

# Financial Statements

for Nine Month period ended March 31,

**2021** *(un-audited)*

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# Company Information

<b>Chairman</b>	Mian Muhammad Latif
<b>Chief Executive</b>	Muhammad Naeem
<b>Directors</b>	Mian Muhammad Javaid Iqbal Mr. Muhammad Faisal Latif Mr. Tariq Ayoub Khan Mr. Masood Ul Hassan Mr. Muhammad Hashim Mr. Muhammad Salman Javed
<b>Nominee Director</b>	Ms. Sobia Chughtai
<b>Major Bankers</b>	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.
<b>Chief Financial Officer</b>	Mr. Faisal Ali Sarwar
<b>Company Secretary</b>	Muhammad Arshad
<b>Auditors</b>	RSM Avais Hyder Liaquat Nauman Chartered Accountants.
<b>Shares Registrar</b>	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
<b>Registered Office</b>	Nishatabad, Faisalabad. Tel:+92 41 8754472-8 Fax:+92 41 8752400, 8752700 <a href="mailto:chenab@chenabgroup.com">chenab@chenabgroup.com</a> <a href="http://www.chenabgroup.com">www.chenabgroup.com</a>
<b>Website Address</b>	<a href="http://www.chenabgroup.com">www.chenabgroup.com</a>
<b>Works</b>	-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, 2021. Figures of corresponding quarter of last year are also presented for comparison. The balance sheet figures as on March 31, 2021 and June 30, 2020 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.65.157 million was earned as against 51.830 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.39.397 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

FAISALABAD  
31-01-2024

  
(MUHAMMAD FAISAL LATIF)  
DIRECTOR

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

## ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹرز کمپنی کے نو ماہی حسابات (بغیر آڈٹ) بابت 31 مارچ 2021 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 2020 اور 31 مارچ 2021 بھی ظاہر کئے گئے ہیں جو کہ بین الاقوامی اکاؤنٹنگ سٹینڈرز (آئی۔ اے۔ ایس۔ 34) برائے درمیانی مدت کی فنانشل رپورٹنگ کے زیرِ تفتیش 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 یونٹس کو کرایہ پر دینے کے انتظامات کو جاری رکھا تاکہ حاصل شدہ آمدنی سے ضروری اخراجات پورے کیے جاسکیں اس سہ ماہی کے دوران 65.157 ملین آمدنی بمقابلہ 51.830 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 39.397 ملین روپے کا مالی نقصان برداشت کیا ہے۔

### مستقبل کا کیفیت نامہ:-

انتظامیہ نے بحالی سکیم بمورخہ 14-09-2021 بینکس 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 تندرہی 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, 2021**  
(IN WINDING UP UNDER THE ORDERS OF THE HONOURABLE LAHORE HIGH COURT)

Note	Mar-31, 2021 (Un-Audited)	Jun-30, 2020 (Audited)	Note	Mar-31, 2021 (Un-Audited)	Jun-30, 2020 (Audited)	
	Rupees	Rupees		Rupees	Rupees	
<b>SHARE CAPITAL AND RESERVES</b>			<b>NON-CURRENT ASSETS</b>			
<b>Authorised capital</b>			<b>Property, plant and equipments</b>	7	9,671,152,653	9,729,874,102
120,000,000 ordinary shares of Rs.10/- each	1,200,000,000	1,200,000,000	<b>Right-of-use assets</b>	8	169,953,683	171,248,441
			<b>Investment property</b>	9	877,094,208	889,195,976
80,000,000 cumulative preference shares of Rs.10/- each	800,000,000	800,000,000	<b>Long term deposits</b>		11,738,715	11,738,715
					10,729,939,260	10,802,057,234
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	244,313,086				
Surplus on revaluation of	5,670,090,779	5,680,840,915				
Capital reserves	526,409,752	526,409,752				
Revenue reserves	(9,171,855,368)	(9,129,025,659)				
	(781,041,751)	(727,461,906)				
<b>NON-CURRENT LIABILITIES</b>			<b>CURRENT ASSETS</b>			
Long term financing	1,559,858,348	1,633,872,452	Stores, spares and loose tools		28,743,953	28,743,953
Lease liabilities	-	-	Stock in trade		230,000	230,000
Deferred liabilities	17,528,571	17,759,106	Trade debts		25,357,484	25,357,484
Deferred revenue	1,943,586	1,943,586	Loans and advances		10,628,852	25,647,006
	1,579,330,505	1,653,575,144	Deposits and prepayments		10,627,120	10,627,120
			Other receivables		48,346,960	33,460,794
<b>CURRENT LIABILITIES</b>			Tax refunds due from Government		44,485,387	44,485,387
			Cash and bank balances		22,364,190	12,917,307
Trade and other payables	2,098,767,214	2,122,876,307			190,783,946	181,469,051
Unclaimed dividend	366,071	366,071				
Short term bank borrowings	4,344,992,444	4,344,992,444				
Current portion of:						
Long term financing	3,603,205,805	3,529,191,701				
Liabilities against assets subject to finance lease	28,702,544	28,702,544				
Provision for taxation - income tax	46,400,373	31,283,980				
	10,122,434,451	10,057,413,047				
<b>CONTINGENCIES AND COMMITMENTS</b>						
	10,920,723,205	10,983,526,285			10,920,723,205	10,983,526,285

