

REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
DECEMBER 31, 2025

AL-ABID SILK MILLS LIMITED

REGISTERED OFFICE
A-34/A, S.I.T.E., Manghopir Road, Karachi.

AL-ABID SILK MILLS LIMITED

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr.Naseem A.Sattar Mr.Azim Ahmed Mr.Qamar Mashkooor Mr.Muhammad Sajid Hafeez Mrs.Sadaf Nadeem Mr.Arsalan-ul-haq Syed Raza Abbas Jaffari	Chairman and Founder of the Company Chief Executive Officer Independent Non-Executive Director Independent Non-Executive Director Non-Executive Director Non-Executive Director Nominee Director of (N.I.T)
AUDIT COMMITTEE	Mr.Qamar Mashkooor Mr.Muhammad Sajid Hafeez Mr.Naseem A.Sattar	Chairman Member Member
H.R.REMUNERATION COMMITTEE	Mr.Muhammad Sajid Hafeez Mr.Naseem A.Sattar Mr.Arsalan-ul-haque	Chairman Member Member
CHIEF FINANCIAL OFFICER	Mr.Haroon Rasheed	
SECRETARY	Mr.Naseem Ahmed	
AUDITORS	Muniff Ziauddin & co. Chartered Accountants	
REGISTRARS	Jwaffs Registrar Services (Pvt) Ltd. Room # 407-408, 4th Floor, Al-Ameera Centre, Shahrah-e-Iraq Saddar, Karachi.	
BANKERS	Allied Bank Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited Meezan Bank Limited National Bank of Pakistan PAIR Investment Company Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited The Bank of Punjab United Bank Limited	
REGISTERED OFFICE	A-34/A, S.I.T.E.Manghopir Road Karachi.	
MILLS	A-34/A, A-29/B, S.I.T.E. Karachi.	
E-MAIL	mail@alabid.com	

AL-ABID SILK MILLS LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors presents the condensed interim financial statement of the Company for the Second Quarter ended December 31, 2025.

The industrial sector continues to operate in a challenging environment marked by elevated costs of doing business. In this context, timely and effective measures by the Government particularly aimed at reducing energy costs and further rationalizing policy rates would play a pivotal role in supporting sustainable economic growth. Such initiatives would provide much needed relief to local industries, enabling them to enhance operational efficiency, strengthen competitiveness, and expand their footprint in international markets.

Future Outlook

As previously reported, the Company is actively engaged in securing new business opportunities. Extensive sampling activities are currently underway, and management remains confident that bulk production on the coating and flocking line will commence in the very near future.

The Board sincerely appreciates the continued patience, trust, and cooperation of all stakeholders and remains committed to delivering long term value.

For and on behalf of the Board of Directors



Director



Azim Ahmed
Chief Executive Officer

February 26, 2026

AL-ABID SILK MILLS LIMITED

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 دسمبر 2025ء کو ختم ہونے والی دوسری سہ ماہی کیلئے کمپنی کے مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

معاشی جائزہ:

صنعتی شعبہ بدستور ایک مشکل ماحول میں کام کر رہا ہے جہاں کاروباری لاگت بلند سطح پر ہے۔ اس تناظر میں حکومت کی جانب سے بروقت اور موثر اقدامات، خاص طور پر توانائی کے اخراجات میں کمی اور پالیسی ریٹ میں مزید معقولیت لانے کے حوالے سے، پائیدار معاشی ترقی کیلئے اہم کردار ادا کر سکتے ہیں۔ ایسے اقدامات مقامی صنعتوں کو درکار سہولیات فراہم کیں گے جس سے وہ اپنی عملی کارکردگی کو بہتر بنا سکیں، مسابقتی صلاحیت مضبوط کریں اور عالمی منڈیوں میں اپنی موجودگی کو وسعت دے سکیں۔

مستقبل کا نظریہ:

