



FINANCIAL STATEMENTS
for Nine Months period ended March, 31
(un-audited)

2026

CONTENTS

Company Information	02
Director's Report to the Members	03
Director's Report in Urdu	04
Financial Position	05
Profit & Loss Account	06
Statement of Comprehensive Income	07
Cash Flow Statement	08
Statement of Changing in Equity	10
Notes to the Financial Statement	11

COMPANY INFORMATION

BOARD OF DIRECTORS

Mian Muhammad Javed Iqbal (Chairman)

Mian Muhammad La tif (Chief Executive Officer)

Mr. Muhammad Naeem

Mr. Muhammad Farhan Latif

Mr. Tariq Ayub Khan

Mr. Maqsood UI Hassan

Mr. Muhammad Hashim

Mr. Muhammad Salman Javed

Mrs. Sobia Chughtai (Nominee Director)

CHIEF FINANCIAL OFFICER

Mr. Sadaquat Hussain

COMPANY SECRETARY

Mr. Muhammad Arshad

LEGAL ADVISOR

Mian Masroor Akbar (Advocate)

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEBSITE

Email:- chenab@chenabgroup.com

Website:-www.chenabgroup.com

WORKS

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

BANKS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are placing before you the un-audited financial statements of the company for the third quarter of financial year 2025-2026 ended on March 31, 2026.

SALES REVENUE

Sales and services revenue of **Rs.1,189.208** million has been earned during the period.

FINANCIAL RESULTS

In view of unfavorable business circumstances, the Company sustained a financial loss of **Rs.459.270** million before levies and income tax during the period under report.

FUTURE PROSPECTS

The recent Iran - USA war has increased input costs, delayed deliveries, and financial instability simultaneously when the textile industry is already managing rising inflation. It is hoped that de-escalation of the situation shall enable the normalization of the business environment of the country.

The company has made an arrangement with a foreign buyer who agreed to pay the certain advance amount against export. The management is confident this deal will lift the sales volume of the company.

The Company requests its banking partners to provide enhanced export financing limits to enable it to capitalize on available opportunities amid current financial constraints. The sponsors remain committed to injecting funds to support working capital requirements.

ACKNOWLEDGEMENT

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

FAISALABAD
30-04-2026


(MUHAMMAD FARHAN LATIF)
DIRECTOR

For and on behalf
BOARD OF DIRECTORS

(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ برائے شیئرز ہولڈرز:-

ڈائریکٹرز آپ کے سامنے مالی سال 2025-2026 کی تیسری سہ ماہی جو 31 مارچ 2026 کو ختم ہوئی، کے لیے کمپنی کے غیر آڈٹ شدہ مالی بیانات پیش کر رہے ہیں۔

سیلز ریونیو:-

اس عرصے کے دوران فروخت اور خدمات سے 1,189.208 ملین روپے کی آمدنی حاصل ہوئی۔

مالی نتائج:-

ناموافق کاروباری حالات کے پیش نظر، کمپنی کو رپورٹ کے عرصے کے دوران محصولات اور اکٹیکس سے قبل 459.270 ملین روپے کا مالی نقصان برداشت کرنا پڑا۔

مستقبل کے امکانات:-

حالیہ ایران-امریکہ جنگ نے ان پٹ لاگت میں اضافہ، ترسیل میں تاخیر اور مالی عدم استحکام کو جنم دیا ہے، جبکہ ٹیکسٹائل صنعت پہلے ہی بڑھتی ہوئی مہنگائی کا سامنا کر رہی ہے۔ امید ہے کہ صورتحال میں کشیدگی میں کمی سے ملک کے کاروباری ماحول میں بہتری آئے گی۔

کمپنی نے ایک غیر ملکی خریدار کے ساتھ معاہدہ کیا ہے جس کے تحت برآمدات کے عوض ایک مخصوص پیشگی رقم ادا کی جائے گی۔ انتظامیہ کو یقین ہے کہ اس معاہدے سے کمپنی کی فروخت کے حجم میں اضافہ ہوگا۔