The annexed notes from 1 to 16 are 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, 2021 (Un-audited)

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

	Notes	PERIOD ENDED		QUARTER ENDED	
		March 31, 2021 Rupees	March 31, 2020 Rupees	March 31, 2021 Rupees	March 31, 2020 Rupees
Sales		-	-	-	-
Cost of sales		-	-	-	-
Gross loss		-	-	-	-
Operating Expenses					
Selling and distribution expenses		-	-	-	-
Administrative expenses		(104,540,224)	(110,608,388)	(32,471,872)	(37,660,205)
		(104,540,224)	(110,608,388)	(32,471,872)	(37,660,205)
Operating loss		(104,540,224)	(110,608,388)	(32,471,872)	(37,660,205)
Other income	10	65,156,868	51,829,943	23,793,559	17,095,317
Finance cost	11	(13,941)	(182,823)	(4,345)	(46,558)
(loss) before taxation		(39,397,297)	(58,961,268)	(8,682,658)	(20,611,446)
Provision for taxation	12	(15,116,393)	(11,681,244)	(5,520,106)	(3,966,114)
(loss) after taxation		(54,513,690)	(70,642,511)	(14,202,764)	(24,577,559)
Earnings per share - Basic		(0.47)	(0.61)	(0.12)	(0.21)

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



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

For the nine months ended March 31, 2021 (Un-audited)

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

	PERIOD ENDED		QUARTER ENDED	
	March 31, 2021 Rupees	March 31, 2020 Rupees	March 31, 2021 Rupees	March 31, 2020 Rupees
(loss) after Taxation	(54,513,690)	(70,642,511)	(14,202,764)	(24,577,559)
Other comprehensive income for the period	-	-	-	-
Items that will not be subsequently reclassified to profit or loss	-	-	-	-
Remeasurement of defined benefit liability	933,845	2,513,711	311,282	670,998
Deferred tax relating to remeasurement of staff retirement gratuity	-	-	-	-
	933,845	2,513,711	311,282	670,998
Total comprehensive (loss) for the period	(53,579,845)	(68,128,800)	(13,891,482)	(23,906,561)

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

  
**CHIEF EXECUTIVE OFFICER**

  
**DIRECTOR**



## CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2021 (Un-audited)

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

	PERIOD ENDED	
	March 31, 2021 Rupees	March 31, 2020 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) before taxation	(39,397,297)	(58,961,268)
Adjustments for:		
Depreciation	71,163,617	72,455,977
Provision for staff retirement gratuity	1,657,669	2,718,764
Gain on disposal of operating assets	-	(1,479,755)
Finance cost	13,941	182,823
Balances written back - net	-	-
Operating cash flows before working capital changes	33,437,930	14,916,541
Changes in working capital:		
(Increase) / decrease in current assets:		
Trade debts	-	4,600
Loans and advances	15,018,154	(3,080,706)
Other receivables	(14,886,166)	4,661,406
(Decrease) in current liabilities:		
Trade and other payables	(24,109,093)	(19,996,501)
	(23,977,105)	(18,411,201)
Cash generated from operations	9,460,825	(3,494,660)
Finance cost paid	(13,941)	(182,823)
Net cash generated / (used in) operating activities	9,446,884	(3,677,483)
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of operating assets	-	1,480,000
Net cash generated from investing activities	-	1,480,000
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of:		
(Decrease) in short term bank borrowings - net	-	-
Net cash (used in) financing activities	-	-
Net (decrease) / increase in cash and cash equivalents (a+b+c)	9,446,883	(2,197,483)
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	22,364,190	15,367,914

The annexed notes from 1 to 16 are 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, 2021 (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
<b>Balance as at June 30, 2019 (audited)</b>	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:												
Remeasurement of defined benefit liability								-		2,513,711	2,513,711	2,513,711
Related deferred tax								-		-	-	-
										(68,128,800)	(68,128,800)	(68,128,799)
Incremental depreciation on revalued assets for the period				(26,162,287)						26,162,287	26,162,287	-
Loan from directors			244,313,086					-			-	244,313,086
<b>Balance as at March 31, 2020 (un-audited)</b>	1,150,000,000	800,000,000	244,313,086	5,688,228,344	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,187,078,926)	(9,110,646,092)	<b>(701,694,909)</b>
Profit for the period										(25,937,277)	(25,937,277)	(25,937,277)
Other comprehensive income										-	-	-
Items that may be subsequently reclassified to profit or loss:												
Items that will not be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability								-		170,281	170,281	170,281
Related deferred tax								-		-	-	-
										(25,766,996)	(25,766,996)	(25,766,996)
Incremental depreciation on revalued assets for the period				(7,387,429)						7,387,429	7,387,429	-
<b>Balance as at June 30, 2020 (audited)</b>	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)	<b>(727,461,906)</b>
(loss) for the period										(54,513,690)	(54,513,690)	(54,513,690)
Other comprehensive income										-	-	-
Items that may be subsequently reclassified to profit or loss:												
Items that will not be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability								-		933,845	933,845	933,845
Related deferred tax								-		-	-	-
										(53,579,845)	(53,579,845)	(53,579,845)
Incremental depreciation on revalued assets for the period				(10,750,136)						10,750,136	10,750,136	-
<b>Balance as at March 31, 2021 (un-audited)</b>	1,150,000,000	800,000,000	244,313,086	5,670,090,779	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,248,288,202)	(9,171,855,368)	<b>(781,041,751)</b>

