Chenab LIMITED

www.chenabgroup.com

FINANCIAL STATEMENTS

1st Quarter Ended September 30,

(un-audited)

2026

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

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

Ms. Sobia Chughtai (Nominee Director)

CHIEF FINANCIAL OFFICER

Mr. Sadaquat Hussain

COMPANY SECRETARY

Mr. Muhammad Arshad

LEGAL ADVISOR

Mian Masroor Akbar (Advocate)

SHARE REGISTRAR

F.D. Registrar Services (Pvt.) Limited,
Office # 1705, 17th Floor, Saima Trade Tower-A,
I.I. Chundrigar Road, Karachi.
Tel:021-32271905-6/021-35478192-3

REGISTERED OFFICE

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

WEBSITE

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

WORK

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

BANK'S

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

AUDITORS

RSM Avis Hyder Liaquat Nauman
Chartered Accountants.

DIRECTORS' REPORT

The directors are pleased to place before you un-audited financial statements of the company for the 1st quarter of the financial year 2026-27 ended on September 30, 2026.

SALES REVENUE

The Company's sales turnover for the quarter ended September 30, 2026 increased significantly to **Rs. 1,155.101 million,** as compared to **Rs.447.706 million** for the corresponding period of the previous year, registering an increase of **158%** in sales turnover.

FINANCIAL RESULTS

The growth in sales turnover also reflected positively on profitability, as the company turned around to an after-tax **profit of Rs.5.459 million**, compared to a **loss of Rs.170.197 million** in the corresponding period last year.

FUTURE PROSPECTS

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

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

ACKNOWLEDGEMENT

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

For and on behalf of
BOARD OF DIRECTORS

FAISALABAD November 27, 2026	(MUHAMMAD FARHAN LATIF) (DIRECTOR)	(MIAN MUHAMMAD LATIF) CHIEF EXECUTIVE OFFICER)

ڈائریکٹرز کی رپورٹ:۔

ڈائریکٹرز کو یہ غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہو رہی ہے، جو کمپنی کے مالی سال 27-2026 کی پہلی سہ ماہی، مورخہ 30 ستمبر 2026 کو ختم ہونے والی مدت سے متعلق ہیں۔

فروخت سے حاصل ہونے والی آمدنی:۔

30 ستمبر 2026 کو ختم ہونے والی سہ ماہی کے دوران کمپنی کے سیلز ٹرن اوور میں نمایاں اضافہ ہوا، اور یہ گزشتہ سال کی اسی مدت کے 447.706 ملین روپے کے مقابلے میں بڑھ کر، 1,155.101 ملین روپے تک پہنچ گیا، جو فروخت کے حجم میں 158 فیصد اضافے کو ظاہر کرتا ہے۔

مالیاتی نتائج:۔

فروخت کے حجم میں اضافے کے مثبت اثرات کمپنی کے منافع پر بھی مرتب ہوئے، جس کے نتیجے میں کمپنی نے گزشتہ سال کی اسی مدت میں 170.197 ملین روپے کے خسارے کے مقابلے میں رواں سہ ماہی کے دوران ٹیکس کی ادائیگی کے بعد 5.459 ملین روپے کا منافع حاصل کیا۔

مستقبل کے امکانات:۔

حالیہ ایران امریکہ تنازع، جس کے باعث خلیجی خطے میں کشیدگی میں اضافہ ہوا ہے، جس نے پیداواری خام مال کی لاگت بڑھانے، ترسیلات میں تاخیر اور مالیاتی عدم استحکام کو جنم دیا ہے۔ یہ صورتحال ایسے وقت میں پیدا ہوئی ہے جب ٹیکسٹائل انڈسٹری پہلے ہی بڑھتی ہوئی مہنگائی کے دباؤ کا سامنا کر رہی ہے۔ امید ہے کہ صورتحال میں کشیدگی کم ہونے سے ملک میں کاروباری ماحول معمول پر آنے میں مدد ملے گی۔ کمپنی نے ایک غیر ملکی خریدار کے ساتھ معاہدہ کیا ہے، جس کے تحت خریدار نے برآمدات کے عوض پیشگی مخصوص رقم فراہم کرنے پر اتفاق کیا ہے۔ اس انتظام کے نتیجے میں زیرِ جائزہ سہ ماہی کے دوران کمپنی کی برآمدات میں نمایاں اضافہ ہوا ہے۔

