Chenab LIMITED

www.chenabgroup.com

ANNUAL REPORT 2026

CONTENTS

Company Information---------- 02

About Us---------- 03

Vision and Mission Statements---------- 04

Global Certification---------- 04

Chairman's review---------- 05

Gender Pay Gap Statement---------- 06

Financial Highlights---------- 07

Notice of Annual General Meeting---------- 08

Director's Report to the Members---------- 09

Director's Report in Urdu---------- 13

Independent Auditor's Review Report to the Members on Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019---------- 17

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019---------- 18

Independent Auditor's Report to the Members---------- 21

Financial Position---------- 29

Profit & Loss Account---------- 31

Statement of Comprehensive Income---------- 32

Cash Flow Statement---------- 33

Statement of Changing in Equity---------- 35

Notes to the Financial Statement---------- 36

Pattern of Shareholding (Ordinary Shares)---------- 72

Pattern of Share holding (Preference Shares)---------- 74

Form of Proxy---------- 75

COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Muhammad Javed Iqbal (Chairman)
Mian Muhammad Latif (Chief Executive Officer)

Mr. Muhammad Naeem
Mr. Muhammad Farhan Latif
Mr. Maqsood-ul-Hassan
Mr. Muhammad Hashim
Mr. Muhammad Salman Javed

Ms. 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:021-32271905-6/021-35478192-3

REGISTERED OFFICE

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

WEBSITE

Email:- chenab@chenabgroup.com
Website:- www.chenabgroup.com

WORK

-Processing & Stitching Unit - Nishatabad, Fsd.
-Weaving Unit – Shahkot, Distt: Nankana Sahib.

BANK'S

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 Metroplitan Bank Limited.
MCB Bank Limited.
National Bank of Pakistan.
OLP Financial Services Pakistan Limited
("Formerly 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.) Limited.
Standard Chartered Bank (Pakistan) Limited.
The Bank of Punjab.
United Bank Limited.

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

AUDITORS

RSM Avis 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 conductive 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

I am honoured to serve as the Chairman of the Board of Directors of **Chenab Limited**.

It is my privilege to present this Review on the overall performance of the Board of Directors and the effectiveness of its role in steering the Company towards its objectives, in compliance with Section 192 of the Companies Act, 2017.

An annual evaluation of the Board for the financial year ended June 30, 2026, was carried out. The Board's overall performance and effectiveness was found to be Satisfactory. The evaluation was based on key parameters including clarity of vision, mission and core values; active engagement in strategic planning; policy formulation; establishment of robust risk management and internal control frameworks; effective oversight of business operations and financial planning; fiscal discipline; equitable treatment of employees; and diligent discharge of fiduciary responsibilities. The Board remains committed to continuous improvement and adherence to best governance practices in full compliance with applicable laws and regulations.

During the year, all Board and Committee meetings were convened with timely circulation of comprehensive agendas and supporting materials to enable informed deliberation and effective decision-making.

I extend my sincere appreciation to our shareholders, employees, customers, and all other stakeholders for their continued trust, dedication and cooperation.



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, 2026.

- Mean Gender Pay Gap -71.47%
- Median Gender Pay Gap -107.63%

Financial Highlights

	2026	2025	2024	2023	2022	2021
Operational Performance						
Sales	1,949,237,639	2,389,566,598	3,342,302,314	2,127,980,450	503,740,633	-
Cost of sales	(2,014,278,414)	(2,469,840,519)	(3,331,432,766)	(2,099,844,515)	(724,673,438)	-
Gross Profit / (loss)	(65,040,775)	(80,273,921)	10,869,548	28,135,935	(220,932,805)	-
Operating (loss)	(405,387,319)	(526,269,084)	(469,862,547)	(277,985,958)	(449,641,437)	(144,480,491)
(Loss) / profit before taxation / levies	(488,199,111)	(590,292,169)	(290,004,310)	(383,551,685)	(443,306,317)	1,019,812,487
(Loss) / profit after taxation / levies	(519,692,458)	(622,894,582)	(326,209,387)	(405,140,530)	(452,377,202)	999,742,641
Financial Position						
Property,Plant and equipments	8,335,507,291	8,932,371,161	9,076,879,986	9,168,196,248	9,615,704,320	9,651,578,837
Right-of-use assets	-	-	-	-	-	169,522,097
Investment property	634,429,071	481,450,363	491,733,640	502,445,387	559,975,280	873,060,285
Long term deposits	13,418,150	13,418,150	13,418,150	13,418,150	13,418,150	11,738,715
Fixed capital expenditure	8,983,354,512	9,427,239,674	9,582,031,776	9,684,059,785	10,189,097,750	10,705,899,934
Current assets						
Store,spare parts and loose tools	146,134,355	114,948,800	145,942,209	40,728,160	44,251,070	28,743,953
stocks in trade	252,869,977	174,841,332	252,453,190	208,919,421	77,600,081	230,000
Other current assets	401,211,742	496,436,738	856,854,174	567,646,411	364,045,877	95,648,347
Cash and cash equivalents	184,492,041	56,704,004	81,416,688	72,439,992	77,396,188	34,341,523
	984,708,115	842,930,874	1,336,666,261	889,733,984	563,293,216	158,963,823
Non current assets held for sale	576,872,346	-	-	551,695,602	147,942,743	-
Total assets	10,544,934,973	10,270,170,548	10,918,698,037	11,125,489,371	10,900,333,709	10,864,863,757
Current liabilities						
Short term bank borrowing	154,500,000	182,200,000	284,000,000	70,000,000	-	4,344,992,444
Currant portion of long term financing/lease liabilities	1,278,418,233	627,562,602	75,226,124	544,542,043	726,220,500	3,855,894,245
Other current liabilities	1,736,911,613	1,382,831,135	1,455,829,821	1,319,026,251	1,335,677,822	1,040,371,780
	3,169,829,846	2,192,593,737	1,815,055,945	1,933,568,294	2,061,898,322	9,241,258,469
Net working capital	7,375,105,127	8,077,576,811	9,103,642,092	9,191,921,077	8,838,435,387	1,623,605,288
Non-current liabilities	7,992,476,155	8,630,208,880	9,060,905,658	9,047,568,382	8,914,786,727	1,350,079,426
Shareholder's equity	(617,371,028)	(552,632,069)	42,736,434	144,352,695	(76,351,340)	273,525,862
Profitability analysis						
Gross profit / (loss) to sale (%)	-3.34%	-3.36%	0.33%	1%	-44%	-
Net (loss) / profit to sale (%)	-27%	-26%	-10%	-19%	-90%	-
Return on Investment (%)	-5.79%	-6.61%	-3.40%	-4.18%	-4.44%	9%
Return on equity (%)	84%	113%	-763%	-281%	592%	366%
Earnings per share (Rupees)	-4.52	-5.42	-2.84	-3.52	-3.93	8.49
Financial analysis						
Current ratio (time)	0.31	0.38	0.74	0.46	0.27	0.02
Total Debt to Total Assets	0.77	0.81	0.77	0.80	0.83	0.88
Total Debt to Fixed Assets	0.900	0.878	0.881	0.92	0.89	0.89

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 42nd Annual General Meeting of the shareholders of the Company will be held at 12.00 Noon on Thursday the 26th November, 2026 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 November 21, 2025.
2. To consider and approve the Annual Audited Financial Statements of the company for the year ended June 30, 2026 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 2027 and fix their remuneration.
4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

FAISALABAD
NOVEMBER 05, 2026

(MUHAMMAD ARSHAD)
COMPANY SECRETARY

NOTES:

1. The Share Transfer Books of Ordinary Shares of the Company will remain closed from November 19, 2026 to November 26, 2026 (both days inclusive). Transfers received in order by Company's Registrar, M/s. F.D. Registrar Services (Pvt) Ltd, Office No.1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi upto close of business hours on November 18, 2026 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

The directors are pleased to place before you the report and audited accounts of the company for the year ended June 30, 2026.

SALES REVENUE

Sales revenue for the year under report was earned at **Rs.1.949** billion as compared with **Rs.2.389** billion achieved during the preceding year.

FINANCIAL RESULTS

The financial results for the year ended June 30, 2026, with comparative figures, are as follows:-

	2026 Rupees	2025 Rupees
Sales	1,949,237,639	2,389,566,598
Cost of sales	2,014,278,414	2,469,840,519
Gross (loss)	(65,040,775)	(80,273,921)
Operating expenses		
Selling and distribution expense	27,935,116	121,699,275
Administrative expenses	312,411,428	324,295,888
	340,346,544	445,995,163
Operating (Loss)	(405,387,319)	(526,269,084)
Other income	104,913,049	147,470,425
Finance cost	187,724,841	211,493,510
(Loss) for the year before levies and income tax	(488,199,111)	(590,292,169)
Levies	24,663,335	30,333,392
(Loss) for the year before income tax	(512,862,446)	(620,625,561)
Provision for taxation	(6,830,012)	(2,269,021)
(Loss) for the year	(519,692,458)	(622,894,582)
Earnings per share- Basic & diluted	(4.52)	(5.42)

DIVIDEND ON PREFERENCE SHARES

The payment of dividend on non-voting cumulative preference shares, in view of financial losses, has been deferred till the availability of profits for appropriation.

FUTURE PROSPECTS

The recent Iran-USA conflict, which has heightened tensions across the entire Gulf region, has led to increase input costs, delayed shipments, and financial instability at a time when the textile industry is already grappling with rising inflation. It is hoped that de-escalation of the situation will facilitate normalization of the business environment in the country. The Company has entered into an arrangement with a foreign buyer who has agreed to provide a certain advance amount against exports.