جیسا کہ اس سے قبل مطلع کیا جا چکا ہے کہ کمپنی نئے کاروباری مواقع حاصل کرنے کیلئے سرگرم عمل ہے۔ اس وقت وسیع پیمانے پر سپلائی سٹرکچر جاری ہیں اور انتظامیہ کو یقین ہے کہ کوئنگ اور فلائنگ لائن پر تجارتی پیداوار بہت جلد شروع ہو جائے گی۔

اظہار تشکر:

بورڈ تمام اسٹیک ہولڈرز کے مسلسل تعاون اور کمپنی پر اعتماد کے لئے ان کا خلوص دل سے شکر گزار ہے اور طویل مدتی قدر کی فراہمی کے عزم پر قائم ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے


ڈائریکٹر


عظیم احمد
چیف ایگزیکٹو آفیسر

مورخہ: 26 فروری 2026ء

AL-ABID SILK MILLS LIMITED

Independent Auditor's Review Report to the members of

Report on review of the Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Abid Silk Mills Limited as at December 31, 2025 and the related condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity, and notes to the financial statements for the six-month period then ended (herein-after referred to as the "Condensed Interim Financial Statements"). Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

- (i) As explained on note 2, the accumulated loss of the company has reached at Rs. 2.335 billion (June 2025: 2.314 billion), and as of that date Company's current liabilities exceeded its current assets by Rs. 1.949 billion. Furthermore, during the year no production and sales were made by the company. These events indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. These financial statements have been prepared on a going concern basis however; the business revival plan as disclosed in the financial statements has not yet been implemented.
- (ii) We have not received direct bank confirmations from the banks and financial institutions for short term loans amounting to Rs. 744.239 Million as mentioned in the financial statements. The Company has not recorded mark-up on these finances which amounts to Rs. 96 million on the plea of restructuring negotiation/litigation with the respective banks. Moreover, we were not arranged direct confirmations from trade & other creditors amounting to Rs. 689.345 Million.

AL-ABID SILK MILLS LIMITED

Adverse Conclusion

Our review indicates that, because of the matters as described in the preceding paragraphs, these condensed interim financial statements do not present fairly, in all the material respects, the financial position of the company as at December 31, 2025, and of its financial performance and its cash flows for the six months period then ended in accordance with the approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Other Matter

The figures of the condensed interim statement of profit or loss and condensed interim statements of comprehensive income for the quarters ended December 31, 2025 and 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2025.

The engagement partner on the audit resulting in this independent auditor's review report is Sohail Saleem.



**Chartered Accountants
Karachi**

**Date: February 26, 2026
UDIN: RR202510130aHq9udo8Y**

AL-ABID SILK

STATEMENT OF FINANCIAL AS AT

		Audited
	December 31, 2025	June 30, 2025
Note	----- (Rupees) -----	
EQUITY & LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
20,000,000 ordinary shares of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	<u>134,095,500</u>	<u>134,095,500</u>
Capital reserves		
Other reserves	372,834,000	372,834,000
Revaluation Surplus on Property, Plant & Equipment	5 2,345,033,941	2,400,539,148
Revenue reserves		
Accumulated loss	<u>(2,335,202,725)</u>	<u>(2,314,936,923)</u>
Total equity	516,760,716	592,531,725
LIABILITIES		
NON- CURRENT LIABILITIES		
Long Term Finances	6 <u>169,264,000</u>	<u>199,264,000</u>
Staff retirement benefits	<u>8,735,026</u>	<u>8,735,026</u>
	177,999,026	207,999,026
CURRENT LIABILITIES		
Loan from directors - unsecured	7 <u>561,018,754</u>	<u>561,018,754</u>
Trade and other payables	<u>778,558,427</u>	<u>771,073,357</u>
Unclaimed dividend	<u>108,310</u>	<u>108,310</u>
Current maturity of long term finances	6 <u>47,000,000</u>	<u>34,000,000</u>
Accrued markup	8 <u>43,322,484</u>	<u>43,322,484</u>
Short term finances	9 <u>744,239,039</u>	<u>744,239,039</u>
Provision for taxation	<u>977,957</u>	<u>736,262</u>
	2,175,224,971	2,154,498,206
CONTINGENCIES AND COMMITMENTS	10	
	<u>2,869,984,713</u>	<u>2,955,028,957</u>

