



# ANNUAL REPORT



# 2025



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## COMPANY INFORMATION

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### BOARD OF DIRECTORS

**Mian Muhammad Javed Iqbal** (Chairman)

**Mian Muhammad Latif** (Chief Executive Officer)

Mr. Muhammad Naeem

Mr. Muhammad Farhan Latif

Mr. Tariq Ayub Khan

Mr. Maqsood UI 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 (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- Shahkot, 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.

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 Avasi Hyder Liaquat Nauman  
Chartered Accountants.



## ABOUT US

The Chenab Limited started its business as Private Limited Company in 1985 and subsequently converted into Public Limited Company. Thereafter in the year 2004 Preference Shares and in 2005 Ordinary Shares were listed on Pakistan Stock Exchange Limited.

Chenab Limited is amongst the largest vertically integrated Textile setups in Pakistan having production facilities in all sectors of Textile Industry from Processing, Printing, Finishing, Cut and Sewn process and provides employment opportunities to large number of families. Chenab is engaged in manufacturing and export of supreme quality of Home Textile and Garments. The company sells its products all over the world .Where it has become a leader in exporting high end quality Products.

In order to utilize Production capacity on maximum level it is engaged in toll manufacturing of fabrics in the local market.

Our HR philosophy is to provide a conducive environment with a special focus on career development and making our employees enable to deal with challenges of today and tomorrow.

## ***Vision***

To be a competitive and customer focused organization with continuing commitment to excellence and standards.

## ***Mission Statement***

- To be the business house of first choice for customers.
- To be a change leader.
- To produce innovative, relevant and cost effective products.
- Setting and maintaining high standards.
- To earn profits by achieving optimum level of production by using state of are technologies.
- To provide ideal working conditions to employees and to take care in their career planning and reward them according to their skill and responsibility.
- To meet social and cultural obligations towards society being a patriotic and conscientious corporate citizens.

## ***Global Certification***



## Chairman's Review Report

It is my privilege to serve as Chairman of Board's of Directors of Chenab Limited.

I am pleased to present the Chairman's Review in Compliance with Section 192 of the Companies Act, 2017 on the overall performance of the Board of Directors and effectiveness of the role played by the Board in achieving the Company's Objectives.

For the financial year ended on June 30, 2025, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; preparing outlines for risk management and internal controls; monitoring the organization's business activities; monitoring financial resource planning; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility. Our governance practices are fully aligned with applicable laws and regulations.

The Board of Directors of your Company received agendas and supporting written material including follow up materials in sufficient time prior to the board and its committee meetings.

At the end, I am thankful to our shareholders, employees and other stakeholders for their support and co-operation.



**Mian Muhammad Javed Iqbal**  
**Chairman Board of Directors**



## GENDER PAY GAP STATEMENT

**Chenab Limited** is dedicated to guaranteeing equitable treatment and fair working conditions for all our employees. We offer equal opportunities and compensation packages to our female employees that are on par with what we provide to our male colleagues. Our commitment to gender diversity is evident at all organizational levels, including the representation of women on our Board of Directors.

As required under the SECP Circular No.10 of 2024, the following is Gender pay gap calculated for the year ended June 30, 2025.

❖ Mean Gender Pay Gap	-19.18%
❖ Median Gender Pay Gap	-44.26%

## Financial Highlights

	2025	2024	2023	2022	2021	2020
<b>Operational Performance</b>						
Sales	2,389,566,598	3,342,302,314	2,127,980,450	503,740,633	-	-
Cost of sales	(2,469,840,519)	(3,331,432,766)	(2,099,844,515)	(724,673,438)	-	-
Gross Profit / (loss)	(80,273,921)	10,869,548	28,135,935	(220,932,805)	-	-
Operating (loss)	(526,269,084)	(469,862,547)	(277,985,958)	(449,641,437)	(144,480,491)	(149,267,541)
(Loss) / profit before taxation / levies	(590,292,169)	(290,004,310)	(383,551,685)	(443,306,317)	1,019,812,487	(81,248,670)
(Loss) / profit after taxation / levies	(622,894,582)	(326,209,387)	(405,140,530)	(452,377,202)	999,742,641	(96,579,788)
<b>Financial Position</b>						
Property, Plant and equipments	8,932,371,161	9,076,879,986	9,168,196,248	9,615,704,320	9,651,578,837	9,729,874,102
Right-of-use assets	-	-	-	-	169,522,097	171,248,441
Investment property	481,450,363	491,733,640	502,445,387	559,975,280	873,060,285	889,195,976
Long term deposits	13,418,150	13,418,150	13,418,150	13,418,150	11,738,715	11,738,715
Fixed capital expenditure	9,427,239,674	9,582,031,776	9,684,059,785	10,189,097,750	10,705,899,934	10,802,057,234
Current assets						
Store, spare parts and loose tools	114,948,800	145,942,209	40,728,160	44,251,070	28,743,953	28,743,953
stocks in trade	174,841,332	252,453,190	208,919,421	77,600,081	230,000	230,000
Other current assets	496,436,738	856,854,174	567,646,411	364,045,877	95,648,347	139,577,791
Cash and cash equivalents	56,704,004	81,416,688	72,439,992	77,396,188	34,341,523	12,917,307
	842,930,874	1,336,666,261	889,733,984	563,293,216	158,963,823	181,469,051
Non current assets held for sale	-	-	551,695,602	147,942,743	-	-
Total assets	10,270,170,548	10,918,698,037	11,125,489,371	10,900,333,709	10,864,863,757	10,983,526,285
Current liabilities						
Short term bank borrowing	182,200,000	284,000,000	70,000,000	-	4,344,992,444	4,344,992,444
Current portion of long term financing/lease liabilities	627,562,602	75,226,124	544,542,043	726,220,500	3,855,894,245	3,557,894,245
Other current liabilities	1,382,831,135	1,455,829,821	1,319,026,251	1,335,677,822	1,040,371,780	2,154,526,358
	2,192,593,737	1,815,055,945	1,933,568,294	2,061,898,322	9,241,258,469	10,057,413,047
Net working capital	8,077,576,811	9,103,642,092	9,191,921,077	8,838,435,387	1,623,605,288	926,113,238
Non-current liabilities	8,630,208,880	9,060,905,658	9,047,568,382	8,914,786,727	1,350,079,426	1,653,575,144
Shareholder's equity	(552,632,069)	42,736,434	144,352,695	(76,351,340)	273,525,862	(727,461,906)
<b>Profitability analysis</b>						
Gross profit / (loss) to sale (%)	-3.36%	0.33%	1%	-44%	-	-
Net (loss) / profit to sale (%)	-26%	-10%	-19%	-90%	-	-
Return on Investment (%)	-6.61%	-3.40%	-4.18%	-4.44%	9%	-1%
Return on equity (%)	113%	-763%	-281%	592%	366%	13%
Earnings per share (Rupees)	-5.42	-2.84	-3.52	-3.93	8.49	-0.84
<b>Financial analysis</b>						
Current ratio (time)	0.38	0.74	0.46	0.27	0.02	0.02
Total Debt to Total Assets	0.81	0.77	0.80	0.83	0.88	0.87
Total Debt to Fixed Assets	0.878	0.881	0.92	0.89	0.89	0.88



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 41<sup>th</sup> Annual General Meeting of the shareholders of the Company will be held at 11.30 A.M. on Friday the 21<sup>st</sup> November, 2025 at the Registered office of the Company at Nishatabad, Faisalabad to transact the following business:-

### **ORDINARY BUSINESS**

1. To confirm the Minutes of the last meeting dated January 28, 2025.
2. To consider and approve the Annual Audited Financial Statements of the company for the year ended June 30, 2025 along with Directors and Auditors Reports thereon audited by M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, Faisalabad.
3. The External Auditors, M/s. RSM Avais Hyder Liaquat Nauman, Chartered Accountants, Faisalabad retire and being eligible offers themselves for re-appointment. The Audit Committee and the Board has also recommended their re-appointment as External Auditors of the Company for the next financial year 2026 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



(MUHAMMAD ARSHAD)  
COMPANY SECRETARY

FAISALABAD  
OCTOBER 31, 2025

### **NOTES:**

1. The Share Transfer Books of Ordinary Shares of the Company will remain closed from November 14, 2025 to November 21, 2025 (both days inclusive). Transfers received in order by Company's Registrar, M/s. F.D. Registrar Services (Pvt) Ltd, Office No.1705, 17<sup>th</sup> Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi upto close of business hours on November 13, 2025 will be considered in time.
2. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting. A proxy must be a member of the company.
3. Shareholders whose shares are deposited with Central Depository Company (CDC), or their Proxies are requested to bring their original Computerized National Identity Cards (CNICs) or Passports alongwith the Participants ID numbers and their account numbers at the time of attending the Annual General Meeting for verification.
4. All other members should bring their Original CNICs for identification purpose.
5. The shareholders are requested to notify the company immediately the change in their address, if any.

## DIRECTORS REPORT TO THE MEMBERS

The directors are pleased to place before you the report and audited accounts of the company for the year ended June 30, 2025.

### REVENUE

Sales and services revenue of Rs.2.389 billion has been earned during the year as compared to Rs. 3.342 billion.

### FINANCIAL RESULTS

During the year, the company experienced lower revenue and higher losses as a result of a complicated global economic situation, uncertain geopolitical conditions, coupled with shortage of funds to meet the working capital requirement. A stronger rupee, rising raw material costs, higher energy tariffs, increase in advance turnover tax have also contributed to upsetting the entire cost structure and triggering continued losses.

The financial results for the year ended June 30, 2025, with comparative figures, are as follows:-

	<b>2025</b> <b>Rupees</b>	<b>2024</b> <b>Rupees</b>
Sales	2,389,566,598	3,342,302,314
Cost of sales	2,469,840,519	3,331,432,766
Gross (loss) / profit	(80,273,921)	10,869,548
Operating expenses		
Selling and distribution expense	121,699,275	129,644,441
Administrative expenses	324,295,888	351,087,654
	445,995,163	480,732,095
Operating (Loss)	(526,269,084)	(469,862,547)
Other income	147,470,425	423,570,239
Finance cost	211,493,510	243,712,002
(Loss) for the year before levies and income tax	(590,292,169)	(290,004,310)
Levies	30,333,392	36,205,077
(Loss) for the year before income tax	(620,625,561)	(326,209,387)
Provision for taxation	(2,269,021)	-
(Loss) for the year	(622,894,582)	(326,209,387)
Earnings per share- Basic & diluted	(5.42)	(2.84)

### TO RATIFY BOARD'S RESOLUTION (S)

To ratify the Board's resolutions passed by the Directors by way of circulation under clause 78 of the Articles of Association of the Company since the holding of the last meeting i.e 29-04-2025.

## **FUTURE PROSPECTS**

The US tariffs imposed by the Trump administration on imports from China and, more recently on India have made Pakistani textiles exports more price-competitive in the American Market as US buyers seek alternatives to highly-taxed Indian and Chinese goods, Pakistan is positioned as one of the potential beneficiaries for sourcing textiles specially home textiles for which the company has significant capacity.

The banks of the company should provide sufficient financial limits for exports to allow the company to take advantage of this opportunity. The sponsors are already committed to inject funds in the company to meet the working capital requirements.

### **(I) ON GOING CONCERN**

The company has succeeded in paying all installments of the long term loan which have become due till 30-06-2025 as per the repayment schedule of the approved Scheme of Arrangement. As regards payment of installments for the next year the management has already requested their secured creditors for the sale of some other noncore assets of the company. The said sale of assets request is under active consideration by the secured creditors. The sale proceeds of these assets will be fully utilized toward forthcoming installments of long term loan.

On top of injection of Rs.808.9 million till FY-2024, the sponsors till 30-09-2025 have further injected Rs.120.071 million fresh capital as directors' loan. In the years ahead, sponsors have further been keen to pump the funds in order to meet the working capital requirement of the company. The management is confident that its banks will also support the company by granting export based finance limits.

We believe that all the above actions result in increased revenue and improved profitability and will allow us to overcome current challenges, capitalize on market opportunities, and ultimately secure the company's going concern status for the foreseeable future.

### **(II) EXPLANATION TO AUDITORS' OBSERVATIONS**

- (a) Residual preference shareholders, other than banking companies who had agreed to redeem their shares at face value, have opted to convert their shares into ordinary shares but the matter is pending with court. Reference Note.5.3 Therefore we could not calculate the diluted EPS.
- (b) The management is of the view that deferred tax asset will be created and liability will be adjusted subsequently.
- (c) The company circulated the confirmation letters to all parties selected by the auditor. The Company remained non-operational for a long period of time therefore some parties were not responding which was beyond our control.
- (d) The company has properly disclosed the outstanding liability.
- (e) The company is hopeful that it will receive the outstanding amount. The company's management is now following up with the customers for the recovery. Therefore, need no adjustment in these balances.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your company fully understands its corporate responsibility towards the society by providing equal Employment opportunities for persons with disabilities and financial support to its deserving employees, contributing considerable amount to the national exchequer, applying solution for energy conservation and environment protection.

## **PATTERN OF SHAREHOLDING**

The pattern of shareholding as at June 30, 2025, including the information under the code of corporate governance for ordinary and non-voting cumulative preference shares, is annexed.

## **BOARD OF DIRECTORS**

The election of directors for next term of three years took place on January 28, 2025. The number of directors remained the same as per last annual general meeting of the shareholders of company. Mr. Muhammad Faisal Latif has resigned from directorship on 24-07-2025 and in his place Mr. Muhammad Farhan Latif joined the board.

The Board appreciated the services of the outgoing director and welcome to the incoming director.