The management is confident that this arrangement will enhance the Company's sales volume in the coming period. The Company requests its banking partners to enhance export financing facilities to enable it to capitalize on emerging opportunities despite current financial constraints. The sponsors remain fully committed to injecting funds to meet working capital requirements of the company.

(I) ON GOING CONCERN

The management of the Company had approached its secured creditors for approval to sell certain additional non-core assets. All secured creditors have granted their NOCs / in-principle approvals for the same. The sale transactions are likely to be completed within a month and the entire sale proceeds shall be utilized towards clearance of overdue installments of secured creditors up to 30-09-2026.

Moreover, the sponsors of the company has injected fresh capital till FY-2026 amounting to Rs.986.27 Million as directors' loan. The sponsors are also committed to inject further funds to meet requirement of the company. The management is confident that its bank will also support the company by granting export based financial limits.

Apart from making concerted efforts to increase revenue and improve profitability, the management is also exploring various options with its lenders for the settlement of forthcoming instalments. The management is confident of reaching a viable arrangement with its creditors, and that these collective efforts will ultimately secure the Company's status as a going concern 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, 2026, including the information under the code of corporate governance for ordinary and non-voting cumulative preference shares, is annexed.

BOARD OF DIRECTORS

There being no change in the directorship of the company, the number of directors remains the same as per the last annual general meeting of the shareholders of the company. All the retiring directors were elected for next term of three years commencing from January 28, 2025.

BOARD MEETING

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

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

Leave of absence was granted to the director who could not attend the meeting.

DIRECTOR'S REUNERATION

The company does not pay remuneration to its non-executive directors including independent directors except for meeting fee. Aggregate amount of the remuneration paid to executive and non-executive directors have been disclosed in note No.39 of the Annexed Financial Statements.

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 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 2027 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
November 05, 2026

(MUHAMMAD FARHAN LATIF)
(DIRECTOR)

(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER)

ڈائریکٹرز کی رپورٹ:۔

ڈائریکٹرز 30 جون 2026ء کو ختم ہونے والے سال کی کمپنی کی رپورٹ اور آڈٹ شدہ، اکاونٹس آپ کے سامنے پیش کرنے پر مطمن ہیں۔

فروخت سے حاصل ہونے والی آمدنی:۔

زیرِ رپورٹ مالی سال کے دوران کمپنی کی فروخت سے حاصل ہونے والی آمدنی 1.949 ملین روپے رہی، جبکہ گزشتہ مالی سال میں یہ آمدنی 2.389 ملین روپے تھی۔

مالیاتی نتائج:۔

30 جون 2026ء کو ختم ہونے والے مالی سال کے مالیاتی نتائج گزشتہ سال کے تقابلی اعداد و شمار کے ساتھ درج ذیل ہیں:

تفصیلات	2026ء (روپے)	2025ء (روپے)
فروخت	1,949,237,639	2,389,566,598
فروخت کی لاگت	2,014,278,414	2,469,840,519
مجموعی خسارہ	(65,040,775)	(80,273,921)
آپریٹنگ اخراجات:۔		
فروخت اور تقسیم کے اخراجات	27,935,116	121,699,275
انتظامی اخراجات	312,411,428	324,295,888
مجموعی آپریٹنگ اخراجات	340,346,544	445,995,163
آپریٹنگ خسارہ	(405,387,319)	(526,269,084)
دیگر آمدنی	104,913,049	147,470,425
مالیاتی اخراجات	187,724,841	211,493,510
ٹیکس اور لیویز سے قبل خسارہ	(488,199,111)	(590,292,169)
لیویز	24,663,335	30,333,392
انکم ٹیکس سے قبل خسارہ	(512,862,446)	(620,625,561)
ٹیکس کی فراہمی	(6,830,012)	(2,269,021)
سالانہ خالص خسارہ	(519,692,458)	(622,894,582)
فی حصص آمدنی (بنیادی و ڈائیلیوٹڈ)	(4.52)	(5.42)

ترجیحی حصص پر منافع:۔

مالی خسارے کے پیش نظر، ووٹنگ کے حق سے محروم مجموعی ترجیحی حصص پر منافع کی ادائیگی فی الحال مؤخر کر دی گئی ہے۔ یہ ادائیگی اس وقت تک نہیں کی جائے گی جب تک تقسیم کے قابل منافع دستیاب نہیں ہو جاتا۔

مستقبل کے امکانات:۔

ایران اور امریکہ کے درمیان حالیہ تنازع نے خلیجی خطے میں کشیدگی کو بڑھا دیا ہے، جس کے نتیجے میں خام مال اور پیداواری لاگت میں اضافہ، ترسیلات میں تاخیر اور مالیاتی عدم استحکام پیدا ہوا ہے۔ یہ صورتحال ایسے وقت میں سامنے آئی ہے جب ٹیکسٹائل انڈسٹری پہلے ہی بڑھتی ہوئی مہنگائی کے دباؤ کا سامنا کر رہی ہے۔ امید ہے کہ صورتحال میں کشیدگی کم ہونے سے ملک میں کاروباری ماحول معمول پر آجائے گا۔ کمپنی نے ایک غیر ملکی خریدار کے ساتھ معاہدہ کیا ہے، جس کے تحت وہ برآمدات کے عوض پیشگی رقم فراہم کرنے پر رضامند ہوگیا ہے۔

انتظامیہ کو یقین ہے کہ اس معاہدے سے آنے والے عرصے میں کمپنی کی فروخت کے حجم میں اضافہ ہوگا۔ کمپنی نے اپنے بینکنگ پارٹنرز سے درخواست کی ہے کہ وہ برآمدات کے لیے مالیاتی سہولیات میں اضافہ کریں تاکہ موجودہ مالی مشکلات کے باوجود کاروبار کے نئے مواقع سے فائدہ اٹھایا جاسکے۔ کمپنی کے اسپانسرز نے ورکنگ کیپیٹل کی ضروریات پوری کرنے کے لیے مزید سرمایہ فراہم کرنے کے اپنے عزم کا اعادہ کیا ہے۔

(I) کاروبار کا تسلسل:۔

کمپنی کی انتظامیہ نے اپنے محفوظ قرض دہندگان سے بعض اضافی غیر بنیادی اثاثے فروخت کرنے کی منظوری حاصل کرنے کے لیے رابطہ کیا تھا۔ تمام محفوظ قرض دہندگان نے اس سلسلے میں این او سیز اور اصولی منظوری دے دی ہے۔ امکان ہے کہ اثاثوں کی فروخت کے معاملات ایک ماہ کے اندر مکمل ہوجائیں گے اور فروخت سے حاصل ہونے والی تمام رقم 30 ستمبر 2026ء تک محفوظ قرض دہندگان کی واجب الادا اقساط کی ادائیگی کے لیے استعمال کی جائے گی۔

مزید برآں، کمپنی کے اسپانسرز مالی سال 2026ء تک ڈائریکٹرز کے قرض کی مد میں 986.27 ملین روپے کا تازہ سرمایہ فراہم کرچکے ہیں۔ اسپانسرز نے کمپنی کی ضروریات پوری کرنے کے لیے مزید فنڈز فراہم کرنے کے عزم کا اظہار بھی کیا ہے۔ انتظامیہ کو امید ہے کہ بینک بھی برآمدات کی بنیاد پر مالیاتی سہولیات فراہم کرکے کمپنی کی معاونت کریں گے۔

آمدنی میں اضافے اور منافع کی شرح بہتر بنانے کے لیے مسلسل کوششوں کے علاوہ، انتظامیہ اپنے قرض دہندگان کے ساتھ آئندہ واجب الادا اقساط کی ادائیگی کے لیے مختلف ممکنہ حل بھی تلاش کر رہی ہے۔ انتظامیہ کو یقین ہے کہ قرض دہندگان کے ساتھ ایک قابلِ عمل معاہدہ طے پاجائے گا اور یہ مشترکہ کوششیں مستقبل قریب میں کمپنی کے کاروبار کو جاری رکھنے کی حیثیت برقرار رکھنے میں مددگار ثابت ہوں گی۔

(II) آڈیٹرز کے مشاہدات کی وضاحت:۔

(الف):۔ ترجیحی حصص کے باقی ماندہ حاملین، سوائے ان بینکنگ کمپنیوں کے جنہوں نے اپنے حصص اصل قیمت پر واپس لینے پر رضامندی ظاہر کی تھی، نے اپنے حصص کو عام حصص میں تبدیل کرنے کا فیصلہ کیا ہے، تاہم یہ معاملہ عدالت میں زیرِ سماعت ہے۔ (حوالہ نوٹ 5.3) اس وجہ سے کمپنی ڈائیلیوٹڈ فی حصص آمدنی کا حساب نہیں لگا سکی۔

(ب):۔ انتظامیہ کا مؤقف ہے کہ مستقبل میں مؤخر شدہ ٹیکس اثاثہ وجود میں آئے گا اور متعلقہ واجبات کو بعد ازاں ایڈجسٹ کردیا جائے گا۔

(ج):۔ کمپنی نے آڈیٹر کی جانب سے منتخب کردہ تمام متعلقہ فریقوں کو تصدیقی خطوط ارسال کیے تھے۔ کمپنی طویل عرصے تک غیر فعال رہی، جس کی وجہ سے بعض فریقوں نے جواب نہیں دیا، جو کمپنی کے اختیار سے باہر تھا۔