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

MILLS LIMITED

POSITION (UN-AUDITED)

DECEMBER 31, 2025

		December 31, 2025	Audited June 30, 2025
	Note	----- (Rupees) -----	-----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,513,577,891	2,572,274,278
Investment property		126,285,000	126,285,000
Long term security deposit		4,815,457	4,815,457
CURRENT ASSETS			
Stores and spares		10,733,690	10,733,690
Loans and advances		1,237,718	1,237,718
Trade deposits and prepayments		218,100	218,100
Other receivables	12	117,610,533	122,853,312
Tax refunds due from government		67,024,047	66,144,045
Cash and bank balances		28,482,277	50,467,357
		225,306,365	251,654,222
		<u>2,869,984,713</u>	<u>2,955,028,957</u>



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) For the period ended December 31, 2025

	Six months ended		Quarter ended	
	December 31, 2025 Note	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees) -----		----- (Rupees) -----	
Sales and manufacturing	-	-	-	-
Cost of sales	(68,840,563)	(51,121,217)	(34,551,372)	(25,505,335)
Gross loss	<u>(68,840,563)</u>	<u>(51,121,217)</u>	<u>(34,551,372)</u>	<u>(25,505,335)</u>
Operating expenses				
Administrative expenses	(26,894,178)	(45,306,347)	(12,363,141)	(29,961,330)
Other Income	13 20,205,427	17,570,618	11,371,078	8,266,603
Loss from operations	<u>(75,529,314)</u>	<u>(78,856,946)</u>	<u>(35,543,435)</u>	<u>(47,200,062)</u>
Finance cost	-	-	-	-
Loss before levy and taxation	<u>(75,529,314)</u>	<u>(78,856,946)</u>	<u>(35,543,435)</u>	<u>(47,200,062)</u>
Levy	(241,695)	(149,209)	(140,394)	(80,018)
Loss before taxation	<u>(75,771,009)</u>	<u>(79,006,155)</u>	<u>(35,683,829)</u>	<u>(47,280,080)</u>
Taxation	-	-	-	-
Loss after taxation	<u>(75,771,009)</u>	<u>(79,006,155)</u>	<u>(35,683,829)</u>	<u>(47,280,080)</u>
Loss per share - basic and diluted	<u>(5.65)</u>	<u>(5.89)</u>	<u>(2.66)</u>	<u>(3.53)</u>

The annexed notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED)

For the period ended December 31, 2025

	Six months ended		Quarter ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	----- (Rupees) -----		----- (Rupees) -----	
Loss after taxation	(75,771,009)	(79,006,155)	(35,683,829)	(47,280,080)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipments	-	-	-	-
Remeasurements of defined benefit liability	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive Loss for the period	<u>(75,771,009)</u>	<u>(79,006,155)</u>	<u>(35,683,829)</u>	<u>(47,280,080)</u>

The annexed notes form an integral part of these financial statements.


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) For the period ended December 31, 2025

	December 31, 2025	December 31, 2024
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before levy and taxation	(75,529,314)	(78,856,946)
Adjustments for:		
Depreciation	69,062,141	51,291,408
Loss on disposal of plant and equipment	-	13,302,150
	69,062,141	64,593,558
WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Loan and advances	-	126,690
Store and Spares	-	4,684,000
Other Receivable	5,242,779	-
Tax refunds due from government	(734,144)	-
	4,508,635	4,810,690
(Decrease) / Increase in current liabilities:		
Trade and other payable	7,485,070	(16,735,220)
Cash used in operations	5,526,532	(26,187,918)
Taxes paid	(145,858)	(890,462)
	5,380,674	(27,078,380)
Net cash used in operating activities	5,380,674	(27,078,380)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in fixes assets	(10,365,754)	
Proceeds from disposal of fixed assets	-	15,163,934
Net cash generated from investing activities	(10,365,754)	15,163,934
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finance	(17,000,000)	(10,000,000)
Net cash used in financing activities	(17,000,000)	(10,000,000)
Net decrease in cash and cash equivalents	(21,985,080)	(21,914,446)
Cash and cash equivalents at the beginning of the period	50,467,357	103,433,500
Cash and cash equivalents at the end of the period	28,482,277	81,519,054