Similarly, Mr. Muhammad Naeem Chief Executive Officer (CEO) has resigned from the position of CEO w.e.f. 24-09-2025 due to personal reasons and in his place the Board appointed of Mian Muhammad Latif (who has resigned from the post of Chairman) as Chief Executive Officer of the company for the remaining tenure and has given consent to act as CEO. To fill the resulting casual vacancy of Chairman the Board proposes appointment of Mian Muhammad Javed Iqbal (Non-Executive Director) as Chairman.

The Board appreciated the services of outgoing Chief Executive Officer and welcome to the incoming Chief Executive Officer.

## **BOARD MEETING**

During the year under review six board meetings were held. Attendance by each director is appended below:-

<b>S.No.</b>	<b>Name of Directors</b>	<b>No of Meetings Attended</b>
1.	Mian Muhammad Latif	6
2.	Mian Muhammad Javed Iqbal	6
3.	Mr. Muhammad Naeem	6
4.	Mr. Muhammad Faisal Latif	6
5.	Mr. Tariq Ayub Khan	6
6.	Mr. Maqsood ul Hassan	6
7.	Mr. Muhammad Hashim	6
8.	Mr. Muhammad Salman Javed	6
9.	Mrs. Sobia Chughtai	6

## **AUDIT COMMITTEE**

The board of directors in compliance to the code of corporate governance has constituted an audit committee consequent upon re-election of directors as below:-

- |     |                           |            |                        |
|-----|---------------------------|------------|------------------------|
| (1) | Mr. Tariq Ayub Khan       | - Chairman | Independent Director   |
| (2) | Mr. Muhammad Hashim       | - Member   | Independent Director   |
| (3) | Mr. Muhammad Salman Javed | - Member   | Non-Executive Director |

The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company. The meetings were also attended by the CFO, Head of Internal Audit and External Auditors as and when it was required.

## **CODE OF CORPORATE GOVERNANCE**

The statement of compliance with the best practice of the code of corporate Governance is annexed.

## **AUDITORS**

The External Auditors, M/s. RSM Avas Hyder Liaquat Nauman, Chartered Accountants, Faisalabad retire and being eligible offers themselves for re-appointment. The Audit Committee and the Board has also recommended their re-appointment as External Auditors of the Company for the next financial year 2026 and fix their remuneration.

## **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 of  
BOARD OF DIRECTORS



FAISALABAD  
October 31, 2025

(MUHAMMAD FARHAN LATIF)  
(DIRECTOR)



(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER)

## ڈائریکٹر کی رپورٹ برائے اراکین۔

ڈائریکٹر 30 جون 2025 کو ختم ہونے والے سال کی کمپنی کی رپورٹ اور آڈٹ شدہ اکاؤنٹس آپ کے سامنے پیش کرنے پر مطمئن ہیں۔

## آمدنی

سال کے دوران فروخت اور خدمات سے 2.389 ارب روپے کی آمدنی حاصل ہوئی جو گزشتہ سال کی 3.342 ارب روپے کی آمدنی کے مقابلے میں کم ہے۔

## مالیاتی نتائج۔

سال کے دوران کمپنی کو عالمی معاشی حالات کی پیچیدگی، غیر یقینی جغرافیائی سیاسی صورتحال، اور ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے فنڈز کی کمی کی وجہ سے کم آمدنی اور زیادہ نقصانات کا سامنا رہا۔ روپے کی قدر میں اضافہ، خام مال کی بڑھتی ہوئی قیمتیں، توانائی ٹیرف میں اضافہ اور ایڈوائس ٹرن اور ٹیکس میں اضافہ بھی لاگت کے ڈھانچے میں بگاڑ کا باعث بنے اور کمپنی کے نقصانات میں تسلسل پیدا ہوا۔

تقابلی اعداد و شمار کے ساتھ 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی نتائج حسب ذیل ہیں:-

2024 (روپے)	2025 (روپے)	تفصیل
3,342,302,314	2,389,566,598	فروخت
3,331,432,766	2,469,840,519	فروخت کی لاگت
10,869,548	(80,273,921)	مجموعی (نقصان) / منافع
		آپریٹنگ اخراجات
129,644,441	121,699,275	فروخت و تقسیم کے اخراجات
351,087,654	324,295,888	انتظامی اخراجات
480,732,095	445,995,163	
(469,862,547)	(526,269,084)	آپریٹنگ نقصان
423,570,239	147,470,425	دیگر آمدنی
243,712,002	211,493,510	مالی اخراجات
(290,004,310)	(590,292,169)	ٹیکس اور لیویز سے قبل نقصان
36,205,077	30,333,392	لیویز
(326,209,387)	(620,625,561)	ٹیکس سے قبل نقصان
-	(2,269,021)	ٹیکسیشن کی فراہمی
(326,209,387)	(622,894,582)	سال کا نقصان
(2.84)	(5.42)	فی حصص آمدنی (بنیادی و مخفف)

## بورڈ کی مستراردادوں کی توثیق۔

مورخہ 29 اپریل 2025 کو منعقد ہونے والے آخری اجلاس کے مطابق کمپنی آرٹیکلز آف ایسوسی ایشن کی شق 78 کے تحت سرکولیشن کے ذریعے ڈائریکٹرز کی جانب سے پاس کی گئی قرار دادوں کی توثیق کرنا۔

### مستقبل میں توقعات۔

امریکی حکومت کی جانب سے چین اور حال ہی میں بھارت سے درآمدات پر عائد ٹیرف کے نتیجے میں پاکستانی ٹیکسٹائلز امریکی مارکیٹ میں زیادہ مسابقتی ہو گئی ہیں کیونکہ امریکی خریدار اب بھاری ٹیکس شدہ بھارتی اور چینی مصنوعات کے متبادل تلاش کر رہے ہیں۔ پاکستان خاص طور پر ہوم ٹیکسٹائلز کے لیے ایک ممکنہ فائدہ اٹھانے والا ملک بن کر سامنے آیا ہے، جس میں کمپنی کی نمایاں پیداوار صلاحیت موجود ہے۔

کمپنی کے بینکوں کو چاہیے کہ برآمدات کے لیے مناسب مالی سہولتیں فراہم کریں تاکہ کمپنی اس موقع سے فائدہ اٹھا سکے۔ اسپانسرز پہلے ہی ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے مزید سرمایہ لگانے کے لیے پرعزم ہیں۔

### (I) جاری سرگرمیاں۔

کمپنی نے 30 جون 2025 تک واجب الادا طویل مدتی قرض کی تمام اقساط منظور شدہ ”سکیم آف اریجمنٹ“ کی ادائیگی کے شیڈول کے مطابق ادا کر دی ہیں۔ آئندہ سال کی اقساط کی ادائیگی کے لیے انتظامیہ نے پہلے ہی اپنے محفوظ قرض دہندگان سے کمپنی کے کچھ دیگر غیر بنیادی اثاثوں کی فروخت کے لیے درخواست کی ہے۔ اثاثوں کی فروخت کی درخواست محفوظ قرض دہندگان کے زیر غور ہے۔ ان اثاثوں کی فروخت سے حاصل ہونے والی رقم کو طویل مدتی قرض کی آئندہ قسطوں کی ادائیگی کے لئے استعمال کیا جائے گا۔

مالی سال 2024 تک 808.9 ملین روپے کی سرمایہ کاری کے علاوہ، 30 ستمبر 2025 تک اسپانسرز نے 120.071 ملین روپے بطور ڈائریکٹرز قرض مزید شامل کیے ہیں۔ مستقبل میں بھی اسپانسرز ورکنگ کیپیٹل کی ضروریات کے لیے مزید فنڈز شامل کرنے کے خواہاں ہیں۔ انتظامیہ کو یقین ہے کہ بینک بھی برآمدی مالی سہولتوں کے ذریعے کمپنی کی مدد کریں گے۔

ہم سمجھتے ہیں کہ مذکورہ اقدامات سے آمدنی میں اضافہ اور منافع میں بہتری ہوگی، موجودہ چیلنجز پر قابو پایا جاسکے گا، مارکیٹ کے مواقع سے فائدہ اٹھایا جاسکے گا، اور کمپنی کے مستقبل کے لیے تسلسل برقرار رکھا جاسکے گا۔

### (II) آڈیٹرز کے مشاہدات کی وضاحت۔

(a) بقایا ترجیحی شیئر ہولڈرز، بینکنگ کمپنیوں کے علاوہ جنہوں نے اپنے حصص کو عام حصص میں تبدیل کرنے پر رضامندی ظاہر کی تھی، نے اپنے حصص کو عام حصص میں تبدیل کرنے کا انتخاب کیا ہے، لیکن یہ معاملہ عدالت میں حوالہ نوٹ 5.3 زیر التوا ہے۔ لہذا مخفف فی حصص آمدنی کا حساب ممکن نہیں تھا۔

(b) انتظامیہ کی رائے ہے کہ موخر ٹیکس اثاثہ بنایا جائے گا اور واجبات کو بعد میں ایڈجسٹ کیا جائے گا۔

(c) کمپنی نے تصدیقی خطوط کو آڈیٹر کے ذریعہ منتخب کردہ تمام فریقوں کو بھیجا۔ چونکہ کمپنی طویل عرصے تک غیر فعال رہی اس لیے کچھ فریق جواب نہیں دے رہے تھے جو کہ ہمارے اختیار سے باہر تھا۔

(d) کمپنی نے تمام بقایا جات درست طور پر ظاہر کر دیے ہیں۔

(e) کمپنی کو امید ہے کہ اسے بقایا رقم مل جائے گی۔ کمپنی کی انتظامیہ اب ریکوری کے لیے صارفین سے رابطہ کر رہی ہے۔ لہذا، ان بیلنس میں کوئی ایڈجسٹمنٹ کی ضرورت نہیں ہے۔



## کارپوریٹ سماجی ذمہ داری۔

آپ کی کمپنی اپنی کارپوریٹ سماجی ذمہ داری کو پوری طرح سمجھتی ہے، معذور افراد کے لیے مساوی روزگار کے مواقع فراہم کرتی ہے، مستحق ملازمین کی مالی معاونت کرتی ہے، قومی خزانے میں خاطر خواہ حصہ ڈالتی ہے، توانائی کے تحفظ اور ماحول کے تحفظ کے اقدامات اختیار کرتی ہے۔

## حصص کی ملکیت کا نمونہ۔

30 جون 2025 تک حصص کی ملکیت کی تفصیلات، بشمول کارپوریٹ گورننس کوڈ کے تحت عام اور غیر ووٹنگ مجموعی ترجیحی حصص کے لیے معلومات شامل ہیں۔

## بورڈ آف ڈائریکٹرز۔

تین سال کی اگلی مدت کے لیے ڈائریکٹرز کے انتخابات 28 جنوری 2025 کو منعقد ہوئے۔ ڈائریکٹرز کی تعداد کمپنی شیئرز ہولڈرز کے گزشتہ سالانہ اجلاس کے مطابق ہی رہی۔ جناب محمد فیصل لطیف نے 24 جولائی 2025 کو ڈائریکٹر شپ سے استعفیٰ دے دیا اور ان کی جگہ جناب محمد فرحان لطیف نے بورڈ میں شمولیت اختیار کی۔ بورڈ نے سبکدوش ہونے والے ڈائریکٹر کی خدمات کو سراہا اور آنے والے ڈائریکٹر کو خوش آمدید کہا۔

اسی طرح، جناب محمد نعیم چیف ایگزیکٹو آفیسر (CEO) نے 24 ستمبر 2025 سے ذاتی وجوہات کی بنا پر سی ای او کے عہدے سے استعفیٰ دے چکے ہیں۔ اور ان کی جگہ پر بورڈ نے میاں محمد لطیف، (جو چیئرمین کے عہدے سے مستعفی ہو چکے ہیں) کو بقیہ مدت کے لیے کمپنی کے چیف ایگزیکٹو آفیسر کے طور پر مقرر کیا اور سی ای او کے طور پر کام کرنے کی رضامندی دے دی۔ خالی ہونے والی چیئرمین کی اسامی کے لیے بورڈ نے میاں محمد جاوید اقبال (نان ایگزیکٹو ڈائریکٹر) کی تقرری کی تجویز پیش کی ہے۔ بورڈ نے سبکدوش ہونے والے چیف ایگزیکٹو آفیسر کی خدمات کو سراہا اور آنے والے چیف ایگزیکٹو آفیسر کو خوش آمدید کہا۔

## بورڈ کا احلاس۔

سال کے دوران بطور جائزہ بورڈ کے چھ اجلاس منعقد ہوئے، جن میں تمام ڈائریکٹرز کی حاضری درج ذیل ہے:

نمبر شمار	ممبر ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
1	میاں محمد لطیف	6
2	میاں محمد جاوید اقبال	6
3	جناب محمد نعیم	6
4	جناب محمد فیصل لطیف	6
5	جناب طارق ایوب حنان	6
6	جناب مقصود الحسن	6
7	جناب محمد ہاشم	6
8	جناب محمد سلمان جاوید	6
9	مسز صوبیہ چغتائی	6

## آؤٹ کمیٹی۔

کارپوریٹ گورننس کے ضابطہ کی تعمیل میں، بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے دوبارہ انتخاب کے بعد ایک آؤٹ کمیٹی تشکیل دی ہے، جو درج ذیل ہے:-

- |      |                   |        |                         |
|------|-------------------|--------|-------------------------|
| (1)- | طارق ایوب خان،    | چیرمین | (آزاد ڈائریکٹر)         |
| (2)- | محمد ہاشم،        | رکن    | (آزاد ڈائریکٹر)         |
| (3)- | محمد سلمان جاوید، | رکن    | (نان ایگزیکٹو ڈائریکٹر) |

کمپنی کے عبوری اور حتمی نتائج کی منظوری کے لیے آؤٹ کمیٹی کا اجلاس کم از کم ہر سہ ماہی میں ایک بار ہوتا تھا۔ اجلاسوں میں سی ایف او ہیڈ آف انٹرنل آؤٹ، اور بیرونی آڈیٹرز نے بھی شرکت کی جب بھی ضرورت تھی۔