(د):۔ کمپنی نے اپنے واجب الادا مالیاتی واجبات کو مناسب طور پر ظاہر کیا ہے۔

(ہ):۔ کمپنی کو امید ہے کہ اسے اپنی واجب الادا رقوم وصول ہوجائیں گی۔ انتظامیہ اب ان رقوم کی وصولی کے لیے صارفین سے مسلسل رابطے میں ہے۔ لہٰذا ان بقایاجات میں کسی قسم کی ایڈجسٹمنٹ کی ضرورت نہیں ہے۔

کارپوریٹ سماجی ذمہ داری:۔

آپ کی کمپنی معاشرے کے حوالے سے اپنی کارپوریٹ ذمہ داریوں کو مکمل طور پر سمجھتی ہے۔اس سلسلے میں کمپنی معذور افراد کو روزگار کے مساوی مواقع فراہم کر رہی ہے، مستحق ملازمین کی مالی معاونت کر رہی ہے، قومی خزانے میں خاطر خواہ ٹیکس جمع کروا رہی ہے اور توانائی کی بچت اور ماحولیاتی تحفظ کے لیے اقدامات کر رہی ہے۔

حصص کی ملکیت کی تفصیلات:۔

30 جون 2026ء تک حصص کی ملکیت کی تفصیلات، بشمول کارپوریٹ گورننس کوڈ کے تحت عام اور ووٹنگ کے حق سے محروم مجموعی ترجیحی حصص سے متعلق معلومات، رپورٹ کے ساتھ منسلک ہیں۔

بورڈ آف ڈائریکٹرز:۔

کمپنی کے ڈائریکٹرز میں کوئی تبدیلی نہیں ہوئی، لہٰذا ڈائریکٹرز کی تعداد گزشتہ سالانہ جنرل اجلاس کے مطابق برقرار ہے۔تمام سبکدوش ہونے والے ڈائریکٹرز 28 جنوری 2025ء سے شروع ہونے والی تین سالہ مدت کے لیے دوبارہ منتخب ہوئے تھے۔

بورڈ کے اجلاس:۔

زیرِ جائزہ مالی سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے۔ہر ڈائریکٹر کی اجلاسوں میں شرکت کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹر کا نام	اجلاسوں میں شرکت
1	میاں محمد لطیف	4
2	میاں محمد جاوید اقبال	4
3	محمد نعیم	4
4	محمد فرحان لطیف	4
5	طارق ایوب خان	4
6	مقصود الحسن	3
7	محمد ہاشم	4
8	محمد سلمان جاوید	4
9	صبیحہ چغتائی	4

جو ڈائریکٹر اجلاس میں شرکت نہیں کر سکے، انہیں رخصت کی اجازت دے دی گئی تھی۔

ڈائریکٹرز کے معاوضے:۔

کمپنی اپنے غیر انتظامی ڈائریکٹرز، بشمول آزاد ڈائریکٹرز، کو اجلاس میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی۔انتظامی اور غیر انتظامی ڈائریکٹرز کو ادا کیے گئے مجموعی معاوضے کی تفصیلات منسلک مالیاتی گوشواروں کے نوٹ نمبر 39 میں درج ہیں۔

آڈٹ کمیٹی:۔

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کوڈ کی تعمیل کرتے ہوئے ڈائریکٹرز کے دوبارہ انتخاب کے بعد درج ذیل آڈٹ کمیٹی تشکیل دی ہے:

نام	عہدہ	حیثیت
طارق ایوب خان	چیئرمین	آزاد ڈائریکٹر
محمد ہاشم	رکن	آزاد ڈائریکٹر
محمد سلمان جاوید	رکن	غیر انتظامی ڈائریکٹر

آڈٹ کمیٹی کے اجلاس کم از کم ہر سہ ماہی میں ایک مرتبہ منعقد ہوئے، جو کمپنی کے عبوری اور حتمی مالیاتی نتائج کی منظوری سے قبل منعقد کیے گئے۔ ضرورت کے مطابق ان اجلاسوں میں چیف فنانشل آفیسر (CFO)، سربراہ انٹرنل آڈٹ اور بیرونی آڈیٹرز نے بھی شرکت کی۔

کارپوریٹ گورننس کوڈ:۔

کارپوریٹ گورننس کوڈ کے بہترین طریقہ کار پر عمل درآمد سے متعلق تعمیلی بیان اس رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز:۔

بیرونی آڈیٹرز میسرز آر ایس ایم او ایس حیدر لیاقت نعمان، چارٹرڈ اکاؤنٹنٹس، فیصل آباد اپنی مدت پوری ہونے پر سبکدوش ہو رہے ہیں۔ وہ دوبارہ تقرری کے اہل ہیں اور انہوں نے آئندہ مالی سال کے لیے دوبارہ خدمات انجام دینے کی پیشکش کی ہے۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے بھی مالی سال 2027ء کے لیے انہیں کمپنی کے بیرونی آڈیٹرز کے طور پر دوبارہ مقرر کرنے اور ان کے معاوضے کے تعین کی سفارش کی ہے۔

اظہارِ تشکر:۔

بورڈ آف ڈائریکٹرز اپنے حصص یافتگان، سرکاری اداروں اور مالیاتی اداروں کی جانب سے فراہم کردہ تعاون پر ان کا شکریہ ادا کرتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

مقام: فیصل آباد

تاریخ: 5 نومبر 2026ء

محمد فرحان لطیف
ڈائریکٹر

میاں محمد لطیف
چیف ایگزیکٹو آفیسر

RSM Avais Hyder Liaquat Nauman
Chartered Accountants
478-D, Peoples Colony No. 1
Faisalabad - Pakistan
T: +92 (41) 854 1165, 854 9143
www.rsm.global/Pakistan

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, 2026 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, 2026.

Rsm Avais Hyder Liaquat Nauman

Place: Faisalabad
Date: 05-11-2026
UDIN: CR202610497N4HMkJrpu

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avais 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, 2026

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	4	Mr. Muhammad Farhan Latif
5	Mrs. Sobia Chughtai.		

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

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)

RSM

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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

T: +92 (41) 854 1165, 854 9143

www.rsm.global/Pakistan

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, 2026, 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, 2026 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. 229.49 million (2025: Rs. 432.75 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. 229.49 million (2025: Rs. 432.75 million) and accumulated loss by Rs. 229.49 million (2025: Rs. 432.75 million);

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

RSM Avais 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.

c) 'Trade creditors' of Rs. 164.95 million (2025: Rs. 213.32 million) and 'Contract liabilities' of Rs. 83.05 million (2025: Rs. 26.67 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. 12.35 million (2025: 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. 31.55 million (2025: Rs. 13.36 million) and Advances to suppliers of Rs. 49.60 million (2025: Rs. 34.12 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 81.15 million (2025: Rs. 47.48 million) and accumulated loss by Rs. 81.15 million (2025: Rs. 47.48 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 operational and financial difficulties. The events and conditions as set forth in Note 1.3 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt on 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
Scheme of Arrangement under section 279 to 283 of the Company's Act, 2017	
Refer to note 1.3 to the financial statements. 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. 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.	In this respect, we performed following audit procedures: • 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; • We reviewed minutes of meeting whereby creditors formally agreed for revival of the company. • We have reviewed the appropriateness of the revival plan presented under the scheme. • We have reviewed the compliance with the terms of scheme of arrangement. • 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.



Key Audit Matter	How our audit addressed the key audit matter
Scheme of Arrangement under section 279 to 283 of the Company's Act, 2017	
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. For further information about reclassification and adjustments in respective account balances reference may be made to relevant notes in the financial statements.	• We have reviewed the reclassification, disclosures and adjustments made in respective account balances in the financial statements as per scheme of arrangement.
Revaluation of property, plant and equipment	
Refer to note 18 to the financial statements. During the year, the Company has recognized revaluation surplus amounting to Rs. 292,353,111/- on property, plant and equipment. Fair values of freehold land, building on freehold land, plant and machinery, electric installations and generators were determined based on independent external valuations. We considered this as key audit matter due to significant amount involved and significant judgments made by the management.	In this respect, we performed following audit procedures: • We have assessed the methodologies (basis) used by the external valuer to estimate values; • We have evaluated the independent external valuer's competence, capabilities and objectivity; • We have checked the reasonableness, accuracy and relevance of the input data provided by management to the external valuer; and • We have obtained relevant underlying supportings for the disclosures and assessed their appropriateness for the sufficient audit evidence.

Key Audit Matter	How our audit addressed the key audit matter
Non- Current Assets Held for Sale	
Refer to note 29 to the financial statements. During the year, the company has classified certain non-current assets including freehold land, building on freehold land, plant and machinery, electrical installations and generators amounting to Rs. 576,872,346/- as "Non-current Assets held for Sale" in accordance with the requirement of IFRS 5. We considered this as key audit matter due to significant amount involved and significant judgments and estimates made by the management for the assessment of fair value of these assets.	In this respect, we performed following audit procedures: • We have reviewed management's assessment and supporting documentation to validate whether the assets qualifying the required criteria for classification as Held for Sale under IFRS 5; • We have obtained Board of Directors' resolutions to evaluate whether the sale plan is highly probable; • We have evaluated marketing strategy and steps taken by management to dispose these assets; • We have obtained depreciation report, latest values, and compared with management's expert assessment of fair values to check proper lower of carrying amount and fair value less cost to sell; • We have assessed the methodologies (basis) used by the external valuer to estimate values; • We have evaluated the independent external valuer's competence, capabilities and objectivity; • We have checked the reasonableness, accuracy and relevance of the input data provided by management to the external valuer; and • We have evaluated adequacy of disclosures made in the financial statements as per standard requirements.

