

AL-ABID
SILK MILLS LIMITED

58th ANNUAL REPORT
2026

AL-ABID SILK MILLS LIMITED

**58th ANNUAL REPORT
FOR THE YEAR ENDED JUNE 30, 2026**

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr.Naseem A.Sattar Mr.Azlm Ahmed Mr.Qamar Mashkoor Mr.Arsalan-ul-haque Mrs.Sadaf Nadeem Mrs.Sadia Jamal 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.Arsalan-ul-haque Mr.Qamar Mashkoor Mrs.Sadia Jamal	Chairman Member Member
H.R.REMUNERATION COMMITTEE	Mr.Qamar Mashkoor Mr.Azlm Ahmed Mrs.Sadia Jamal	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. Office # 20, 5th Floor, Arkay Square Extension, New Chali Shahrah-Liaqat 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 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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General meeting of the Shareholders of the Company will be held at the Hotel Galaxy 164, B.C.H.S.Shahrah-e-Faisal Karachi, on Wednesday, October 28, 2026 at 04:00 p.m. to transact the following business:

1. To confirm the Minutes of the Extra Ordinary General Meeting of the Company held on May 18, 2026.
2. To receive, consider and adopt the annual audited accounts of the Company together with the Directors' and Auditors' Report thereon for the year ended June 30, 2026.
3. To appoint statutory Auditors for the year 2026-2027 and fix their remuneration. The present auditors M/s. Muniff Ziauddin & Company, Chartered Accountants, have offered themselves for re-appointment as Auditors of the Company.
4. To consider any other business with the permission of the Chair.

BY ORDER OF THE BOARD

NASIM AHMED
Company Secretary

Karachi: October 01, 2026

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 21, 2026 to October 28, 2026 (both days inclusive).
2. Members whose names appearing in the Registered of Members as of October 20, 2026, are entitled to attend and vote at the meeting. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a member of the Company.
3. An instrument of proxy applicable for the Meeting may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: www.alabid.com.
4. An instrument of proxy and the power of attorney or other authority (if any) under which is signed, or a notarially certified copy of such power or authority, must be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

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5. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Circular No.18/2017, a listed company, is required to pay cash dividend to the shareholders only through electronic mode directly into the bank account designated by the entitled shareholder.
 6. In compliance with the said law, in order to received your future dividends directly in your Bank Account, you are required to provide the information mentioned on the form placed on the Company's website and send the same to your brokers/ the Central Depository Company Ltd, if the share are held in electronic form or to the Company's shares Registrar If the shares are held in paper certificate form.
 7. Members are requested to submit a copy of their Computerized National Identity Card (CNIC/SNIC), if not already provided, and notify immediately changes, if any, in their registered address to our Share Registrar, JWAFFS Registrar Services (Pvt) Limited.
 8. Pursuant to SECP Circular No.4 of 2021 dated February 15, 2021 read with Circular No.6 dated March 03, 2021, The Company to facilitate the members who want to attend AGM through Zoom application a video link facility will be provided. Share holders interested in attending the AGM through Zoom, application are hereby requested to get themselves registered with the Company Secretary office by providing the following details at the earliest at least 48 hours before the time of AGM,
 - a) Mobile / WhatsApp: 0333-3561049
 - b) E-mail: naseem.ahmed@alabid.com
- Shareholders are advised to mention their Name, CNIC Number, Folio/CDC Account Number, Cell Number and email ID for identification.
Upon receipt of the above information from the interested shareholders, the Company will send the login credentials to them accordingly.
9. Members can exercise their right to demand a poll subject to meeting requirements of Section 143-145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.
 10. **CDC Account Holders will further have to follow the under mentioned guidelines as laid down in circular 1 dated January 26, 2000 Issued by the Securities and Exchange Commission of Pakistan and being mentioned in the Notice of Meeting Circulated to the Members.**

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A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and/or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or, original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
- v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

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REVIEW REPORT BY THE CHAIRMAN

I am pleased to present the Chairman's Review on the overall performance of the Board and its effectiveness for the year ended June 30, 2026.

Board Performance and Governance:

As per the Code of Corporate Governance, an annual evaluation of the Board of Directors of Al-Abid Silk Mills Limited is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness are measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2026, the Board's overall performance and effectiveness has been assessed as Satisfactory. Improvement is an ongoing process leading to action plans. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management; effective fiscal oversight; equitable treatment of all employees and efficiency in carrying out the Board's business.

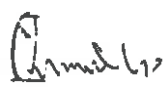
The Board of Directors and committee's of the Company received agenda and related supporting document including follow up materials in sufficient time prior to the board and its committees meetings. The board meets frequently enough to adequately discharge its responsibilities. The non-executive and independent directors are equally involved in important decisions of the Board.

Future outlook

We remain cautiously optimistic regarding the future prospects of the company.

Acknowledgment

I would like to express my gratitude to our stockholders for their continued trust and support.


Chairman /Director

Karachi: October 01, 2026

AL-A BID SILK MILLS LIMITED

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors of Al-Abid Silk Mills Limited is pleased to present the Company's 58th Annual Report for the financial year ended June 30, 2026.

Operational Progress and Business Revival

Through the concerted efforts of the management, we are pleased to report that trial production activities on the Company's coating and flocking line commenced during the last quarter of the financial year, catering to the requirements of prospective customers.