کمپنی اپنے بینکنگ شراکت داروں سے درخواست کرتی ہے کہ موجودہ مالی دباؤ کے باوجود دستیاب مواقع سے فائدہ اٹھانے کے لیے برآمدی مالیاتی حدود میں اضافہ کیا جائے۔ اسپانسرز ورکنگ کیپیٹل کی ضروریات کو پورا کرنے کے لیے فنڈز فراہم کرنے کے لیے پرعزم ہیں۔


اظہارِ تشکر:-

بورڈ آف ڈائریکٹرز حصص داران، سرکاری اداروں اور مالیاتی اداروں کے تعاون کو سراہتا ہے۔



(میاں محمد لطیف)

چیف ایگزیکٹو آفیسر

 (حسب الحکم بورڈ آف ڈائریکٹرز)

(محمد فرحان لطیف)

ڈائریکٹر

فیصل آباد

30-04-2026

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT MARCH 31, 2026**

	Note	(Un-audited) March 31, 2026 Rupees	(Audited) June 30, 2025 Rupees		Note	(Un-audited) March 31, 2026 Rupees	(Audited) June 30, 2025 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital				Property, plant and equipment			
120,000,000 ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000	Operating assets	7	8,834,127,305	8,932,371,161
80,000,000 cumulative preference shares of Rs.10/- each		800,000,000	800,000,000	Investment Property		474,046,403	481,450,363
				Long term deposits		13,418,150	13,418,150
						9,321,591,858	9,427,239,674
Issued, subscribed and paid up capital		1,150,000,000	1,150,000,000				
Cumulative preference shares		500,000,000	500,000,000				
Directors' loan		1,206,584,086	1,071,913,086				
Surplus on revaluation of property, plant and equipment		4,764,645,235	4,814,039,268				
Capital reserves		526,409,752	526,409,752				
Revenue reserves		(9,043,097,680)	(8,614,994,175)				
		(895,458,607)	(552,632,069)				
NON-CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing	4	6,868,440,712	7,468,611,421	Stores and spares		126,027,545	114,948,800
Deferred revenue		52,573,904	53,638,778	Stock in trade		181,553,475	174,841,332
Deferred interest / markup		866,925,549	744,656,836	Trade debts		175,622,387	223,095,067
Liabilities against redemption of preference shares		300,000,000	300,000,000	Loans and advances		119,218,451	168,622,533
Deferred liabilities		78,132,557	63,301,845	Deposits and prepayments		18,018,869	33,058,433
		8,166,072,722	8,630,208,880	Other receivables		7,397,989	18,830,431
				Tax refunds due from Government		68,495,094	52,830,274
				Cash and bank balances		23,443,476	56,704,004
						719,777,286	842,930,874
CURRENT LIABILITIES							
Trade and other payables		1,530,776,466	1,378,669,987				
Unclaimed dividend		366,071	366,071				
Interest / markup payable		4,742,466	3,795,077				
Short term bank borrowings	5	154,500,000	182,200,000				
Current portion of long term financing	4	1,073,650,227	627,562,602				
Provision for taxation - income tax		6,719,799	-				
		2,770,755,029	2,192,593,737				
CONTINGENCIES							
	6	-	-				
		10,041,369,144	10,270,170,548			10,041,369,144	10,270,170,548

The annexed notes from 1 to 14 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

	Note	Quarter ended March 31,		Nine Months ended March 31,	
		2026 Rupees	2025 Rupees	2026 Rupees	2025 Rupees
Sales	8	342,075,331	449,678,991	1,189,208,368	1,875,312,046
Cost of sales	9	388,948,084	(506,858,884)	1,308,083,126	(1,962,017,644)
Gross (loss)		(46,872,753)	(57,179,893)	(118,874,758)	(86,705,598)
Other income	10	11,888,252	8,195,885	40,010,322	138,501,077
		(34,984,501)	(48,984,008)	(78,864,436)	51,795,478
Operating expenses					
Selling and distribution expenses		3,024,435	5,522,589	11,621,640	104,978,440
Administrative expenses		71,690,339	53,931,419	225,391,048	210,429,241
Finance cost	11	45,064,687	48,324,018	143,393,075	162,367,543
		(119,779,461)	(107,778,026)	(380,405,763)	(477,775,224)
(Loss) for the period before levies and income tax		(154,763,962)	(156,762,034)	(459,270,199)	(425,979,745)
Levies		(4,357,443)	(2,655,296)	(14,989,260)	(21,292,194)
(Loss) before taxation		(159,121,405)	(159,417,330)	(474,259,459)	(447,271,939)
Provision for taxation		(2,450,797)	-	(3,238,079)	(1,559,194)
(Loss) for the period		(161,572,202)	(159,417,330)	(477,497,538)	(448,831,133)
(Loss) per share- Basic and diluted		(1.40)	(1.39)	(4.15)	(3.90)