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, except for the effects of the matters described in basis for qualified opinion section of our report:

(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 Bilal Ahmed.

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad
Date: 05-11-2026

UDIN: AR202610497vO8GuYEXS

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
120,000,000 (2025: 120,000,000) ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
80,000,000 (2025: 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 (2025: 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	1,230,584,086	1,071,913,086
Surplus on revaluation of property, plant and equipment	7	5,042,131,606	4,814,039,268
Capital reserves	8	526,409,752	526,409,752
Revenue reserves	9	(9,066,496,472)	(8,614,994,175)
		(617,371,028)	(552,632,069)
NON-CURRENT LIABILITIES			
Long term financing	10	6,648,383,812	7,468,611,421
Deferred revenue	11	52,218,943	53,638,778
Deferred interest / markup	12	906,630,200	744,656,836
Liabilities against redemption of preference shares	5	300,000,000	300,000,000
Deferred liabilities	13	85,243,200	63,301,845
		7,992,476,155	8,630,208,880
CURRENT LIABILITIES			
Trade and other payables	14	1,722,524,723	1,378,669,987
Unclaimed dividend		366,071	366,071
Interest / markup payable	15	3,709,087	3,795,077
Short term bank borrowings	16	154,500,000	182,200,000
Current portion of :			
Long term financing	10	1,278,418,233	627,562,602
Provision for taxation - income tax	37	10,311,732	-
		3,169,829,846	2,192,593,737
CONTINGENCIES AND COMMITMENTS	17	-	-
		10,544,934,973	10,270,170,548

The annexed notes from 1 to 47 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating assets	18	8,335,507,291	8,932,371,161
Investment property	19	634,429,071	481,450,363
Long term deposits	20	13,418,150	13,418,150
		8,983,354,512	9,427,239,674
CURRENT ASSETS			
Stores and spares	21	146,134,355	114,948,800
Stock in trade	22	252,869,977	174,841,332
Trade debts	23	156,738,489	223,095,067
Loans and advances	24	140,175,449	168,622,533
Deposits and prepayments	25	28,222,356	33,058,433
Other receivables	26	5,885,350	18,830,431
Tax refunds due from government	27	70,190,098	52,830,274
Cash and bank balances	28	184,492,041	56,704,004
		984,708,115	842,930,874
Non current assets held for sale	29	576,872,346	-
		10,544,934,973	10,270,170,548

(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, 2026

	Note	2026 Rupees	2025 Rupees
Sales	30	1,949,237,639	2,389,566,598
Cost of sales	31	2,014,278,414	2,469,840,519
Gross (loss)		(65,040,775)	(80,273,921)
Operating Expenses			
Selling and distribution expenses	32	27,935,116	121,699,275
Administrative expenses	33	312,411,428	324,295,888
		340,346,544	445,995,163
Operating (Loss)		(405,387,319)	(526,269,084)
Other income	34	104,913,049	147,470,425
Finance cost	35	187,724,841	211,493,510
(Loss) for the year before levies and income tax		(488,199,111)	(590,292,169)
Levies	36	24,663,335	30,333,392
(Loss) for the year before income tax		(512,862,446)	(620,625,561)
Provision for taxation	37	(6,830,012)	(2,269,021)
(Loss) for the year		(519,692,458)	(622,894,582)
Earnings per share - Basic and diluted	38	(4.52)	(5.42)

The annexed notes from 1 to 47 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, 2026

	2026 Rupees	2025 Rupees
(Loss) for the year	(519,692,458)	(622,894,582)
Other comprehensive income		
Items that will not be subsequently reclassified to profit or loss:		
Surplus on revaluation of property, plant and equipment arisen during the year- net	292,353,111	-
Remesurement of defined benefit liability	3,929,388	8,826,079
	296,282,499	8,826,079
Total comprehensive (loss) for the year	(223,409,959)	(614,068,503)

The annexed notes from 1 to 47 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 CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 Rupees	2025 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the year before levies and income tax		(488,199,111)	(590,292,169)
Adjustments for:			
Depreciation of operating assets	18	168,057,225	181,075,984
Depreciation of investment property	19	9,871,946	10,283,277
Provision for staff retirement gratuity	13.1.4	26,806,419	23,981,940
(Gain) on disposal of operating assets	34	(1,400,188)	(907,577)
Finance cost	35	187,724,841	211,493,510
Balances written back - net	34	(56,900,601)	(113,689,045)
Fair value adjustment of deferred revenue	11	(1,419,835)	(1,244,705)
Operating cash flows before working capital changes		(155,459,304)	(279,298,785)
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(31,185,555)	30,993,409
Stock in trade		(78,028,645)	77,611,858
Trade debts		66,356,578	300,051,507
Loans and advances		23,936,869	21,538,310
Deposits and prepayments		(326,538)	215,939
Other receivables		12,945,081	(5,837,257)
Tax refunds due from government		7,148,940	52,704,098
		846,730	477,277,864
Increase in current liabilities			
Trade and other payables		315,425,394	49,479,505
		316,272,124	526,757,369
Cash generated from operations		160,812,820	247,458,584
Income tax and levies paid		(41,687,605)	(46,729,260)
Finance cost paid		(24,417,633)	(45,201,861)
Staff retirement gratuity paid	13.1.3	(935,676)	(2,169,599)
Net cash generated from operating activities		93,771,906	153,357,864
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating assets	18	(18,763,056)	(36,579,582)
Proceeds from disposal of operating assets	18.5	1,600,000	920,000
Advance against sale of non current assets	14	91,000,000	-
Net cash generated from / (used in) investing activities		73,836,944	(35,659,582)

	2026 Rupees	2025 Rupees
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of loan from directors	158,671,000	18,700,000
Repayment of :		
Long term financing	(170,791,813)	(59,310,966)
(Decrease) in short term bank borrowings	(27,700,000)	(101,800,000)
Net cash (used in) financing activities	(39,820,813)	(142,410,966)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	127,788,037	(24,712,684)
Cash and cash equivalents at the beginning of the year	56,704,004	81,416,688
Cash and cash equivalents at the end of the year	184,492,041	56,704,004

The annexed notes from 1 to 47 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, 2026

	Issued, subscribed and paid up capital	Cumulative preference shares	Director's Loan	Surplus on revaluation of property, plant and equipment	Capital reserves: Premium on issue of ordinary shares	Capital reserves: Book difference of capital under scheme of arrangement for amalgamation	Capital reserves: Preference shares redemption reserve	Capital reserves: Sub total	Revenue reserves: General reserve	Revenue reserves: Accumulated (loss)	Revenue reserves: Sub total	Total
	Rupees											
Balance as at July 01, 2024	1,150,000,000	500,000,000	1,053,213,086	4,881,532,753	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,144,851,991)	(8,068,419,157)	42,736,434
Total comprehensive (loss) for the year												
(Loss) for the year	-	-	-	-	-	-	-	-	-	(622,894,582)	(622,894,582)	(622,894,582)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	8,826,079	8,826,079	8,826,079
	-	-	-	-	-	-	-	-	-	(614,068,503)	(614,068,503)	(614,068,503)
Incremental depreciation on revalued assets for the year	-	-	-	(67,493,485)	-	-	-	-	-	67,493,485	67,493,485	-
Transaction with owners												
Loan from directors	-	-	18,700,000	-	-	-	-	-	-	-	-	18,700,000
Balance as at June 30, 2025	1,150,000,000	500,000,000	1,071,913,086	4,814,039,268	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,691,427,009)	(8,614,994,175)	(552,632,069)
Total comprehensive (loss) for the year												
(Loss) for the year	-	-	-	-	-	-	-	-	-	(519,692,458)	(519,692,458)	(519,692,458)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss:												
Surplus on revaluation of property plant and equipment arisen during the year - net	-	-	-	292,353,111	-	-	-	-	-	-	-	292,353,111
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	3,929,388	3,929,388	3,929,388
	-	-	-	292,353,111	-	-	-	-	-	(515,763,070)	(515,763,070)	(223,409,959)
Incremental depreciation on revalued assets for the year	-	-	-	(64,260,773)	-	-	-	-	-	64,260,773	64,260,773	-
Transaction with owners												
Loan from directors	-	-	158,671,000	-	-	-	-	-	-	-	-	158,671,000
Balance as at June 30, 2026	1,150,000,000	500,000,000	1,230,584,086	5,042,131,606	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,142,929,306)	(9,066,496,472)	(617,371,028)
(Refer Note)			6									

The annexed notes from 1 to 47 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

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 519.69 million (2025: Rs. 622.89 million) . The accumulated loss of the Company is Rs. 9,142.93 million (2025: Rs. 8,691.43 million) and the current liabilities exceed its current assets by Rs. 1,608.25 million (2025: Rs. 1,349.66 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. 636.27 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 the achievement of expected results, the management remained actively engaged in ensuring payment of the upcoming installments due in 2026. Accordingly, in July 2025, the Company approached its lenders for issuance of No Objection Certificates (NOCs) for the sale of non-current assets, expected to generate approximately PKR 740 million. It was decided that the sale proceeds would be utilized to pay the quarterly installments maturing up to June 30, 2026, on a pro-rata basis to all lenders. However, due to procedural delay in obtaining NOCs from all secured creditors, the Company could not make payments on due date. Subsequently, all secured creditors have granted NOCs / in-principle approvals for the sale of these assets.

