ANNUAL REPORT 2024

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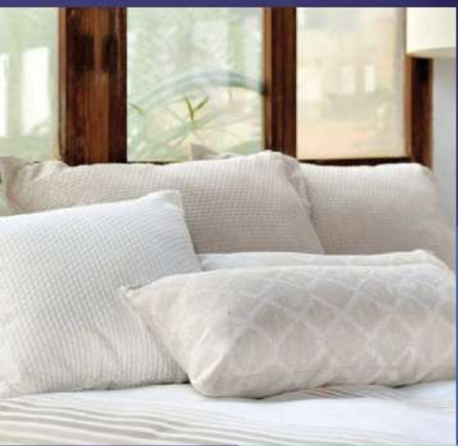

Chenab
LIMITED

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

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

Mrs. Sobia Chughtai (Nominee Director)

CHIEF FINANCIAL OFFICER
Mr. Sadaquat Hussain

COMPANY SECRETARY
Mr. Muhammad Arshad

LEGAL ADVISOR
Mian Masroor Akbar (Advocate)

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

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

WEBSITE

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

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

BANKS

Allied Bank Limited.
Askari Bank Limited.
Al Baraka Bank (Pakistan) Limited.
Bank Islami Limited.
Citibank, N.A.
Faysal Bank Limited.
First Credit & Investment Bank Limited.
First National Bank Modaraba.
First Punjab Modaraba.
Habib Bank Limited.
Habib Metropolitan Bank Limited.
MCB Bank Limited.
National Bank of Pakistan.
Orix Leasing (Pakistan) Limited.
Pak Oman Investment Company Limited.
Pak Kuwait Investment Company (Pvt.) Limited.
Pak Libya Holding Company (Pvt.) Limited.
Saudi Pak Industrial & Agricultural Investment Company (Pvt.) Ltd.
Silk Bank Limited.
Standard Chartered Bank (Pakistan) Limited.
The Bank of Punjab.
United Bank Limited.

AUDIT COMMITTEE

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

HUMAN RESORCE & REMUNERATION COMMITTEE

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

AUDITORS
RSM Avais Hyder Liaquat Nauman
Chartered Accountants.

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

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

I am pleased to present a report on the overall performance of the Board of Directors and effectiveness of the role played by the Board in achieving the Company's Objectives.

For the financial year ended on June 30, 2024, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvements are an ongoing process leading to action plans. The above overall assessment is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; preparing outlines for risk management and internal controls; monitoring the organization's business activities; monitoring financial resource planning; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's responsibility.

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

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

Mian Muhammad Latif
Chairman Board of Directors

Financial Highlights

	2024	2023	2022	2021	2020	2019
Operational Performance						
Sales	3,342,302,314	2,127,980,450	503,740,633	-	-	360,869,643
Cost of sales	(3,331,432,766)	(2,099,844,515)	(724,673,438)	-	-	(430,828,397)
Gross Profit / (loss)	10,869,548	28,135,935	(220,932,805)	-	-	(69,958,754)
Operating (loss)	(469,862,547)	(277,985,958)	(449,641,437)	(144,480,491)	(149,267,541)	(155,039,514)
(Loss) / profit before taxtion / levies	(290,004,310)	(383,551,685)	(443,306,317)	1,019,812,487	(81,248,670)	145,625,462
(Loss) / profit after taxtion / levies	(326,209,387)	(405,140,530)	(452,377,202)	999,742,641	(96,579,788)	141,364,554
Financial Position						
Property,Plant and equipments	9,076,879,986	9,168,196,248	9,615,704,320	9,651,578,837	9,729,874,102	10,717,044,490
Right-of-use assets	-	-	-	169,522,097	171,248,441	173,047,260
Investment property	491,733,640	502,445,387	559,975,280	873,060,285	889,195,976	-
Long term deposits	13,418,150	13,418,150	13,418,150	11,738,715	11,738,715	12,636,768
Fixed capital expenditure	9,582,031,776	9,684,059,785	10,189,097,750	10,705,899,934	10,802,057,234	10,902,728,518
Current assets						
Store,spare parts and loose tools	145,942,209	40,728,160	44,251,070	28,743,953	28,743,953	28,743,953
stocks in trade	252,453,190	208,919,421	77,600,081	230,000	230,000	230,000
Other current assets	856,854,174	567,646,411	364,045,877	95,648,347	139,577,791	138,395,255
Cash and cash equivalents	81,416,688	72,439,992	77,396,188	34,341,523	12,917,307	17,565,397
	1,336,666,261	889,733,984	563,293,216	158,963,823	181,469,051	184,934,605
Non current assets held for sale	-	551,695,602	147,942,743	-	-	-
Total assets	10,918,698,037	11,125,489,371	10,900,333,709	10,864,863,757	10,983,526,285	11,087,663,123
Current liabilities						
Short term bank borrowing	284,000,000	70,000,000	-	4,344,992,444	4,344,992,444	4,344,992,444
Currant portion of long term financing/lease liabilities	75,226,124	544,542,043	726,220,500	3,855,894,245	3,557,894,245	3,104,745,818
Other current liabilities	1,455,829,821	1,319,026,251	1,335,677,822	1,040,371,780	2,154,526,358	2,164,051,501
	1,815,055,945	1,933,568,294	2,061,898,322	9,241,258,469	10,057,413,047	9,613,789,763
Net working capital	9,103,642,092	9,191,921,077	8,838,435,387	1,623,605,288	926,113,238	1,473,873,360
Non-current liabilities	9,060,905,658	9,047,568,382	8,914,786,727	1,350,079,426	1,653,575,144	2,351,752,556
Shareholder's equity	42,736,434	144,352,695	(76,351,340)	273,525,862	(727,461,906)	(877,879,196)
Profitability analysis						
Gross profit / (loss) to sale (%)	0.33%	1%	-44%	-	-	-19%
Net (loss) / profit to sale (%)	-10%	-19%	-90%	-	-	39%
Return on Investment (%)	-3.40%	-4.18%	-4.44%	9%	-1%	1%
Return on equity (%)	-763%	-281%	592%	366%	13%	-16%
Earnings per share (Rupees)	-2.84	-3.52	-3.93	8.49	-0.84	1.23
Financial analysis						
Current ratio (time)	0.74	0.46	0.27	0.02	0.02	0.02
Total Debt to Total Assets	0.77	0.80	0.83	0.88	0.87	0.88
Total Debt to Fixed Assets	0.88	0.92	0.89	0.89	0.88	0.90

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 40th Annual General Meeting of the shareholders of the Company will be held at 11.30 A.M. on Friday the 27th December, 2024 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 April 15, 2024.

2. To consider and approve the Annual Audited Financial Statements of the company for the year ended June 30, 2024 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 2025 and fix their remuneration.

4. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

FAISALABAD
DECEMBER 03, 2024

(MUHAMMAD ARSHAD)
COMPANY SECRETARY

NOTES:

1. The Share Transfer Books of Ordinary Shares of the Company will remain closed from December 20, 2024 to December 27, 2024 (both days inclusive). Transfers received in order by Company's Registrar, M/s. F.D. Registrar Services (SMC-Pvt.) Ltd, Office No.1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi upto close of business hours on December 19, 2024 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 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 Computerized National Identity Cards for identification purpose.

5. The shareholders are requested to notify the company immediately the change in their address, if any.

DIRECTORS REPORT TO THE MEMBERS

The directors are pleased to place before you the report and audited accounts of the company for the year ended June 30, 2024. The Directors are further pleased to mention that despite economic and political instability the company has achieved a sales of over 3.00 billion for the first time since 2011.

REVENUE

Sales and services revenue of Rs.3.342 billion has been earned during the year as compared to Rs.2.128 billion achieved during the preceding year.

FINANCIAL RESULTS

The financial results for the year ended June 30, 2024, with comparative figures, are as follows which shows gross profit of Rs.10.9 million.

	2024 Rupees	2023 Rupees
Sales	3,342,302,314	2,127,980,450
Cost of sales	3,331,432,766	2,099,844,515
Gross profit	10,869,548	28,135,935
Operating expenses		
Selling and distribution expense	129,644,441	37,430,117
Administrative expenses	351,087,654	251,530,283
Other operating expenses	-	17,161,493
	480,732,095	306,121,893
Operating (Loss)	(469,862,547)	(277,985,958)
Other income	423,570,239	117,993,939
Finance cost	243,712,002	223,559,666
(Loss) for the year before income tax and minimum tax differential/Final tax	(290,004,310)	(383,551,685)
Levies	36,205,077	21,588,845
(Loss) for the before income tax	(326,209,387)	(405,140,530)
Provision for taxation	-	-
(Loss) for the year	(326,209,387)	(405,140,530)
Earnings per share- Basic& diluted	(2.84)	(3.52)

TO RATIFY BOARD'S RESOLUTION (S)

To ratify the Board's resolutions passed by the Directors by way of circulation under clause 78 of the Articles of Association of the Company since the holding of the last meeting i.e 21-03-2024.

FUTURE PROSPECTS

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

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

(I) ON GOING CONCERN

The Company managed to settle all its outstanding issues with its key financial institution and executed an agreement named Scheme of Arrangement (SoA). The same SoA is fully implemented. The Gap between current assets and current liabilities is also reduced significantly to Rs.478.390 million which last year was at 1,043.84 million Reference note1.3.

(a) Disposal of Non-Core Assets

The all non-core assets as defined in SoA have been disposed of to the tune of Rs.1.664 billion As per terms of SoA 75% of the sale proceeds of these non-core assets which become Rs.1.233 billion was used for the repayment of debt and remaining 25%, equal to Rs.411 million utilized to meet working capital requirements of the company.

(b) Settlement/rescheduling of loans/finances with lenders

The company has entered into SoA with its lenders and all its liabilities rescheduled for 14 years. (Reference Note No.10.)

(c) Additional Working Capital Facility

With the successful implementation all terms of the SoA. During the year the banks have also allowed/enhanced the export based working capital lines.

(d) Induction of fresh equity

From the date of approval of the SoA till now, the sponsors injected total of Rs.808.90 Million fresh capital as director’s loan. This has increased the operational viability of the company.

(II) EXPLANATION TO AUDITORS’ OBSERVATIONS

(a) Majority of the preference shareholders 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, 2024, including the information under the code of corporate governance for ordinary and non-voting cumulative preference shares, is annexed.

BOARD OF DIRECTORS

The Board remained suspended from 08-01-2019 to 29-10-2021 due to liquidation of the Company. Consequent upon Recalling of winding up order on 29-10-2021 new Board was elected u/s 159 (5) of the Companies Act 2017 for the period of three years commencing from January 28, 2022.