انتظامیہ کو یقین ہے کہ یہ انتظام آئندہ مدت میں کمپنی کی فروخت کے حجم میں مزید اضافے کا باعث بنے گا۔ کمپنی اپنے بینکاری شراکت داروں سے درخواست کرتی ہے کہ موجودہ مالیاتی مشکلات کے باوجود کاروباری مواقع سے بھرپور فائدہ اٹھانے کے لیے برآمدی فنانسنگ کی سہولیات میں اضافہ کیا جائے۔ کمپنی کے اسپانسرز نے ورکنگ کیپیٹل کی ضروریات پوری کرنے کے لیے فنڈز فراہم کرنے کے اپنے عزم کا اعادہ کیا ہے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز، شیئر ہولڈرز، سرکاری اداروں اور مالیاتی اداروں کی جانب سے فراہم کردہ تعاون پر ان کا تہہ دل سے شکریہ ادا کرتا ہے۔

برائے

بورڈ آف ڈائریکٹرز کی جانب سے

(میاں محمد لطیف)	(محمد فرحان لطیف)	فیصل آباد:
چیف ایگزیکٹو آفیسر	ڈائریکٹر	27 نومبر 2026

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT SEPTEMBER 30, 2026

	Note	Sep-30, 2026 (Un-Audited) Rupees	Jun-30, 2026 (Audited) Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
120,000,000 ordinary shares of Rs.10/- each		1,200,000,000	1,200,000,000
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 ordinary shares of Rs. 10/- each fully paid in cash		1,150,000,000	1,150,000,000
Cumulative preference shares		500,000,000	500,000,000
Directors' loan		1,230,584,086	1,230,584,086
Surplus on revaluation of property, plant and equipment		5,027,465,512	5,042,131,606
Capital reserves		526,409,752	526,409,752
Revenue reserves		(9,046,370,912)	(9,066,496,472)
		(611,911,562)	(617,371,028)
NON-CURRENT LIABILITIES			
Long term financing	5	6,618,788,715	6,648,383,812
Deferred revenue		51,814,041	52,218,943
Deferred interest / markup		946,497,873	906,630,200
Liabilities against redemption of preference shares		300,000,000	300,000,000
Deferred liabilities		92,678,156	85,243,200
		8,009,778,785	7,992,476,155
CURRENT LIABILITIES			
Trade and other payables		1,800,935,739	1,722,524,723
Unclaimed dividend		366,071	366,071
Interest / markup payable		6,089,722	3,709,087
Short term bank borrowings		154,500,000	154,500,000
Current portion of :			
Long term financing	5	1,296,266,048	1,278,418,233
Provision for taxation - income tax		13,569,150	10,311,732
		3,271,726,730	3,169,829,846
CONTINGENCIES AND COMMITMENTS	6	-	-
		10,669,593,953	10,544,934,973

	Note	Sep-30, 2026 (Un-Audited) Rupees	Jun-30, 2026 (Audited) Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating assets	7	8,320,118,615	8,335,507,291
Investment property	8	631,075,997	634,429,071
Long term deposits		13,418,150	13,418,150
		8,964,612,762	8,983,354,512
CURRENT ASSETS			
Stores and spares		158,502,148	146,134,355
Stock in trade		307,570,876	252,869,977
Trade debts	9	293,368,328	156,738,489
Loans and advances		119,927,142	140,175,449
Deposits and prepayments		28,317,891	28,222,356
Other receivables		6,347,881	5,885,350
Tax refunds due from government		69,765,392	70,190,098
Cash and bank balances		144,309,187	184,492,041
		1,128,108,845	984,708,115
Non current assets held for sale		576,872,346	576,872,346
		10,669,593,953	10,544,934,973

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2026

	Note	QUARTER ENDED Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
Sales	10	1,155,101,333	447,705,838
Cost of sales	11	1,020,802,180	481,837,321
Gross profit / (loss)		134,299,153	(34,131,484)
Operating Expenses			
Selling and distribution expenses		18,348,959	6,209,987
Administrative expenses		64,683,708	78,151,344
		83,032,667	84,361,330
Operating profit / (loss)		51,266,486	(118,492,814)
Other income	12	18,248,225	9,587,596
Finance cost		46,348,421	54,269,210
Profit / (loss) for the period before levies and income tax		23,166,290	(163,174,428)
Levies		14,449,406	7,022,412
Profit / (loss) for the period before income tax		8,716,884	(170,196,841)
Provision for taxation		(3,257,418)	-
Profit / (loss) for the period		5,459,466	(170,196,841)
Earnings per share - Basic and diluted		0.05	(1.48)

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2026

	Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
Profit / (loss) for the period	5,459,466	(170,196,841)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	5,459,466	(170,196,841)