The sale transactions are most likely to be completed in near future and the entire sale proceeds shall be utilized towards clearance of overdue installments of secured lenders outstading as at June 30, 2026. The sponsor directors are committed to inject further funds and offer property swaps to lenders to reduce the bank borrowings.

Basis for anticipated business improvement

The recent geo political situation, which has heightened tensions across the entire West Asia, has led to worldwide economic instability. It is hoped that de-escalation of the situation will facilitate normalization of the business environment in the country. Meanwhile, the Company has entered into an arrangement with a foreign buyer who is providing certain advance amount against exports. Under this arrangement, the Company's revenue has increased and in future a significant growth in revenue is expected.

The sponsors of the company has injected fresh capital till June 30, 2026 amounting to Rs. 986.27 Million as directors' loan subsequent to its revival. The sponsors are also committed to inject further funds to meet working capital requirements of the company.

The above mentioned actions/efforts to increase revenue and improve profitability, reduction in bank borrowings through the proceeds of disposal of non core assets will help to reduce the financial burden. 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. Accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of, directives and notifications issued under the Companies Act, 2017 differ from the IFRS Accounting Standards, the provisions of, directives and notifications 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, 2025 and therefore, have been applied in preparing these financial statements.

- **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 have no material impact on the company's financial statements.

- **IFRS S1 and IFRS S2**

IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures require entities to disclose material sustainability-related and climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital over the short, medium or long term. The standards provide requirements relating to governance, strategy, risk management, and metrics and targets, with IFRS S2 specifically addressing climate-related disclosures, including greenhouse gas emissions and climate-related risks and opportunities.

The Standards are effective for annual periods beginning on or after January 1, 2024; however, their applicability in Pakistan has been phased in accordance with the order issued by the Securities and Exchange Commission of Pakistan (SECP) on December 31, 2024.

The amendments have no material impact on the company's current 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, 2025 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 periods

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2026 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 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

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.

- **Annual Improvements to IFRS accounting standards Volume - II**

The amendments to IFRS – 1, 7, 9, 10 and IAS 7 are introduced to remove obsolete cross references, replacements, make the working consistent, clarifications and certain additions.

The amendments are effective for the annual reporting 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**

  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.

2.3 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 21/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 income.

  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 loss.

  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

2026	2025		2026	2025
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
115,000,000	115,000,000		1,150,000,000	1,150,000,000

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

2026	2025		2026	2025
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)
50,000,000	50,000,000		500,000,000	500,000,000

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:

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

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

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.

	2026 Rupees	2025 Rupees
Transferred from preference shares to liability against redemption of preference shares pursuant to scheme of arrangement	300,000,000	300,000,000

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.

	2026 Rupees	2025 Rupees
6. DIRECTORS' LOAN	1,230,584,086	1,071,913,086

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.

	2026 Rupees	2025 Rupees
7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	4,814,039,268	4,881,532,753
Surplus arisen on revaluation carried out during the year	292,353,111	-
Transferred to accumulated loss in respect of Incremental depreciation on revalued assets for the year	(64,260,773)	(67,493,485)
	5,042,131,606	4,814,039,268

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 as at June 30, 2026. Freehold land, building on freehold land, plant and machinery, electric installations and generators were revalued on market value basis. The valuation is based on un observable inputs which is Level 3 of fair value hierarchy.

	Note	2026 Rupees	2025 Rupees
8. Capital reserves			
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
		526,409,752	526,409,752

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.

	Note	2026 Rupees	2025 Rupees
9. Revenue reserves			
General reserve		76,432,834	76,432,834
(Accumulated loss)			
Opening balance		(8,691,427,009)	(8,144,851,991)
Total comprehensive (loss) for the year		(515,763,070)	(614,068,503)
Incremental depreciation on revalued assets		64,260,773	67,493,485
		(9,142,929,306)	(8,691,427,009)
		(9,066,496,472)	(8,614,994,175)
10. Long term financing			
Under markup agreements			
From banking companies / financial institutions			
Secured			
Tier - I debt		3,341,182,937	3,400,493,903
Paid during the year		(170,791,813)	(59,310,966)
	10.1	3,170,391,124	3,341,182,937
Tier - II Debt	10.1	4,744,899,864	4,744,899,864
		7,915,290,988	8,086,082,801
Less : Current portion			
Installments over due		456,770,789	45,869,438
Payable within one year		821,647,444	581,693,164
		1,278,418,233	627,562,602
		6,636,872,755	7,458,520,199
Associates	10.2	11,511,057	10,091,222
		6,648,383,812	7,468,611,421

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 current 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. (2025: 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 During the year ended June 30, 2024, the loan repayment schedule agreed under the scheme of arrangement had been revised / updated due to following reason;

a) Proceeds realized from disposal of non core assets beyond the time limit as initially agreed under scheme of arrangement. The extension has been granted by the agent bank.

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 was 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 has paid 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
75,947,067	1	75,947,067	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%
3,170,391,124	15				

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)
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	5% on subsequent Tier-II debt
112,771,499	1	112,771,499	31-Dec-35	31-Dec-35	
4,744,899,864	26				

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. 11.51 million (2025: 10.09 million). The difference of Rs. 52.22 million (2025: 53.64 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	2026 Rupees	2025 Rupees
11. Deferred Revenue			
Opening balance		53,638,778	54,883,483
Fair value adjustment of deferred revenue charged to statement of profit or loss	34	(1,419,835)	(1,244,705)
		52,218,943	53,638,778
12. Deferred interest / markup			
Mark up on Tier-I debt	44.5	906,630,200	744,656,836
13. Deferred liabilities			
Staff retirement gratuity	13.1	85,243,200	63,301,845
Deferred taxation	13.2	-	-
		85,243,200	63,301,845

13.1 Staff retirement gratuity

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, 2026.

	Note	2026 Rupees	2025 Rupees
13.1.2 Balance sheet reconciliation as at June 30,			
Present value of defined benefit obligation		85,243,200	63,301,845

	Note	2026 Rupees	2025 Rupees
13.1.3 Movement in net liability recognized			
Opening balance		63,301,845	50,315,583
Charge for the year	13.1.4	26,806,419	23,981,940
Paid during the year		(935,676)	(2,169,599)
Remeasurement (gain) of obligation		(3,929,388)	(8,826,079)
Balance at June 30,		85,243,200	63,301,845

	2026	2025
13.1.4 Charge for the year		
Service cost	18,952,168	17,089,630
Interest cost	7,854,251	6,892,310
	26,806,419	23,981,940

	2026	2025
13.1.5 Principal actuarial assumptions		
Discount factor used	12.25% Per annum	12.50% Per annum
Expected rate of increase in salaries	12.25% Per annum	12.50% Per annum
Expected average remaining working lives of participating employees	8 years	8 years

13.1.6 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2026 Rupees	2025 Rupees
Current liability	85,243,200	63,301,845
+1% Discount rate	77,607,908	57,160,603
-1% Discount rate	94,595,989	70,816,224
+1% Salary increase rate	94,504,554	70,742,977
-1% Salary increase rate	77,545,854	57,110,786

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	2026 Rupees	2025 Rupees
13.2 Deferred taxation			
13.2.1 It comprises of the followings:			
Deferred tax liability :			
Difference in tax and accounting bases of property, plant and equipment		1,568,892,269	1,658,196,534
Deferred tax assets :			
Unadjusted tax losses		(1,282,148,041)	(1,150,069,224)
Staff retirement gratuity		(24,720,528)	(18,357,535)
Tax credits		(32,524,166)	(57,017,659)
Unrecognised Deferred Tax Liability		229,499,534	432,752,116
		-	-

	Note	2026 Rupees	2025 Rupees
14. Trade and other payables			
Creditors		903,566,272	846,613,257
Accrued liabilities		388,149,058	338,041,038
Contract liabilities		296,192,501	153,234,053
Security deposit		12,348,000	8,348,000
Advance against non-current assets held for sale	14.1	91,000,000	-
Sales tax payable		6,301,681	1,810,842
Advance rent		303,876	289,405
Levies	36	24,663,335	30,333,392
		1,722,524,723	1,378,669,987

14.1 It represents the advance obtained for non current assets to be disposed off to settle the debt installments.

	Note	2026 Rupees	2025 Rupees
15. Interest / markup payable			
Interest / mark up payable on:			
Short term bank borrowings		3,709,087	3,795,077
16. Short term bank borrowings			
Secured			
Under mark up arrangements			
Export finances	16.2	154,500,000	182,200,000

16.1 The aggregate unavailed short term borrowing facilities available to the company are Rs. Nil (2025: Rs. 87.8 million) which were expired and renewable.

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 to three month KIBOR plus 0.25% (2025: one month KIBOR plus 0.25% to 0.5%) and six month KIBOR (2025: six month KIBOR).

16.3 The effective rate of mark up charged during the year ranges from 10.64% to 14.54% per annum (2025: 12.13% to 24.56% per annum).