BOARD MEETING

I. Board meeting was held on 21-03-2024 for approval of Audited Accounts for the year ended June 30, 2023.
II. Due to arrears of work on account of liquidation of the company no quarterly / half yearly financial statements of the instant year were prepared hence requisite Board Meeting could not be held.

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 2025 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
DECEMBER 03, 2024

(MUHAMMAD FAISAL LATIF)
(DIRECTOR)

(MUHAMMAD NAEEM)
(CHIEF EXECUTIVE OFFICER)

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز۔

ڈائریکٹرز کو آپ کے سامنے 30 جون 2024ء کو ختم ہونے والے مالی سال کے لئے کمپنی کی رپورٹ اور آڈٹ شدہ اکاؤنٹس پیش کرنے میں خوشی محسوس کر رہے ہیں۔

ڈائریکٹرز یہ بتانے میں مزید خوشی محسوس کرتے ہیں کہ معاشی اور سیاسی عدم واستحکام کے باوجود ہماری کمپنی نے 2011 کے بعد پہلی مرتبہ 3 ارب روپے سے زیادہ سیلز حاصل کی ہے۔

ریونیو:۔

سیلز اور خدمات سے حاصل کردہ آمدنی اسی سال میں مبلغ 3.342 بلین روپے حاصل کی گئی ہیں۔ بمقابلہ 2.128 بلین آمدنی جو پچھلے سال میں حاصل کی گئی تھیں۔

مالیاتی نتائج:۔

تقابلی اعداد و شمار کے ساتھ 30 جون 2024ء کو ختم ہونے والے سال کے مالیاتی نتائج تقابلی اعداد و شمار کے ساتھ مندرجہ ذیل ہیں۔ جو 10.9 ملین روپے کا مجموعی منافع ظاہر کرتے ہیں۔

	2024ء/روپے	2023ء/روپے
سیلز	3,342,302,314	2,127,980,450
لاگت برائے سیلز	3,331,432,766	2,099,844,515
مجموعی فائدہ	10,869,548	28,135,935
آپریٹنگ اخراجات		
فروخت اور تقسیم اخراجات	129,644,441	37,430,117
انتظامی اخراجات	351,087,654	251,530,283
دیگر چلانے کے لئے اخراجات	---	17,161,493
	480,732,095	306,121,893
جاری نقصان	(469,862,547)	(277,985,958)
دیگر آمدنی	423,570,239	117,993,939
مالیاتی لاگت	243,712,002	223,559,666
ٹیکس سے پہلے سال کا نقصان		
انکم ٹیکس اور کم از کم ٹیکس میں فرق/فائنل ٹیکس	(290,004,310)	(383,551,685)
لیویز	36,205,077	21,588,845
انکم ٹیکس سے پہلے کا نقصان	(326,209,387)	(405,140,530)
ٹیکس لگانے کا انتظام	---	---
سال کا نقصان	(326,209,387)	(405,140,530)
بنیادی اور تحلیل شدہ فی حصہ آمدن	(2.84)	(3.52)

بورڈ کی قراردادوں کی توثیق:۔

گزشتہ میٹنگ 21-03-2024 کے انعقاد کے بعد کمپنی کے آرٹیکلز آف ایسوسی ایشن کی شق 78 کے تحت سرکولیشن کے ذریعے ڈائریکٹرز کی قرادادوں کی حاصل کردہ منظوری کی توثیق کرنا۔

مستقبل کا کیفیت نامہ:۔

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

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

(I)۔کمپنی کے جاری رہنے کے خدشات:۔

کمپنی اپنے اہم مالیاتی ادارے کیساتھ اپنے تمام بقایا مسائل کو حل کرنے میں کامیاب رہی اور SOA کے نام سے ایک معاہدے پر عمل درآمد کیا۔اسی SOA کو مکمل طور پر لاگو کیا گیا ہے۔موجودہ اثاثوں اور موجودہ واجبات کے درمیان فرق بھی نمایاں طور پر کم ہو کر 478.390 ملین روپے ہوگیا ہے۔جو گزشتہ سال 1043.84 ملین روپے تھا۔(ریفرنس نوٹ 1.3)۔

(a)۔غیر پیدواری اثاثوں کا بیچنا:۔

ایس اوا ے میں بیان کردہ تمام غیر بنیادی اثاثوں کو 1.664 بلین روپے میں نمٹا دیا گیا ہے ایس اوا ے کی شرائط کے مطابق ان غیر بنیادی اثاثوں کی فروخت سے حاصل ہونے والی رقم کا 75% جو کہ 1.233 بلین روپے بنتے ہیں ادائیگی کے لئے استعمال کیا گیا تھا قرض کا اور بقیہ 25% جو کہ کمپنی کے ورکنگ کیپٹل کی ضروریات کو پورا کرنے کے لئے استعمال کئے گئے 411 ملین روپے کے برابر ہے۔

(b)۔بینکوں کے ساتھ قرضوں کی ادائیگی اور انکو موخر کروانا:۔

قرض فراہم کرنے والوں کے ساتھ کمپنی نے ایک بندوبست کی گئی سکیم کا معاہدہ کیا ہے۔تاکہ اس کے واجبات 14 سال کے اندر ادا کئے جاسکیں۔بحوالہ نوٹ نمبر 10۔

(c)۔اضافی ورکنگ کیپٹل کی سہولت:۔

ایس اوا ے کی تمام شرائط کے کامیاب نفاذ کے ساتھ سال کے دوران بینکوں نے برآمد پر مبنی ورکنگ کیپٹل لائنوں کو بھی اجازت/بڑھادی ہے۔

(d)۔نئی سرمایہ کاری کا جمع کروانا:۔

ایس اوا ے کی منظوری کی تاریخ سے اب تک، اسپانسرز نے ڈائریکٹر کے قرض کے طور پر کل 808.90 ملین روپے کا تازہ سرمایہ لگایا ہے۔اس سے کمپنی کی آپریشنل قابل عملیت میں اضافہ ہوا ہے۔

(II)۔آڈیٹرز کے خدشات پر وضاحت:۔

(a)۔ترجیحی حصہ داران کی کثیر تعداد نے عام شیئرز میں تبدیل کرنے کی رضامندی دی ہے۔لیکن یہ معاملہ عدالتوں میں ہے(ریفرنس نوٹ 4.3)اس لیے حتمی فیصلہ تک ترجیحی شیئرز عام شیئرز میں تبدیل نہیں ہوسکتے اس لیے DILUTED EPS وضع نہیں کی جاسکتی۔

(b)۔انتظامیہ کا خیال ہے کہ آنے والے سالوں میں مکمل پروڈکشن حاصل ہونے تک ڈیفریڈ ٹیکس ایسٹ بننا شروع ہوجائیگا۔اور ڈیفریڈ ٹیکس کی ذمہ داری اس میں ایڈجسٹ ہوجائے گی۔

(c)۔کمپنی نے بیلنس کنفرمیشن کیلئے آڈیٹرز کے منتخب کردہ پارٹیز کو خطوط بھیجے ہیں، چونکہ کمپنی لمبے عرصہ تک غیر فعال رہی ہے،اس لیے کچھ پارٹیز نے ان خطوط پر کوئی جواب نہیں دیا،اور یہ معاملہ کمپنی کے دائرہ کار سے باہر ہے۔

(d)۔ادا کرنے والی رقوم کو مناسب طور پر دکھایا گیا ہے۔

(e)۔کمپنی پُر اُمید ہے کہ واجبات الوصول رقم مل جائیگی کمپنی انتظامیہ اس رقوم کی وصول کے لئے اقدامات کر رہی ہے اس لئے واجب الوصول رقوم میں ایڈجسٹمنٹ کی ضرورت نہیں ہے۔

کارپوریٹ سماجی ذمہ داریاں:۔

کمپنی بخوبی طور پر کارپوریٹ سماجی ذمہ داریوں سے آگاہ ہے۔جس کے تحت برابر کے ملازمت کے مواقع معذور ملازمین کو دے رہی ہے۔بشمول مالی امداد مستحق ملازمین کو بھی دے رہی ہے۔اس کے ساتھ ساتھ گورنمنٹ کے واجبات بھی ادا کر رہی ہے اور ماحول کی آلودگی اور انرجی کے استعمال میں بھی مشکلات حل کر رہی ہے۔

شیئر ہولڈنگ کا اندازہ:۔

شیئر ہولڈنگ کا اندازہ 30 جون 2024 پر بشمول معلومات کوڈ آف کارپوریٹ گورننس کے زیر تحت برائے عام اور غیر ووٹنگ کی مجموعی پرفارمنس منسلک ہے۔

بورڈ آف ڈائریکٹرز:۔

کمپنی کے زیر تحلیل ہونے کی وجہ سے بورڈ 08-01-2019 سے 29-10-2021 تک معطل رہا۔عدالت عالیہ کے کمپنی کے تحلیل ہونے کے حکم کی منسوخی 29-10-2021 کے بعد نیا بورڈ کمپنی ایکٹ 2017 کی شق (5)159 کے تحت تین سال کے لئے 28 جنوری 2022ء کو منتخب کیا گیا۔

بورڈ کے اجلاس:۔

(I)۔آڈٹ شدہ اکاؤنٹس برائے سال 30 جون 2023ء کی منظوری کے لئے مورخہ 21-03-2024 کو بورڈ میٹنگ منعقد ہوئی۔

(II)۔کمپنی کے زیر تحلیل ہونے کی وجہ سے اس سال میں کوئی سہ ماہی، ششماہی حسابات نہ بن سکے لہذا بورڈ میٹنگ منعقد نہ ہو سکی۔

کوڈ آف کارپوریٹ گورننس:۔

کوڈ آف کارپوریٹ گورننس کی تکمیل کی سٹیٹمنٹ منسلک ہے۔

آڈیٹرز:۔

بیرونی آڈیٹرز میسرز،آر۔ایس۔ایم اویس حیدر لیاقت نعمان چارٹرڈ اکاؤنٹنٹس فیصل آباد ریٹائر ہو رہے ہیں اور اہل ہونے کی وجہ سے دوبارہ تقرری کی پیشکش کرتے ہیں،آڈٹ کمیٹی اور بورڈ نے اگلے مالی سال 2025ء کے لئے کمپنی کے بیرونی آڈیٹرز کے طور پر ان کی دوبارہ تقرری کی اور ان کے معاوضے طے کرنے کی بھی سفارش کی ہے۔

تسلیم و تحسین:۔

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

(حسب الحکم بورڈ آف ڈائریکٹر)

فیصل آباد:۔03 دسمبر 2024ء

محمد نعیم
(چیف ایگزیکٹو آفیسر)

محمد فیصل لطیف
(ڈائریکٹر)

RSM

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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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, 2024 in accordance with the requirements of regulations 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 the recommendations 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, 2024.