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the period ended December 31, 2025

	Share Capital	Capital Reserve		Revenue Reserve	Total
	issued, subscribed and paid-up capital	Other reserve	Revaluation Surplus on Property Plant & Equipment	Accumulated Loss	
	----- Rupees -----				
Balance as at July 01, 2024	134,095,500	372,834,000	1,905,752,279	(2,274,169,982)	138,511,797
Comprehensive income for the period					
Loss after tax for the period ended December 31, 2024	-	-	-	(79,006,155)	(79,006,155)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the Year ended Dec 31, 2024	-	-	-	(79,006,155)	(79,006,155)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation			(37,461,275)	37,461,275	-
Transfer on account of disposal of fixed assets			(42,416,194)	42,416,194	-
Balance as at December 31, 2024	134,095,500	372,834,000	1,825,874,810	(2,273,298,668)	59,505,642
Balance as at July 01, 2025	134,095,500	372,834,000	2,400,539,148	(2,314,936,923)	592,531,725
Comprehensive income for the period					
Loss after tax for the Period ended December 31, 2025	-	-	-	(75,771,009)	(75,771,009)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period ended December 31, 2025	-	-	-	(75,771,009)	(75,771,009)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(55,505,207)	55,505,207	-
Balance as at December 31, 2025	134,095,500	372,834,000	2,345,033,941	(2,335,202,725)	516,760,716

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED DECEMBER 31, 2025

1. LEGAL STATUS AND OPERATIONS

- 1.1 Al-Abid Silk Mills Limited (the Company) was incorporated as a private limited company in the year 1968, later on it was converted into public limited company as on December 24, 1987 under repealed Companies Ordinance, 1984 (repealed by the enactment of Companies act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The registered office is located at A-34/A, S.I.T.E., Manghopir Road, Karachi. The Company is principally engaged in manufacturing and processing of various kinds of fabrics and export of printed and dyed cloth, bed sets and other textile made-ups. The manufacturing facilities of the Company are located at Karachi.

Geographical location and addresses of major business units including mills / plants of the Company are as under:

KARACHI

A-34/A, S.I.T.E., Manghopir Road, Karachi.
A-29/B, S.I.T.E., Manghopir Road, Karachi.

2. GOING CONCERN ASSUMPTIONS

The Company has curtailed off the manufacturing activities for quite some time. As a result of constant losses, the accumulated loss of the company has reached to Rs. 2.335 billion and total equity stood at Rs. 516 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 1.949 billion. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the management of the company believes that the company will remain a going concern in the foreseeable future.

The bank and DFI filed civil recovery suits in Honorable High Court for recovery of their lent fund. The Company filed leave to defend in the court against all such legal suits. Furthermore, the company did not accrue the markup of Rs. 96 million as matter was under litigation. The matter with The Bank of Punjab has already been settled and the payment has been going on. Management of the Company has already requested the remaining bank and DFI collectively and individually to reschedule their credit facilities for a longer period.

According to the business revival plan of the Company, the management is going to resume its production activities with its state of the art machinery. The plant is in good condition requiring minimal Capital expenditure for maintenance. In this regard management is already working on rehabilitation of the required machinery. Due to the demand and supply situation, the company has an advantage to run the plant at full capacity and generate significant revenues.