The annexed notes from 1 to 14 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

	Quarter ended March 31,		Nine Months ended March 31,	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
(Loss) for the period	(161,572,202)	(159,417,330)	(477,497,538)	(448,831,133)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) for the period	<u>(161,572,202)</u>	<u>(159,417,330)</u>	<u>(477,497,538)</u>	<u>(448,831,133)</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

	Note	Nine Months ended March 31,	
		2026 Rupees	2025 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) for the period before levies and income tax		(459,270,199)	(425,979,745)
Adjustments for:			
Depreciation of operating assets	7.1	114,993,196	138,190,942
Depreciation of investment property		7,403,960	7,712,458
Provision for staff retirement gratuity		14,830,712	18,560,278
Gain on disposal of operating assets	10	(1,400,188)	(907,577)
Finance cost	11	143,393,075	162,367,543
Balances written back - net	10	(5,767,344)	(114,139,279)
Fair value adjustment of deferred revenue	10	(1,064,874)	(933,528)
Operating cash flows before working capital changes		(186,881,662)	(215,128,909)
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(11,078,745)	27,996,598
Stock in trade		(6,712,143)	61,908,421
Trade debts		47,472,680	321,202,375
Loans and advances		37,290,044	(22,841,384)
Deposits and prepayments		463,379	(3,410,360)
Other receivables		11,432,442	(1,586,049)
Tax refunds due from Government		8,843,942	32,669,779
		87,711,599	415,939,380
Increase in current liabilities			
Trade and other payables		173,217,955	16,666,446
		260,929,554	432,605,826
Cash generated from operations		74,047,892	217,476,917
Income tax and levies paid		(24,670,210)	(34,349,273)
Finance cost paid		(19,112,099)	(39,854,631)
Net cash generated from operating activities		30,265,583	143,273,013

		Nine Months ended March 31,	
	Note	2026	2025
		Rupees	Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating assets	7.1.1	(16,949,153)	(36,579,582)
Proceeds from disposal of operating assets		1,600,000	920,000
Net cash (used in) investing activities		<u>(15,349,153)</u>	<u>(35,659,582)</u>
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of loan from director		134,671,000	-
Repayment of :			
Long term financing	4	(155,147,958)	(53,536,520)
(Decrease) in short term bank borrowings	5	(27,700,000)	(84,150,000)
Net cash (used in) financing activities		<u>(48,176,958)</u>	<u>(137,686,520)</u>
Net (decrease) in cash and cash equivalents (a+b+c)		(33,260,528)	(30,073,090)
Cash and cash equivalents at the beginning of the period		56,704,004	81,416,688
Cash and cash equivalents at the end of the period		<u>23,443,476</u>	<u>51,343,598</u>

The annexed notes from 1 to 14 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