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RSM

Further, we highlight below instances of non compliance with the requirement of Regulations as reflected in the paragraphs referred below where it is stated in the Statement of compliance:

Paragraph(s):	
19	Section 10(A) of the regulations state that the Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee. However, during the course of review it was observed no such committee was constituted.
19	Section 19 of the regulations state that it is encourged that by June 30, 2024 all the directors on the Board have acquired the prescribed certification under any director training program offered by instituations, local or foreign, that meet the criteria specified by the commision and approved by it. However, during the course of review it was observed that five directors have not attended the training program.
19	Section 29 of the regulations state that the Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. However, during the course of review it was observed no such committee was constituted.
19	Section 30 of the regulations state that the board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. However, during the course of review it was observed no such committee was constituted.
19	Section 35 of the regulations state that the company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024. However, during the course of review it was observed no such policies were posted on the company's website.

Rsm Avais Hyder Liaquat Nauman

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad
Date: 03-12-2024

UDIN: CR202410194gVn8H7Kcf

STATEMENT OF COMPLIANCE

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

Name of Company: Chenab Limited
Year ended: June 30, 2024

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 Faisal Latif

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

1	Mr. Tariq Ayub Khan	2	Mr. Maqsood ul Hassan
3	Mr. Muhammad Hashim	4	Mr. Muhammad Salman Javed
5	Mrs. Sobia Chughtai.		

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. Maqsood ul 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 (if applicable);

S.No.	Requirement	Explanation for Non-compliance	Reg. No.
1	**Role of the Board and its members to address sustainability risk and opportunities.** The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee.	At present the Board provides governance and oversight in relation to Company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by SECP through notification dated June 12, 2024, will be complied with in due course.	10(A)
2	**Nomination Committee** The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in it circumstances.	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.	29(1)
3	**Risk Management Committee:** The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently the board has not constituted a RMC and the Company's Risk Manager performs the requisite functions and apprises the board accordingly.	30(1)
4	**Directors, Training** A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director on the Board.	The Directors are under the process of obtaining requisite training.	19(2)
5	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (1)/2024 dated 12 June 2024.	As per the regulations, the Company has disclosed key elements of its significant policies and intends to add the gist of its policy on diversity, equity and inclusion and protection against harassment at the workplace.	35(1)

For and on behalf of
BOARD OF DIRECTORS

(MUHAMMAD NAEEM)
(CHIEF EXECUTIVE OFFICER)

(MUHAMMAD FAISAL LATIF)
(DIRECTOR)

RSM

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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, 2024, 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, 2024 and of the loss, other comprehensive loss, 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. 784.93 million (2023: Rs. 29.22 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. 784.93 million (2023: Rs. 29.22 million) and accumulated loss by Rs. 784.93 million (2023: Rs. 29.22 million);

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c) ‘Trade creditors’ of Rs. 242.58 million (2023: Rs. 286.51 million) million and ‘Contract liabilities’ of Rs. 6.79 million (2023: Rs. 9.07 million) under head “Trade and other payables” include old outstanding balances. We could not verify the liability through direct confirmations or by applying alternate audit procedures. The effect of adjustments, had the liability been verified, could not be determined;

d) Security deposit includes an amount of Rs. 8.35 million (2023: Rs. 12.82 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. 19.15 million (2023: Rs. 12.94 million) and Advances to suppliers of Rs. 26.49 million (2023: Rs. 17.79 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 45.64 million (2023: Rs. 30.37 million) and accumulated loss by Rs. 45.64 million (2023: Rs. 30.37 million).

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

Material Uncertainty relating to Going Concern

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

Key Audit Matters

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

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

Key Audit Matter	**How our audit addressed the key audit matter**
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.

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.

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

(b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Rsm Avais Hyder Liaquat Nauman

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Place: Faisalabad
Date: 03-12-2024

UDIN: AR2024101942t5nwa1zB

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
120,000,000 (2023: 120,000,000) ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
80,000,000 (2023: 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 (2023: 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	1,053,213,086	826,713,086
Surplus on revaluation of property, plant and equipment	7	4,881,532,753	5,167,585,126
Capital reserves	8	526,409,752	526,409,752
Revenue reserves	9	(8,068,419,157)	(8,026,355,269)
		42,736,434	144,352,695
NON-CURRENT LIABILITIES			
Long term financing	10	8,079,014,160	8,280,042,027
Deferred revenue	11	54,883,483	55,974,659
Deferred interest / markup	12	576,692,432	387,535,503
Liabilities against redemption of preference shares	5	300,000,000	300,000,000
Deferred liabilities	13	50,315,583	24,016,193
		9,060,905,658	9,047,568,382
CURRENT LIABILITIES			
Trade and other payables	14	1,448,751,213	1,317,677,698
Unclaimed dividend		366,071	366,071
Interest / markup payable	15	6,712,537	982,482
Short term bank borrowings	16	284,000,000	70,000,000
Current portion of :			
Long term financing	10	75,226,124	544,542,043
Provision for taxation - income tax	38	-	-
		1,815,055,945	1,933,568,294
CONTINGENCIES AND COMMITMENTS	17	-	-
		10,918,698,037	**11,125,489,371**

The annexed notes from 1 to 48 form an integral part of these financial statements.

	Note	2024 Rupees	2023 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating assets	18	9,076,879,986	9,168,196,248
Investment property	19	491,733,640	502,445,387
Long term deposits	20	13,418,150	13,418,150
		9,582,031,776	9,684,059,785
CURRENT ASSETS			
Stores and spares	21	145,942,209	40,728,160
Stock in trade	22	252,453,190	208,919,421
Trade debts	23	523,146,574	259,545,418
Loans and advances	24	203,374,310	113,654,241
Deposits and prepayments	25	38,263,514	33,449,777
Other receivables	26	12,993,174	7,618,260
Tax refunds due from Government	27	79,076,602	153,378,715
Cash and bank balances	28	81,416,688	72,439,992
		1,336,666,261	889,733,984
Non current assets held for sale	29	-	551,695,602
		10,918,698,037	**11,125,489,371**

(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FAISAL LATIF)
DIRECTOR

(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024 Rupees	2023 Rupees (Restated)
Sales	30	3,342,302,314	2,127,980,450
Cost of sales	31	3,331,432,766	2,099,844,515
Gross profit		10,869,548	28,135,935
Operating Expenses			
Selling and distribution expenses	32	129,644,441	37,430,117
Administrative expenses	33	351,087,654	251,530,283
Other operating expenses	34	-	17,161,493
		480,732,095	306,121,893
Operating (Loss)		(469,862,547)	(277,985,958)
Other income	35	423,570,239	117,993,939
Finance cost	36	243,712,002	223,559,666
(Loss) for the year before income tax and minimum tax differential / Final tax		(290,004,310)	(383,551,685)
Levies	37	36,205,077	21,588,845
(Loss) for the year before income tax		(326,209,387)	(405,140,530)
Provision for taxation	38	-	-
(Loss) for the year		(326,209,387)	(405,140,530)
Earnings per share - Basic and diluted	39	(2.84)	(3.52)

The annexed notes from 1 to 48 form an integral part of these financial statements.

(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FAISAL LATIF)
DIRECTOR

(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
(Loss) for the year	(326,209,387)	(405,140,530)
Other comprehensive (loss) / income for the year		
Items that will not be subsequently reclassified to profit or loss:		
Surplus on revaluation of property, plant and equipment arisen during the year- net	-	446,451,036
Remesurement of defined benefit liability	(1,906,874)	(506,471)
	(1,906,874)	445,944,565
Total comprehensive (loss) / income for the year	(328,116,261)	40,804,035

The annexed notes from 1 to 48 form an integral part of these financial statements.

(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FAISAL LATIF)
DIRECTOR

(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

	2024 Rupees	2023 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) for the year before levies and income tax	(290,004,310)	(383,551,685)
Adjustments for:		
Depreciation of operating assets	189,098,770	174,207,462
Depreciation of investment property	10,711,747	12,006,737
Provision for staff retirement gratuity	30,043,326	13,316,140
(Gain) on disposal of operating assets	(3,632,200)	(20,631,500)
(Gain) on disposal of investment property	-	(21,476,844)
(Gain) / loss on disposal of non current assets held for sale	(248,304,398)	17,161,493
Finance cost	243,712,002	223,559,666
Balances written back - net	(123,125,581)	-
Fair value adjustment of deferred revenue	(1,091,176)	(956,585)
Operating cash flows before working capital changes	(192,591,820)	13,634,884
Changes in working capital		
(Increase) / Decrease in current assets		
Stores, spares and loose tools	(105,214,049)	3,522,910
Stock in trade	(43,533,769)	(131,319,340)
Trade debts	(263,601,157)	(152,685,732)
Loans and advances	(98,149,701)	5,008,538
Deposits and prepayments	733,775	(25,046)
Other receivables	(5,374,914)	57,088,648
Tax refunds due from Government	58,841,188	(80,345,639)
	(456,298,627)	(298,755,661)
Increase in current liabilities		
Trade and other payables	323,494,221	83,078,352
	(132,804,406)	(215,677,309)
Cash (used in) operations	(325,396,226)	(202,042,425)
Income tax paid	(64,931,869)	(32,641,301)
Finance cost paid	(47,733,842)	(13,242,889)
Staff retirement gratuity paid	(5,650,810)	-
Net cash (used in) operating activities	(443,712,747)	(247,926,615)
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in operating assets	(97,843,196)	(72,874,956)
Proceeds from disposal of operating assets	1,467,600	261,562,500
Proceeds from disposal of investment property	-	55,480,000
Proceed from disposal of non current assets held for sale	780,000,000	-
Advance against sale of non core assets	-	20,000,000
Net cash generated from investing activities	683,624,404	264,167,544

	2024 Rupees	2023 Rupees
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of loan from directors	226,500,000	179,900,000
Repayment of :		
Long term financing	(686,261,961)	(271,097,125)
Long term loan obtained	14,827,000	-
Increase in short term bank borrowings	214,000,000	70,000,000
Net cash (used in) financing activities	(230,934,961)	(21,197,125)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	8,976,696	(4,956,196)
Cash and cash equivalents at the beginning of the year	72,439,992	77,396,188
Cash and cash equivalents at the end of the year	81,416,688	72,439,992

The annexed notes from 1 to 48 form an integral part of these financial statements.