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2026

	Note	Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) for the period before levies and income tax		23,166,290	(163,174,428)
Adjustments for:			
Depreciation of operating assets	7.1	55,299,748	40,461,465
Depreciation of investment property	8.1	3,353,074	2,467,987
Provision for staff retirement gratuity		7,544,956	1,998,268
(Gain) on disposal of operating assets	12	(2,728,526)	-
Finance cost		46,348,421	54,269,210
Fair value adjustment of deferred revenue	12	(404,902)	(354,958)
Operating cash flows before working capital changes		132,579,061	(64,332,456)
Changes in working capital			
(Increase) / decrease in current assets			
Stores and spares		(12,367,793)	(17,725,721)
Stock in trade		(54,700,899)	7,921,489
Trade debts		(136,629,839)	63,214,727
Loans and advances		34,591,591	(19,614,483)
Deposits and prepayments		(95,535)	(338,936)
Other receivables		(462,531)	5,523,823
Tax refunds due from government		424,706	5,158,608
		(169,240,300)	44,139,508
Increase in current liabilities			
Trade and other payables		63,961,609	4,352,620
		(105,278,691)	48,492,128
Cash generated from / (used in) operations		27,300,370	(15,840,328)
Income tax and levies paid		(14,343,282)	(6,589,858)
Finance cost paid		(3,695,211)	(7,859,554)
Staff retirement gratuity paid		(110,000)	-
Net cash generated from / (used in) operating activities		9,151,877	(30,289,740)
b) CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in operating assets	7.1	(42,182,546)	-
Proceeds from disposal of operating assets		5,000,000	-
Net cash (used in) investing activities		(37,182,546)	-

	Note	Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
c) CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of loan from directors		-	101,371,000
Repayment of :			
Long term financing	5	(12,152,185)	(53,183,805)
(Decrease) in short term bank borrowings		-	(21,700,000)
Net cash (used in) / generated from financing activities		(12,152,185)	26,487,195
Net (decrease) in cash and cash equivalents (a+b+c)		(40,182,854)	(3,802,545)
Cash and cash equivalents at the beginning of the period		184,492,041	56,704,004
Cash and cash equivalents at the end of the period		144,309,187	52,901,460

The annexed notes from 1 to 16 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 QUARTER ENDED SEPTEMBER 30, 2026

	Issued, subscribed and paid up capital	Cumulative preference shares	Director's Loan	Surplus on revaluation of property, plant and equipment	Capital reserves: Premium on issue of ordinary shares	Capital reserves: Book difference of capital under scheme of arrangement for amalgamation	Capital reserves: Preference shares redemption reserve	Capital reserves: Sub total	Revenue reserves: General reserve	Revenue reserves: Accumulated (loss)	Revenue reserves: Sub total	Total
	Rupees											
Balance as at 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	-	-	-	-	-	-	-	-	-	(170,196,841)	(170,196,841)	(170,196,841)
Incremental depreciation on revalued assets for the period		-	-	(13,597,207)	-	-	-	-	-	13,597,207	13,597,207	-
Transaction with owners												
Loan from directors		-	101,371,000	-	-	-	-	-	-	-	-	101,371,000
Balance as at September 30, 2025 (un-audited)	1,150,000,000	500,000,000	1,173,284,086	4,800,442,061	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(8,848,026,643)	(8,771,593,809)	(621,457,910)
Total comprehensive (loss) for the period												
(Loss) for the period		-	-	-	-	-	-	-	-	(349,495,617)	(349,495,617)	(349,495,617)
Other comprehensive income												
Items that will not be subsequently reclassified to profit or loss:												
Surplus on revaluation of property plant and equipment arisen during the period - net		-	-	292,353,111	-	-	-	-	-	-	-	292,353,111
Remeasurement of defined benefit liability		-	-	-	-	-	-	-	-	3,929,388	3,929,388	3,929,388
		-	-	292,353,111	-	-	-	-	-	(345,566,229)	(345,566,229)	(53,213,118)
Incremental depreciation on revalued assets for the period		-	-	(50,663,566)	-	-	-	-	-	50,663,566	50,663,566	-
Transaction with owners												
Loan from directors		-	57,300,000	-	-	-	-	-	-	-	-	57,300,000
Balance as at June 30, 2026 (audited)	1,150,000,000	500,000,000	1,230,584,086	5,042,131,606	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,142,929,306)	(9,066,496,472)	(617,371,028)
Profit for the period	-	-	-	-	-	-	-	-	-	5,459,466	5,459,466	5,459,466
Incremental depreciation on revalued assets for the period	-	-	-	(14,666,094)	-	-	-	-	-	14,666,094	14,666,094	-
Transaction with owners												
Loan from directors	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at September 30, 2026 (un-audited)	1,150,000,000	500,000,000	1,230,584,086	5,027,465,512	120,000,000	63,552,610	342,857,142	526,409,752	76,432,834	(9,122,803,746)	(9,046,370,912)	(611,911,562)