	Issued, subscribed and paid up capital	Cumulative preference shares	Director's loan	Surplus on 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
R u p e e s												
Balance as at July 01, 2024 (Audited)	1,150,000,000	500,000,000	1,053,213,086	4,881,532,753	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,144,851,991)	(8,068,419,157)	42,736,434
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(448,831,133)	(448,831,133)	(448,831,133)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(448,831,133)	(448,831,133)	(448,831,133)
Incremental depreciation on revalued assets for the period	-	-	-	(46,597,418)	-	-	-	-	-	46,597,418	46,597,418	-
Balance as at March 31, 2025 (Unaudited)	1,150,000,000	500,000,000	1,053,213,086	4,834,935,335	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,547,085,706)	(8,470,652,872)	(406,094,699)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(174,063,449)	(174,063,449)	(174,063,449)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(174,063,449)	(174,063,449)	(174,063,449)
Items that may not be subsequently reclassified to profit or loss:												
Remeasurement of defined benefit liability	-	-	-	-	-	-	-	-	-	8,826,079	8,826,079	8,826,079
Incremental depreciation on revalued assets for the period	-	-	-	(20,896,067)	-	-	-	-	-	(165,237,370)	(165,237,370)	(165,237,370)
Transaction with owner												
Loan from director	-	-	18,700,000	-	-	-	-	-	-	-	-	18,700,000
Balance as at June 30, 2025 (Audited)	1,150,000,000	500,000,000	1,071,913,086	4,814,039,268	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,691,427,009)	(8,614,994,175)	(552,632,069)
Total comprehensive (loss) for the period												
(Loss) for the period	-	-	-	-	-	-	-	-	-	(477,497,538)	(477,497,538)	(477,497,538)
Other comprehensive income	-	-	-	-	-	-	-	-	-	(477,497,538)	(477,497,538)	(477,497,538)
Incremental depreciation on revalued assets for the period	-	-	-	(49,394,033)	-	-	-	-	-	49,394,033	49,394,033	-
Transaction with owner												
Loan from director	-	-	134,671,000	-	-	-	-	-	-	-	-	134,671,000
Balance as at March 31, 2026 (Unaudited)	1,150,000,000	500,000,000	1,206,584,086	4,764,645,235	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,119,530,514)	(9,043,097,680)	(895,458,607)

The annexed notes from 1 to 14 form an integral part of these financial statements.



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

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 March 31, 2026 the accumulated loss of the Company is Rs. 9,119.53 million (June 30, 2025: Rs. 8,691.43 million), and the current liabilities of the company exceed its current assets by Rs. 2,050.98 million (June 30, 2025: Rs. 1,349.66 million). The Company has not redeemed preference shares on exercise of put options for three consecutive years by holders of preference shares due to tight cash flow situation. The Company was wound up by order of the Honorable Lahore High Court on July 13, 2017, following a creditor's application due to non-compliance with loan covenants. The Company preferred an appeal before the Honorable Supreme Court against this order but leave of appeal was not granted and dismissed vide order dated January 08, 2019 and official liquidator was appointed under the winding up order. SECP has initiated proceedings for investigations under section 257 of Companies Act 2017, (Section 265 of the repealed Companies Ordinance, 1984.) The company has challenged the order and the Honorable Lahore High Court has stayed the proceedings.

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

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

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

- The management successfully disposed of non-core assets within one year from the effective date of the approval of scheme. All required non-core assets were sold for Rs. 1.6 billion exceeding the estimated proceeds of Rs. 1.4 billion and used for servicing loan repayments and to support the company's working capital needs.

- Principal repayments to lenders are rescheduled over 14 years from the effective date, improving financial health and resolving all disputes with lenders.
- To ensure smooth operations, the company applied for additional working capital, from banks as per their agreed share (lead bank and other bank).
- The sponsors injected Rs. 350 million through the sale of personal shares. Additionally, the sponsors injected Rs. 612.27 million as a subordinated loan since its revival.

Reason for non meeting of financial results

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

Management of upcoming loan installments

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

Basis for anticipated business improvement

For sustainable operational profitability, the management is confident for the company's improved prospects, driven by the sponsors' confirmed commitment to inject over Rs. 1.5 billion as directors' loans in coming years. During the current period, Rs. 134.67 million has been injected pursuant to this commitment. This will strengthen liquidity and support working capital needs. Additionally, the company is negotiating injection of Rs. 1 billion as export-based working capital from banks. These measures are expected to boost revenue and profitability, enabling timely repayment of long-term loans.

The above mentioned actions such as, arrangement of proceeds for upcoming installment-payments and anticipated business improvement will help to overcome the financial and operational problems of the Company. Therefore, management is confident that the Company will be able to continue as a going concern.

- 1.4 These condensed interim 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 period have been appropriately disclosed in the respective notes.

2. BASIS FOR PREPARATION

2.1 Statement of compliance

- 2.1.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
 - International Accounting Standards (IAS) 34, "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
 - Provisions of, directives and notifications issued under the Companies Act, 2017.