(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FAISAL LATIF)
DIRECTOR

(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

	Issued, subscribed and paid up capital	Cumulative preference shares	Director's Loan	Surplus on revaluation of property, plant and equipment	Capital reserves				Revenue reserves			Total
					Premium on issue of ordinary shares	Book difference of capital under scheme of arrangement for amalgamation	Preference shares redemption reserve	Sub total	General reserve	Accumulated (loss)	Sub total	
	Rupees											
Balance as at July 01, 2022	1,150,000,000	500,000,000	646,813,086	5,359,624,416	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,335,631,428)	(8,259,198,594)	(76,351,340)
Total comprehensive (loss) for the year												
(Loss) for the year	-	-	-	-	-	-	-	-	-	(405,140,530)	(405,140,530)	(405,140,530)
Other comprehensive income												
Items that may be subsequently reclassified to profit or loss:	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property plant and equipment arisen during the year - net	-	-	-	446,451,036	-	-	-	-	-	-	-	446,451,036
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	(506,471)	(506,471)	(506,471)
	-	-	-	446,451,036	-	-	-	-	-	(405,647,001)	(405,647,001)	40,804,035
Incremental depreciation on revalued assets for the year	-	-	-	(77,585,870)	-	-	-	-	-	77,585,870	77,585,870	-
Surplus realised on disposal of property, plant and equipment				(560,904,456)						560,904,456	560,904,456	-
Transaction with owner												
Loan from director	-	-	179,900,000	-	-	-	-	-	-	-	-	179,900,000
Balance as at June 30, 2023	1,150,000,000	500,000,000	826,713,086	5,167,585,126	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,102,788,103)	(8,026,355,269)	144,352,695
Total comprehensive income for the year												
(Loss) for the year	-	-	-	-	-	-	-	-	-	(326,209,387)	(326,209,387)	(326,209,387)
Other comprehensive loss												
Items that may be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	(1,906,874)	(1,906,874)	(1,906,874)
	-	-	-	-	-	-	-	-	-	(328,116,261)	(328,116,261)	(328,116,261)
Incremental depreciation on revalued assets for the year	-	-	-	(64,370,133)	-	-	-	-	-	64,370,133	64,370,133	-
Surplus realised on disposal of property, plant and equipment	-	-	-	(221,682,240)	-	-	-	-	-	221,682,240	221,682,240	-
Transaction with owner												
Loan from director	-	-	226,500,000	-	-	-	-	-	-	-	-	226,500,000
Balance as at June 30, 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**
(Refer Note)			6									

The annexed notes from 1 to 48 form an integral part of these financial statements.

(MUHAMMAD NAEEM)
CHIEF EXECUTIVE OFFICER

(MUHAMMAD FAISAL LATIF)
DIRECTOR

(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024.

1 GENERAL INFORMATION

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

Description	Location	Address
Registered/Head Office	Faisalabad	Nishatabad, Faisalabad.
Weaving Unit	Nankana Sahib	7 K.M Main Faisalabad Lahore Road, Kotla Kalo Shahkot, Nankana Sahib.
Processing & Stitching Units	Faisalabad	Main Faisalabad Lahore Road, Nishatabad, Faisalabad.
Stitching Unit	Faisalabad	Jhumra road Gatti, Faisalabad.

1.2 Pursuant to schemes of arrangement approved by the Honorable Lahore High Court, Lahore, assets, liabilities and reserves of Faisal Weaving (Private) Limited, Latif Weaving (Private) Limited and Chenab Finishing (Private) Limited were merged with the Company with effect from December 31, 1998 and assets, liabilities and reserves of Chenab Fibers Limited were merged with the Company with effect from April 01, 2003.

1.3 As at June 30, 2024 the accumulated loss of the Company is Rs. 8,144.85 million and the current liabilities exceed its current assets by Rs. 478.39 million. The Company has not redeemed preference shares on exercise of put options for three consecutive years by holders of preference shares due to tight cash flow situation. The Company has not been able to comply with terms of certain loan agreements. The Company was wound up by the order of Honorable Lahore High Court dated July 13, 2017 due to application filed by one of the creditor because of breach of debt covenants. The Company preferred an appeal before the Honorable Supreme Court against this order but leave of appeal was not granted and dismissed vide order dated January 08, 2019 and official liquidator was appointed under the winding up order. SECP has initiated proceedings for investigations under 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.

The sponsors of the Company filed a Scheme of Arrangement before Lahore High Court Lahore on January 20, 2021 u/s 279 to 283 and 285(8) of Companies Act, 2017 for reversal of winding up order whereupon a meeting was held on February 22, 2021 by the Share holders and Secured creditors of the company under the Chairmanship of lawyers duly appointed by the Honorable Lahore High Court Lahore. 100% contributories/shareholders and 90.40% Secured Creditors approved the said scheme of arrangement. Which was approved by the Court on September 14, 2021 and the Court issued Reversal of winding up order dated October 29, 2021 and Company was handed over to the management.

According to the Scheme of Arrangement the breakup of Principal Debt owed to each of the Lenders individually is bifurcated in the Tier 1 Debt consisting of Rs. 4,737,486,364/- and Tier 2 debt of Rs. 4,737,486,364/- aggregated to Rs. 9,474,972,728/-. Tier 1 debt shall be repaid in seven and half (7.5) years from the effective Date. The Tier 2 debt shall be repaid in six and a half (6.5) years from the earlier of (i) the date on which the Tier 1 Debt is repaid, and (ii) the date by which Tier 1 Debt is required to be repaid as per repayment schedule agreed under scheme of arrangement. There is slight updation in the repayment schedule described in note 10.1.1 of the financial statements.

The Company shall pay the Principal Debt and Mark-Up to the Agent Bank and the Agent Bank shall pay each lenders it's pro-rata share of such repayments.

Due to approval of scheme of arrangement by the lenders/financial institutions the management is confident that it's implementation will result in improvement in the financial and operational condition of the Company are discussed below:

(a) Disposal of non-core assets

The management was committed to dispose off non core assets, within the grace period of one year from the effective date on which scheme of arrangement was approved. Disposal proceeds of non core assets of Rs. 1.4 Billion will result in payment of loan amounts as well as injection in the working capital of the company for carrying out it's operations. The company has disposed off all of its non core assets required as per scheme of arrangement at a consideration of Rs. 1.6 Billion.

(b) Settlement / rescheduling of loans / finances with lenders

As per scheme of arrangement lenders/financial institutions payment of principal is rescheduled over the course of 14 years from the effective date. This will improve the financial health and also settle all the disputes with the lenders/financial institutions.

(c) Additional Working Capital facility

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

(d) Induction of fresh equity

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

The above mentioned steps will help to overcome the financial and operational problems of the Company. Considering management's plans and adherence to facilities approved under the arrangement as discussed in para (a) to (d) above, management is confident that the Company will be able to continue as a going concern.

1.4 These financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

1.5 All the significant transactions and events that have affected the company's financial position and performance during the year have been appropriately disclosed in respective notes.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

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

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2023 and therefore, have been applied in preparing these financial statements.

- **Amendments to IAS1 - Disclosure of Accounting Policies**

IAS 1 is amended to change the requirements with regard to disclosure of accounting policies. The amendments replace the term 'significant accounting policies' with 'material accounting policies'.

Accounting information is material, if when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The IAASB has also developed guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments may require to disclose policy information relating to material transactions.

- **Amendments to IAS1 - Disclosure of Accounting Policies**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

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

- **Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

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

- **IAS 12 Application Guidance on Accounting for Minimum taxes and final tax**

The Institute of Chartered Accountants of Pakistan has developed application guidance on accounting for Minimum taxes and final taxes. The guidance is made in the context of provisions of Income Tax Ordinance, 2001 to be applied by entities obligated to use accounting and reporting standards as applicable in Pakistan other than those entities which apply AFRS for SSEs.

The purpose of the guidance is to provide guidelines on accounting of minimum tax and final taxes under the requirements of relevant IFRS Accounting Standards and provide appropriate approaches to account for minimum taxes and final taxes in compliance with the requirements of IFRS Accounting Standards.

The subject matter of TR-27 is adequately covered in the guidance, the Council of the Institute, accordingly has withdrawn TR-27.

The impact on accounting of minimum taxes, final tax and normal tax under the tax laws in the financial statements is disclosed in Note 3.22.

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, 2023 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, 2024 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 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

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

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

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

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

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

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

The amendments are effective for the annual periods beginning on or after January 01, 2024.

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

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

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

The amendments are effective for the annual periods beginning on or after January 01, 2024.

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

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

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

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

The amendments are effective for the annual periods beginning on or after January 01, 2024.

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

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

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

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

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

a) Recognizes and measures in its financial statements, assets, liabilities, income and expense; and

b) Discloses information

The amendments are effective for the annual periods beginning on or after January 01, 2024.

The amendments are not expected to have any material impact on the company's 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 are effective for the annual periods beginning on or after January 01, 2025.

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

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

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

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

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

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

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

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

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

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

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

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

  IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes.
  IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

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

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

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

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

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

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

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

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

2.3 Basis of measurement

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

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

3. MATERIAL ACCUNTING 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 calcualted on taxable income using the notified rate of taxation after taking into account tax credits and rebates available, if any is recognized as "current income tax expense".

Levies

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

Deferred

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

3.6 Dividend and other appropriations

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

3.7 Property, plant and equipment

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

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

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

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

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

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

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

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

3.8 Borrowing costs

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

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

3.9 Impairment

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

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

3.10 Investment property

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

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

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

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

3.11 Stores and spares

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

3.12 Stock in trade

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

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

Wastes are valued at net realisable value.

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

3.13 Trade debts and other receivables

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

3.14 Cash and cash equivalents

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

3.15 Foreign currency translation

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

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

3.16 Financial instruments

3.16.1 Financial assets

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

- Financial assets at amortised cost

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

- Financial assets at fair value through other comprehensive 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.

3.22 Change in accounting policy of Taxation

During the year the Institute of Chartered Accountants of Pakistan (ICAP) has withdrawn the Technical Release 27 regarding treatment of final taxes and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of minimum tax and final tax to be classified separately as a levy instead of current tax expense.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirements of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the statement of changes in equity, the statement of cash flows and earning per share as a result of this change.