## کارپوریٹ گورننس کا ضابطہ۔


کارپوریٹ گورننس کے ضابطہ اخلاق کے بہترین عمل کی تعمیل کا بیان منسلک ہے۔

## آڈیٹرز۔

بیرونی آڈیٹرز، میسرز، آر ایس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس، فیصل آباد سبکدوش ہو رہے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کے لئے دستیاب ہیں۔ آؤٹ کمیٹی اور بورڈ نے آئندہ مالی سال 2026 کے لیے کمپنی کے ایکسٹرنل آڈیٹرز کے طور پر ان کی دوبارہ تقرری اور معاوضہ کے تعین کی بھی سفارش کی ہے۔

## اظہار تشکر۔

بورڈ آف ڈائریکٹرز، حصص یافتگان، سرکاری اداروں اور مالیاتی اداروں کی معاونت پر ان کا شکریہ ادا کرتے ہیں اور ان کے تعاون کو سراہتے ہیں۔

  
(میاں محمد لطیف)  
چیف ایگزیکٹو آفیسر

  
(محمد رحمان لطیف)  
ڈائریکٹر

منجانب بورڈ آف ڈائریکٹرز اور ان کی نمائندگی میں۔  
فیصل آباد  
نمبر ح: 31 اکتوبر 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF CHENAB LIMITED****Review Report on the Statement of Compliance contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019**


We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Chenab Limited (the Company) for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

**Place:** Faisalabad**Date:** 31-10-2025**RSM AVAIS HYDER LIAQUAT NAUMAN  
CHARTERED ACCOUNTANTS****UDIN:** CR202510194wCcOpKmU0**THE POWER OF BEING UNDERSTOOD**  
ASSURANCE | TAX | CONSULTINGRSM Avas Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

# STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATION, 2019

**Name of Company: Chenab Limited**

**Year ended: June 30, 2025**

The Company has complied with the requirements of the Regulation in the following manner:-

1. The total number of directors are **9** as per the following:-
  - a. **Male: 8**
  - b. **Female: 1**

2. The composition of the Board is as follows:

a)	Independent Director	3
b)	Other Non-executive Director	2
c)	Executive Directors	3
d)	Female Director (Non-executive Director)	1

3. The directors has confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a code of conduct and has ensure that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement,overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company. The board is determined to revisit all its policies and make necessary changes so to make such policies fulfill the mandatory requirements;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the chairman and , in his absence, by a director elected by the Board for this purpose the Board has complied with the requirements of Act and the Regulation with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The following Directors have either obtained certificate of Directors. Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

1	Mian Muhammad Latif	2	Mian Muhammad Javed Iqbal
3	Mr. Muhammad Naeem		

The undernoted Directors are in the process of obtaining certificate of Director Training program.

1	Mr. Tariq Ayub Khan	2	Mr. Maqsoodul Hassan
3	Mr. Muhammad Hashim	4	Mr. Muhammad Salman Javed
5	Mrs. Sobia Chughtai.	6	Mr. Muhammad Farhan Latif

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulation.
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below;-

**a) Audit Committee**

Sr.No.	Name	Portfolio	Designation of committee
1	Mr. Tariq Ayub Khan	Independent Director	Chairman
2	Mr. Muhammad Hashim	Independent Director	Member
3	Mr. Muhammad Salman Javed	Non-Executive Director	Member

**b) HR and Remuneration Committee**

Sr.No.	Name	Portfolio	Designation of committee
1	Mr. Maqsoodul Hassan	Independent Director	Chairman
2	Mr. Muhammad Naeem	Executive Director	Member
3	Mr. Muhammad Salman Javed	Non-Executive Director	Member

13. The terms of reference of the aforesaid committees.
14. The frequency of meetings of the committee were as per following;
  - a) Audit Committee 4 quarterly meeting
  - b) HR and Remuneration Committee 1 Annual meeting
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAX) guidelines on code of ethics as adopted by the Institute of Chartered Accounts of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

Regulation No	Explanation
10(A)	At present, the Board oversees Environmental, Social and Governance (ESG) matters and will comply with the requirements in due course.
19(2)	The Directors are under the process of obtaining requisite training.
29(1) & 30 (1)	At present, formation of nomination committee and risk management committee are under consideration of the Board.
35 (1)	The Company will post on its website key elements of its significant policies including diversity, equity and inclusion and protection against harassment at workplace in due course.

For and on behalf of  
BOARD OF DIRECTORS



(MIAN MUHAMMAD LATIF)  
(CHIEF EXECUTIVE OFFICER)



(MUHAMMAD FARHAN LATIF)  
(DIRECTOR)

## INDEPENDENT AUDITOR'S REPORT

To the members of Chenab Limited

### Report on the Audit of the Financial Statements

#### Qualified opinion

We have audited the annexed financial statements of Chenab Limited (the Company), which comprise the statement of financial position as at June 30, 2025, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion, except for the effects of the matters described in *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Qualified Opinion

- a) The company had issued cumulative, redeemable preference shares of Rs.800 million (currently outstanding Rs. 500 million) containing put option (note 5) 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 financial statements;
- b) The deferred tax liability of Rs. 432.75 million (2024: Rs. 784.93 million) has not been provided in the financial statements. Had the deferred tax liability been provided, the loss for the year would have been increased by Rs. 432.75 million (2024: Rs. 784.93 million) and accumulated loss by Rs. 432.75 million (2024: Rs. 784.93 million);



- c) 'Trade creditors' of Rs. 213.32 million (2024: Rs. 242.58 million) million and 'Contract liabilities' of Rs. 26.67 million (2024: Rs. 6.79 million) under head "Trade and other payables" include old outstanding balances. We could not verify the liability through direct confirmations or by applying alternate audit procedures. The effect of adjustments, had the liability been verified, could not be determined;
- d) Security deposit includes an amount of Rs. 8.35 million (2024: Rs. 8.35 million) which has not been kept in a separate bank as required under section 217 of the Companies Act, 2017;
- e) Trade debts of Rs. 13.36 million (2024: Rs. 19.15 million) and Advances to suppliers of Rs. 34.12 million (2024: Rs. 26.49 million) respectively are long outstanding balances. These outstanding balances, in our opinion are impaired against which no provision has been made. Had the provision been made, the loss for the year would have been increased by Rs 47.48 million (2024: Rs. 45.64 million) and accumulated loss by Rs. 47.48 million (2024: Rs. 45.64 million).

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Material Uncertainty relating to Going Concern**

The Company suffered financial difficulties. These condition 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 opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In addition to matters described in the “*Basis for Qualified Opinion*” and “*Material uncertainty relating to Going Concern*” section of our report, we have determined the matters described below as the Key audit matters:

Key Audit Matter	How our audit addressed the key audit matter
<b>Scheme of Arrangement under section 279 to 283 of the Company’s Act, 2017</b>	
<p>Refer to note 1.3 to the financial statements.</p> <p>The Company had defaulted in making payments to its lenders (banks and financial institutions). One of the creditor approached Honorable Lahore High Court for winding up and the court ordered winding up of the company. The company filed an appeal before Honorable Supreme Court against the winding up order which was dismissed. The sponsors of the company filed scheme of arrangement before Lahore high court for compromise between the company and the creditors for reversal of winding up order.</p> <p>The scheme of arrangement filed with the court involve significant judgments and estimates in relation to the future cash flows, rescheduling of existing loan and markup thereon, management plan about the turnaround policy of company to put it back on track for future operational improvement and compliance with the repayment of debt terms agreed in the scheme. The company’s appropriate reclassification, disclosure and adjustments in respective account balances as required under the scheme of arrangement.</p>	<p>In this respect, we performed following audit procedures:</p> <ul style="list-style-type: none"> <li>• We have obtained and reviewed the copy of scheme of arrangement agreed between company as approved by the court and creditors and discussed the same with the Company’s management;</li> <li>• We reviewed minutes of meeting whereby creditors formally agreed for revival of the company.</li> <li>• We have reviewed the appropriateness of the revival plan presented under the scheme.</li> <li>• We have reviewed the compliance with the terms of scheme of arrangement.</li> <li>• We have discussed the matter with the company’s legal advisor about the outcome of the cases lodged by the lenders not agreed upon scheme of arrangement.</li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
<b>Scheme of Arrangement under section 279 to 283 of the Company's Act, 2017</b>	
<p>Due to significance of reclassified amounts, adjustments involved in the financial statements, inherent uncertainties with respect to the outcome of cash flows projected and implementation of turnaround policy, use of significant management judgments in preparing the scheme, we considered the reclassifications and adjustments required in respective account balances of the financial statements as per the scheme of arrangement as key audit matters.</p> <p>For further information about reclassification and adjustments in respective account balances reference may be made to relevant notes in the financial statements.</p>	<ul style="list-style-type: none"> <li>• We have reviewed the reclassification, disclosures and adjustments made in respective account balances in the financial statements as per scheme of arrangement.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information; we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

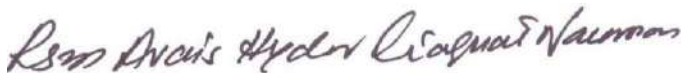
### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- (b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



**RSM AVAIS HYDER LIAQUAT NAUMAN**  
**CHARTERED ACCOUNTANTS**

**Place:** Faisalabad

**Date:** 31-10-2025

**UDIN:** AR202510194nEv04DwqY

# STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 Rupees	2024 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised capital</b>			
120,000,000 (2024: 120,000,000) ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
80,000,000 (2024: 80,000,000) cumulative preference shares of Rs.10/- each		800,000,000	800,000,000
Issued, subscribed and paid up capital			
115,000,000 (2024: 115,000,000) ordinary shares of Rs. 10/- each fully paid in cash	4	1,150,000,000	1,150,000,000
Cumulative preference shares	5	500,000,000	500,000,000
Directors' loan	6	1,071,913,086	1,053,213,086
Surplus on revaluation of property, plant and equipment	7	4,814,039,268	4,881,532,753
Capital reserves	8	526,409,752	526,409,752
Revenue reserves	9	(8,614,994,175)	(8,068,419,157)
		(552,632,069)	42,736,434
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	10	7,468,611,421	8,079,014,160
Deferred revenue	11	53,638,778	54,883,483
Deferred interest / markup	12	744,656,836	576,692,432
Liabilities against redemption of preference shares	5	300,000,000	300,000,000
Deferred liabilities	13	63,301,845	50,315,583
		8,630,208,880	9,060,905,658
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,378,669,987	1,448,751,213
Unclaimed dividend		366,071	366,071
Interest / markup payable	15	3,795,077	6,712,537
Short term bank borrowings	16	182,200,000	284,000,000
Current portion of : Long term financing	10	627,562,602	75,226,124
Provision for taxation - income tax	36	-	-
		2,192,593,737	1,815,055,945
<b>CONTINGENCIES AND COMMITMENTS</b>			
	17	-	-
		<b>10,270,170,548</b>	<b>10,918,698,037</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



	Note	2025 Rupees	2024 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment			
Operating assets	18	8,932,371,161	9,076,879,986
Investment property	19	481,450,363	491,733,640
Long term deposits	20	13,418,150	13,418,150
		9,427,239,674	9,582,031,776
<b>CURRENT ASSETS</b>			
Stores and spares	21	114,948,800	145,942,209
Stock in trade	22	174,841,332	252,453,190
Trade debts	23	223,095,067	523,146,574
Loans and advances	24	168,622,533	203,374,310
Deposits and prepayments	25	33,058,433	38,263,514
Other receivables	26	18,830,431	12,993,174
Tax refunds due from government	27	52,830,274	79,076,602
Cash and bank balances	28	56,704,004	81,416,688
		842,930,874	1,336,666,261
		<b>10,270,170,548</b>	<b>10,918,698,037</b>



(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
Sales	29	2,389,566,598	3,342,302,314
Cost of sales	30	2,469,840,519	3,331,432,766
Gross (loss) / profit		(80,273,921)	10,869,548
Operating Expenses			
Selling and distribution expenses	31	121,699,275	129,644,441
Administrative expenses	32	324,295,888	351,087,654
		445,995,163	480,732,095
Operating (Loss)		(526,269,084)	(469,862,547)
Other income	33	147,470,425	423,570,239
Finance cost	34	211,493,510	243,712,002
(Loss) for the year before levies and income tax		(590,292,169)	(290,004,310)
Levies	35	30,333,392	36,205,077
(Loss) for the year before income tax		(620,625,561)	(326,209,387)
Provision for taxation	36	(2,269,021)	-
(Loss) for the year		(622,894,582)	(326,209,387)
Earnings per share - Basic and diluted	37	(5.42)	(2.84)

The annexed notes from 1 to 45 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025 Rupees</b>	<b>2024 Rupees</b>
(Loss) for the year	(622,894,582)	(326,209,387)
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified to profit or loss:		
Remesurement of defined benefit liability	8,826,079	(1,906,874)
	8,826,079	(1,906,874)
Total comprehensive (loss) for the year	<u>(614,068,503)</u>	<u>(328,116,261)</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.