Where the provisions of, directives and notifications issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of, directives and notifications issued under the Companies Act, 2017 have been followed.

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

2.1.3 These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2025.

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 period

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2025 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

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

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2026 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2025.

2.3 Basis of measurement

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

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

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The accounting policies information and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2025.

3.1 Estimates, judgments and risk management policies

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the annual audited financial statements for the year ended June 30, 2025.

3.1.2 Risk management policies and procedures are consistent with those disclosed in the annual audited financial statements for the year ended June 30, 2025.

	Un-audited March 31, 2026 Rupees	Audited June 30, 2025 Rupees
4. Long term financing		
Under markup agreements		
From banking companies / financial institutions		
Secured		
Tier - I debt	3,341,182,937	3,400,493,903
Paid during the period / year	(155,147,958)	(59,310,966)
	3,186,034,979	3,341,182,937
Tier - II Debt	4,744,899,864	4,744,899,864
	<u>7,930,934,843</u>	<u>8,086,082,801</u>
Less : Current portion		
Installments over due	282,002,783	45,869,438
Payable within one year	791,647,444	581,693,164
	<u>1,073,650,227</u>	<u>627,562,602</u>
	6,857,284,616	7,458,520,199
Associates	11,156,096	10,091,222
	<u>6,868,440,712</u>	<u>7,468,611,421</u>
5. Short term bank borrowings		
Secured		
Under mark up arrangements		
From banking companies		
Export finances	154,500,000	182,200,000

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

5.2 The effective rate of mark up charged during the period ranges from 10.64% to 18.91% per annum (2025:12.13% to 24.56% per annum).

6. CONTINGENCIES

There is no significant change in contingencies since the date of published financial statements for the period ended December 31, 2025 except the followings:

Others

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.

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.

		Un-audited March 31, 2026 Rupees	Audited June 30, 2025 Rupees
	Note		
7. Property, plant and equipment			
Operating assets	7.1	8,834,127,305	8,932,371,161
7.1 Operating assets			
Book value at beginning of period / year		8,932,371,161	9,076,879,986
Add: Addition during the period / year	7.1.1	16,949,153	36,579,582
Less: disposal during the period / year	7.1.2	(199,813)	(12,423)
Depreciation charge during the period / year		(114,993,196)	(181,075,984)
		<u>8,834,127,305</u>	<u>8,932,371,161</u>
7.1.1 Additions to operating assets, during the period / year were as follow:			
Plant and machinery		16,949,153	36,538,582
Electric installations		-	8,000
Factory equipment		-	5,000
Office equipment		-	28,000
		<u>16,949,153</u>	<u>36,579,582</u>
7.1.2 Disposals of operating assets, during the period / year were as follow:			
Vehicles			
Cost		1,278,520	1,269,030
Accumulated depreciation		(1,078,707)	(1,256,607)
		<u>199,813</u>	<u>12,423</u>