The effect of the change in accounting policy is summarised below:

	For the year ended June 30, 2024			For the year ended June 30, 2023		
	As previously reported	**Impact of change in accounting policy**	**Re-statement**	**As previously reported**	**Impact of change in accounting policy**	**Re-statement**
Effect on statement of financial position						
Trade and other payables	1,412,546,136	36,205,077	1,448,751,213	1,235,664,142	82,013,556	1,317,677,698
Provision for taxation	36,205,077	(36,205,077)	-	82,013,556	(82,013,556)	-
Advance income tax	64,931,868	(31,285,916)	33,645,952	66,552,631	(24,477,046)	42,075,585
Prepaid levies	-	31,285,916	31,285,916	-	24,477,046	24,477,046
Effect on statement of profit or loss						
Profit before income tax	(290,004,310)	(36,205,077)	(326,209,387)	(383,551,685)	(21,588,845)	(405,140,530)
Levies	-	36,205,077	36,205,077	-	21,588,845	21,588,845
Income tax expense	36,205,077	(36,205,077)	-	21,588,845	(21,588,845)	-

4. Issued, subscribed and paid up capital

2024	2023		2024	2023
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

2024	2023		2024	2023
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.

	2024 Rupees	2023 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.

	2024 Rupees	2023 Rupees
6. DIRECTORS' LOAN	1,053,213,086	826,713,086

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.

	2024 Rupees	2023 Rupees
7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Opening balance	5,167,585,126	5,359,624,416
Surplus arisen on revaluation carried out during the year- on land	-	834,030,778
(Deficit) arisen on revaluation carried out during the year- on other assets	-	(387,579,742)
	-	446,451,036
Transferred to accumulated loss in respect of		
Surplus realised on disposal	(221,682,240)	(560,904,456)
Incremental depreciation on revalued assets for the year	(64,370,133)	(77,585,870)
	(286,052,373)	(638,490,326)
	4,881,532,753	5,167,585,126

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

	Note	2024 Rupees	2023 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	2024 Rupees	2023 Rupees
9. Revenue reserves			
General reserve		76,432,834	76,432,834
(Accumulated loss)			
Opening balance		(8,102,788,103)	(8,335,631,428)
Total comprehensive (loss) for the year		(328,116,261)	(405,647,001)
Surplus realized on disposal of property, pant and equipment		221,682,240	560,904,456
Incremental depreciation on revalued assets		64,370,133	77,585,870
		(8,144,851,991)	(8,102,788,103)
		(8,068,419,157)	(8,026,355,269)
10. Long term financing			
Under markup agreements			
From banking companies / financial institutions			
Secured			
Tier - I debt		4,079,342,364	4,350,439,489
Addition	10.1.1	7,413,500	-
Paid during the year		(686,261,961)	(271,097,125)
	10.1	3,400,493,903	4,079,342,364
Tier - II Debt		4,737,486,364	4,737,486,364
Addition	10.1.1	7,413,500	-
	10.1	4,744,899,864	4,737,486,364
		8,145,393,767	8,816,828,728
Less : Current portion			
Installments over due		4,288,235	457,342,043
Payable within one year		70,937,889	87,200,000
		75,226,124	544,542,043
		8,070,167,643	8,272,286,685
Associates	10.2	8,846,517	7,755,342
		8,079,014,160	8,280,042,027

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

Effective markup rate charged during the year is 5% per annum. (2023: 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 the loan repayment schedule agreed under the scheme of arrangement has been revised / updated due to following reason;

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

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

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

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

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

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

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

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

Principal Amount	No. of Installment	Installment Amount	Starting from	Ending on	Markup rate
4,288,235	1	4,288,235	30-Jun-24	30-Jun-24	5%
70,937,889	1	70,937,889	30-Jun-25	30-Jun-25	5%
230,823,722	2	115,411,861	30-Sep-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%
3,400,493,903	18				

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

Principal Amount	No. of Installment	Installment Amount	Commencing from	Ending on	Markup rate
300,570,269	2	150,285,135	30-Sep-29	31-Dec-29	3% on initial Tier-II debt (conditional) 5% on subsequent Tier-II debt
2,403,421,615	12	200,285,135	31-Mar-30	31-Dec-32	
1,928,136,481	11	175,285,135	31-Mar-33	30-Sep-35	
112,771,499	1	112,771,499	31-Dec-35	31-Dec-35	
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. 8.85 million (2023: 7.76 million). The difference of Rs. 54.88 million (2023: 55.97 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	2024 Rupees	2023 Rupees
11. Deferred Revenue			
Opening balance		55,974,659	56,931,244
Fair value adjustment of deferred revenue charged to statement of profit or loss	35	(1,091,176)	(956,585)
		54,883,483	55,974,659
12. Deferred interest / markup			
Mark up on Tier-I debt	44.5	576,692,432	387,535,503
13. Deferred liabilities			
Staff retirement gratuity	13.1	50,315,583	24,016,193
Deferred taxation	13.2	-	-
		50,315,583	24,016,193

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, 2024.

	Note	2024 Rupees	2023 Rupees
13.1.2 Balance sheet reconciliation as at June 30,			
Present value of defined benefit obligation		50,315,583	24,016,193
13.1.3 Movement in net liability recognized			
Opening balance		24,016,193	10,193,582
Charge for the year	13.1.4	30,043,326	13,316,140
Paid / adjusted during the year		(5,650,810)	-
Benefits payable		-	-
Remeasurement (loss) of obligation		1,906,874	506,471
Balance at June 30,		50,315,583	24,016,193
13.1.4 Charge for the year			
Service cost		26,705,767	11,914,532
Interest cost		3,337,559	1,401,608
		30,043,326	13,316,140
13.1.5 Principal actuarial assumptions			
Discount factor used		14.00% Per annum	15.75% Per annum
Expected rate of increase in salaries		14.00% Per annum	15.75% 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:

	2024 Rupees	2023 Rupees
Current liability	50,315,583	24,016,202
+1% Discount rate	44,032,446	21,003,429
-1% Discount rate	58,029,109	27,695,267
+1% Salary increase rate	57,954,776	27,660,438
-1% Salary increase rate	43,982,236	20,979,659

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.

13.2 Deferred taxation

13.2.1 It comprises of the followings:

	Note	2024 Rupees	2023 Rupees
Deferred tax liability :			
Difference in tax and accounting bases of property, plant and equipment		1,668,620,857	828,913,902
Deferred tax assets :			
Unadjusted tax losses		(853,819,796)	(796,515,047)
Staff retirement gratuity		(14,591,519)	(3,174,378)
Tax credits		(15,283,154)	-
Unrecognised Deferred Tax Liability		784,926,388	29,224,477
		-	-

14. Trade and other payables

	Note	2024 Rupees	2023 Rupees
Creditors		902,139,250	829,537,102
Accrued liabilities		299,991,411	306,706,838
Contract liabilities		176,478,297	33,132,383
Security deposit	14.1	8,348,000	12,823,288
Advance against non-current assets held for sale	14.2	16,000,000	36,000,000
Sales tax payable		139,995	2,312,805
Advance rent		6,678,962	12,381,505
Levies	37	36,205,077	82,013,556
Other		2,770,221	2,770,221
		1,448,751,213	1,317,677,698

14.1 It included security deposits amounting to Rs. 2,225,288/- from M/S "Imtiaz provision stores" which is adjusted partly as an adjustment of consideration in addition to cash payment (Note 18.5) for purchase of vehicle.

14.2 It represented the advance obtained for non core assets to be disposed off as per scheme of arrangement. The company intends to forfeit the advance (token money) as the buyer has not performed his obligation. The matter is under negotiation.

	Note	2024 Rupees	2023 Rupees
15. Interest / markup payable			
Interest / mark up payable on:			
Short term bank borrowings		6,712,537	982,482
16. Short term bank borrowings			
Secured			
Under mark up arrangements			
Export finances	16.2	284,000,000	70,000,000

16.1 The financing facilities available to the company are fully availed.

16.2 The financing facilities have been obtained to meet the working capital requirement as agreed under the scheme of arrangement (Refer Note 1.3). These are secured against first joint parri passu charge and ranking charge over current and fixed assets of the company, lien on export documents and by personal guarantee of existing sponsors / directors of the company. These are subject to mark up at the rates of one month KIBOR plus 0.25% to 0.5% (2023: one month KIBOR plus 0.5%) and six month KIBOR (2023: Nil).

16.3 The effective rate of mark up charged during the year ranges from 20.62% to 25.82% per annum (2023: 22.05% to 23.85%).

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 (2023: 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	An appeal has been filed by the department before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of CIR (A), Regional Tax Office, Faisalabad in appeal No. 368/2011 whereby relief has been granted to the taxpayer. Tax amount of Rs. 7,318,105/- (2023: 7,318,105) is involved in the appeal. The appeal has not been decided so far.The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Federal Board of Revenue vs Company	December 23,2011
Appellate Tribunal Inland Revenue, Lahore	The company has filed an appeal before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of CIR (A), Regional tax Office, Faisalabad in appeal No. 296/2020. Tax amount of Rs. 32,249,198/- (2023: Rs. 32,249,198/-) is involved in the appeal. Currently the case is pending for adjudication before ATIR. The management, based on opinion of its tax consultant believes that there is reasonable probability that the matter will be decided in favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	Company vs. Federal Board of Revenue	November 25,2020

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Appellate Tribunal Inland Revenue, Lahore	The company has filed an appeal before the Honorable Appellate Tribunal Inland Revenue, Lahore Bench, Lahore against the order of CIR (A), Regional tax Office, Faisalabad in appeal No. 161/2021. Tax amount of Rs. 11,674,494/- (2023: 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
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. 198/2018. Tax amount of Rs. 85,964,948/- (2023: 85,964,948-) is involved in the appeal. The Honorable Appellate Tribunal Inland Revenue has decided the matter in the favour of company vide its order dated 31 May, 2024 and annulled the orders passed by the lower authorities. Therefore, no provision is required to be made in these financial statements.	Company vs. Federal Board of Revenue	September 14,2018
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/-. (2022: 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

	2024 Rupees	2023 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	33,266,900
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	23,383,079
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 (2023: Rs. 2,038.67 million) accrued till July 2011 not acknowledged due to company's request for waiver granted under scheme of arrangement.		
According to the proposed Scheme of arrangement past markup accrued and the cost of fund to respective lenders till the effective date will be waived off provided the company makes no default in making payments of principals (Tier -1 and Tier-2 Debt) and markup (Tier-1 and Subsequent Tier-2 Debt markup) under the scheme of Arrangement.	-	-
Correct amount of past due markup will be acknowledged after the Agent bank receives the figure of markup defaulted under each lender agreement.		
According to the Scheme of arrangement initial Tier-II debt markup (calculated at 3% of Tier-II debt) will be waived off, provided company makes no default in making the payments as agreed under scheme of arrangement.	396,996,428	254,656,116
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.	480,662,516	457,611,977
Certain lenders have filed cases for recovery of long term and short term finances with claim of cost of funds. The claim of liquidated damages not acknowledged due to pending litigation.	96,849,207	96,849,207
Certain creditors have filed suits for recovery of old outstanding balances before Session Court Faisalabad. The management based on opinion of its legal advisor believes that there is reasonable probability that the matter will be decided in the favor of the Company. Pending the outcome of the matter, no provision has been made in these financial statements.	33,414,587	33,414,587

