carried at present value and certain property, plant and equipment carried at valuation.

2.4 Accounting policies and methods of computation

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2020.

2.5 Estimates, judgments and risk management policies

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2020.

2.5.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2020.

3. Cumulative preference shares

December 31, 2020 No of Shares	June 30, 2020 No of Shares		December 31, 2020 Rs	June 30, 2020 Rs
80,000,000	80,000,000	Cumulative preference shares of Rs. 10/- each fully paid in cash.	800,000,000	800,000,000

3.1. The preference shares are non-voting, cumulative and redeemable. These are listed on Pakistan Stock Exchange. The holders are entitled to cumulative preferential dividend at 9.25% per annum on the paid up value of preference shares. In case profits in any year are insufficient to pay preferential dividend, the dividend will be accumulated and payable in next year.

3.2. In case the Company fails to redeem cumulative preference shares upon exercise of put options by the holders for any two consecutive years, the holders were entitled to convert the cumulative preference shares into ordinary shares at a price equal to lower of:

- a) 75% of market value of shares or
- b) 75% of book value (break up value) or
- c) face value of shares

The date to exercise put options have been expired on September 25, 2010.

3.3. 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. 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.

3.4. However as per scheme of arrangement approved by Honorable Lahore High Court subsequent to the statement of condensed interim financial statement 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 Value
Habib Bank Limited	PKR 100,000,000
Askari Bank Limited	PKR 100,000,000
National Bank of Pakistan	PKR 100,000,000

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.

4. Short term borrowings

Secured

Under mark up arrangements

From banking companies

Export finances

Finance against trust receipts

Running finance

Murabaha finances

	Un-audited December 31, 2020 Rupees	Audited June 30, 2020 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>

4.1 The aggregate unavailed short term borrowing facilities available to the Company are nil (June 30, 2020: nil). Total sanctioned limits are Rs. 5.17 billion (June 30, 2020: Rs. 5.17 billion) which were expired and renewable.

4.2 Refer Note 15.

5. CONTINGENCIES AND COMMITMENTS

There has been no significant changes in contingencies and commitments since the last date of published audited financial statements for the year ended June 30, 2020 except as disclosed in note no 5.1.

5.1 Contingencies

		Un-audited December 31, 2020 Rupees	Audited June 30, 2020 Rupees
<p>Liability of markup of Rs. 2,038.67 million not acknowledged in view of company's request for waiver.</p> <p>According to the proposed Scheme of arrangement past markup accrued and the cost of fund to respective lenders till the effective date will be waived off provided the company makes no default in making payments of principals (Tier - 1 and Tier-2 Debt) and markup (Tier-1 and Subsequent Tier-2 Debt markup) under the scheme of Arrangement.</p>		-	-
Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Income tax			
Appellate Tribunal Inland Revenue, Lahore	<p>The Company has filed the appeals before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore for tax years 2013, 2015 and 2016 respectively against the CIR(A) orders. Tax demands of Rs. 4,456,880/-, 13,887,489/- and 10,315,279/- respectively are involved in the appeals. Currently the cases are pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these condensed financial statements.</p>	Company vs. Federal Board of Revenue	22 July,2020
Sales tax			
Appellate Tribunal Inland Revenue, Lahore	<p>The company has filed an appeal before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of CIR (A), Regional Tax Office, Faisalabad in appeal No. 296/2020. Tax amount of Rs. 32,249,198/- is involved in the appeal. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these condensed financial statements.</p>	Company vs. Federal Board of Revenue	November 25,2020
		Un-audited December 31, 2020	Audited June 30, 2020

	Note	Rupees	Rupees
6. Property, plant and equipment			
Operating assets	6.1	9,690,726,470	9,729,874,102
6.1 Operating assets			
Book value at beginning of period / year		9,729,874,102	10,717,044,490
Less: disposal during the period / year			(245)
Less: transferred to investment property during the year	8	-	(906,003,987)
Depreciation charge during the period / year		(39,147,632)	(81,166,156)
		<u>9,690,726,470</u>	<u>9,729,874,102</u>
7. Right of Use assets			
Right of use	7.1	170,358,381	171,248,441
7.1 Right of use			
Book value at beginning of period / year		171,248,441	173,047,260
Depreciation charge during the period / year		(890,060)	(1,798,819)
		<u>170,358,381</u>	<u>171,248,441</u>
8. Investment Property			
Investment Property	8.1	881,128,131	889,195,976
8.1 Investment Property			
Land			
Opening balance		485,803,713	-
Transfer from operating assets		-	485,803,713
		<u>485,803,713</u>	<u>485,803,713</u>
Building			
Opening book value		403,392,263	-
Transfer from operating assets		-	420,200,274
Depreciation charge		(8,067,845)	(16,808,011)
Closing net book value		<u>395,324,418</u>	<u>403,392,263</u>
		<u>881,128,131</u>	<u>889,195,976</u>
9. Trade debts			
Considered good			
Unsecured			
Local		25,505,484	25,357,484