17. CONTINGENCIES AND COMMITMENTS

Contingencies

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Income tax			
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 (2025: 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
Sales tax			
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/- (2025: Rs. 32,249,198/-) is involved in the appeal. The Honorable Tribunal vide its order dated June 22, 2026 has remanded back the case to the adjudicating officer for afresh consideration. Therefore, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	November 25,2020
Sales tax			
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/- (2025: 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

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Other			
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/-. (2025: 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, no provision has been made in these financial statements.	Customs Department vs Company	December 02,2013

	2026 Rupees	2025 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
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
Liability of late payment surcharge on non payment of gas bill vide decree of utility court order dated 09-06-2026 not acknowledged as the company has filed an appeal before the Honorable Lahore High Court, Lahore. 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.	128,652,105	-

	2026 Rupees	2025 Rupees
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 (2025: 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. The lenders have issued NOCs to dispose off the non current assets and clear all outstanding installments to avoid adverse consequences.		
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.	681,690,420	539,343,424
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.	526,763,594	503,713,055
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.	29,916,813	33,414,587
Ex-employees of the company have filed the suit for recovery of their 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.	2,835,076	2,472,000

Commitments

There was no commitments as on 30 June 2026 (2025: 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 ----------										
At July 01, 2024											
Cost / revaluation	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
Accumulated depreciation	-	(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)
Net book value	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
Year ended June 30, 2025											
Opening net book value	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
Additions	-	-	36,538,582	8,000	-	5,000	-	28,000	-	-	36,579,582
Disposals:											
Cost	-	-	-	-	-	-	-	-	(1,269,030)	-	(1,269,030)
Accumulated depreciation	-	-	-	-	-	-	-	-	1,256,607	-	1,256,607
	-	-	-	-	-	-	-	-	(12,423)	-	(12,423)
Depreciation charge	-	(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)
Closing net book value	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
At June 30, 2025											
Cost / revaluation	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
Accumulated depreciation	-	(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)
Net book value	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
Year ended June 30, 2026											
Opening net book value	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
Additions	-	-	18,763,056	-	-		-		-	-	18,763,056
Surplus/ (deficit) on revaluation	555,456,550	83,035,545	(282,130,095)	(57,314,659)	(6,694,230)						292,353,111
Disposals:											
Cost	-	-	-	-	-	-	-	-	(1,278,520)	-	(1,278,520)
Accumulated depreciation	-	-	-	-	-	-	-	-	1,078,708	-	1,078,708
	-	-	-	-	-	-	-	-	(199,812)	-	(199,812)
Transferred to non current asset held for sale (Refer note 29)											
Cost / revaluation	(88,083,000)	(35,823,116)	(289,863,692)	(24,210,000)	(27,814,813)	-	-	-	-	-	(465,794,621)
Accumulated depreciation	-	6,337,116	14,648,692	11,760,000	5,564,813	-	-	-	-	-	38,310,621
	(88,083,000)	(29,486,000)	(275,215,000)	(12,450,000)	(22,250,000)	-	-	-	-	-	(427,484,000)
Transferred to investment property (Refer note 19)											
Cost/ Revaluation	(163,350,000)	(148,889,000)	-	-	-	-	-	-	-	-	(312,239,000)
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
	(163,350,000)	(148,889,000)	-	-	-	-	-	-	-	-	(312,239,000)
Depreciation charge	-	(79,063,394)	(63,801,896)	(12,297,736)	(9,291,801)	(824,636)	(495,943)	(1,265,467)	(1,014,309)	(2,043)	(168,057,225)
Closing net book value	2,813,639,000	1,802,182,000	3,319,428,000	225,381,000	147,600,000	7,421,720	4,463,491	11,389,206	3,984,487	18,387	8,335,507,291
At June 30, 2026											
Cost / revaluation	2,813,639,000	2,132,419,079	3,558,715,439	265,867,137	182,240,957	77,202,235	39,108,524	89,977,535	13,774,227	525,248	9,173,469,381
Accumulated depreciation	-	(330,237,079)	(239,287,439)	(40,486,137)	(34,640,957)	(69,780,515)	(34,645,033)	(78,588,329)	(9,789,740)	(506,861)	(837,962,090)
Net book value	2,813,639,000	1,802,182,000	3,319,428,000	225,381,000	147,600,000	7,421,720	4,463,491	11,389,206	3,984,487	18,387	8,335,507,291
Annual rate of depreciation (%)		4	Unit of production	25 Years	5	10	10	10	20	10	

	Note	2026 Rupees	2025 Rupees
18.1 Depreciation for the year has been allocated as under:			
Cost of goods manufactured	31.1	135,145,760	146,396,414
Administrative expenses	33	32,911,465	34,679,570
		168,057,225	181,075,984

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, 2026 and 2025 would have been as follows:

2026			
Description	**Cost**	**Accumulated depreciation**	**Written down value**
	---------Rupees ----------		
Freehold land	52,670,576	-	52,670,576
Building on freehold land	1,938,755,259	1,173,657,045	765,098,214
Plant and machinery	5,677,245,371	2,137,199,176	3,540,046,195
Electric installations	290,098,101	245,574,946	44,523,155
Generators	191,498,248	138,657,599	52,840,649
	8,150,267,555	3,695,088,766	4,455,178,789

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
	8,131,504,499	3,585,022,767	4,546,481,732

18.3 The forced sale value of revalued freehold land, building on freehold land, plant and machinery, electric installations and generators was Rs. 6,877,375,050/ - 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
Vehicles (Sold by negotiation)	689,520	494,691	194,829	600,000	405,171	None	Mr. Waqar Umar Sadaqat, House No. 141, Street No. 8, Tariqabad, Faisalabad.
	589,000	584,017	4,983	1,000,000	995,017	None	Mr. Arshad Ali, Kot Moman Road, Bhagatwala, Sabir Colony, Sargodha.
2026	1,278,520	1,078,708	199,812	1,600,000	1,400,188		

Description	Cost	Accumulated depreciation	Written down value	Sales 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		

19. Investment property

	Note	Freehold land	Building on freehold land	Total
		---------- Rupees ----------		
As at July 1, 2024				
Cost / Revaluation		234,651,713	368,566,607	603,218,320
Accumulated Depreciation		-	(111,484,680)	(111,484,680)
Net book value		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		-	(10,283,277)	(10,283,277)
		234,651,713	246,798,650	481,450,363
At July 01, 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
Year ended June 30, 2026				
Opening net book value		234,651,713	246,798,650	481,450,363
Transferred to non current asset held for sale (Refer note 29)				
Cost / revaluation		(98,880,000)	(79,137,000)	(178,017,000)
Accumulated depreciation		-	28,628,654	28,628,654
		(98,880,000)	(50,508,346)	(149,388,346)
Transferred from operating assets (Refer note 18)		163,350,000	148,889,000	312,239,000
Depreciation charge	33	-	(9,871,946)	(9,871,946)
		299,121,713	335,307,358	634,429,071
At June 30, 2026				
Cost / Revaluation		299,121,713	438,318,607	737,440,320
Accumulated Depreciation		-	(103,011,249)	(103,011,249)
		299,121,713	335,307,358	634,429,071
Annual rate of depreciation on building (%)			4%	

19.1 The fair value of investment property was Rs. 1,542.42 million as at June 30, 2026, valuation had been carried out by independent valuers M/S 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. 1,311.06 million as at June 30, 2026.

19.3 Detail of disposal of investment property:

- No investment property was disposed off during the years ended June 30, 2026 and June 30, 2025 respectively.

	2026 Rupees	2025 Rupees
20. Long term deposits		
Security deposits	13,418,150	13,418,150
21. Stores and spares		
Stores	142,402,631	111,350,861
Spares	3,731,724	3,597,939
	146,134,355	114,948,800

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

	Note	2026 Rupees	2025 Rupees
22. Stock in trade			
Raw material		82,586,037	30,165,692
Work in process		36,204,432	93,644,802
Finished goods		133,300,600	48,635,171
Waste		778,908	2,395,667
		252,869,977	174,841,332
23. Trade debts			
Considered good			
Unsecured			
Foreign		1,414,663	96,358,783
Local		155,323,826	126,736,284
		156,738,489	223,095,067
24. Loans and advances			
Considered good			
Loans to employees	24.1	11,528,932	13,583,384
Advances			
Suppliers / contractors		112,724,249	134,606,665
Income tax		15,922,268	20,432,484
		140,175,449	168,622,533

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

	2026 Rupees	2025 Rupees
25. Deposits and prepayments		
Deposits		
Guarantee / export margin	6,182,967	6,182,967
Prepayments		
Insurance	905,230	578,692
Levies	21,134,159	26,296,774
	28,222,356	33,058,433

	2026 Rupees	2025 Rupees
26. Other receivables		
Considered good		
Export rebate / duty drawback	4,650,535	13,424,516
Other	1,234,815	5,405,915
	5,885,350	18,830,431
27. Tax refunds due from government		
Income tax	60,752,392	36,243,629
Sales tax	9,437,706	16,586,645
	70,190,098	52,830,274
28. Cash and bank balances		
Cash in hand	24,934,123	3,459,009
Cash at banks		
In current accounts	159,557,918	53,244,995
	184,492,041	56,704,004

29. Non current assets held for sale

	Freehold land	Building on freehold land	Plant and machinery	Electric installations	Generators	Total
	----------Rupees----------					
Opening net book value	-	-	-	-	-	-
Transferred from Operating assets (Refer note 18)						
Cost / Revaluation	88,083,000	35,823,116	289,863,692	24,210,000	27,814,813	465,794,621
Accumulated depreciation	-	(6,337,116)	(14,648,692)	(11,760,000)	(5,564,813)	(38,310,621)
	88,083,000	29,486,000	275,215,000	12,450,000	22,250,000	427,484,000
Transferred from Investment property (Refer note 19)						
Cost / Revaluation	98,880,000	79,137,000	-	-	-	178,017,000
Accumulated depreciation	-	(28,628,654)	-	-	-	(28,628,654)
	98,880,000	50,508,346	-	-	-	149,388,346
	186,963,000	79,994,346	275,215,000	12,450,000	22,250,000	576,872,346