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(SADAQUAT HUSSAIN)  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 Rupees	2024 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) for the year before levies and income tax		(590,292,169)	(290,004,310)
Adjustments for:			
Depreciation of operating assets	18	181,075,984	189,098,770
Depreciation of investment property	19	10,283,277	10,711,747
Provision for staff retirement gratuity	13.1	23,981,940	30,043,326
(Gain) on disposal of operating assets	33	(907,577)	(3,632,200)
(Gain) on disposal of non current assets held for sale		-	(248,304,398)
Finance cost	34	211,493,510	243,712,002
Balances written back - net	33	(113,689,045)	(123,125,581)
Fair value adjustment of deferred revenue	11	(1,244,705)	(1,091,176)
Operating cash flows before working capital changes		(279,298,785)	(192,591,820)
Changes in working capital			
(Increase) / Decrease in current assets			
Stores, spares and loose tools		30,993,409	(105,214,049)
Stock in trade		77,611,858	(43,533,769)
Trade debts		300,051,507	(263,601,157)
Loans and advances		21,538,310	(98,149,701)
Deposits and prepayments		215,939	733,775
Other receivables		(5,837,257)	(5,374,914)
Tax refunds due from Government		52,704,098	58,841,188
		477,277,864	(456,298,627)
Increase in current liabilities			
Trade and other payables		49,479,505	323,494,221
		526,757,369	(132,804,406)
Cash generated from / (used in) operations		247,458,584	(325,396,226)
Income tax and levies paid		(46,729,260)	(64,931,869)
Finance cost paid		(45,201,861)	(47,733,842)
Staff retirement gratuity paid	13.1	(2,169,599)	(5,650,810)
Net cash generated from / (used in) operating activities		153,357,864	(443,712,747)

		2025 Rupees	2024 Rupees
<b>b) CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions in operating assets	18	(36,579,582)	(97,843,196)
Proceeds from disposal of operating assets	18.5	920,000	1,467,600
Proceeds from disposal of non current assets held for sale		-	780,000,000
Net cash (used in) / generated from investing activities		(35,659,582)	683,624,404
<b>c) CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipt of loan from directors		18,700,000	226,500,000
Repayment of :			
Long term financing		(59,310,966)	(686,261,961)
Long term loan obtained		-	14,827,000
(Decrease) / increase in short term bank borrowings		(101,800,000)	214,000,000
Net cash (used in) financing activities		(142,410,966)	(230,934,961)
Net (decrease) / increase in cash and cash equivalents (a+b+c)		(24,712,684)	8,976,696
Cash and cash equivalents at the beginning of the year		81,416,688	72,439,992
Cash and cash equivalents at the end of the year		56,704,004	81,416,688

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER


  
(MUHAMMAD FARHAN LATIF)  
DIRECTOR

  
(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

[illegible]

The annexed notes from 1 to 45 form an integral part of these financial statements.

  
(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FARHAN LATIF)  
DIRECTOR

(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

### 1. GENERAL INFORMATION

- 1.1** Chenab Limited (the Company) is incorporated as a public limited company under the Companies Ordinance, 1984 (Now Companies Act 2017) and is listed on Pakistan Stock Exchange. The registered office of the Company is situated at Nishatabad, Faisalabad, in the province of Punjab. The principal business of the Company is export of all kinds of value added fabrics, textile made-ups, casual and fashion garments duly processed. Geographical location and address of business units/plants are following:

Description	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, Faisalabad.
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,
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** The company has incurred a net loss of Rs 622.89 million (2024: Rs. 326.21 million) . The accumulated loss of the Company is Rs. 8,691.43 million (2024: Rs. 8,144.85 million) and the current liabilities exceed its current assets by Rs. 1,349.66 million (2024: Rs.478.39 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 order of the Honorable Lahore High Court on July 13, 2017, following a creditor's application due to non-compliance with loan 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 section 257 of Companies Act 2017, (Section 265 of the repealed Companies Ordinance,1984.) The company has challenged the order and the Honorable Lahore High Court has stayed the proceedings.

To reverse the winding-up proceedings, the Company's sponsors filed a Scheme of Arrangement u/s 279 to 283 of Companies Act, 2017 before the Lahore High Court on January 20, 2021. A meeting of shareholders and secured creditors was held on February 22, 2021, under court-appointed chairmanship, where the scheme was approved by 100% of shareholders and 90.40% of secured creditors. The Court approved the scheme on September 14, 2021, and issued the reversal order on October 29, 2021, handing over the control to the management of the Company.

As per the Scheme of Arrangement, the principal debt of Rs. 9,474,972,728/- is split equally into Tier 1 and Tier 2 debts, each amounting to Rs. 4,737,486,364/-. Payment terms and applicable markup are detailed in Note 10 of the financial statements, with slight updation in repayment schedules provided in Note 10.1.1 of the financial statements.

The steps mentioned below, pursuant to the scheme of arrangement, have positively impacted the company's financial and operational condition in past years;

- The management successfully disposed of non-core assets within one year from the effective date of the approval of scheme. All required non-core assets were sold for Rs. 1.6 billion exceeding the estimated proceeds of Rs. 1.4 billion and used for servicing loan repayments and to support the company's working capital needs.
- Principal repayments to lenders are rescheduled over 14 years from the effective date, improving financial health and resolving all disputes with lenders.
- To ensure smooth operations, the company applied for additional working capital, from banks as per their agreed share (lead bank and other bank).
- The sponsors injected Rs. 350 million through the sale of personal shares. Additionally, the sponsors injected Rs. 477.60 million as a subordinated loan since its revival.



### **Reason for non meeting of financial results**

The company was unable to meet key assumptions of the financial model under the scheme of arrangement due to a sharp rise in overheads, energy costs, and significant PKR depreciation against the USD. The scheme was approved two years after its initial court submission. Additionally, banks did not fully disburse the agreed Rs. 500 million in working capital support, forcing the company to manage the shortfall through internal sources. These factors hindered the achievement of the projected cash flows and operating results.

### **Management of upcoming loan installments**

Despite the aforementioned factors that hampered achieving the expected results, management is actively working to ensure payment of the upcoming 2026 installments. The company is negotiating with banks for a No Objection Certificate (NOC) to sell non-operational assets expected to generate upto PKR 800 million. Proceeds will be used to pay the upcoming quarterly installments maturing upto June 30, 2026 on a pro-rata basis to all lenders.

### **Basis for anticipated business improvement**

For sustainable operational profitability, the management is confident for the company's improved prospects, driven by the sponsors' confirmed commitment to inject over Rs. 1.5 billion as directors' loans in coming years. This will strengthen liquidity and support working capital needs. Additionally, the company is negotiating injection of Rs. 1 billion as export-based working capital from banks. These measures are expected to boost revenue and profitability, enabling timely repayment of long-term loans. Additionally, U.S. tariffs on Chinese and Indian imports have made Pakistani textile exports more price-competitive in the American market. As U.S. buyers seek alternatives, including Pakistan—especially in home textiles. The company has significant capacity and well-positioned to take benefit. Major U.S. buyers have reportedly shown interest in Pakistani products. The management expect better marketing conditions in future.

The above mentioned actions such as, arrangement of proceeds for upcoming installment-payments and anticipated business improvement will help to overcome the financial and operational problems of the Company. Therefore, 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.
- 1.5 All the significant transactions and events that have affected the company's financial position and performance during the year have been appropriately disclosed in respective notes.

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

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

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

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

## 2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

### 2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2024 and therefore, have been applied in preparing these financial statements.

#### - **Amendments to IAS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

Amendments to IAS 1 are made to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer settlement must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.

The amendments have no material impact on the company's financial statements.

#### - **Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments have no material impact on the company's financial statements.

#### - **Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

The amendments have no material impact on the company's financial statements.

#### - **Accounting Standard – Non-Going Concern Basis of Accounting**

The Institute of Chartered Accountants of Pakistan (ICAP) has issued accounting standards to specify the basis of accounting for a non-going concern entity.

The basis of accounting establishes principles and requirements for how the non-going concern entity shall account for and present effects of transactions, other events and conditions in its financial statements. This will enable users of the financial statements in evaluating the nature and financial effects of non-going concern position, financial performance and cashflows.

The Standard establishes principles and requirements that how a reporting entity when preparing financial statements on an assumption other than going concern should:

- a) Recognizes and measures in its financial statements, assets, liabilities, income and expense; and
- b) Discloses information

The amendments have no material impact on the company's financial statements.

### **2.2.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant**

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

### **2.2.3 Standards, amendments to standards and interpretations becoming effective in future**

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

#### **- Amendments to IAS 21 - Lack of exchangeability**

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date.

The amendments are effective for the annual periods beginning on or after January 01, 2025.

The amendments are not expected to have any material impact on the company's financial statements.

#### **- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments**

The amendments clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments clarifies how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

The amendments clarifies the treatment of non-recourse assets and contractually linked instruments.

The amendments requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The amendments are effective for the annual periods beginning on or after January 01, 2026.

The amendments are not expected to have any material impact on the company's financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

An entity will be required to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM.

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.

IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments may have a material impact on the company's financial statements in future periods.

- **IFRS 19 - Subsidiaries without Public Accountability: Disclosures**

IFRS 19, allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.

The amendments are effective for the annual periods beginning on or after January 01, 2027.

The amendments are not expected to have any material impact on the company's financial statements.

- **Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments states that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements.

#### **2.2.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant**

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

### **2.3 Basis of measurement**

These financial statements have been prepared under the "historical cost convention" except: -

- certain property, plant and equipment carried at valuation; and
- staff retirement gratuity carried at present value.

## **3. MATERIAL ACCOUNTING POLICY INFORMATION**

### **3.1 Staff retirement benefits**

The Company operates a defined benefit plan - unfunded gratuity scheme covering all permanent employees. Provision is made annually on the basis of actuarial recommendation to cover the period of service completed by employees using Projected Unit Credit Method. Cumulative unrecognised net actuarial gains and losses that exceed ten percent of present value of defined benefit obligation are amortised over the expected average remaining working lives of participating employees.

### **3.2 Leases – (as a lessee)**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

#### **ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the initial present value of lease payments, the Company uses the rate of implicit in the lease. If these rate cannot be readily determined the company uses its incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in Interest-bearing loans.

**iii) Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**3.3 Trade and other payables**

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Company or not.

**3.4 Provisions**

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

**3.5 Taxation**

Tax Liability is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

**Current tax**

The charge for current taxation is calculated on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

**Levies**

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income and based on revenue or other basis other than taxable income is classified as levy. Minimum taxes in excess over the amount designated as income tax is recognized as levy falling under the scope of IFRIC 12 / IAS 37.

**Deferred**

Deferred tax is provided, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of recognised or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the date of statement of financial position.

### **3.6 Dividend and other appropriations**

Dividend is recognised as a liability in the period in which it is approved. Appropriations of profits are reflected in the statement of changes in equity in the period in which such appropriations are made.

### **3.7 Property, plant and equipment**

Property, plant and equipment except freehold land and capital work in progress are stated at cost / revaluation less accumulated depreciation and impairment in value, if any. Freehold land is stated at revalued amount. Capital work in progress is valued at cost.

Depreciation is charged to income applying the reducing balance method at the rates specified in the property, plant and equipment note, except plant and machinery and electric installations. Plant and machinery is depreciated applying the unit of production method subject to minimum charge of Rs.10 million to cover obsolescence and electric installations are depreciated applying the straight line method over their economic serviceable life taken at 25 years.

In respect of additions and disposals during the year, depreciation is charged from the month of acquisition or capitalisation and up to the month preceding the month of disposal respectively.

Assets' residual values, if significant and their useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

When parts of an item of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment.

Gains or losses on disposal of property, plant and equipment are included in current income.

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work in progress. These are transferred to specific assets as and when these assets are available for use.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent of reversal of deficit previously charged to income, in which case that portion of the surplus is recognised in income. Deficit on revaluation of an item of property, plant and equipment is charged to surplus on revaluation of that asset to the extent of surplus and any excess deficit is charged to income. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets and surplus realised on disposal of revalued asset is transferred to unappropriated profit / (accumulated loss).

### **3.8 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss account in the period in which these are incurred.

### 3.9 Impairment

The Company assesses at each statement of financial position date whether there is any indication that assets except deferred tax assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 3.10 Investment property

Investment property which is property held to earn rentals and / or for capital appreciation, is valued using the cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property is charged to income on reducing balance method at the rate of 4% per annum. Depreciation on additions to investment property is charged from the month in which a property is acquired or capitalised while no depreciation is charged for the month in which the property is disposed off.

Repairs and maintenance costs are charged to income during the period in which they are incurred. Major renewals and improvements are capitalised.

Gains or losses on disposal of investment property if any, are recognised in current income.

### 3.11 Stores and spares

These are valued at moving average cost less allowances for obsolete or slow moving items, if any. Items in transit are valued at cost comprising invoice value and other charges incurred thereon.

### 3.12 Stock in trade

Stock in trade except wastes are valued at lower of cost and net realisable value. Cost is determined as follows:

Raw material	Average cost
Work in process	Average manufacturing cost
Finished goods	Average manufacturing cost

Wastes are valued at net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost to make the sales. Average manufacturing cost consists of direct materials, labour and a proportion of manufacturing overheads.

### 3.13 Trade debts and other receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.



### **3.14 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand, balances with banks, highly liquid short term investments that are convertible to known amount of cash and are subject to insignificant risk of change in value.

### **3.15 Foreign currency translation**

Transactions in currencies other than Pakistani Rupee are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date except where forward exchange contracts have been entered into for repayment of liabilities, in that case, the rates contracted for are used.

Gains and losses arising on retranslation are included in net profit or loss for the period.

### **3.16 Financial instruments**

#### **3.16.1 Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### **- Financial assets at amortised cost**

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

##### **- Financial assets at fair value through other comprehensive**

Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### **- Financial assets at fair value through profit or**

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Equity instrument financial assets are measured at fair value at initial recognition and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

### **3.16.2 Financial liabilities**

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

### **3.17 Offsetting of financial asset and financial liability**

A financial asset and a financial liability is off-set and the net amount reported in the balance sheet, if the Company has a legal enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

### **3.18 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

Sale of goods is recognised at a point in time when control of goods is transferred to customers.

Revenue from conversion receipts is recognised when services are rendered.

Rental income is recognised on time proportionate basis.