Commitments

There was no commitments as on 30 June 2024 (2023: 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, 2022											
Cost / revaluation	2,010,054,287	1,210,270,096	6,524,192,263	270,407,305	391,489,994	76,893,845	39,108,524	89,949,535	12,753,089	525,248	10,625,644,186
Accumulated depreciation	-	(313,353,723)	(327,986,626)	(73,977,188)	(111,312,584)	(65,932,518)	(32,305,460)	(72,626,115)	(11,948,429)	(497,223)	(1,009,939,866)
Net book value	2,010,054,287	896,916,373	6,196,205,637	196,430,117	280,177,410	10,961,327	6,803,064	17,323,420	804,660	28,025	9,615,704,320
Year ended June 30, 2023											
Opening net book value	2,010,054,287	896,916,373	6,196,205,637	196,430,117	280,177,410	10,961,327	6,803,064	17,323,420	804,660	28,025	9,615,704,320
Additions	-	-	71,023,226	-	-	-	-	-	1,851,730	-	72,874,956
Surplus/ (deficit) on revaluation	834,030,778	1,451,634,922	(1,989,391,137)	160,403,883	(10,227,410)	-	-	-	-	-	446,451,036
Disposals:											
Cost/ Revaluation	(240,931,000)	-	-	-	-	-	-	-		-	(240,931,000)
Accumulated depreciation	-	-	-	-	-	-	-	-		-	-
	(240,931,000)	-	-	-	-	-	-	-		-	(240,931,000)
Transferred to non current asset held for sale (Refer note 30)											
Cost / revaluation	(93,538,615)	(114,455,645)	(292,425,000)	(11,635,000)	(53,200,000)	-	-	-	-	-	(565,254,260)
Accumulated depreciation	-	4,578,226	5,855,032	465,400	2,660,000	-	-	-	-	-	13,558,658
	(93,538,615)	(109,877,419)	(286,569,968)	(11,169,600)	(50,540,000)	-	-	-	-	-	(551,695,602)
Depreciation charge	-	(93,942,052)	(48,733,760)	(14,273,360)	(13,497,500)	(1,096,133)	(680,306)	(1,732,342)	(249,206)	(2,803)	(174,207,462)
Closing net book value	2,509,615,450	2,144,731,824	3,942,533,998	331,391,040	205,912,500	9,865,194	6,122,758	15,591,078	2,407,184	25,222	9,168,196,248
At June 30, 2023											
Cost / revaluation	2,509,615,450	2,234,095,650	3,985,412,726	345,199,000	216,750,000	76,893,845	39,108,524	89,949,535	14,604,819	525,248	9,512,154,797
Accumulated depreciation	-	(89,363,826)	(42,878,728)	(13,807,960)	(10,837,500)	(67,028,651)	(32,985,766)	(74,358,457)	(12,197,635)	(500,026)	(343,958,549)
Net book value	2,509,615,450	2,144,731,824	3,942,533,998	331,391,040	205,912,500	9,865,194	6,122,758	15,591,078	2,407,184	25,222	9,168,196,248
Year ended June 30, 2024											
Opening net book value	2,509,615,450	2,144,731,824	3,942,533,998	331,391,040	205,912,500	9,865,194	6,122,758	15,591,078	2,407,184	25,222	9,168,196,248
Additions			89,994,862	2,184,796		303,390	-		5,360,148		97,843,196
Disposals:											
Cost	-	-	-	-	-	-	-	-	(3,643,190)	-	(3,643,190)
Accumulated depreciation	-	-	-	-	-	-	-	-	3,582,502	-	3,582,502
	-	-	-	-	-	-	-	-	(60,688)	-	(60,688)
Depreciation charge	-	(85,789,273)	(75,302,902)	(13,330,327)	(10,295,625)	(1,011,012)	(612,276)	(1,559,108)	(1,195,725)	(2,522)	(189,098,770)
Closing 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
At June 30, 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
Annual rate of depreciation (%)		4	Unit of production	25 Years	5	10	10	10	20	10	

	Note	2024 Rupees	2023 Rupees
18.1 Depreciation for the year has been allocated as under:			
Cost of goods manufactured	31.1	152,979,631	129,680,637
Administrative expenses	33	36,119,139	44,526,825
		189,098,770	174,207,462

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, 2024 and 2023 would have been as follows:

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

2023			
Description	**Cost**	**Accumulated depreciation**	**Written down value**
	- - - - - - - - - Rupees	- - - - - - - - - - -	
Freehold land	65,298,038	-	65,298,038
Building on freehold land	2,110,918,775	1,178,851,762	932,067,013
Plant and machinery	6,029,532,546	2,202,438,136	3,827,094,410
Electric installations	310,211,370	227,964,473	82,246,897
Generators	270,968,882	179,155,590	91,813,292
	8,786,929,611	3,788,409,961	4,998,519,650

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

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

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

18.5 Detail of disposal of operating assets

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

Description	Cost / Revaluation	Accumulated depreciation	Written down value	Sales proceeds	Gain on disposal	Relationship	Particulars of buyers
Land At Khurrianwala (Sold By Negotiation)	240,931,000	-	240,931,000	261,562,500	20,631,500	None	Mr. Muhammad Tofiq Chak No. 202-R.B Bhaiwala Faisalabad
2023	240,931,000	-	240,931,000	261,562,500	20,631,500		

19. Investment property

	Note	Freehold land	Building on freehold land	Total
		------------------------------ Rupees ----------------------		
As at July 1, 2022				
Cost/ Revaluation		234,651,713	430,276,607	664,928,320
Accumulated Depreciation		-	(104,953,041)	(104,953,041)
Net book value		234,651,713	325,323,566	559,975,280
Year ended June 30, 2023				
Opening net book value		234,651,713	325,323,566	559,975,280
Cost/ Revaluation		-	(61,710,000)	(61,710,000)
Accumulated depreciation		-	16,186,844	16,186,844
		-	(45,523,156)	(45,523,156)
Depreciation charge		-	(12,006,737)	(12,006,737)
		234,651,713	267,793,674	502,445,387
At July 01, 2023				
Cost/ Revaluation		234,651,713	368,566,607	603,218,320
Accumulated Depreciation		-	(100,772,933)	(100,772,933)
		234,651,713	267,793,674	502,445,387
Year ended June 30, 2024				
Opening net book value		234,651,713	267,793,674	502,445,387
Depreciation charge	33	-	(10,711,747)	(10,711,747)
		234,651,713	257,081,927	491,733,640
At June 30, 2024				
Cost/ Revaluation		234,651,713	368,566,607	603,218,320
Accumulated Depreciation		-	(111,484,680)	(111,484,680)
		234,651,713	257,081,927	491,733,640
Annual rate of depreciation on building (%)			4%	

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

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

19.3 Detail of disposal of investment property:

- No investment property was disposed off during the year ended June 30, 2024.

Description	Cost/ Revaluation	Accumulated depreciation	Written down Value	Sales proceeds	(Loss)	Relationship	Particulars of buyer
Office 115-116 at Clifton, Karachi (Sold By Negotiation)	61,710,000	16,186,844	45,523,156	67,000,000	21,476,844	None	Muhammad Waheed, House no.176/I, Khayaban-e-Shahbaz, Phase-VI, DHA, Karachi.
2023	61,710,000	16,186,844	45,523,156	67,000,000	21,476,844		

	2024 Rupees	2023 Rupees

20. Long term deposits

	2024 Rupees	2023 Rupees
Security deposits	13,418,150	13,418,150

21. Stores and spares

	2024 Rupees	2023 Rupees
Stores	142,333,304	35,946,855
Spares	3,608,905	4,781,305
	145,942,209	40,728,160

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

22. Stock in trade

	Note	2024 Rupees	2023 Rupees
Raw material		18,645,973	94,173,295
Work in process		169,568,921	90,623,514
Finished goods		62,725,567	22,886,052
Waste		1,512,729	1,236,560
		252,453,190	208,919,421

23. Trade debts

	Note	2024 Rupees	2023 Rupees
Considered good			
Unsecured			
Foreign		372,596,229	183,927,312
Local		150,550,345	75,618,106
		523,146,574	259,545,418

24. Loans and advances

	Note	2024 Rupees	2023 Rupees
Considered good			
Loans to employees	24.1	14,069,512	2,844,192
Advances			
Suppliers / contractors		155,658,846	67,352,112
Income tax		33,645,952	42,075,585
Letters of credit fee, margin and expenses		-	1,382,352
		203,374,310	113,654,241

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

	2024 Rupees	2023 Rupees

25. Deposits and prepayments

	2024 Rupees	2023 Rupees
Deposits		
Security deposits	-	1,261,358
Guarantee / export margin	6,182,967	7,686,327
Prepayments		
Insurance	794,631	25,046
Levies	31,285,916	24,477,046
	38,263,514	33,449,777

26. Other receivables

	2024 Rupees	2023 Rupees
Considered good		
Export rebate / duty drawback	11,349,984	5,922,570
Other	1,643,190	1,695,690
	12,993,174	7,618,260

27. Tax refunds due from Government

	2024 Rupees	2023 Rupees
Income tax	9,785,859	25,246,784
Sales tax	69,290,743	128,131,931
	79,076,602	153,378,715

28. Cash and bank balances

	2024 Rupees	2023 Rupees
Cash in hand	10,881,957	1,739,447
Cash at banks		
In current accounts	70,534,731	70,700,545
	81,416,688	72,439,992

29. Non current assets held for sale

	Freehold land	Building on freehold land	Plant and machinery	Electric installations	Generators	Total
	---Rupees---					
At July 01, 2022						
Cost/ Revaluation	101,500,000	63,875,500	-	-	-	165,375,500
Accumulated depreciation	-	(17,432,757)	-	-	-	(17,432,757)
	101,500,000	46,442,743	-	-	-	147,942,743
Year ended June 30, 2023						
Opening net book value	101,500,000	46,442,743	-	-	-	147,942,743
Transferred from operating assets	93,538,615	109,877,419	286,569,968	11,169,600	50,540,000	551,695,602
Disposal						
Cost / revaluation	(101,500,000)	(63,875,500)	-	-	-	(165,375,500)
Accumulated depreciation	-	17,432,757	-	-	-	17,432,757
	(101,500,000)	(46,442,743)	-	-	-	(147,942,743)
	93,538,615	109,877,419	286,569,968	11,169,600	50,540,000	551,695,602
At July 01, 2023						
Cost/ Revaluation	93,538,615	114,455,645	292,425,000	11,635,000	53,200,000	565,254,260
Accumulated depreciation	-	(4,578,226)	(5,855,032)	(465,400)	(2,660,000)	(13,558,658)
	93,538,615	109,877,419	286,569,968	11,169,600	50,540,000	551,695,602
Year ended June 30, 2024						
Opening net book value	93,538,615	109,877,419	286,569,968	11,169,600	50,540,000	551,695,602
Disposal						
Cost / revaluation	(93,538,615)	(114,455,645)	(292,425,000)	(11,635,000)	(53,200,000)	(565,254,260)
Accumulated depreciation	-	4,578,226	5,855,032	465,400	2,660,000	13,558,658
	(93,538,615)	(109,877,419)	(286,569,968)	(11,169,600)	(50,540,000)	(551,695,602)
	-	-	-	-	-	-