		Un-audited				
		Quarter ended March 31,		Nine Months ended March 31,		
		2026	2025	2026	2025	
Note		Rupees	Rupees	Rupees	Rupees	
8. Sales						
	Export					
	Fabrics / made ups / garments	70,474,432	96,257,247	292,279,921	1,002,619,942	
	Local					
	Fabrics / made ups / garments	12,024,829	20,422,961	54,966,871	68,314,661	
		82,499,261	116,680,208	347,246,792	1,070,934,603	
	Add: Export rebate / duty drawback	312,571	500,240	1,208,266	8,492,362	
		82,811,832	117,180,448	348,455,058	1,079,426,965	
	Less:					
	Commission	(2,736,544)	(1,002,960)	(4,023,538)	(24,215,843)	
	Discount	(3,682,607)	(407,617)	(5,828,350)	(12,863,964)	
		(6,419,150)	(1,410,577)	(9,851,888)	(37,079,807)	
		76,392,682	115,769,871	338,603,170	1,042,347,158	
	Processing and conversion income	265,682,649	333,909,120	850,605,198	832,964,888	
		342,075,331	449,678,991	1,189,208,368	1,875,312,046	
9. Cost of sales						
	Cost of goods manufactured	9.1	380,445,639	494,564,435	1,313,664,343	1,927,157,869
	Finished goods					
	Opening stock		62,718,833	40,160,241	48,635,171	62,725,567
	Closing stock		(54,216,388)	(27,865,792)	(54,216,388)	(27,865,792)
			8,502,445	12,294,449	(5,581,217)	34,859,775
			388,948,084	506,858,884	1,308,083,126	1,962,017,644
9.1 Cost of goods manufactured						
	Raw material consumed	9.1.1	91,056,059	46,215,842	247,780,434	550,865,227
	Salaries, wages and benefits		64,505,319	83,148,308	201,344,344	294,640,017
	Staff retirement benefits		2,849,186	1,796,329	8,893,332	11,136,167
	Processing charges		6,472,592	2,232,527	17,395,349	46,046,370
	Conversion charges		-	14,969	-	9,258,812
	Stores and spares		16,004,653	19,757,781	59,408,222	57,479,300
	Dyes and chemicals		87,912,953	100,624,018	257,090,645	260,815,963
	Packing material		10,800,147	31,279,737	45,579,109	89,490,882
	Repairs and maintenance		249,755	353,976	1,339,620	3,084,132
	Fuel and power		114,245,666	114,779,359	374,256,753	443,844,283
	Insurance		4,061,245	4,075,168	12,386,218	12,406,565
	Depreciation		27,348,256	50,890,915	86,620,090	118,726,392
	Other		873,793	2,101,235	3,372,181	3,665,806
			426,379,624	457,270,164	1,315,466,297	1,901,459,916
	Work in process					
	Opening stock		49,512,771	181,165,239	93,644,802	169,568,921
	Closing stock		(95,446,756)	(143,870,968)	(95,446,756)	(143,870,968)
			(45,933,985)	37,294,271	(1,801,954)	25,697,953
			380,445,639	494,564,435	1,313,664,343	1,927,157,869
9.1.1 Raw material consumed						
	Opening stock		13,877,970	18,931,942	30,165,692	18,645,973
	Purchases including purchase expenses		106,938,753	44,579,180	247,375,406	549,514,534
			120,816,723	63,511,122	277,541,098	568,160,507
	Closing stock		(29,760,664)	(17,295,280)	(29,760,664)	(17,295,280)
			91,056,059	46,215,842	247,780,434	550,865,227

Note	Un-audited			
	Quarter ended March 31,		Nine Months ended March 31,	
	2026	2025	2026	2025
	Rupees	Rupees	Rupees	Rupees
10. Other income				
Income from assets other than financial assets:				
Sale of waste material	413,527	1,367,020	1,288,812	4,137,626
Rental income	11,119,767	6,517,689	30,489,104	18,383,067
Gain on sale of operating assets	-	-	1,400,188	907,577
Balances written back-net	-	-	5,767,344	114,139,279
Fair value adjustment of deferred revenue	354,958	311,176	1,064,874	933,528
	<u>11,888,252</u>	<u>8,195,885</u>	<u>40,010,322</u>	<u>138,501,077</u>
11. Finance cost				
Interest / mark up on:				
Long term financing Tier-I debt	39,329,630	41,271,266	122,268,713	126,267,216
Short term bank borrowings	4,524,628	5,838,404	15,324,174	28,567,263
Bank charges and commission	855,471	903,172	4,735,314	6,599,536
Fair value adjustment of loan from associates	354,958	311,176	1,064,874	933,528
	<u>45,064,687</u>	<u>48,324,018</u>	<u>143,393,075</u>	<u>162,367,543</u>

12. 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. Significant transactions with related parties are as follows:-


Name of the related party/Relationship	Nature of transaction	Un-Audited March 31, 2026 Rupees	Un-Audited March 31, 2025 Rupees
Key management personnel	Remuneration	48,445,351	70,250,850
Muhammad Naeem (Director)	Loan obtained	134,671,000	-

13. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorised for issue on **30/04/2026** by the Board of Directors of the Company.

14. GENERAL

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


(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER


(MUHAMMAD FARHAN LATIF)
DIRECTOR


(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

Book Post



if not delivered return to:

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