### **3.19 Non-current assets held for sale**

Non-current asset (or disposal group) is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current asset (or disposal group) classified as held for sale is measured at the lower of its previous carrying amount and fair value less costs to sell.

Non-current asset (or disposal group) classified as held for sale that no longer meet the criteria of classification as held for sale is transferred to non-current assets at the lower of :

- Its carrying amount before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had the assets not been classified as held for sale, and
- Its recoverable amount at the date of the subsequent decision not to sell.

Gains and losses on disposal of Non-current asset (or disposal group) held for sale are

- included in current income.

### **3.20 Related party transactions**

Transactions with related parties are priced on arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods and services sold in an economically comparable market to a buyer unrelated to the seller.

### **3.21 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with IASs / IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets, revaluation of land, buildings, plant and machinery, electric installations and generators, contingencies, provision for doubtful receivables and slow moving inventory, staff retirement gratuity and estimate relating to provision for both current and deferred taxation. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

#### 4. Issued, subscribed and paid up capital

2025	2024		2025	2024
Number of shares			Rupees	Rupees
35,985,702	35,985,702	Ordinary shares of Rs. 10/- each fully paid in cash.	359,857,020	359,857,020
73,869,559	73,869,559	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares.	738,695,590	738,695,590
5,144,739	5,144,739	Ordinary shares of Rs. 10/- each issued as fully paid under scheme of arrangement for amalgamation.	51,447,390	51,447,390
<u>115,000,000</u>	<u>115,000,000</u>		<u>1,150,000,000</u>	<u>1,150,000,000</u>

4.1 All the shares are similar with respect to their rights on voting, dividend, board selection, first refusal and block voting.

#### 5. Cumulative preference shares

2025	2024		2025	2024
Number of shares			Rupees	Rupees
80,000,000	80,000,000	Cumulative preference shares of Rs. 10/- each fully paid in cash	800,000,000	800,000,000
(30,000,000)	(30,000,000)	Transferred to liability against redemption of preference shares under scheme of arrangement.	(300,000,000)	(300,000,000)
<u>50,000,000</u>	<u>50,000,000</u>		<u>500,000,000</u>	<u>500,000,000</u>

5.1 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.

5.2 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:

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

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

5.3 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 5.2) and Articles of Association of the Company however 30,000,000 cumulative preference shares holder have agreed for redemption under the scheme of arrangement. 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 against 19,984,998 preference 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.

	2025 Rupees	2024 Rupees
Transferred from preference shares to liability against redemption of preference shares pursuant to scheme of arrangement	<u>300,000,000</u>	<u>300,000,000</u>

As per scheme of arrangement approved by Honorable Lahore High Court, 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.

## 6. DIRECTORS' LOAN

2025 Rupees	2024 Rupees
<u>1,071,913,086</u>	<u>1,053,213,086</u>

6.1 These loans are accounted for under Technical Release -32 "Accounting Directors Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016.

6.2 These loans are interest free and are repayable at the discretion of the company. Besides, these loans are subordinated to the financial facilities and repayment of all amount agreed under scheme of arrangement after seeking written confirmation of receipts by the respective banks.

## 7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	2025 Rupees	2024 Rupees
Opening balance	4,881,532,753	5,167,585,126
Transferred to accumulated loss in respect of		
Surplus realised on disposal	-	(221,682,240)
Incremental depreciation on revalued assets for the year	(67,493,485)	(64,370,133)
	(67,493,485)	(286,052,373)
	<u>4,814,039,268</u>	<u>4,881,532,753</u>

7.1 Latest revaluation of freehold land, building on freehold land, plant and machinery, electric installations and generators was carried out by independent valuers M/S Empire Enterprises (Pvt) Limited of Rs.10,026,234,860/- (force sale value of Rs.8,298,482,706/-) as at July 01, 2022. Freehold land, building on freehold land, plant and machinery, electric installations and generators were revalued on market value basis. The valuation is based on unobservable inputs which is Level 3 of fair value hierarchy.

	Note	2025 Rupees	2024 Rupees
<b>8. Capital reserves</b>			
Premium on issue of ordinary shares		120,000,000	120,000,000
Merger reserve	8.1	63,552,610	63,552,610
Preference shares redemption reserve	8.2	342,857,142	342,857,142
		<u>526,409,752</u>	<u>526,409,752</u>

**8.1** It represents book difference of capital under schemes of arrangement for amalgamation.

**8.2** It was created as per directive of State Bank of Pakistan and transferable into accumulated loss in due course as the dates of exercising put options for redemption have already been expired.

## 9. Revenue reserves

General reserve		76,432,834	76,432,834
(Accumulated loss)			
Opening balance		(8,144,851,991)	(8,102,788,103)
Total comprehensive (loss) for the year		(614,068,503)	(328,116,261)
Surplus realized on disposal of property, plant and equipment		-	221,682,240
Incremental depreciation on revalued assets		67,493,485	64,370,133
		<u>(8,691,427,009)</u>	<u>(8,144,851,991)</u>
		<u>(8,614,994,175)</u>	<u>(8,068,419,157)</u>

## 10. Long term financing

Under markup agreements			
From banking companies / financial institutions			
Secured			
Tier - I debt		3,400,493,903	4,079,342,364
Addition	10.1.1	-	7,413,500
Paid during the year		(59,310,966)	(686,261,961)
	10.1	3,341,182,937	3,400,493,903
Tier - II Debt		4,744,899,864	4,737,486,364
Addition	10.1.1	-	7,413,500
	10.1	4,744,899,864	4,744,899,864
		<u>8,086,082,801</u>	<u>8,145,393,767</u>
Less : Current portion			
Installments over due		45,869,438	4,288,235
Payable within one year		581,693,164	70,937,889
		<u>627,562,602</u>	<u>75,226,124</u>
		<u>7,458,520,199</u>	<u>8,070,167,643</u>
Associates	10.2	10,091,222	8,846,517
		<u>7,468,611,421</u>	<u>8,079,014,160</u>

**10.1** These loans are secured against first charge over fixed assets of the company ranking pari passu jointly. These are also secured against first charge over assets of the company ranking pari passu jointly. These are further secured by the personal guarantee of the directors and associates of the company as well as deposit of title deeds of personal properties of directors and associates.

Effective markup rate charged during the year is 5% per annum. (2024: 5% per annum).

According to Scheme of Arrangement the breakup of Principal Debt owed to each of the Lenders individually (that involves long term financing, short term borrowings 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/-.

**10.1.1** In previous year the loan repayment schedule agreed under the scheme of arrangement had been revised / updated due to following reason;

- a) The payment amounting to Rs. 14,827,000/- made under the order of Honorable Gas Utility Court, Toba Tek Singh to SNGPL by one of the lender who had extended it's guarantee in favour of the company to SNGPL. According to the updated/revised repayment schedule the amount is bifurcated into two equal portions in Tier I Debt and Tier - II debt each of Rs. 7,413,500/- aggregating to Rs. 14,827,000/-.

Due to the reason as captioned in (a) above the total principal debt amount towards Lenders come at Rs. 9,489,799,728/- which was bifurcated into two equal portions as Tier 1 Debt and Tier - 2 debt each of Rs. 4,744,899,864/- aggregating to Rs. 9,489,799,728/-.

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, June 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 the 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 balance 25% of the proceeds will be injected as working capital for the 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 lender it's pro-rata share of such payments as elucidated under the scheme of Arrangement.

The past Mark-up and 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 repayment schedule under scheme of arrangement. However, in case of any default in making all or any payments stated above, full of such waived amounts (Past markup and initial Tier-2 Debt markup) shall stand due and become payable.

The repayment schedule of Tier-I debt is as under ;

Principal Amount	No. of Installment	Installment Amount	Starting from	Ending on	Markup rate
4,237,402	1	4,237,402	30-Sep-24	30-Sep-24	5%
4,288,235	1	4,288,235	31-Dec-24	31-Dec-24	5%
37,343,801	1	37,343,801	30-Jun-25	30-Jun-25	5%
94,299,153	1	94,299,153	30-Sep-25	30-Sep-25	5%
106,570,289	1	106,570,289	31-Dec-25	31-Dec-25	5%
761,647,444	4	190,411,861	31-Mar-26	31-Dec-26	5%
1,763,294,888	8	220,411,861	31-Mar-27	31-Dec-28	5%
250,411,861	1	250,411,861	31-Mar-29	31-Mar-29	5%
319,089,864	1	319,089,864	30-Jun-29	30-Jun-29	5%
<b>3,341,182,937</b>	<b>19</b>				

The repayment schedule of Tier-II debt is as under ;

Principal Amount	No. of Installment	Installment Amount	Commencing from	Ending on	Markup rate
300,570,269	2	150,285,135	30-Sep-29	31-Dec-29	3% on initial Tier-II debt (conditional) 5% on subsequent Tier-II debt
2,403,421,615	12	200,285,135	31-Mar-30	31-Dec-32	
1,928,136,481	11	175,285,135	31-Mar-33	30-Sep-35	
112,771,499	1	112,771,499	31-Dec-35	31-Dec-35	
<b>4,744,899,864</b>	<b>26</b>				

**10.2** These are interest free and recognized at amortized cost. These are payable on June 30, 2039, as per scheme of arrangement. Using prevailing market interest rate for an equivalent loan of 14.07% for loans payable after eighteen years, the fair value of these loans is estimated at Rs. 10.09 million (2024: 8.85 million). The difference of Rs. 53.64 million (2024: 54.88 million) between the gross proceeds and the fair value of these loans is the benefit derived from the interest free loans and is recognized as deferred revenue (Refer note 11). Besides, these loans are subordinated to the financial facilities and repayment of all the amounts agreed under the scheme of arrangement after seeking written confirmation of receipts by the respective banks.

	Note	2025 Rupees	2024 Rupees
<b>11. Deferred Revenue</b>			
Opening balance		54,883,483	55,974,659
Fair value adjustment of deferred revenue charged to statement of profit or loss	33	(1,244,705)	(1,091,176)
		<u>53,638,778</u>	<u>54,883,483</u>
<b>12. Deferred interest / markup</b>			
Mark up on Tier-I debt	42.5	<u>744,656,836</u>	<u>576,692,432</u>
<b>13. Deferred liabilities</b>			
Staff retirement gratuity	13.1	63,301,845	50,315,583
Deferred taxation	13.2	-	-
		<u>63,301,845</u>	<u>50,315,583</u>
<b>13.1 Staff retirement gratuity</b>			

#### 13.1.1 General description

The scheme provides terminal benefits for all permanent employees of the Company who attain the minimum qualifying period of service as defined in the scheme. Annual charge is based on actuarial valuation using the Projected Unit Credit Method. Latest actuarial valuation is carried out as at June 30, 2025.



	Note	2025 Rupees	2024 Rupees
<b>13.1.2 Balance sheet reconciliation as at June 30,</b>			
Present value of defined benefit obligation		63,301,845	50,315,583
<b>13.1.3 Movement in net liability recognized</b>			
Opening balance	13.1.4	50,315,583	24,016,193
Charge for the year		23,981,940	30,043,326
Paid / adjusted during the year		(2,169,599)	(5,650,810)
Remeasurement (gain) / loss of obligation		(8,826,079)	1,906,874
Balance at June 30,		63,301,845	50,315,583
<b>13.1.4 Charge for the year</b>			
Service cost		17,089,630	26,705,767
Interest cost		6,892,310	3,337,559
		23,981,940	30,043,326
<b>13.1.5 Principal actuarial assumptions</b>			
Discount factor used		12.50% Per annum	14.00% Per annum
Expected rate of increase in salaries		12.50% Per annum	14.00% Per annum
Expected average remaining working lives of participating employees		8 years	8 years
<b>13.1.6 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:</b>			
		2025 Rupees	2024 Rupees
Current liability		63,301,845	50,315,583
+1% Discount rate		57,160,603	44,032,446
-1% Discount rate		70,816,224	58,029,109
+1% Salary increase rate		70,742,977	57,954,776
-1% Salary increase rate		57,110,786	43,982,236

**13.1.7 The following demographic assumptions were used in valuing the liabilities under the plan.**

Mortality	Adjusted SLIC 2001-05
Disability	N.A.
Withdrawal	Moderate
Retirement age	60 Years

The above sensitivity analysis is based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied as for calculating the liability of staff retirement gratuity.

	Note	2025 Rupees	2024 Rupees
<b>13.2 Deferred taxation</b>			
<b>13.2.1 It comprises of the followings:</b>			
Deferred tax liability :			
Difference in tax and accounting bases of property, plant and equipment		1,658,196,534	1,668,620,857
Deferred tax assets :			
Unadjusted tax losses		(1,150,069,224)	(853,819,796)
Staff retirement gratuity		(18,357,535)	(14,591,519)
Tax credits		(57,017,659)	(15,283,154)
Unrecognised Deferred Tax Liability		432,752,116	784,926,388
		-	-
<b>14. Trade and other payables</b>			
Creditors		846,613,257	902,139,250
Accrued liabilities		338,041,038	299,991,411
Contract liabilities		153,234,053	176,478,297
Security deposit		8,348,000	8,348,000
Advance against non-current assets held for sale		-	16,000,000
Sales tax payable		1,810,842	139,995
Advance rent		289,405	6,678,962
Levies	35	30,333,392	36,205,077
Other		-	2,770,221
		1,378,669,987	1,448,751,213
<b>15. Interest / markup payable</b>			
Interest / mark up payable on:			
Short term bank borrowings		3,795,077	6,712,537
<b>16. Short term bank borrowings</b>			
Secured			
Under mark up arrangements			
Export finances	16.2	182,200,000	284,000,000

**16.1** The aggregate unavailed short term borrowing facilities available to the company are Rs. 87.8 million (2024: financing facilities available to the company are fully availed).