Besides production, the Company has started to sublet its surplus land and building to logistic companies for their warehousing and distribution needs. This has started generating additional revenue for the Company.

Considering the above, the management of the company is confident to turn it around and to continue as a going concern. Accordingly, these financial statements do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the company be unable to continue as a going concern.

3. Basis of Preparation

3.1 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 and directives issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2025.

3.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for certain items as disclosed on the relevant accounting policies below.

3.3 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupee (Rs./Rupees), which is the functional currency of the Company. Amount presented in the financial statements have been rounded off to the nearest of Rs./Rupees unless otherwise stated.

3.4 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention, except for certain items as disclosed in the relevant accounting policies.

3.5 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees (Rs/Rupees), which is the functional currency of the Company. Amounts presented in the financial statements have been rounded off to the nearest of Rs/Rupees, unless otherwise stated.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements in conformity with the approved accounting and reporting standards as applicable in Pakistan for reporting requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

AL-ABID SILK MILLS LIMITED

	December 31, 2025	Audited June 30, 2025
	----- (Rupees) -----	
5 Revaluation Surplus on Property Plant & Equipment		
Balance at beginning of the year	2,400,539,148	1,905,752,279
Add: Surplus arising during the year	-	592,799,611
Less: Transferred to unappropriated profit on account of incremental depreciation for the year	(55,505,207)	(55,596,548)
Less: Transferred to unappropriated profit on account of disposal for the year	-	(42,416,194)
Surplus/Deficit on revaluation arisen during the year	-	-
Balance at end of the period - net	2,345,033,941	2,400,539,148

5.1 The Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other installation. The valuation has been determined by the independent qualified valuer M/s. Fair water Property Valuers and surveyors (Pvt) Ltd on June 30, 2025. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,545,457,650, however, the forced sales value is Rs. 2,135,690,503 have been taken to account for the fixed assets.

5.2 Had there been no revaluation the related figures of Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other installation would have been as follows:

	December 31, 2025				June 30, 2025				
	Cost	Addition	Accumulated depreciation	Book value	Cost	Addition	Deletion	Accumulated depreciation	Book value
Leasehold land	29,376,842	-	-	29,376,842	29,376,842	-	-	-	29,376,842
Building on leasehold land	294,708,724	9,409,420	249,585,969	54,532,175	285,130,111	9,578,613	-	246,715,855	47,992,869
Plant, Machinery & equipments	1,489,717,584	956,334	1,306,624,145	188,049,773	1,538,478,750	6,108,775	(50,869,941)	1,296,726,789	196,990,795
Furniture & Fixture	42,571,147	-	37,484,340	5,086,807	42,571,147	-	-	37,216,614	5,354,533
Office equipment	4,533,716	-	3,979,143	554,573	4,533,716	-	-	3,949,955	583,761
Electric, gas & Other installations	71,081,709	-	63,212,726	7,868,983	71,081,709	-	-	62,798,569	8,283,140
	1,935,989,722	10,365,754	1,660,886,323	285,469,153	1,971,172,275	15,687,388	(50,869,941)	1,647,407,782	285,581,940

6 LONG TERM FINANCES		
From Bank -Secured	233,264,000	248,264,000
Less: Payment during the period	(17,000,000)	(15,000,000)
	216,264,000	233,264,000
Less: Current maturity	(47,000,000)	(34,000,000)
	169,264,000	199,264,000

6.1 The company has entered into the settlement agreement with the Bank of Punjab whereof the Company will pay quarterly agreed amount in 06 years without any further interest. The facility is secured against mortgage on factory Land and Building of Plot No.A-34/A.

7 LOAN FROM DIRECTORS - UNSECURED		
Balance at beginning of the year	561,018,754	561,018,754
Received during the year	-	-
Repaid during the year	-	-
	561,018,754	561,018,754

The above is interest free loan from director(s) of the company, which is payable on demand.