		2026 Rupees	2025 Rupees
30. Sales			
Export			
Fabrics / made ups / garments	30.1	631,704,867	1,212,253,422
Local			
Fabrics / made ups / garments	30.2	64,744,562	84,441,652
		696,449,429	1,296,695,074
Add: Export rebate / duty drawback		1,421,894	10,068,346
		697,871,323	1,306,763,420
Less:			
Commission		4,023,538	26,941,141
Discount		8,740,630	14,676,345
		(12,764,168)	(41,617,486)
Processing and conversion income	30.3	1,264,130,484	1,124,420,664
		1,949,237,639	2,389,566,598

30.1 It includes exchange gain of Rs.127,974/- (2025: exchange loss of Rs.835,596/-).

	Note	2026 Rupees	2025 Rupees
30.2 Local			
Fabrics / made ups / garments		78,092,480	110,741,149
Less: Sales tax		13,347,918	26,299,497
		64,744,562	84,441,652
30.3 Processing and conversion income			
Sales		1,491,673,971	1,326,816,384
Less: Sales tax		227,543,487	202,395,720
		1,264,130,484	1,124,420,664
31. Cost of sales			
Cost of goods manufactured	31.1	2,098,943,843	2,455,750,123
Finished goods			
Opening stock		48,635,171	62,725,567
Closing stock		(133,300,600)	(48,635,171)
		(84,665,429)	14,090,396
Cost of sales		2,014,278,414	2,469,840,519
31.1 Cost of goods manufactured			
Raw material consumed	31.1.1	534,251,354	671,842,784
Salaries, wages and benefits		254,113,861	341,780,224
Staff retirement benefits		15,048,826	18,062,052
Processing charges		18,901,926	57,466,856
Conversion charges		-	10,755,874
Stores and spares		76,093,326	79,374,387
Dyes and chemicals		404,522,123	354,674,706
Packing material		59,208,806	110,682,046
Repairs and maintenance		1,631,357	3,308,582
Fuel and power		520,668,061	564,099,662
Insurance		16,506,839	16,526,989
Depreciation	18.1	135,145,760	146,396,414
Others		5,411,234	4,855,428
		2,041,503,473	2,379,826,004
Work in process			
Opening stock		93,644,802	169,568,921
Closing stock		(36,204,432)	(93,644,802)
		57,440,370	75,924,119
		2,098,943,843	2,455,750,123
31.1.1 Raw material consumed			
Opening stock		30,165,692	18,645,973
Purchases including purchase expenses		586,671,699	683,362,503
		616,837,391	702,008,476
Closing stock		(82,586,037)	(30,165,692)
		534,251,354	671,842,784
32. Selling and distribution expenses			
Advertisement and publicity		728,850	1,164,321
Carriage and freight		9,206,272	81,577,473
Export clearing and forwarding		11,221,584	29,509,644
Export development surcharge		538,833	3,551,979
Other		6,239,577	5,895,858
		27,935,116	121,699,275

	Note	2026 Rupees	2025 Rupees
33. Administrative expenses			
Director's remuneration		14,900,000	14,900,000
Salaries and benefits		198,538,247	201,169,055
Staff retirement benefits		11,757,593	5,919,888
Utility expenses		14,149,312	20,327,970
Postage, telephone and telex		2,486,174	2,894,043
Vehicles running and maintenance		9,706,441	11,717,772
Travelling and conveyance		150,170	139,860
Printing and stationery		482,998	1,441,115
Entertainment		5,067,380	6,760,802
Fees and subscriptions		3,188,470	3,987,441
Legal and professional		1,885,000	3,566,680
Rent, rates and taxes		5,200,933	4,089,676
Auditors' remuneration	33.1	1,200,000	1,200,000
Repairs and maintenance		118,993	97,755
Depreciation of operating assets	18.1	32,911,465	34,679,570
Depreciation of investment property	19	9,871,946	10,283,277
Insurance		625,986	935,924
Others		170,320	185,060
		312,411,428	324,295,888
33.1 Auditors' remuneration			
Audit fee		900,000	900,000
Half yearly review		230,000	230,000
Out of pocket expenses		70,000	70,000
		1,200,000	1,200,000
34. Other income			
Income from assets other than financial assets:			
Sale of waste material		745,305	5,555,592
Rental income		44,447,120	26,073,506
Gain on disposal of operating assets		1,400,188	907,577
Balances written back - net		56,900,601	113,689,045
Fair value adjustment of deferred revenue		1,419,835	1,244,705
		104,913,049	147,470,425
35. Finance cost			
Interest / mark up on:			
Long term financing	44.5	161,973,364	167,964,404
Short term bank borrowings		19,865,038	34,603,943
Bank charges and commission		4,466,604	7,680,458
Fair value adjustment of loan from associates	10.2	1,419,835	1,244,705
		187,724,841	211,493,510
36. Levies			
Minimum tax differential	36.1	24,663,335	30,333,392

36.1 This represents portion of minimum tax paid under section 113 and 154 of the Income Tax Ordinance, 2001, representing levy in terms of requirements of IFRIC 21/IAS 37.

	2026 Rupees	2025 Rupees
37. Provision for taxation		
Current		
For the year	10,311,732	-
For prior year	(3,481,720)	2,269,021
	6,830,012	2,269,021

37.1 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:

	2026 Rupees	2025 Rupees
Current tax liability for the year as per applicable tax laws	34,975,067	30,333,392
Portion of current tax liability as per tax laws:		
representing income tax under IAS 12	(10,311,732)	-
representing levy in terms of requirements of IFRIC 21/IAS 37	(24,663,335)	(30,333,392)
Difference	-	-

37.1.1 The aggregate of minimum tax and normal tax amounting to Rs. 34,975,067/- (2025: minimum tax of Rs. 30,333,392/-) represents tax liability of the company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

	2026 Rupees
37.2 The relationship between tax expense and accounting loss	
(Loss) before taxation	(488,199,111)
Tax on accounting (loss)	
at the applicable tax rate of 29%	-
Tax on inadmissible expenses	-
Tax on admissible expenses	-
	-
Minimum tax - levy	24,663,335
Tax effect of :	
Rental income	12,889,665
Expenses admissible against rental income	(2,577,933)
Levies and income tax	34,975,067

		2026	2025
38. (Loss) per share- Basic and diluted			
(Loss) for the year after taxation	Rupees	(519,692,458)	(622,894,582)
Less: Dividend on preference shares		-	-
(Loss) attributable to ordinary shareholders	Rupees	(519,692,458)	(622,894,582)
Weighted average number of ordinary shares outstanding during the year	Numbers	115,000,000	115,000,000
Earnings per share- Basic and diluted	Rupees	(4.52)	(5.42)

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

39. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2026			2025		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees			Rupees		
Remuneration	3,400,000	6,700,000	33,412,072	4,000,000	6,100,000	52,511,867
House rent allowance	1,020,000	1,860,000	10,023,622	1,200,000	1,680,000	15,753,560
Medical allowance	340,000	620,000	3,341,207	400,000	560,000	5,251,187
Utility allowance	340,000	620,000	3,341,207	400,000	560,000	5,251,186
	5,100,000	9,800,000	50,118,108	6,000,000	8,900,000	78,767,800
Number of persons	1	3	25	1	3	34

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

40. 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 39. Other significant transaction with related parties are as under:

Name of the related party	Relationship	Transaction during the year	2026	2025
Muhammad Naeem	Director	Loan Obtained	153,671,000	-
Mian Muhammad Javed Iqbal	Director	Loan Obtained	5,000,000	18,700,000

	Note	2026 Rupees	2025 Rupees
41. SHARIAH COMPLIANCE STATUS DISCLOSURE			
Disclosures in relation to the statement of financial position - Liability			
Long term financing as per Islamic mode		-	-
Short term financing as per Islamic mode		-	-
Accrued mark-up on conventional loans	12 & 15	910,339,287	748,451,913
Disclosures in relation to the statement of financial position - Assets			
Bank balance that are Shariah compliant		-	-
Disclosures in relation to the statement of profit or loss			
1.Revenue earned from shariah compliant business segment	30	1,949,237,639	2,389,566,598
2. Source and detailed breakup of other income			
Earned from shariah compliant transactions			
Sale of waste material	34	745,305	5,555,592
Rental income	34	44,447,120	26,073,506
Gain on sale of operating assets	34	1,400,188	907,577
Earned from non-shariah compliant transactions			
Balances written back-net	34	56,900,601	113,689,045
Fair value adjustment of deferred revenue	34	1,419,835	1,244,705

Relationship with Shariah-compliant financial institutions

- **Takaful operator**

The company has obtained takaful policy from Askari Family Takaful and Dawood Family Takaful.

42. INSTALLED CAPACITY AND ACTUAL PRODUCTION

Textile segments	Unit	Rated capacity per annum		Actual production per annum	
		2026	**2025**	**2026**	**2025**
Weaving	Mtrs	10,200,000	10,200,000	-	-
Processing	Mtrs	81,000,000	81,000,000	22,106,154	22,141,683
Stitching - Garments	Pieces	1,326,000	1,326,000	14,967	134,491
Stitching - Madeups	Pieces	8,751,600	8,751,600	1,769,236	1,361,794

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.