29.1 Detail of disposal of non current assets held for sale.

Description	Cost/ Revaluation	Accumulated depreciation	Written down value	Sales proceeds	Gain	Relationship	Particulars of buyer
Spinning unit at Toba Tek Singh comprising Land , Building , plant and machinery , Electric installation and generators (Sold By Negotiation)	274,750,065	6,752,522	267,997,543	400,000,000	132,002,457	None	Beacon impex private limited, Registered office at P-102 Jail Road , Faisalabad.
Weaving unit at Kharrianwala comprising Land , Building , plant and machinery , Electric installation and generators (Sold By Negotiation)	290,504,195	6,806,136	283,698,059	400,000,000	116,301,941	None	Mr. M Zeeshan , Mr. Fida Hussain , Mr Muzammal Shahzad, , sons of Mr. M Ramzan, House no. 72, Cavalry ground, Lahore Cantt, Lahore.
	565,254,260	13,558,658	551,695,602	800,000,000	248,304,398		

Description	Cost/ Revaluation	Accumulated depreciation	Written down value	Sales proceeds	(Loss)	Relationship	Particulars of buyer
Land at Khurrianwala (Sold By Negotiation)	101,500,000	-	101,500,000	89,725,910	(11,774,090)	None	Mr. Muhammad Tofiq Chak No. 202-R.B Bhaiwala Faisalabad
Building at Khurrianwala (Sold By Negotiation)	63,875,500	17,432,757	46,442,743	41,055,340	(5,387,403)		
2023	165,375,500	17,432,757	147,942,743	130,781,250	(17,161,493)		

	Note	2024 Rupees	2023 Rupees
30. Sales			
Export			
Fabrics / made ups / garments	30.1	2,044,243,756	1,223,167,911
Local			
Fabrics / made ups / garments	30.2	119,917,867	54,472,273
		2,164,161,623	1,277,640,184
Add: Export rebate / duty drawback		15,588,974	8,403,184
		2,179,750,597	1,286,043,368
Less:			
Commission		48,634,241	12,748,780
Discount		4,931,366	3,208,871
		(53,565,607)	(15,957,651)
Processing and conversion income	30.3	1,216,117,324	857,894,733
		3,342,302,314	2,127,980,450

30.1 It includes exchange loss of Rs.11,887,964/- (2023: exchange gain of Rs.12,985,107-).

	Note	2024 Rupees	2023 Rupees
30.2 Local			
Fabrics / made ups / garments		141,503,083	63,883,017
Less: Sales tax		21,585,216	9,410,744
		119,917,867	54,472,273
30.3 Processing and conversion income			
Sales		1,424,180,285	1,006,079,252
Less: Sales tax		208,062,961	148,184,519
		1,216,117,324	857,894,733
31. Cost of sales			
Cost of goods manufactured	31.1	3,371,272,281	2,121,131,863
Finished goods			
Opening stock		22,886,052	1,598,704
Closing stock		(62,725,567)	(22,886,052)
		(39,839,515)	(21,287,348)
Cost of sales		3,331,432,766	2,099,844,515

	Note	2024 Rupees	2023 Rupees
31.1 Cost of goods manufactured			
Raw material consumed	31.1.1	1,376,212,957	618,128,407
Salaries, wages and benefits		476,116,571	332,708,341
Staff retirement benefits		24,034,661	10,652,912
Processing charges		108,819,516	23,893,342
Conversion charges		21,170,408	9,331,676
Stores and spares		106,357,184	38,870,248
Dyes and chemicals		415,045,466	318,466,636
Packing material		138,279,317	53,871,022
Repairs and maintenance		10,636,409	2,475,140
Fuel and power		607,838,368	604,162,301
Insurance		7,312,049	109,803
Depreciation	18.1	152,979,631	129,680,637
Other		5,415,151	4,239,000
		3,450,217,688	2,146,589,465
Work in process			
Opening stock		90,623,514	65,165,912
Closing stock		(169,568,921)	(90,623,514)
		(78,945,407)	(25,457,602)
		3,371,272,281	2,121,131,863

	Note	2024 Rupees	2023 Rupees
31.1.1 Raw material consumed			
Opening stock		94,173,295	10,010,845
Purchases including purchase expenses		1,300,685,635	702,290,857
		1,394,858,930	712,301,702
Closing stock		(18,645,973)	(94,173,295)
		1,376,212,957	618,128,407

32. Selling and distribution expenses

	Note	2024 Rupees	2023 Rupees
Advertisement and publicity		916,454	641,140
Carriage and freight		53,780,773	15,299,356
Export clearing and forwarding		64,378,013	18,494,586
Export development surcharge		4,881,164	2,701,823
Other		5,688,037	293,212
		129,644,441	37,430,117

33. Administrative expenses

	Note	2024 Rupees	2023 Rupees
Director's remuneration		17,200,000	17,610,000
Salaries and benefits		204,185,852	114,685,112
Staff retirement benefits		6,008,665	2,663,228
Utility Expenses		28,326,304	14,468,847
Postage, telephone and telex		2,487,120	1,561,099
Vehicles running and maintenance		14,165,646	9,797,465
Travelling and conveyance		731,340	155,516
Printing and stationery		5,686,215	3,015,748
Entertainment		8,611,186	5,485,099
Fees and subscriptions		5,427,156	2,218,310
Legal and professional		3,471,096	17,096,650
Rent, rates and taxes		4,879,508	4,877,770
Auditors' remuneration	33.1	1,100,000	1,000,000
Repairs and maintenance		1,173,928	84,425
Depreciation of operating assets	18.1	36,119,139	44,526,825
Depreciation of investment property	19	10,711,747	12,006,737
Insurance		213,729	28,282
Others		589,023	249,170
		351,087,654	251,530,283

	Note	2024 Rupees	2023 Rupees
33.1 Auditors' remuneration			
Audit fee		825,000	750,000
Half yearly review		210,000	190,000
Out of pocket expenses		65,000	60,000
		1,100,000	1,000,000
34. Other operating expenses			
Loss on disposal of non current assets held for sale		-	17,161,493
35. Other income			
Income from assets other than financial assets:			
Sale of waste material		6,534,959	2,731,239
Rental income		40,881,925	72,197,771
Gain on disposal of investment property		-	21,476,844
Gain on disposal of operating assets		3,632,200	20,631,500
Gain on disposal of non current assets held for sale		248,304,398	-
Balances written back - net		123,125,581	-
Fair value adjustment of deferred revenue		1,091,176	956,585
		423,570,239	117,993,939
36. Finance cost			
Interest / mark up on:			
Long term financing	44.5	189,156,929	208,377,710
Short term borrowings		35,135,587	3,156,280
Bank charges and commission		18,328,310	11,069,091
Fair value adjustment of loan from associates	10.2	1,091,176	956,585
		243,712,002	223,559,666
37. Levies			
Minimum tax differential	38.1	15,283,154	10,757,825
Final Taxes	38.2	20,921,923	10,831,020
		36,205,077	21,588,845

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

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

	Note	2024 Rupees	2023 Rupees
38. Provision for taxation			
Current			
For the year		-	-

38.1 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:

	2024 Rupees	2023 Rupees
Current tax liability for the year as per applicable tax laws	36,205,077	21,588,845
Portion of current tax liability as per tax laws:		
representing income tax under IAS 12	-	-
representing levy in terms of requirements of IFRIC 21/IAS 37	(36,205,077)	(21,588,845)
Difference	-	-

38.1.1 The aggregate of minimum and final tax amounting to Rs 36,205,077/- (2023:Rs. 21,588,854/-) represents tax liability of the company calculated under the relevant provisions of the Income Tax Ordinance, 2001.

38.2 The relationship between tax expense and accounting loss

Reconciliation between accounting loss and tax expense has not been presented in these financial statements as income of the company is subject to minimum tax on processing income under Section 113 and final tax on exports under Section 154 of the Income Tax Ordinance, 2001.

39. (Loss) per share- Basic and diluted

		2024	2023
(Loss) for the year after taxation	Rupees	(326,209,387)	(405,140,530)
Less: Dividend on preference shares		-	-
(Loss) attributable to ordinary shareholders	Rupees	(326,209,387)	(405,140,530)
Weighted average number of ordinary shares outstanding during the year	Numbers	115,000,000	115,000,000
Earnings per share- Basic and diluted	Rupees	(2.84)	(3.52)

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

40. REMUNERATION TO CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Directors	Executives	Chief Executive Officer	Directors	Executives
	Rupees			Rupees		
Remuneration	4,000,000	7,600,000	70,304,333	4,000,000	7,200,000	28,126,667
House rent allowance	1,200,000	2,160,000	21,091,300	1,200,000	2,160,000	8,438,000
Medical Allowance	400,000	720,000	7,030,433	400,000	720,000	2,812,667
Utility allowance	400,000	720,000	7,030,434	400,000	720,000	2,812,666
	6,000,000	11,200,000	105,456,500	6,000,000	10,800,000	42,190,000
Number of persons	1	3	43	1	2	17

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

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

Name of the related party	Relationship	Transaction during the year	2024	2023
Mian Muhammad Latif	Director	Loan Obtained	50,000,000	–
Mian Muhammad Javaid Iqbal	Director	Loan Obtained	60,000,000	124,900,000
Mr. Muhammad Faisal Latif	Director	Loan Obtained	116,500,000	-
Mr. Muhammad Farhan Latif	Related Party	Loan Obtained	–	55,000,000
Luxe Home	Associated undertaking	Receipt of general expenses	–	60,060,862

42. INSTALLED CAPACITY AND ACTUAL PRODUCTION

Textile segments	Unit	Rated capacity per annum		Actual production per annum	
		2024	2023	2024	2023
Weaving	Mtrs	10,200,000	15,120,000	-	10,843,767
Processing	Mtrs	81,000,000	81,000,000	28,506,148	24,396,930
Stitching - Garments	Pieces	1,326,000	1,326,000	332,326	263,571
Stitching - Madeups	Pieces	8,751,600	8,751,600	1,749,200	1,134,391

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.
- One of the weaving unit is disposed off during the year, while the other one remained closed.