8 ACCRUED MARKUP		
Export refinance loan	32,377,419	32,377,419
Liabilities against assets subject to finance lease	3,437,436	3,437,436
Short term loan	7,507,629	7,507,629
	43,322,484	43,322,484

9 SHORT TERM FINANCES		
From banks and financial institutions - Secured	9.1	744,239,039
		744,239,039

9.1 The facilities consist of various types of short term finances from bank and non-banking financial institution. The facilities are secured against hypothecation charge on stocks, mortgage on factory property of Plot No. A-29/B with Land, building and machinery installed thereon and charge on book debts of the company. As fully disclosed in note No. 10, various banks have filed suit for the recovery of these loans. Previously the company has settled off most of the banks. The management is amicably pursuing rest of the bank and D.F.I for rescheduling or settlement as disclosed in note 2 & 10.

AL-ABID SILK MILLS LIMITED

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

Bank guarantee

The bank guarantees have been issued in favor of SSGC, Excise, Sales tax and others.

15,797,900

15,797,900

S.NO.	CASE NO.	FORUM	ISSUE INVOLVED	STATUS
1		Sindh High Court	The Sales Tax department has filed an appeal in the Honorable High Court of Sindh on 23rd August, 2000 against the Order of the learned Appellate Tribunal Customs and Sales Tax for recovery of Additional Tax and Surcharge amounting to Rs. 3,449 million for the year 1992-93. No provision for this amount has been made in these accounts as the management of the Company is of the view that the decision of the learned Appellate Tribunal Customs and Sales Tax given in favor of the Company will be successfully defended in the Honorable High Court.	Pending
2	Application No. 95 & 96 of 2016	Sindh High Court	The Spl. Sales Tax Reference Application Nos. 95 & 96 of 2016 filed by the company against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015 are pending before Honorable High Court of Sindh at Karachi. Further, The Sindh Revenue Board has also filed Spl. Sales Tax Reference Application No. 119 of 2016 against order passed by the Sindh Revenue Board Appellate Tribunal order related to period ending June 30, 2014 and June 30, 2015. During the year, the Sindh High Court passed order in favor of the Company. The Department has filed an appeal before the Supreme Court for challenging the order.	Pending
3	Suit No.B-42/2013	Sindh High Court	Al-Abid Silk Mills Limited (company) filed the suit for damages against the JS Bank Limited and JS Bank Limited filed suit # 976/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/- Settlement with JS Bank Ltd was reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit. Commisioe decree was granted by the High Court of Sindh and both suits stand disposed off on 07.05.2024. According to the consent decree payment was released from Nazir Sindh Court to JS Bank Ltd. on 29.05.2024.	Settled
4	Suit No. B-95 of 2013	Sindh High Court	Bank of Punjab filed suit against the Company for recovery of outstanding loan amounting to Rs. 434,399,948/- Al-Abid Silk Mills Limited and The Bank of Punjab have resolved their dispute and a compromise decree has been passed in the instant suit. Installment payments as per schedule has been started by the Company against the settlement of this loan.	Settled
5	Suit No. B-111 of 2013	Sindh High Court	PAIR Investment Co. Ltd. has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-	Pending
6	Suit No. B-26 of 2017	Sindh High Court	National Bank of Pakistan has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 948,140,145/-	Pending
7	Suit No. 717/2025	District Court of Sindh	The company has filed suit No. 758/2013 interalia for cancellation of cheques; and damages against Jawaid Arshad Textile. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
8	Suit No. 3759/2025	District Court of Sindh	Jawed Arshad has filed the suit No.540/2014 against the company for recovery of Rs. 21.32 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi. Court dismissed the suit on non-prosecution by plaintiff as per order dated 28.01.26	Suit Dismissed
9	Suit No. 561/2025	District Court of Sindh	Ranyal Textile has filed the suit No.1200/2014 against the company for recovery of Rs. 40.94 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
10	Suit No. 2503/2025	District Court of Sindh	Shahaj Textile has filed the suit No.1245/2015 against the company for recovery of Rs. 132.64 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