**16.2** The financing facilities have been obtained to meet the working capital requirement as agreed under the scheme of arrangement (Refer Note 1.3). These are secured against first joint parri passu charge and ranking charge over current and fixed assets of the company, lien on export documents and by personal guarantee of existing sponsors / directors of the company. These are subject to mark up at the rates of one month KIBOR plus 0.25% to 0.5% (2024: one month KIBOR plus 0.25% to 0.5%) and six month KIBOR (2024: six month KIBOR).

**16.3** The effective rate of mark up charged during the year ranges from 12.13% to 24.56% per annum (2024: 20.62% to 25.82%).

## 17. CONTINGENCIES AND COMMITMENTS

### Contingencies

Name of the court, agency or	Description of the factual basis of the	Principal	Date instituted
<b>Income tax</b>			
Lahore High Court, Lahore	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/- and 13,887,489/- and 10,315,279/- respectively (2024: Rs 4,456,880/-, 13,887,489/- and 10,315,279/- respectively) are involved in the appeals. The honorable Tribunal vide its order dated 24-02-2022 decided the appeal in the favor of company and annulled the orders passed by the lower authorities. But the department has filed reference in the Honorable Lahore court against the said order which is pending for adjudication.	Federal Board of Revenue vs Company	22 July,2020
<b>Sales tax</b>			
Appellate Tribunal Inland Revenue, Lahore	An appeal has been filed by the department before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of CIR (A), Regional Tax Office, Faisalabad in appeal No. 368/2011 whereby relief has been granted to the taxpayer. Tax amount of Rs. 7,318,105/- (2024: 7,318,105) is involved in the appeal. The appeal has not been decided so far. 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 financial statements.	Federal Board of Revenue vs Company	December 23,2011
Appellate Tribunal Inland Revenue, Lahore	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/- (2024: 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 financial statements.	Company vs. Federal Board of Revenue	November 25,2020

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue, Lahore	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. 161/2021. Tax amount of Rs. 11,674,494/- (2024: Rs. 11,674,494/-) 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 financial statements.	Company vs. Federal Board of Revenue	September 29,2021
<b>Other</b>			
Lahore High Court	An appeal has been filed by the customs department before the Honorable Lahore High Court, Lahore against the order of Customs, Excise and Sales Tax Appellate Tribunal Lahore in Customs Appeal No. 754/LB/2003 which includes Custom duty of Rs. 2,594,882/- sales tax of Rs. 1,946,161 and penalty of Rs. 25,000/-. (2024: Rs. 2,594,882/- sales tax of Rs. 1,946,161 and penalty of Rs. 25,000/-). 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.	Customs Department vs Company	December 02,2013
		2025 Rupees	2024 Rupees
In respect of bank guarantees issued on behalf of the Company to Sui Northern Gas Pipelines Limited for supply of gas.		18,439,600	18,439,600
Demand of wealth tax not acknowledged in view of pending appeals.		1,016,400	1,016,400
Demands of Employees' Old Age Benefits Institution and Punjab Employees' Social Security Institution are not acknowledged in view of pending litigation.		20,611,375	20,611,375

	2025 Rupees	2024 Rupees
Liability of Gas Infrastructure development cess, RLNG Tariff adjustments and late payment surcharges not acknowledged in view of pending petitions before the Honorable Lahore High Court, Lahore.	36,805,600	36,805,600
Cases are pending before Foreign Exchange adjudication officer, State Bank of Pakistan for non repatriation of export proceeds within prescribed times. The default may attract penalties. The financial impact cannot be determined at this stage.	-	-
Liability of past markup of Rs. 2,038.67 million (2024: Rs. 2,038.67 million) accrued till July 2011 not acknowledged due to company's request for waiver granted under scheme of arrangement.		
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.	-	-
Correct amount of past due markup will be acknowledged after the Agent bank receives the figure of markup defaulted under each lender agreement.		
According to the Scheme of arrangement initial Tier-II debt markup (calculated at 3% of Tier-II debt) will be waived off, provided company makes no default in making the payments as agreed under scheme of arrangement.	539,343,424	396,996,428
Dividend for cumulative preference shares will be accumulated and payable in the ensuing years when the sufficient amount of profit will be available for appropriation.	503,713,055	480,662,516
Certain lenders have filed cases for recovery of long term and short term finances with claim of cost of funds. The claim of liquidated damages not acknowledged due to pending litigation.	96,849,207	96,849,207
Certain creditors have filed suits for recovery of old outstanding balances before Session Court Faisalabad. The management based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in the favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	33,414,587	33,414,587
An ex- employee of the company has filed the suit for recovery of his unpaid salaries and retirement benefit against the company before the Authority appointed under Salaries and Wages Act 1936 which is pending for adjudication. Pending the outcome of the matter, no provision has been made in these financial statements.	2,472,000	-

### Commitments

There was no commitments as on 30 June 2025 (2024: Nil).

**18. Property, plant and equipment**
**Operating assets**

Company owned										
Freehold land	Building on freehold land	Plant and machinery	Electric installations	Generators	Factory equipment	Furniture and fixture	Office equipment	Vehicles	Sign boards	Sub total
Rupees										
2,509,615,450	2,234,095,650	3,985,412,726	345,199,000	216,750,000	76,893,845	39,108,524	89,949,535	14,604,819	525,248	9,512,154,797
-	(89,363,826)	(42,878,728)	(13,807,960)	(10,837,500)	(67,028,651)	(32,985,766)	(74,358,457)	(12,197,635)	(500,026)	(343,958,549)
2,509,615,450	2,144,731,824	3,942,533,998	331,391,040	205,912,500	9,865,194	6,122,758	15,591,078	2,407,184	25,222	9,168,196,248
2,509,615,450	2,144,731,824	3,942,533,998	331,391,040	205,912,500	9,865,194	6,122,758	15,591,078	2,407,184	25,222	9,168,196,248
		89,994,862	2,184,796		303,390	-		5,360,148		97,843,196
-	-	-	-	-	-	-	-	(3,643,190)	-	(3,643,190)
-	-	-	-	-	-	-	-	3,582,502	-	3,582,502
								(60,688)	-	(60,688)
-	(85,789,273)	(75,302,902)	(13,330,327)	(10,295,625)	(1,011,012)	(612,276)	(1,559,108)	(1,195,725)	(2,522)	(189,098,770)
2,509,615,450	2,058,942,551	3,957,225,958	320,245,509	195,616,875	9,157,572	5,510,482	14,031,970	6,510,919	22,700	9,076,879,986
2,509,615,450	2,234,095,650	4,075,407,588	347,383,796	216,750,000	77,197,235	39,108,524	89,949,535	16,321,777	525,248	9,606,354,803
-	(175,153,099)	(118,181,630)	(27,138,287)	(21,133,125)	(68,039,663)	(33,598,042)	(75,917,565)	(9,810,858)	(502,548)	(529,474,817)
2,509,615,450	2,058,942,551	3,957,225,958	320,245,509	195,616,875	9,157,572	5,510,482	14,031,970	6,510,919	22,700	9,076,879,986
2,509,615,450	2,058,942,551	3,957,225,958	320,245,509	195,616,875	9,157,572	5,510,482	14,031,970	6,510,919	22,700	9,076,879,986
-	-	36,538,582	8,000	-	5,000	-	28,000	-	-	36,579,582
-	-	-	-	-	-	-	-	(1,269,030)	-	(1,269,030)
-	-	-	-	-	-	-	-	1,256,607	-	1,256,607
								(12,423)	-	(12,423)
-	(82,357,702)	(71,952,605)	(12,810,114)	(9,780,844)	(916,216)	(551,048)	(1,405,297)	(1,299,888)	(2,270)	(181,075,984)
2,509,615,450	1,976,584,849	3,921,811,935	307,443,395	185,836,031	8,246,356	4,959,434	12,654,673	5,198,608	20,430	8,932,371,161
2,509,615,450	2,234,095,650	4,111,946,170	347,391,796	216,750,000	77,202,235	39,108,524	89,977,535	15,052,747	525,248	9,641,665,355
-	(257,510,801)	(190,134,235)	(39,948,401)	(30,913,969)	(68,955,879)	(34,149,090)	(77,322,862)	(9,854,139)	(504,818)	(709,294,194)
2,509,615,450	1,976,584,849	3,921,811,935	307,443,395	185,836,031	8,246,356	4,959,434	12,654,673	5,198,608	20,430	8,932,371,161
	4	Unit of production	25 Years	5	10	10	10	20	10	
	Note	2025 Rupees	2024 Rupees							
under:										
Manufactured	30.1	146,396,414	152,979,631							
Assets	32	34,679,570	36,119,139							
		181,075,984	189,098,770							

**18.1.1** Operating assets include assets whose title will be transferred to the company after the successful payments agreed under the scheme of arrangement. According to the scheme of arrangement the lenders agreed that in case of finance provided in the shape of lease finance ;(a) the title and ownership of such leased assets shall stand transferred to the company immediately on the date that such lender's outstanding debt has been repaid ; and, (b) the company is permitted to create security through the security documents over such leased assets in favour of the lenders and financial institutions for providing permitted facilities.

**18.2** Had there been no revaluation, related figures of freehold land, building on freehold land, plant and machinery, electric installations and generators as at June 30, 2025 and 2024 would have been as follows:

2025			
Description	Cost	Accumulated depreciation	Written down value
----- Rupees -----			
Freehold land	52,670,576	-	52,670,576
Building on freehold land	1,938,755,259	1,141,777,953	796,977,306
Plant and machinery	5,658,482,315	2,073,397,280	3,585,085,035
Electric installations	290,098,101	233,971,022	56,127,079
Generators	191,498,248	135,876,512	55,621,736
	<u>8,131,504,499</u>	<u>3,585,022,767</u>	<u>4,546,481,732</u>

2024			
Description	Cost	Accumulated depreciation	Written down value
----- Rupees -----			
Freehold land	52,670,576	-	52,670,576
Building on freehold land	1,938,755,259	1,108,570,566	830,184,693
Plant and machinery	5,621,943,733	2,001,444,675	3,620,499,058
Electric installations	290,090,101	222,367,418	67,722,683
Generators	191,498,248	132,949,052	58,549,196
	<u>8,094,957,917</u>	<u>3,465,331,711</u>	<u>4,629,626,206</u>

**18.3** The forced sale value of revalued freehold land, building on freehold land, plant and machinery, electric installations and generators was Rs. 8,298,482,706/- at the date of revaluation.

**18.4** Particulars of immovable property (i.e.. Land and building) in the name of company are as follows:-

Sr. No.	Location	Usage of Immovable property	Area of Land
1	7 K.M Main Faisalabad Lahore Road, Kotla Kalo Shahkot, Nankana Sahib	Weaving Unit	197 Kanal 16 Marlas
2	Main Faisalabad Lahore Road, Nishatabad, Faisalabad	Processing unit & Head office	211.129 Kanal
3	Jhumra road Gatti, Faisalabad	Stitching Hall	16 Kanal 13 Marlas

**18.5** Detail of disposal of operating assets

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Relationship	Particulars of buyers
Vehicle	1,269,030	1,256,607	12,423	920,000	907,577	None	Mr. Muhammad Usman, House No. 514, Fauji Chowk, D Type Colony Sumandri Road Faisalabad.

2025      1,269,030      1,256,607      12,423      920,000      907,577

Description	Cost	Accumulated depreciation	Written down value	Sales proceeds	Gain on disposal	Relationship	Particulars of buyers
Vehicles	1,598,190	1,572,407	25,783	700,000	674,217	None	Mr. Muhammad Shakeel, House No.10, Block-W, Street No.7, Mohallah New Satellite Town, Sargodha.
	2,045,000	2,010,095	34,905	2,992,888	2,957,983	None	M/s. Imtiaz Provision Store, Level-7, Prestige Trade Centre, Near Jail Chowrangli, Block-3,K.C.H.S, Main Shaheed-e-Millat Road, Karachi.
2024	<u>3,643,190</u>	<u>3,582,502</u>	<u>60,688</u>	<u>3,692,888</u>	<u>3,632,200</u>		

## 19. Investment property

Note	Freehold land	Building on freehold land	Total
----- Rupees -----			

### As at July 1, 2023

Cost/ Revaluation	234,651,713	368,566,607	603,218,320
Accumulated Depreciation	-	(100,772,933)	(100,772,933)
Net book value	234,651,713	267,793,674	502,445,387

### Year ended June 30, 2024

Opening net book value	234,651,713	267,793,674	502,445,387
Depreciation charge	-	(10,711,747)	(10,711,747)
	234,651,713	257,081,927	491,733,640

### At July 01, 2024

Cost/ Revaluation	234,651,713	368,566,607	603,218,320
Accumulated Depreciation	-	(111,484,680)	(111,484,680)
	234,651,713	257,081,927	491,733,640

### Year ended June 30, 2025

Opening net book value	234,651,713	257,081,927	491,733,640
Depreciation charge	32	-	(10,283,277)
	234,651,713	246,798,650	481,450,363

### At June 30, 2025

Cost/ Revaluation	234,651,713	368,566,607	603,218,320
Accumulated Depreciation	-	(121,767,957)	(121,767,957)
	234,651,713	246,798,650	481,450,363
Annual rate of depreciation on building (%)		4%	

**19.1** The fair value of investment property was Rs. 1,654.98 million as at July 01, 2022, valuation had been carried out by independent valuers Empire Enterprises (Pvt) Limited. The valuation was based on the unobservable inputs - level 3 classification.

**19.2** The forced sale value of investment property was approximately Rs. 1,406.73 million as at July 01, 2022.

### 19.3 Detail of disposal of investment property:

- No investment property was disposed off during the years ended June 30, 2025 and June 30, 2024 respectively.