43. NUMBER OF EMPLOYEES

	2026	2025
	------Numbers--------	
Total number of employees as at June 30,	770	723
Total number of factory employees as at June 30,	591	628
Average number of employees for the year	737	811
Average number of factory employees for the year	553	697

44. 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.

44.1 FINANCIAL INSTRUMENTS BY CATEGORIES

	2026 Rupees	2025 Rupees
Financial assets:		
Loans and receivables at amortised cost		
Long term deposits	13,418,150	13,418,150
Trade debts	156,738,489	223,095,067
Loans and advances	11,528,932	13,583,384
Deposits	6,182,967	6,182,967
Other receivables	1,234,815	5,405,915
Cash and bank balances	184,492,041	56,704,004
	373,595,394	318,389,487
Financial liabilities:		
Financial liabilities at amortised cost		
Long term financing	7,926,802,045	8,096,174,023
Unclaimed dividend	366,071	366,071
Trade and other payables	1,304,063,330	1,193,002,295
Deferred interest / markup	906,630,200	744,656,836
Interest / markup payable	3,709,087	3,795,077
Short term bank borrowings	154,500,000	182,200,000
	10,296,070,733	10,220,194,302

44.2 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:

44.2.1 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:

	2026 Rupees	2025 Rupees
Long term deposits	13,418,150	13,418,150
Trade debts	156,738,489	223,095,067
Loans and advances	11,528,932	13,583,384
Deposits and prepayments	6,182,967	6,182,967
Other receivables	1,234,815	5,405,915
Bank balances	159,557,918	53,244,995
	348,661,271	314,930,478

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:

	2026 Rupees	2025 Rupees
Not past due	119,283,809	207,500,627
Past due within one year	5,906,131	2,229,684
Past due over one year	31,548,549	13,364,756
	37,454,680	15,594,440
	156,738,489	223,095,067

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.

	2026 Rupees	2025 Rupees
The bank balances along with credit rating is as follows		
Credit Rating		
AAA	159,508,955	53,192,631
AA+	48,963	51,980
Others	-	384
	159,557,918	53,244,995

44.2.2 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, 2026 and 2025;

	2026					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	---------- Rupees ----------					
Financial liabilities:						
Long term financing	7,926,802,045	7,979,020,988	837,594,511	440,823,722	3,394,253,968	3,306,348,787
Deferred interest / markup	906,630,200	906,630,200	-	-	-	906,630,200
Trade and other payables	1,304,063,330	1,304,063,330	1,304,063,330	-	-	-
Unclaimed dividend	366,071	366,071	366,071	-	-	-
Short term bank borrowing	154,500,000	176,048,538	176,048,538	-	-	-
Interest / markup payable	3,709,087	3,709,087	3,709,087	-	-	-
	10,296,070,733	10,369,838,214	2,321,781,537	440,823,722	3,394,253,968	4,212,978,987

	2025					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	Two to five years	More than five years
	---------- Rupees ----------					
Financial liabilities:						
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 bank 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

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 bank 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 44.5) and are to be paid over the period of 14 years.

44.2.3 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. 1.69 million (2025: Rs. 2.33 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. 1.41 million (2025 : Rs. 96.36 million).

At June 30, 2026, 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. 70,733/- (2025: Rs. 4.82 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.

44.3 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.

44.4 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, 2026 and 2025 were as follows:

	Note	2026 Rupees	2025 Rupees
Total debt	10 & 16	8,081,302,045	8,278,374,023
Less: Cash and cash equivalents	28	(184,492,041)	(56,704,004)
Net debt		7,896,810,004	8,221,670,019
Total equity		(617,371,028)	(552,632,069)
Total capital employed		7,279,438,976	7,669,037,950
Gearing ratio		108.48%	107.21%

44.5 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:

(a) Mark-up accrued but not paid under each Lenders' financing agreements as per the rate of mark-up under such financing agreement until the date of default; and,

(b) (from the date of default under each financing agreement up to the Effective Date) mark-up equal to the cost of funds on the outstanding principal amount under each financing agreement at the rate of the cost of funds of the relevant Lender for each financing agreement.

44.6 Overdue Installments

On the reporting date, the installments of principals amounting to Rs. 456.77 million (2025: Rs. 45.87 million) were over due. These installments were not paid subsequently.

45. Date of Authorisation for Issue

The financial statements were authorised for issue on **05-11-2026** by the Board of Directors of the Company.

46. DIVIDEND FOR CUMULATIVE PREFERENCE SHARES

The dividend for cumulative preference shares amounting to Rs. 526.76 million (2025 : Rs. 503.71 million) will be accumulated and payable in the ensuing years when the sufficient amount of profit will be available for appropriation.

47. GENERAL

47.1 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

PATTERN OF HOLDING OF ORDINARY SHARES

HELD BY SHARES HOLDERS AS AT JUNE 30, 2026

Share Holders	From	To	Total Shares
294	1	100	9,818
542	101	500	234,179
321	501	1,000	297,914
519	1,001	5,000	1,489,693
202	5,001	10,000	1,643,576
73	10,001	15,000	936,582
47	15,001	20,000	868,054
39	20,001	25,000	913,914
25	25,001	30,000	706,850
21	30,001	35,000	680,223
14	35,001	40,000	549,501
8	40,001	45,000	335,429
14	45,001	50,000	684,117
3	50,001	55,000	163,000
9	55,001	60,000	516,139
7	60,001	65,000	441,940
5	65,001	70,000	339,586
5	70,001	75,000	365,541
4	75,001	80,000	311,194
7	80,001	90,000	579,785
10	90,001	100,000	974,654
1	100,001	110,000	103,000
6	110,001	125,000	689,995
8	125,001	150,000	1,161,036
10	150,001	175,000	1,645,627
5	175,001	200,000	978,746
2	200,001	250,000	471,000
5	300,001	400,000	1,845,468
1	400,001	500,000	500,000
1	700,001	800,000	765,088
1	850,001	900,000	873,603
1	1,400,001	1,450,000	1,410,000
1	1,600,001	1,650,000	1,647,296
1	1,900,001	2,000,000	2,000,000
1	2,300,001	2,400,000	2,331,257
2	2,500,001	3,000,000	5,338,545
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	6,593,857
1	7,000,001	7,500,000	7,288,101
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
2223			**115,000,000**

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

CATEGORIES OF SHAREHOLDERS

Categories of Shareholders		Number	Share held	Percentage
Directors, Chief Executive and their spouse, children				
Mian Muhammad Latif	Chief Executive Officer	1	13,681,483	11.90
Mian Muhammad Javed Iqbal	Chairman	1	11,876,483	10.33
Mr.Muhammad Naeem	Director	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	6,593,857	5.73
Mr. Muhammad Hashim	Director	1	500	0.00
Mr. Maqsood-ul-Hassan	Director	1	500	0.00
Mst.Shahnaz Latif	Spouse	1	7,288,101	6.34
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
Financial Institutions,Insurance Companies,Investment Companies, Joint Stock Companies ,Leasing Companies,Mutual Fund, Textile & etc.				
Investment Company		2	2,025,000	1.76
Joint Stock Companies		17	548,762	0.48
Textile		1	56	0.00
Individuals		2189	52,454,643	45.61
		2223	**115,000,000**	**100.00**

PATTERN OF HOLDING OF PREFERENCE SHARES

HELD BY SHARES HOLDERS AS AT JUNE 30, 2026

ShareHolders	From	To	Total Shares
150	1	100	3,976
645	101	500	308,072
117	501	1,000	110,717
247	1,001	5,000	734,073
102	5,001	10,000	832,663
63	10,001	15,000	804,119
28	15,001	20,000	511,972
27	20,001	25,000	628,019
25	25,001	30,000	695,418
10	30,001	35,000	334,346
9	35,001	40,000	343,004
1	40,001	45,000	44,527
15	45,001	50,000	746,746
6	50,001	55,000	316,813
9	55,001	60,000	521,298
5	60,001	65,000	311,838
2	65,001	70,000	133,125
6	70,001	80,000	459,408
7	80,001	90,000	585,144
8	90,001	100,000	795,486
18	100,001	150,000	2,152,619
14	150,001	200,000	2,527,597
3	200,001	250,000	690,889
5	250,001	300,000	1,345,972
14	400,001	600,000	6,832,266
4	600,001	800,000	2,876,537
3	800,001	1,000,000	2,800,000
1	1,000,001	1,100,000	1,000,033
1	1,300,001	1,400,000	1,367,500
1	1,400,001	1,500,000	1,429,999
1	2,300,001	2,400,000	2,355,000
1	3,000,001	3,500,000	3,043,824
3	9,995,001	10,000,000	30,000,000
1	12,355,001	12,360,000	12,357,000
1552			**80,000,000**

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

Sharesholder'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	8	2,103,031	2.63
Investment Companies	1	256,000	0.32
Textile	1	137	0.00
Individuals	1535	34,218,332	42.77
	1552	**80,000,000**	**100.00**

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 42nd Annual General Meeting of the Company to be held on November 26, 2026 and at any adjournment thereof.

Signed this _____ day of _____2026.

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



if not delivered return to:

- Nishatabad, Faisalabad – Pakistan
- Tel: +92 41 8754472-76
- Fax: +92 41 8752400
- Email: chenab@chenabgroup.com
- Web: www.chenabgroup.com