11	Suit No. 2463/2025	District Court of Sindh	Maksons Textile has filed the suit No.1833/2015 against the company for recovery of Rs. 56.38 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
12	Suit No. 613/2025	District Court of Sindh	BASF has filed the suit No.358/2015 against the company for recovery of Rs. 33.66 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
13	Suit No. 387/2025	District Court of Sindh	ICI Pakistan has filed the suit No.2442/2015 against the company for recovery of Rs. 26.57 million. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
14	H.C.A 519/2018	Sindh High Court	The company has filed an High Court Appeal against Shahaj Textile limited, an ad-interim injunctive order of the Learned Single Judge wherein the company was refrained from creating any third party interest on their properties.	Pending
15	JCM No. 34/2014	Sindh High Court	One of the supplier of the company has filed a winding up petition, on the ground that the company owes a sum of Rs. 40.94 million to Ranyal Textile. Such claim is denied by the company.	Pending
16	JCM No. 25/2015	Sindh High Court	PAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.925 million to Pair Investment. Such claim is denied by the company.	Pending
17	Suit No. 2883/2025	District Court of Sindh	ACME (supplier) has filed suit No.604/2018 for recovery of Rs. 46,822,642/- before the High Court of Sindh at Karachi. An application for rejection of plaint has been filed in the matter on the grounds that the claim of this supplier is time barred. Besides this, issues have yet to be framed in the case therefore it is premature to comment on the outcome. The management is vigorously contesting the case. The case is being vigorously contested by AASML. That the proceedings were previously sub-judice before the Honorable High Court of Sindh at Karachi but in light of the Sindh Civil Court Amendment Act 2025, the cases have been transferred to the District Court of Sindh at Karachi. As per the court order dated 14.10.25 plaintiff suit time barred and court rejected the suit accordingly.	Suit Dismissed
18	JCM No. 10/2015	Sindh High Court	Achroma Textile Chemicals Pakistan (creditor) has filed a winding up petition at High Court of Sindh at Karachi. The winding up petition has been filed on the grounds that Al-Abid owes Achroma Textile Chemical Pakistan (formerly BASF Pakistan) a sum of Rs. 33,683,254/-. Such claim is denied by Al-Abid. The petition is yet to be heard. Therefore, it is premature to comment on the outcome. The management is vigorously contesting the case. The case dismissed by the court order dated 13.10.25 on non prosecution by the petitioner.	Suit Dismissed
19			During the year 2022, the Additional Commissioner of Inland Revenue, Range A, Auditor, Corporate Tax Office, Karachi (AOICR) passed an order dated January 27, 2022 u/s 129(A) of the Income Tax Ordinance, 2001 for the Tax Year 2020 whereby a demand of Rs. 739,071,338 was raised. The company has filed an Income Tax Appeal before the Commissioner Inland Revenue (Appeals III), Karachi (CIR(AI)) on 10-02-2022 against the said order passed by the AOICR. The case has been concluded on April 20, 2022 by the Commissioner of IR VII Karachi, against which the company has filed second appeal before Appellate Tribunal IR, which is pending and in the opinion of the company and an independent legal counsel of the Company there is no participation of any unfavorable outcome of the said appeal and hence no provision is required to be made in the Financial Statements. The said appeal withdrawn by the company as per order dated 15.04.2024.	Pending
20		Sindh revenue board	During the year, the deputy commissioner SRB passed an order No. 5874 of 2023 on 20.11.2023 for the tax year 2021, whereby the SSWW demand of Rs. 12,108,810 has been created and penalty of Rs. 605,440 has also been imposed. The company has been assisted before the Commissioner SRB (Appeals-III), Karachi who has granted the stay of recovery of disputed SSWW vide order sheet dated 13.12.2023. The appeal is pending decision till date.	Pending

The amount mentioned on above cases 3 to 6 and 18 are claimed amounts by the Banks and DFI, actual amounts to be determined by the Banking Court. The outcome of above cases as referred in cases 7-15,17,18, 19 & 20 cannot be predicted and the management is vigorously contesting the cases.