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



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**

**CHENAB LIMITED**  
**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**For the nine months ended March 31, 2021 (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, 2021 (Un-Audited) Rupees	Jun-30, 2020 (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
	<b>4,344,992,444</b>	<b>4,344,992,444</b>

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, 2021 since the published audited financial statements for the period ended December 31, 2020.

### b) Commitments

There was no commitments as on March 31, 2021. (2019: Nil)

	<b>Mar-31, 2021 (Un-Audited) Rupees</b>	<b>Jun-30, 2020 (Audited) Rupees</b>
<b>7 PROPERTY, PLANT AND EQUIPMENTS</b>		
Operating assets (Note: 7.1)	<b>9,671,152,653</b>	<b>9,729,874,102</b>
<b>7.1 Operating assets</b>		
Opening book value	9,729,874,102	10,717,044,490
Add: Cost of additions during the period / year	-	-
Less: Book value of disposals during the period / year (Note: 7.1.1)	-	(245)
Less: Book value of transfer to investment property during the period / year (Note: 7.1.2)	-	(906,003,987)
	9,729,874,102	9,811,040,258
Less: Depreciation charged during the period / year	(58,721,449)	(81,166,156)
	<b>9,671,152,653</b>	<b>9,729,874,102</b>
<b>7.1.1 Book value of disposals</b>		
Vehicles		
Cost	-	(325,000)
Accumulated depreciation	-	324,755
	-	(245)
<b>7.1.2 Book value of transfer to investment property</b>		
Freehold land	-	(485,803,713)
Building on freehold land:		
Cost	-	(476,719,350)
Accumulated depreciation	-	56,519,076
	-	(906,003,987)
<b>8 RIGHT OF USE ASSETS</b>		
Opening book value	171,248,441	173,047,260
Add: Cost of additions during the period / year	-	-
Less: Book value of deletions during the period / year	-	-
	171,248,441	173,047,260
Less: Depreciation charge for the period / year	(1,294,758)	(1,798,819)
Closing book value	<b>169,953,683</b>	<b>171,248,441</b>
<b>9 INVESTMENT PROPERTY</b>		
<b>Land</b>		
Opening balance	485,803,713	-
Transfer from operating assets during the period / year	-	485,803,713
<b>Building</b>		
Opening net book value	403,392,263	-
Transfer from operating assets	-	420,200,274
Depreciation charge during the period / year	(12,101,768)	(16,808,011)
Closing net book value (Building)	391,290,495	403,392,263
	<b>877,094,208</b>	<b>889,195,976</b>

	PERIOD ENDED		QUARTER ENDED	
	March 31, 2021 Rupees	March 31, 2020 Rupees	March 31, 2021 Rupees	March 31, 2020 Rupees
<b>10 OTHER INCOME</b>				
Income from assets other than financial assets:				
Rental Income	65,156,868	50,350,188	23,793,559	17,095,317
Gain on disposal of operating assets	-	1,479,755	-	-
Balance written back - net	-	-	-	-
	<b>65,156,868</b>	<b>51,829,943</b>	<b>23,793,559</b>	<b>17,095,317</b>
<b>11 FINANCE COST</b>				
Interest / mark up on:				
Long term financing	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-
Short term bank borrowings	-	-	-	-
Bank charges and commission	13,941	182,823	4,345	46,558
	<b>13,941</b>	<b>182,823</b>	<b>4,345</b>	<b>46,558</b>

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

<b>12 PROVISION FOR TAXATION</b>				
Current				
For the period	15,116,393	11,681,244	5,520,106	3,966,114
For the prior periods	-	-	-	-
	<b>15,116,393</b>	<b>11,681,244</b>	<b>5,520,106</b>	<b>3,966,114</b>

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.

"Incremental depreciation on revalued assets" amounting to Rs.10,750,136/- (Mar-31, 2020: Rs.25,162,287/-) was charged in "Statement of Other Comprehensive Income". It has been transferred directly to "Unappropriated losses" for better presentation.

The company has recorded the "Right of use" assets as per IFRS-16 for better presentation.

### 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**

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