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



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

1. GENERAL INFORMATION

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

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

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

1.3 As at September 30, 2026 the accumulated loss of the Company is Rs. 9,122.80 million (June 30, 2026: Rs.9,142.93 million), and the current liabilities of the company exceed its current assets by Rs. 1,566.75 million (June 30, 2026: Rs. 1,608.25 million). The Company has not redeemed preference shares on exercise of put options for three consecutive years by holders of preference shares due to tight cash flow situation. The Company was wound up by order of the Honorable Lahore High Court on July 13, 2017, following a creditor's application due to non-compliance with loan covenants. The Company preferred an appeal before the Honorable Supreme Court against this order but leave of appeal was not granted and dismissed vide order dated January 08, 2019 and official liquidator was appointed under the winding up order. SECP has initiated proceedings for investigations under section 257 of Companies Act 2017, (Section 265 of the repealed Companies Ordinance,1984.) The company has challenged the order and the Honorable Lahore High Court has stayed the proceedings.

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

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

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

- The management successfully disposed of non-core assets within one year from the effective date of the approval of scheme. All required non-core assets were sold for Rs. 1.6 billion exceeding the estimated proceeds of Rs. 1.4 billion and used for servicing loan repayments and to support the company's working capital needs.
- Principal repayments to lenders are rescheduled over 14 years from the effective date, improving financial health and resolving all disputes with lenders.
- To ensure smooth operations, the company applied for additional working capital, from banks as per their agreed share (lead bank and other bank).
- The sponsors injected Rs. 350 million through the sale of personal shares. Additionally, the sponsors injected Rs. 636.27 million as a subordinated loan since its revival.

Reason for non meeting of financial results

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

Management of upcoming loan installments

Despite the aforementioned factors that hampered the achievement of expected results, the management remained actively engaged in ensuring payment of the upcoming installments due in 2026. Accordingly, in July 2025, the Company approached its lenders for issuance of No Objection Certificates (NOCs) for the sale of non-current assets, expected to generate approximately PKR 740 million. It was decided that the sale proceeds would be utilized to pay the quarterly installments maturing up to June 30, 2026, on a pro-rata basis to all lenders. However, due to procedural delay in obtaining NOCs from all secured creditors, the Company could not make payments on due date. Subsequently, all secured creditors have granted NOCs / in-principle approvals for the sale of these assets.

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

Basis for anticipated business improvement

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

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

The above mentioned actions/efforts to increase revenue and improve profitability, reduction in bank borrowings through the proceeds of disposal of non core assets will help to reduce the financial burden. Therefore, management is confident that the Company will be able to continue as a going concern.

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

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Accounting Standard (IAS) 34, "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of, directives and notifications issued under the Companies Act, 2017.

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

2.2 These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual audited financial statements of the Company for the year ended June 30, 2026. These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Section 237 of the Companies Act, 2017.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information and methods of computations adopted for the preparation of these condensed interim financial statements are the same as applied in the preparation of the preceding audited annual published financial statements of the Company for the year ended June 30, 2026.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of these condensed interim financial statements, the significant judgments made by the management in applying the Company’s accounting policies and the key sources of estimation and uncertainty were the same as those that applied in the preceding audited annual published financial statements of the Company for the year ended June 30, 2026.

	Sep-30, 2026 (Un-Audited) Rupees	Jun-30, 2026 (Audited) Rupees
5. Long term financing		
Under markup agreements		
From banking companies / financial institutions		
Secured		
Tier - I debt	3,170,391,124	3,341,182,937
Paid during the year	(12,152,185)	(170,791,813)
	3,158,238,939	3,170,391,124
Tier - II Debt	4,744,899,864	4,744,899,864
	7,903,138,803	7,915,290,988
Less : Current portion		
Installments over due	444,618,604	456,770,789
Payable within one year	851,647,444	821,647,444
	1,296,266,048	1,278,418,233
	6,606,872,755	6,636,872,755
Associates	11,915,960	11,511,057
	6,618,788,715	6,648,383,812

6. CONTINGENCIES AND COMMITMENTS

Contingencies

There were no significant change in contingencies since the date of published audited financial statements for the year ended June 30, 2026.