	Quarter ended December 31, 2020 Rupees	2019 Rupees	Half year ended December 31, 2020 Rupees	2019 Rupees
10. Other income				

Income from assets other than financial assets:				
Rental income	23,981,090	16,747,471	41,363,309	33,254,871
Gain on disposal of operating assets	-	1,479,755	-	1,479,755
	<u>23,981,090</u>	<u>18,227,226</u>	<u>41,363,309</u>	<u>34,734,626</u>
11. Finance cost				
Interest / mark up on:				
Long term financing (Note 14)	-	-	-	-
Liabilities against assets subject to finance lease (Note 14)	-	-	-	-
Short term borrowings (Note 14)	-	-	-	-
Bank charges and commission	4,834	31,582	9,596	136,265
	<u>4,834</u>	<u>31,582</u>	<u>9,596</u>	<u>136,265</u>

	Quarter ended December 31,		Half year ended December 31,	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
12. Provision for taxation				
Current				
For the period	<u>5,563,614</u>	<u>3,885,413</u>	<u>9,596,289</u>	<u>7,715,130</u>

12.1 The provision for taxation made in these condensed interim financial statements 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 an associated undertaking, directors and key management personnel. The Company has not carried out any significant transaction with related parties during the period. Except payment of remuneration to the Executives amounting to Rs. 1,600,240/- (2019 : Rs. 1,869,000/-).

14. Overdue Markup (subsequent as per scheme of arrangement):

Under Scheme of Arrangement approved subsequent to the statement of condensed interim financial statement 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 15) and markup agreed under the arrangement as

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.

15. Overdue Loans (subsequent as per scheme of arrangement):

According to Scheme of Arrangement the breakup of Principal Debt owed to each of the Lenders individually (that involves long term financing, short term borrowing and lease liabilities) is bifurcated into two equal portions as Tier 1 Debt and Tier-2 Debt each of Rs. 4,737,486,364/- aggregating to Rs.9,474,972,728/-.

Tier 1 Debt shall be repaid in seven and half years from the effective date September,14-2021. Tier 2 Debt shall be repaid in 6 and half years after Tier 1. Tier 1 Debt and Tier 2 Debt is to be paid in quarterly installments on the last day of each calendar year i.e March 31st, Jun, 30 September, 30 and 31st December.

The first year after the effective date shall be a grace period subject to any repayment during the first year from proceeds of sale of non core assets as described in the scheme.

The Company shall pay the 75% of disposal proceeds realized from the disposal of non core assets to the Agent bank and the Agent Bank shall pay each lenders it's pro-rata share of such repayments and the balance 25% of proceeds will be injected as working capital for operations of the company.

Thereafter, the company shall make the payments of Principal and Mark-Up from it's own resources to the Agent Bank which shall pay each lenders it's pro-rata share of such repayments as elucidated under the Scheme of Arrangement.

The past Mark up and the initial tier 2 Debt markup shall be waived off by the lenders if the Principal Debt (Tier-1 and Tier-2) and Mark-Up (Tier-1 Debt markup and Subsequent Tier-2 Debt markup) are paid timely and in accordance with the repayment Schedule under scheme of Arrangement. However, in case of any default in making all or any of payments stated above, full amount of such waived amounts (Past markup and Initial Tier-2 debt markup) shall stand due and become payable.

16. EVENTS AFTER CONDENSED INTERIM FINANCIAL STATEMENT DATE

After the statement of condensed interim financial statement 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 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. As this significant event was incurred subsequent to condensed interim financial statements date so require no adjustment in the current condensed interim financial statements.

17. DATE OF AUTHORISATION FOR ISSUE

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

18. GENERAL

18.1 There is no unusual item included in these condensed interim financial statements which is affecting equity, liabilities, assets, loss, comprehensive loss or cash flows of the Company.

18.2 Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE OFFICER


DIRECTOR

Book Post

If not delivered return to :



Nishatabad, Faisalabad - Pakistan
Tel: +92 41 8754475-76
Fax: +92 41 8752400, 8752700
Email: chenab@chenabgroup.com
Web: www.chenabgroup.com