43. NUMBER OF EMPLOYEES

	2024	2023
	------Numbers--------	
Total number of employees as at June 30,	1,109	877
Total number of factory employees as at June 30,	963	784
Average number of employees for the year	1,086	826
Average number of factory employees for the year	934	720

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.

	2024 Rupees	2023 Rupees
44.1 FINANCIAL INSTRUMENTS BY CATEGORY		
Financial assets:		
Loans and receivables at amortised cost		
Long term deposits	13,418,150	13,418,150
Trade debts	523,146,574	259,545,418
Loans and advances	14,069,512	2,844,192
Deposits	6,182,967	8,947,685
Other receivables	1,643,190	1,695,690
Cash and bank balances	81,416,688	72,439,992
	639,877,081	358,891,127
Financial liabilities:		
Financial liabilities at amortised cost		
Long term financing	8,154,240,284	8,824,584,070
Unclaimed dividend	366,071	366,071
Trade and other payables	1,213,248,882	1,151,837,449
Deferred interest / markup	576,692,432	387,535,503
Interest / markup payable	6,712,537	982,482
Short term bank borrowings	284,000,000	70,000,000
	10,235,260,206	10,435,305,575

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:

	2024 Rupees	2023 Rupees
Long term deposits	13,418,150	13,418,150
Trade debts	523,146,574	259,545,418
Loans and advances	14,069,512	2,844,192
Deposits and prepayments	6,182,967	8,947,685
Other receivables	1,643,190	1,695,690
Bank balances	70,534,731	70,700,545
	628,995,124	357,151,680

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:

	2024 Rupees	2023 Rupees
Not past due	499,912,887	241,233,880
Past due within one year	4,086,384	5,368,010
Past due over one year	19,147,303	12,943,528
	23,233,687	18,311,538
	523,146,574	259,545,418

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.

	2024 Rupees	2023 Rupees
The bank balances along with credit rating is as follows		
Credit Rating		
AAA	70,470,002	70,633,527
AA+	64,345	58,044
Others	384	8,974
	70,534,731	70,700,545

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, 2024 and 2023;

	2024					
	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	8,154,240,284	8,154,240,284	4,288,235	70,937,889	3,325,267,779	4,753,746,381
Deferred interest / markup	576,692,432	576,692,432	-	-	-	576,692,432
Trade and other payables	1,213,248,882	1,213,248,882	1,213,248,882	-	-	-
Unclaimed dividend	366,071	366,071	366,071	-	-	-
Short term borrowing	284,000,000	320,905,587	320,905,587	-	-	-
Interest / markup payable	6,712,537	6,712,537	6,712,537	-	-	-
	10,235,260,206	10,272,165,793	1,545,521,312	70,937,889	3,325,267,779	5,330,438,813

	2023					
	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	8,824,584,070	8,824,584,070	495,942,043	48,600,000	2,784,300,000	5,495,742,027
Deferred interest / markup	387,535,503	387,535,503	-	-	-	387,535,503
Trade and other payables	1,151,837,449	1,151,837,449	1,151,837,449	-	-	-
Unclaimed dividend	366,071	366,071	366,071	-	-	-
Short term borrowing	70,000,000	73,506,280	73,506,280	-	-	-
Interest / markup payable	982,482	982,482	982,482	-	-	-
	10,435,305,575	10,438,811,855	1,722,634,325	48,600,000	2,784,300,000	5,883,277,530

The contractual cash flows relating to mark up have been determined on the basis of fixed rate (flat rate) of mark up as agreed under scheme of arrangement as well as on the basis of weighted average mark up rates on short term borrowings. Besides, the Company's exposure to the liquidity risk is low as all of its financial obligations towards banks and financial institutions has been rescheduled as per scheme of arrangement (Refer Note 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. 1.77 million (2023: Rs. 0.35 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. 372.60 million (2023 : Rs. 183.93 million).

At June 30, 2024, 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. 18.63 million (2023: Rs. 9.17 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, 2024 and 2023 were as follows:

	Note	2024 Rupees	2023 Rupees
Total debt	10 & 16	8,438,240,284	8,894,584,070
Less: Cash and cash equivalents	28	(81,416,688)	(72,439,992)
Net debt		8,356,823,596	8,822,144,078
Total equity		42,736,434	144,352,695
Total capital employed		8,399,560,030	8,966,496,773
Gearing ratio		99.49%	98.39%

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. 4.29 million (2023: Rs. 457.34 million paid subsequently) were over due. This installment was not paid subseqently.

45. Date of Authorisation for Issue

The financial statements were authorised for issue on **03-12-2024** by the Board of Directors of the Company.

46. DIVIDEND FOR CUMULATIVE PREFERENCE SHARES

The dividend for cumulative preference shares amounting to Rs. 480.66 million (2023 : Rs. 457.61 million) will be accumulated and payable in the ensuing years when the sufficient amount of profit will be available for appropriation.

47. RE-ARRANGEMENTS / RE- CLASSIFICATION

47.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. There were no significant reclassification / restatement to these financial statements during the year except as mentioned below.

Nomenclature of "Stores, spares and loose tools " has been changed to "Stores and spares" for better presentation.

Elecricity expense related to head office amouting to Rs: 28,267,288/- (2023: Rs.13,993,369/-) has been clubbed in "Fuel and power" under the head "Cost of Sales". It has now been grouped in Utilitiy expenses under the head "Administrative expenses" for better presentation.

48. GENERAL

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

(MUHAMMAD NAEEM) CHIEF EXECUTIVE OFFICER	(MUHAMMAD FAISAL LATIF) DIRECTOR	(SADAQUAT HUSSAIN) CHIEF FINANCIAL OFFICER

Pattern of Holding of Ordinary Shares

Held by Shares Holders as at June 30, 2024

Share Holders	From	To	Total Shares
118	1	100	5,036
494	101	500	231,697
269	501	1,000	264,464
525	1,001	5,000	1,650,509
231	5,001	10,000	1,973,089
75	10,001	15,000	1,010,220
60	15,001	20,000	1,117,449
51	20,001	25,000	1,222,260
24	25,001	30,000	684,180
19	30,001	35,000	637,841
17	35,001	40,000	657,448
12	40,001	45,000	510,873
16	45,001	50,000	786,523
6	50,001	55,000	320,899
5	55,001	60,000	285,666
4	60,001	65,000	255,469
3	65,001	70,000	206,500
6	70,001	75,000	447,000
2	75,001	80,000	158,500
10	80,001	90,000	864,527
10	90,001	100,000	994,500
4	100,001	110,000	413,000
4	110,001	125,000	472,006
8	125,001	150,000	1,135,389
7	150,001	175,000	1,154,140
9	175,001	200,000	1,746,769
2	200,001	250,000	426,500
4	265,001	300,000	1,154,750
4	300,001	400,000	1,338,797
2	400,001	500,000	979,500
3	500,001	600,000	1,671,000
3	700,001	800,000	2,207,104
2	850,001	1,000,000	1,782,817
1	1,450,001	1,500,000	1,500,000
1	1,500,001	1,550,000	1,549,000
1	2,500,001	3,000,000	2,813,545
1	3,500,001	3,550,000	3,502,834
1	3,600,001	3,650,000	3,608,218
1	6,500,001	6,600,000	6,597,657
1	7,000,001	7,500,000	7,457,684
1	11,800,001	11,900,000	11,876,483
1	13,600,001	14,000,000	13,681,483
1	16,400,001	16,500,000	16,445,562
1	17,000,001	17,500,000	17,201,112
2020			**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	Director	1	13,681,483	11.90
Mian Muhammad Javed Iqbal	Director	1	11,876,483	10.33
Mr.Muhammad Naeem	Chief Executive Officer	1	17,201,112	14.96
Mr.Muhammad Faisal Latif	Director	1	2,813,545	2.45
Mr. Tariq Ayub Khan	Director	1	1,000	0.00
Mr. Muhammad Salman Javed	Director	1	6,597,657	5.74
Mr. Muhammad Hashim	Director	1	500	0.00
Mr. Maqsood-ul-Hassan	Director	1	500	0.00
Mst.Shahnaz Latif	Spouse	1	7,457,684	6.48
Mst.Tehmina Yasmin	Spouse	1	285	0.00
Mst.Prveen 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.				
Joint Stock Companies		10	334,416	0.29
Manufacturing & Trading		1	8,000	0.01
Staff Provident Fund		1	10,000	0.01
Textile		1	56	0.00
Individuals		1993	54,502,606	47.39
		2020	**115,000,000**	**100.00**

Pattern of Holding of Preference Shares

Held by Shares Holders as at June 30, 2024

ShareHolders	From	To	Total Shares
53	1	100	1,656
645	101	500	314,885
117	501	1,000	113,398
348	1,001	5,000	1,085,318
170	5,001	10,000	1,428,686
79	10,001	15,000	1,041,131
50	15,001	20,000	908,161
38	20,001	25,000	897,093
31	25,001	30,000	873,235
15	30,001	35,000	503,749
16	35,001	40,000	609,953
7	40,001	45,000	303,152
21	45,001	50,000	1,029,349
16	50,001	55,000	850,570
8	55,001	60,000	469,500
5	60,001	65,000	318,000
5	65,001	70,000	342,571
12	70,001	80,000	920,750
8	80,001	90,000	678,000
24	90,001	100,000	2,355,622
29	100,001	150,000	3,474,986
14	150,001	200,000	2,481,784
2	200,001	250,000	452,046
3	250,001	300,000	822,900
3	300,001	400,000	1,059,165
6	400,001	600,000	3,054,293
6	600,001	800,000	4,013,328
1	900,001	1,000,000	1,000,000
1	1,000,001	1,100,000	1,010,000
1	1,300,001	1,400,000	1,367,500
1	1,400,001	1,500,000	1,427,000
1	2,400,001	2,500,000	2,435,219
3	9,995,001	10,000,000	30,000,000
1	12,355,001	12,360,000	12,357,000
1740			**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
Financial Institutions	5	43,357,000	54.20
Joint Stock Companies	9	1,707,472	2.13
Textile	1	137	0.00
Individuals	1724	34,870,891	43.59
	1740	**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 40th Annual General Meeting of the Company to be held on December 27, 2024, and at any adjournment thereof.

Signed this ______________ day of _______________2024.

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

Chenab LIMITED If not deliverd return to :

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