AL-ABID SILK MILLS LIMITED

		Audited	
		December 31, 2025	June 30, 2025
		----- (Rupees) -----	
11	PROPERTY, PLANT AND EQUIPMENT		
	Operating Fixed Assets	2,506,077,891	2,564,774,278
	Capital Work in Progress - DDFC Boiler	7,500,000	7,500,000
		<u>2,513,577,891</u>	<u>2,572,274,278</u>
	Opening written down value	2,564,774,278	2,192,974,320
	Additions	10,365,754	15,687,388
	Deletions	-	(135,251,084)
	Surplus arisen during the period	-	592,799,611
	Depreciation	<u>(69,062,141)</u>	<u>(101,435,957)</u>
		<u>2,506,077,891</u>	<u>2,564,774,278</u>
12	OTHER RECEIVABLES		
	Duty drawback	90,893,173	90,893,173
	Receivable from banks	20,533,537	26,833,537
	Research and development support	4,325,164	4,325,164
	Receivable from Tenant	1,858,659	801,438
		<u>117,610,533</u>	<u>122,853,312</u>
12.1	This represents the amount of DLT received by certain banks on the company's behalf in the accounts held by these banks namely United Bank Limited, Allied Bank Limited and National Bank of Pakistan and the same is receivable from the respective banks. One of the banks namely United Bank Limited has refused to pay amount despite of the fact that full and final settlement was amicably reached and clearance certificate as per the honorable Sindh High Court's consent decree was obtained. The company has filed the suit # 862/2020 against the bank for the recovery of Rs. 13,871,000/- According to the Sindh Civil Court Amendment Act 2025, the case has been transferred to the District Court of Sindh at Karachi and now the case number is 3010 of 2025.		
13	OTHER INCOME		
	Income from non-financial assets		
	Sale of scrap	-	3,857,500
	Income from property	19,335,571	8,079,226
	Income from financial assets / liabilities		
	Profit on PLS deposit account	869,856	5,633,892
		<u>20,205,427</u>	<u>17,570,618</u>
14	LOSS PER SHARE - BASIC AND DILUTED		
14.1	LOSS PER SHARE - BASIC		
	Loss after taxation	Rupees (75,771,009)	(79,006,155)
	Weighted average number of shares	Number 13,409,550	13,409,550
	Loss per share-Basic	Rupees (5.65)	(5.89)
14.2	EARNINGS PER SHARE - DILUTED		
	There is no dilution effect on the basic earning per shares of the Company (June 30, 2025 : Nil).		
15	RELATED PARTY TRANSACTIONS		
	The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. No significant transactions were made with related parties during the period. Significant balances with related parties are as follows:		
	Balances		
	Nature	Relationship with the company	
	Loan received from Director - Mr. Azim Ahmed	Chief Executive Officer	60,105,867
	Loan received from Director - Mr. Naseem A. Sattar	Chairman	60,105,867
			<u>500,912,887</u>
16	KEY MANAGEMENT PERSONNEL-REMUNERATION & BENEFITS		
	In view of bad financial condition of the Company directors have decided not to claim their whole remuneration for the period ended December 31, 2025.		
17	DATE OF AUTHORISATION FOR ISSUE		
	These financial statements were approved and authorized for issue in the Board of Directors' meeting held on February 26, 2026.		
18	GENERAL		
	Corresponding figures have been reclassified/ re-arranged wherever necessary to facilitate comparison on the presentation on the current period. However, there are no material reclassifications / re-arrangements to report.		


Chief Executive Officer


Director


Chief Financial Officer

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Registrars:

Jwaffs Registrar Services (Pvt) Ltd.
Room # 407-408, 4th Floor,
Al-Ameera Centre, Shahrah-e-Iraq,
Saddar, Karachi.