	2025 Rupees	2024 Rupees
<b>20. Long term deposits</b>		
Security deposits	13,418,150	13,418,150
<b>21. Stores and spares</b>		
Stores	111,350,861	142,333,304
Spares	3,597,939	3,608,905
	114,948,800	145,942,209

**21.1** Stores and spares include items that may result in fixed capital expenditure but are not distinguishable.

	Note	2025 Rupees	2024 Rupees
<b>22. Stock in trade</b>			
Raw material		30,165,692	18,645,973
Work in process		93,644,802	169,568,921
Finished goods		48,635,171	62,725,567
Waste		2,395,667	1,512,729
		174,841,332	252,453,190
<b>23. Trade debts</b>			
Considered good			
Unsecured			
Foreign		96,358,783	372,596,229
Local		126,736,284	150,550,345
		223,095,067	523,146,574
<b>24. Loans and advances</b>			
Considered good			
Loans to employees	24.1	13,583,384	14,069,512
Advances			
Suppliers / contractors		134,606,665	155,658,846
Income tax		20,432,484	33,645,952
		168,622,533	203,374,310

**24.1** The loan is provided to employees under their terms of employment on interest free basis.

	Note	2025 Rupees	2024 Rupees
<b>25. Deposits and prepayments</b>			
Deposits			
Guarantee / export margin		6,182,967	6,182,967
Prepayments			
Insurance		578,692	794,631
Levies		26,296,774	31,285,916
		<u>33,058,433</u>	<u>38,263,514</u>
<b>26. Other receivables</b>			
Considered good			
Export rebate / duty drawback		13,424,516	11,349,984
Other		5,405,915	1,643,190
		<u>18,830,431</u>	<u>12,993,174</u>
<b>27. Tax refunds due from government</b>			
Income tax		36,243,629	9,785,859
Sales tax		16,586,645	69,290,743
		<u>52,830,274</u>	<u>79,076,602</u>
<b>28. Cash and bank balances</b>			
Cash in hand		3,459,009	10,881,957
Cash at banks			
In current accounts		53,244,995	70,534,731
		<u>56,704,004</u>	<u>81,416,688</u>
<b>29. Sales</b>			
Export			
Fabrics / made ups / garments	29.1	1,212,253,422	2,044,243,756
Local			
Fabrics / made ups / garments	29.2	84,441,652	119,917,867
		<u>1,296,695,074</u>	<u>2,164,161,623</u>
Add: Export rebate / duty drawback		10,068,346	15,588,974
		<u>1,306,763,420</u>	<u>2,179,750,597</u>
Less:			
Commission		26,941,141	48,634,241
Discount		14,676,345	4,931,366
		<u>(41,617,486)</u>	<u>(53,565,607)</u>
Processing and conversion income	29.3	1,124,420,664	1,216,117,324
		<u>2,389,566,598</u>	<u>3,342,302,314</u>

**29.1** It includes exchange loss of Rs.835,596/- (2024: exchange loss of Rs.11,887,964/-).

	Note	2025 Rupees	2024 Rupees
<b>29.2 Local</b>			
Fabrics / made ups / garments		110,741,149	141,503,083
Less: Sales tax		26,299,497	21,585,216
		<u>84,441,652</u>	<u>119,917,867</u>
<b>29.3 Processing and conversion income</b>			
Sales		1,326,816,384	1,424,180,285
Less: Sales tax		202,395,720	208,062,961
		<u>1,124,420,664</u>	<u>1,216,117,324</u>
<b>30. Cost of sales</b>			
Cost of goods manufactured	30.1	2,455,750,123	3,371,272,281
Finished goods			
Opening stock		62,725,567	22,886,052
Closing stock		(48,635,171)	(62,725,567)
		<u>14,090,396</u>	<u>(39,839,515)</u>
Cost of sales		<u>2,469,840,519</u>	<u>3,331,432,766</u>
<b>30.1 Cost of goods manufactured</b>			
Raw material consumed	30.1.1	671,842,784	1,376,212,957
Salaries, wages and benefits		341,780,224	476,116,571
Staff retirement benefits		18,062,052	24,034,661
Processing charges		57,466,856	108,819,516
Conversion charges		10,755,874	21,170,408
Stores and spares		79,374,387	106,357,184
Dyes and chemicals		354,674,706	415,045,466
Packing material		110,682,046	138,279,317
Repairs and maintenance		3,308,582	10,636,409
Fuel and power		564,099,662	607,838,368
Insurance		16,526,989	7,312,049
Depreciation	18.1	146,396,414	152,979,631
Other		4,855,428	5,415,151
		<u>2,379,826,004</u>	<u>3,450,217,688</u>
Work in process			
Opening stock		169,568,921	90,623,514
Closing stock		(93,644,802)	(169,568,921)
		<u>75,924,119</u>	<u>(78,945,407)</u>
		<u>2,455,750,123</u>	<u>3,371,272,281</u>
<b>30.1.1 Raw material consumed</b>			
Opening stock		18,645,973	94,173,295
Purchases including purchase expenses		683,362,503	1,300,685,635
		<u>702,008,476</u>	<u>1,394,858,930</u>
Closing stock		(30,165,692)	(18,645,973)
		<u>671,842,784</u>	<u>1,376,212,957</u>
<b>31. Selling and distribution expenses</b>			
Advertisement and publicity		1,164,321	916,454
Carriage and freight		81,577,473	53,780,773
Export clearing and forwarding		29,509,644	64,378,013
Export development surcharge		3,551,979	4,881,164
Other		5,895,858	5,688,037
		<u>121,699,275</u>	<u>129,644,441</u>

	Note	2025 Rupees	2024 Rupees
<b>32. Administrative expenses</b>			
Director's remuneration		14,900,000	17,200,000
Salaries and benefits		201,169,055	204,185,852
Staff retirement benefits		5,919,888	6,008,665
Utility Expenses		20,327,970	28,326,304
Postage, telephone and telex		2,894,043	2,487,120
Vehicles running and maintenance		11,717,772	14,165,646
Travelling and conveyance		139,860	731,340
Printing and stationery		1,441,115	5,686,215
Entertainment		6,760,802	8,611,186
Fees and subscriptions		3,987,441	5,427,156
Legal and professional		3,566,680	3,471,096
Rent, rates and taxes		4,089,676	4,879,508
Auditors' remuneration	32.1	1,200,000	1,100,000
Repairs and maintenance		97,755	1,173,928
Depreciation of operating assets	18.1	34,679,570	36,119,139
Depreciation of investment property	19	10,283,277	10,711,747
Insurance		935,924	213,729
Others		185,060	589,023
		<u>324,295,888</u>	<u>351,087,654</u>
<b>32.1 Auditors' remuneration</b>			
Audit fee		900,000	825,000
Half yearly review		230,000	210,000
Out of pocket expenses		70,000	65,000
		<u>1,200,000</u>	<u>1,100,000</u>
<b>33. Other income</b>			
Income from assets other than financial assets:			
Sale of waste material		5,555,592	6,534,959
Rental income		26,073,506	40,881,925
Gain on disposal of operating assets		907,577	3,632,200
Gain on disposal of non current assets held for sale		-	248,304,398
Balances written back - net		113,689,045	123,125,581
Fair value adjustment of deferred revenue		1,244,705	1,091,176
		<u>147,470,425</u>	<u>423,570,239</u>
<b>34. Finance cost</b>			
Interest / mark up on:			
Long term financing	42.5	167,964,404	189,156,929
Short term borrowings		34,603,943	35,135,587
Bank charges and commission		7,680,458	18,328,310
Fair value adjustment of loan from associates	10.2	1,244,705	1,091,176
		<u>211,493,510</u>	<u>243,712,002</u>
<b>35. Levies</b>			
Minimum tax differential	35.1	30,333,392	15,283,154
Final Taxes	35.2	-	20,921,923
		<u>30,333,392</u>	<u>36,205,077</u>

**35.1** This represents portion of minimum tax under section 113 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

**35.2** This represented final taxes paid under section 154 of Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

### 36. Provision for taxation

Current

For the year

For prior years

2025 Rupees	2024 Rupees
-	-
2,269,021	-
<u>2,269,021</u>	<u>-</u>

**36.1** Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the profit and loss account, is as follows:

	2025 Rupees	2024 Rupees
Current tax liability for the year as per applicable tax laws	30,333,392	36,205,077
Portion of current tax liability as per tax laws: representing income tax under IAS 12	-	-
representing levy in terms of requirements of IFRIC 21/IAS 37	(30,333,392)	(36,205,077)
Difference	<u>-</u>	<u>-</u>

**36.1.1** The minimum tax amounting to Rs 30,333,392/- (2024: aggregate of minimum and final taxes of Rs. 36,205,077/-) represents tax liability of the company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

### 36.2 The relationship between tax expense and accounting loss

Reconciliation between accounting loss and tax expense has not been presented in these financial statements as income of the company is subject to minimum tax on exports and processing income under Section 113 of the Income Tax Ordinance, 2001.

### 37. (Loss) per share- Basic and diluted

(Loss) for the year after taxation

Less: Dividend on preference shares

(Loss) attributable to ordinary shareholders

Weighted average number of ordinary shares  
outstanding during the year

Earnings per share- Basic and diluted

Rupees

Rupees

Numbers

Rupees

2025	2024
<u>(622,894,582)</u>	<u>(326,209,387)</u>
<u>-</u>	<u>-</u>
<u>(622,894,582)</u>	<u>(326,209,387)</u>
<u>115,000,000</u>	<u>115,000,000</u>
<u>(5.42)</u>	<u>(2.84)</u>

**37.1** There is no dilutive effect on the basic earning per share of the company.

### 38. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2025			2024		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees			Rupees		
Remuneration	4,000,000	6,100,000	52,511,867	4,000,000	7,600,000	70,304,333
House rent allowance	1,200,000	1,680,000	15,753,560	1,200,000	2,160,000	21,091,300
Medical allowance	400,000	560,000	5,251,187	400,000	720,000	7,030,433
Utility allowance	400,000	560,000	5,251,186	400,000	720,000	7,030,434
	<u>6,000,000</u>	<u>8,900,000</u>	<u>78,767,800</u>	<u>6,000,000</u>	<u>11,200,000</u>	<u>105,456,500</u>
Number of persons	1	3	34	1	3	43

**38.1** The nominee director charged Rs. 100,000/- fee for attending each board of directors meeting. Other directors have waived off their meeting fee.

### 39. 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. Remuneration to Executives is disclosed in Note 38. Other significant transaction with related parties are as under:

Name of the related party	Relationship	Transaction during the year	2025	2024
Mian Muhammad Latif	Director	Loan Obtained	—	50,000,000
Mian Muhammad Javaid Iqbal	Director	Loan Obtained	18,700,000	60,000,000
Mr. Muhammad Faisal Latif	Director	Loan Obtained	—	116,500,000

### 40. INSTALLED CAPACITY AND ACTUAL PRODUCTION

Textile segments	Unit	Rated capacity per annum		Actual production per annum	
		2025	2024	2025	2024
Weaving	Mtrs	10,200,000	10,200,000	-	-
Processing	Mtrs	81,000,000	81,000,000	22,141,683	28,506,148
Stitching - Garments	Pieces	1,326,000	1,326,000	134,491	332,326
Stitching - Madeups	Pieces	8,751,600	8,751,600	1,361,794	1,749,200

#### Reasons for shortfall

- It is difficult to describe precisely the production capacity of textile products being manufactured since it fluctuates widely depending upon various factors such as simple / multi-function articles, small and large size articles, special articles and the pattern of articles adopted.
- The actual production is planned to meet the market demand.
- During the year weaving unit remained closed due to adverse market conditions.

#### 41. NUMBER OF EMPLOYEES

	2025	2024
	-----Numbers-----	
Total number of employees as at June 30,	723	1109
Total number of factory employees as at June 30,	628	963
Average number of employees for the year	811	1,086
Average number of factory employees for the year	697	934

#### 42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through the mix of equity, debt and working capital management with a view to maintain an appropriate mix between various sources of finance to minimize risk. The overall risk management is carried out by the finance department under the oversight of Board of Directors in line with the policies approved by the Board.

##### 42.1 FINANCIAL INSTRUMENTS BY CATEGORIES

###### Financial assets:

###### Loans and receivables at amortised cost

	2025 Rupees	2024 Rupees
Long term deposits	13,418,150	13,418,150
Trade debts	223,095,067	523,146,574
Loans and advances	13,583,384	14,069,512
Deposits	6,182,967	6,182,967
Other receivables	5,405,915	1,643,190
Cash and bank balances	56,704,004	81,416,688
	<u>318,389,487</u>	<u>639,877,081</u>

###### Financial liabilities:

###### Financial liabilities at amortised cost

Long term financing	8,096,174,023	8,154,240,284
Unclaimed dividend	366,071	366,071
Trade and other payables	1,193,002,295	1,213,248,882
Deferred interest / markup	744,656,836	576,692,432
Interest / markup payable	3,795,077	6,712,537
Short term bank borrowings	182,200,000	284,000,000
	<u>10,220,194,302</u>	<u>10,235,260,206</u>

## 42.2 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company's activities expose it to a variety of financial risks (credit risk, liquidity risk and market risk). Risks measured and managed by the Company are explained below:

### 42.2.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk at the reporting date is as follows:

	2025 Rupees	2024 Rupees
Long term deposits	13,418,150	13,418,150
Trade debts	223,095,067	523,146,574
Loans and advances	13,583,384	14,069,512
Deposits and prepayments	6,182,967	6,182,967
Other receivables	5,405,915	1,643,190
Bank balances	53,244,995	70,534,731
	<u>314,930,478</u>	<u>628,995,124</u>

Due to the Company's long standing relations with counter parties and after giving due consideration to their financial standing, the management does not expect non performance by these counter parties on their obligations to the Company.