Commitments

There were no commitments as on September 30, 2026. (June 30, 2026: Nil)

	Sep-30, 2026 (Un-Audited) Rupees	Jun-30, 2026 (Audited) Rupees
7. Property, plant and equipment		
Operating assets	8,320,118,615	8,335,507,291
7.1 Operating assets		
Book value at beginning of period / year	8,335,507,291	8,932,371,161
Add: Addition during the period / year	42,182,546	18,763,056
Surplus on revaluation during the period / year	-	292,353,111
Transferred to		
non current asset held for sale during the period / year	-	(427,484,000)
Transferred to investment property during the period / year	-	(312,239,000)
Less: disposal during the period / year	(2,271,474)	(199,812)
Depreciation charge during the period / year	(55,299,748)	(168,057,225)
	8,320,118,615	8,335,507,291

	Sep-30, 2026 (Un-Audited) Rupees	Jun-30, 2026 (Audited) Rupees
8. Investment property		
8.1 Investment property	631,075,997	634,429,071
Freehold land		
Book value at beginning of period / year	299,121,713	234,651,713
Transferred to		
non current asset held for sale during the period / year	-	(98,880,000)
Transferred from operating assets during the period / year	-	163,350,000
	299,121,713	299,121,713
Building on freehold land		
Book value at beginning of period / year	335,307,358	246,798,650
Transferred to		
non current asset held for sale during the period / year	-	(50,508,346)
Transferred from operating assets during the period / year	-	148,889,000
Depreciation charge during the period / year	(3,353,074)	(9,871,946)
	331,954,284	335,307,358
Annual rate of depreciation on building (%)	4%	4%
9. Trade debts		
Considered good		
Unsecured		
Foreign	135,586,086	1,414,663
Local	157,782,242	155,323,826
	293,368,328	156,738,489

	Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
10. Sales		
Export		
Fabrics / made ups / garments	658,752,849	127,658,936
Local		
Fabrics / made ups / garments	16,459,144	20,733,734
	675,211,993	148,392,670
Add: Export rebate / duty drawback	223,038	669,804
	675,435,031	149,062,474
Less:		
Commission	-	1,286,995
Discount	-	2,145,743
	-	3,432,738
Processing and conversion income	479,666,302	302,076,102
	1,155,101,333	447,705,838

		Sep-30, 2026 (Un-Audited) Rupees	Sep-30, 2025 (Un-Audited) Rupees
11. Cost of sales			
Cost of goods manufactured	11.1	1,030,133,222	465,394,822
Finished goods			
Opening stock		133,300,600	48,635,171
Closing stock		(142,631,642)	(32,192,672)
		(9,331,042)	16,442,499
Cost of sales		1,020,802,180	481,837,321
11.1 Cost of goods manufactured			
Raw material consumed	11.1.1	494,869,746	108,191,250
Salaries, wages and benefits		93,742,247	67,896,168
Staff retirement benefits		5,551,491	1,598,611
Processing charges		1,600,221	5,364,762
Stores and spares		35,331,306	9,084,308
Dyes and chemicals		158,365,673	88,412,878
Packing material		42,107,002	17,230,655
Repairs and maintenance		1,128,109	107,500
Fuel and power		174,107,206	140,855,762
Insurance		3,925,159	4,173,737
Depreciation		47,624,484	32,712,309
Others		1,314,888	992,193
		1,059,667,532	476,620,133
Work in process			
Opening stock		36,204,432	93,644,802
Closing stock		(65,738,742)	(104,870,113)
		(29,534,310)	(11,225,311)
		1,030,133,222	465,394,822
11.1.1 Raw material consumed			
Opening stock		82,586,037	30,165,692
Purchases including purchase expenses		510,650,769	105,486,949
		593,236,806	135,652,641
Closing stock		(98,367,060)	(27,461,391)
		494,869,746	108,191,250
12. Other income			
Income from assets other than financial assets:			
Sale of waste material		1,074,204	729,568
Rental income		14,040,593	8,503,070
Gain on disposal of operating assets		2,728,526	-
Fair value adjustment of deferred revenue		404,902	354,958
		18,248,225	9,587,596

13. TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertaking, directors and key management personnel. There were no significant transaction with related parties during the period.

14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting", the condensed interim financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

15. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue on **27-11-2026** by the Board of Directors of the Company.

16. GENERAL

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



(MIAN MUHAMMAD LATIF)
CHIEF EXECUTIVE OFFICER



(MUHAMMAD FARHAN LATIF)
DIRECTOR



(SADAQUAT HUSSAIN)
CHIEF FINANCIAL OFFICER

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