For trade debts, credit quality of the customer is assessed, taking into consideration its financial position and previous dealings. Individual credit limits are set. The management regularly monitor and review customers credit exposure. The aging of trade debts as at statement of financial position date is as under:

	2025 Rupees	2024 Rupees
Not past due	207,500,627	499,912,887
Past due within one year	2,229,684	4,086,384
Past due over one year	13,364,756	19,147,303
	<u>15,594,440</u>	<u>23,233,687</u>
	<u>223,095,067</u>	<u>523,146,574</u>

Based on past experience and taking into consideration, the financial position, and previous record of recoveries, the Company believes that past due trade debts do not require recognition of any impairment. The credit risk exposure is limited in respect of bank balances as bank balances are placed with local banks having good credit rating from local credit rating agencies.

	2025 Rupees	2024 Rupees
The bank balances along with credit rating is as follows		
Credit Rating		
AAA	53,192,631	70,470,002
AA+	51,980	64,345
Others	384	384
	<u>53,244,995</u>	<u>70,534,731</u>



## 42.2.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is facing difficulty in maintaining sufficient level of liquidity due to operating and financial problems being faced by the Company. Following are the contractual maturities of financial liabilities including interest payments as at June 30, 2025 and 2024;

2025						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees-----						
<b>Financial liabilities:</b>						
Long term financing	8,096,174,023	8,149,812,801	246,738,880	380,823,722	2,713,620,335	4,808,629,864
Deferred interest / markup	744,656,836	744,656,836	-	-	-	744,656,836
Trade and other payables	1,193,002,295	1,193,002,295	1,193,002,295	-	-	-
Unclaimed dividend	366,071	366,071	366,071	-	-	-
Short term borrowing	182,200,000	219,134,943	219,134,943	-	-	-
Interest / markup payable	3,795,077	3,795,077	3,795,077	-	-	-
	10,220,194,302	10,310,768,023	1,663,037,266	380,823,722	2,713,620,335	5,553,286,700
2024						
Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years	
-----Rupees-----						
<b>Financial liabilities:</b>						
Long term financing	8,154,240,284	8,154,240,284	4,288,235	70,937,889	3,325,267,779	4,753,746,381
Deferred interest / markup	576,692,432	576,692,432	-	-	-	576,692,432
Trade and other payables	1,213,248,882	1,213,248,882	1,213,248,882	-	-	-
Unclaimed dividend	366,071	366,071	366,071	-	-	-
Short term borrowing	284,000,000	320,905,587	320,905,587	-	-	-
Interest / markup payable	6,712,537	6,712,537	6,712,537	-	-	-
	10,235,260,206	10,272,165,793	1,545,521,312	70,937,889	3,325,267,779	5,330,438,813

The contractual cash flows relating to mark up have been determined on the basis of fixed rate (flat rate) of mark up as agreed under scheme of arrangement as well as on the basis of weighted average mark up rates on short term borrowings. Besides, the Company's exposure to the liquidity risk is low as all of its financial obligations towards banks and financial institutions has been rescheduled as per scheme of arrangement (Refer Note 42.5) and are to be paid over the period of 14 years.

### 42.2.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

#### i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Majority of interest rate risk arises from long term financing and short term borrowings from banks and financial institutions. The interest rate profile of the Company's interest bearing financial instruments is presented in relevant notes to the financial statements.

#### Sensitivity analysis

Sensitivity to interest rate risk arises from mismatches of financial assets and financial liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted.

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss, therefore a change in interest rates at the reporting date would not effect profit and loss account.

#### Cash flow sensitivity analysis for variable rate instruments

No impact of variation in interest rate with respect to long term financing has been considered as fixed rate (flat rate) of mark up has been provided in these financial statements as per scheme of arrangement, so change in interest rate has no impact on Company's income or the value of its holding of financial instruments.

Had the interest rate been increased / decreased by 1% with respect to short term borrowings at the reporting date with all other variables held constant, loss for the year would have been higher/ lower and equity lower/ higher by Rs. 2.33 million (2024: Rs. 1.77 million).

#### ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to currency risk on foreign debtors. The total foreign currency risk exposure on reporting date amounted to Rs. 96.36 million (2024 : Rs. 372.60 million).

At June 30, 2025, if the currency had weakened / strengthened by 5% against the foreign currencies with all other variables held constant, loss for the year would have been higher/ lower and equity lower/ higher by Rs. 4.82 million (2024: Rs. 18.63 million ).

#### iii) Equity price risk

Trading and investing in equity securities give rise to equity price risk. The company is not exposed to equity price risk.

### 42.3 Fair values of financial instruments

The carrying values of all the financial assets and financial liabilities reported in the financial statements approximate their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### 42.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Debt is calculated as total external borrowings ('long term financing' and 'short term borrowings' as shown in the statement of financial position). Equity comprises of shareholders' equity as shown in the balance sheet under 'share capital and reserves' and net debt (net of cash and cash equivalent).

The salient information relating to capital risk management of the Company as of June 30, 2025 and 2024 were as follows:

	Note	2025 Rupees	2024 Rupees
Total debt	10 & 16	8,278,374,023	8,438,240,284
Less: Cash and cash equivalents	28	(56,704,004)	(81,416,688)
Net debt		8,221,670,019	8,356,823,596
Total equity		(552,632,069)	42,736,434
Total capital employed		7,669,037,950	8,399,560,030
Gearing ratio		107.21%	99.49%

### 42.5 Overdue loans and mark up

Under Scheme of Arrangement 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 10.1) and markup agreed under the arrangement as described below:

The mark-up on the Tier 1 Debt shall be 5% per annum and shall start accruing from the Effective Date.

The mark-up on Tier 2 Debt shall be 3% per annum. The Initial Tier 2 Debt Mark-Up shall start accruing from the Effective Date and such accrual shall end on the earlier of (i) the date on which the Tier 1 Debt is repaid, and (ii) the date by which the Tier 1 Debt is required to be repaid.

Thereafter, the mark-up on Tier 2 Debt shall accrue at 5% per annum.

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

The Lenders shall have the sole discretion to revise the quantum and applicability of the Tier 1 Debt Mark-Up, the Initial Tier 2 Debt Mark-Up, and the Subsequent Tier 2 Debt Mark-Up.

The Past Mark-up upto the Effective Date shall be calculated by aggregating:

- 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,
- (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.

#### 42.6 Overdue Installments

On the reporting date, the installments of principals amounting to Rs. 45.87 million (2024: Rs. 4.29 million) were over due. These installments were paid subsequently.

#### 43. Date of Authorisation for Issue

The financial statements were authorised for issue on **31-10-2025** by the Board of Directors of the Company.

#### 44. DIVIDEND FOR CUMULATIVE PREFERENCE SHARES

The dividend for cumulative preference shares amounting to Rs. 503.71 million (2024 : Rs. 480.66 million) will be accumulated and payable in the ensuing years when the sufficient amount of profit will be available for appropriation.

#### 45. GENERAL

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



(MIAN MUHAMMAD LATIF)  
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)  
DIRECTOR



(SADAQUAT HUSSAIN)  
CHIEF FINANCIAL OFFICER

**Form 34**  
**Pattern of Holding of Ordinary Shares**  
**Held by Shares Holders as at June 30, 2025**

Share Holders	From	To	Total Shares
153	1	100	5,281
465	101	500	212,279
255	501	1,000	247,163
404	1,001	5,000	1,209,816
135	5,001	10,000	1,149,849
53	10,001	15,000	705,892
33	15,001	20,000	591,538
36	20,001	25,000	849,841
25	25,001	30,000	708,630
14	30,001	35,000	462,236
20	35,001	40,000	781,183
8	40,001	45,000	348,605
17	45,001	50,000	845,223
7	50,001	55,000	369,036
18	55,001	60,000	1,043,941
5	60,001	65,000	318,700
1	65,001	70,000	70,000
6	70,001	75,000	437,865
5	75,001	80,000	388,944
6	80,001	90,000	500,654
16	90,001	100,000	1,580,295
8	100,001	110,000	826,395
6	110,001	125,000	701,935
9	125,001	150,000	1,281,323
5	150,001	175,000	836,682
9	175,001	200,000	1,758,677
4	200,001	250,000	859,374
4	250,001	300,000	1,113,950
7	300,001	400,000	2,436,706
4	400,001	500,000	1,940,000
2	500,001	600,000	1,030,000
1	700,001	800,000	732,000
1	850,001	900,000	879,500
1	1,350,001	1,400,000	1,400,000
1	1,500,001	1,550,000	1,549,000
1	1,600,001	1,650,000	1,642,909
1	2,500,001	3,000,000	2,813,545
1	3,500,001	3,550,000	3,502,834
1	3,600,001	3,650,000	3,608,218
1	6,500,001	6,600,000	6,597,657
1	7,000,001	7,500,000	7,457,684
1	11,800,001	11,900,000	11,876,483
1	13,600,001	14,000,000	13,681,483
1	16,400,001	16,500,000	16,445,562
1	17,000,001	17,500,000	17,201,112
<b>1754</b>			<b>115,000,000</b>

Note: The Slabs not applicable, have not been shown.

## Categories of Shareholders

Categories of Shareholders		Number	Share held	Percentage
<b>Directors, Chief Executive and their spouse, children</b>				
Mian Muhammad Latif	Director	1	13,681,483	11.90
Mian Muhammad Javed Iqbal	Director	1	11,876,483	10.33
Mr. Muhammad Naeem	Chief Executive Officer	1	17,201,112	14.96
Mr. Muhammad Faisal Latif	Director	1	2,813,545	2.45
Mr. Tariq Ayub Khan	Director	1	1,000	0.00
Mr. Muhammad Salman Javed	Director	1	6,597,657	5.74
Mr. Muhammad Hashim	Director	1	500	0.00
Mr. Maqsood-ul-Hassan	Director	1	500	0.00
Mst. Shahnaz Latif	Spouse	1	7,457,684	6.48
Mst. Tehmina Yasmin	Spouse	1	285	0.00
Mst. Parveen Akthar	Spouse	1	338	0.00
Mr. Muhammad Farhan Latif	Son	1	316,948	0.28
Mr. Muhammad Zeeshan Latif	Son	1	195,868	0.17
Mr. Umair Javaid	Son	1	1,519	0.00
<b>Financial Institutions, Insurance Companies, Investment Companies, Joint Stock Companies, Leasing Companies, Mutual Fund, Textile &amp; etc.</b>				
Investment Company		1	25,000	0.02
Joint Stock Companies		9	484,342	0.42
Textile		1	56	0.00
Individuals		1729	54,345,680	47.26
		<b>1754</b>	<b>115,000,000</b>	<b>100.00</b>

**Form 34**  
**Pattern of Holding of Preference Shares**  
**Held by Shares Holders as at June 30,2025**

ShareHolders	From	To	Total Shares
90	1	100	1,962
615	101	500	300,533
90	501	1,000	85,505
232	1,001	5,000	715,749
114	5,001	10,000	941,726
49	10,001	15,000	636,874
39	15,001	20,000	697,529
30	20,001	25,000	710,691
25	25,001	30,000	700,734
8	30,001	35,000	266,111
13	35,001	40,000	506,375
5	40,001	45,000	209,883
10	45,001	50,000	500,000
7	50,001	55,000	360,887
8	55,001	60,000	467,274
7	60,001	65,000	440,060
4	65,001	70,000	269,895
6	70,001	80,000	460,600
10	80,001	90,000	844,131
11	90,001	100,000	1,084,230
23	100,001	150,000	2,746,145
13	150,001	200,000	2,254,724
7	200,001	250,000	1,547,903
3	250,001	300,000	817,425
3	300,001	400,000	1,067,527
5	400,001	600,000	2,552,614
3	600,001	800,000	2,072,901
3	800,001	1,000,000	2,790,019
1	1,000,001	1,100,000	1,035,193
1	1,300,001	1,400,000	1,367,500
1	1,400,001	1,500,000	1,475,000
1	1,900,001	2,000,000	1,940,000
1	2,100,001	2,200,000	2,180,300
1	2,500,001	3,600,000	3,595,000
3	9,995,001	10,000,000	30,000,000
1	12,355,001	12,360,000	12,357,000
<b>1443</b>			<b>80,000,000</b>

Note: The Slabs not applicable, have not been shown.

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
Son of Director	1	64,500	0.08
Spouse of Director	1	1,000	0.00
Financial Institutions	5	43,357,000	54.20
Joint Stock Companies	10	1,931,365	2.41
Investment Companies	1	40,000	0.05
Textile	1	137	0.00
Individuals	1424	34,605,998	43.26
	<b>1443</b>	<b>80,000,000</b>	<b>100.00</b>

# Form of Proxy

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a Member of **Chenab Limited** (the "Company") holding \_\_\_\_\_ shares, hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_  
who is also a Member of the Company, as my/our proxy to vote for me/us, and on my/our behalf at the 41<sup>th</sup>  
Annual General Meeting of the Company to be held on November 21, 2025 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Folio No.	CDC Account No.	
	Participant	Account
	I.D.	No.

Revenue  
Stamp Rs.5/-

The Signature should  
agree with the specimen  
signature registered with  
the Company

## WITNESSES:

1. Signature _____	2. Signature _____
Name _____	Name _____
NIC _____	NIC _____
Address _____	Address _____

## Note:

1. This Proxy, duly completed, signed and witnessed, must be received at the registered office of the Company, Nishatabad, Faisalabad no later than forty-eight (48) Hours before the time appointed for the Meeting.
2. No person shall act as proxy who is not member of the Company (except that a corporation may appoint a person who is not a member).
3. If a Member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. The Proxy shall produce his original CNIC or original passport at the time of the Meeting.
5. In case of individual CDC Account holders, attested copy of CNIC or passport (as the case may be) of the beneficial owner will have to be provided with this Proxy.
6. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the nominee shall be submitted alongwith this Proxy (unless it has been Provide earlier).



# Book Post



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