In parallel, the Company is actively pursuing opportunities with International customers and has dispatched numerous samples for evaluation and approval, with the objective of gradually reviving its export business.

To achieve the required quality standards and competitive pricing for our buyers, the Company has initiated the Import of essential raw materials, including textile flock and chemicals. In this regard, the Company has also activated its Pakistan Single Window (PSW) account with Pakistan Customs to facilitate the clearance of imported materials.

Economic Environment and Challenges

The prevailing international tensions between the United States and Iran, coupled with persistently rising oil prices and elevated inflation, have adversely affected the overall economic environment of the country.

The increase in energy and raw material costs has been a major factor contributing to delays in the commencement and expansion of production activities. Despite these challenges, the management remains hopeful and confident about the Company's prospects and is committed to gradually scaling up production in the coming periods.

Our continued efforts are directed towards restoring the Company's operations, generating employment opportunities, and contributing to the country's foreign exchange earnings through the revival of its export business.

Financial Obligations and Banking Matters

The Company has made payments amounting to approximately 50% of its rescheduled liabilities to the Bank of Punjab. Meanwhile, the management is engaged in negotiations with the National Bank of Pakistan and Pak-Iran for the rescheduling of the Company's outstanding liabilities.

Furthermore, certain banks had not released the Duty and Tax Remission for Exports (DLTL) claim amounts, which were released by the State Bank of Pakistan (SBP) in 2020. Through the persistent efforts of the management, the outstanding claim amounts held by Faysal Bank Limited and United Bank Limited (UBL) were released during the year under review.

Future Outlook

The management remains committed to the gradual revival of the Company's principal manufacturing facilities, including the Back Process and Dye House, in a phased manner.

We are pleased to report that these facilities have been well maintained and remain in good condition. Their reactivation is expected to require minimal capital expenditure (CAPEX), subject to the necessary technical assessments and operational requirements.

The Company will continue to focus on securing new business, expanding production, strengthening its financial position, and restoring its manufacturing and export activities. The management remains cautiously optimistic that, with the continued support of its stakeholders and an improvement in prevailing economic

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conditions, the Company will be able to progressively enhance its operations and return to a more sustainable level of business activity.

Comments on adverse opinion in Auditor's report:

1. The accumulated loss of the Company stand negative Rs.2,345 million. As the Company is not presently engaged in production.
2. The Company is currently engaged in litigation with certain banks, which has resulted in those banks declining to provide direct confirmation of balances to the auditor.

DIVIDEND

In view of the prevailing financial constraints, the Company does not plan on to declare any dividend for the year ended June 30, 2026.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Directors declare that:

- The financial statements prepared by the management of Al-Abid Silk Mills Limited present fairly the state of affairs of the Company, its results of its operations, cash flows and changes in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been dully followed in preparation of the Financial Statements.
- The Board is responsible for the Company's system of internal control and for reviewing its effectiveness.
- There are no significant doubts regarding the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Key operating and financial data for last six years in summarized form is also enclosed in the annual report.

BOARD MEETINGS AND ATTENDANCE:

During the year, five (06) meetings of the Board of Directors were held. The attendance of Directors at these meetings was as follows:

Name of Directors	Meeting Attended
Mr.Naseem A.Sattar	01
Mr.Azlm Ahmed	06
Mr.Qamar Mashkoo	06
Mr.Muhammad Sajid Hafeez	02
Mrs.Sadaf Nadeem	06
Mr.Arsalan-ul-Haq	05
Mrs.Sadia Jamal	01
Syed Raza Abbas Jaffari	06

INTERNAL AUDIT FUNCTION:

The Board acknowledges its responsibility for ensuring the effectiveness of the company's system of internal control. These systems are designed to safeguard the Company against risk to which it may be exposed.

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AUDITORS:

M/s. Muniff Ziauddin & Co., Chartered Accountants have retired and offered themselves for reappointment. The board of Directors recommends their reappointment as auditors of the Company for the financial year ending June 30, 2027.

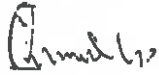
PATTERN OF SHAREHOLDING:

The Pattern of Shareholding and additional related disclosures are annexed to the financial statements included in this report.

ACKNOWLEDGMENT:

The Board of Directors expresses its sincere gratitude to the shareholders and financial institutions for their continued support and trust.

For and on behalf of the Board of Directors



Director

AZIM AHMED



Chief Executive Officer

Karachi: October 01, 2026

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حصص داران کیلئے ڈائریکٹرز کی رپورٹ

العابد سِلک ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 جون 2026ء کو ختم ہونے والے سال کی 58 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

عملی کارکردگی اور کاروباری بحالی:

ہم یہ بتاتے ہوئے پُر مسرت ہیں کہ انتظامیہ کی مشترکہ اور مسلسل کوششوں کے نتیجے میں مالی سال کی آخری سہ ماہی کے دوران کمپنی کی کوئٹنگ اور فلاحنگ لائن پر آزمائشی پیداوار کا آغاز کر دیا گیا، جس کے تحت ممکنہ صارفین کی ضروریات کو پورا کرنے کے لیے مصنوعات تیار کی جارہی ہیں۔

اسی دوران، کمپنی بین الاقوامی صارفین کے ساتھ کاروباری مواقع کے حصول کے لیے بھی بھرپور کوششیں کر رہی ہے اور جائزے اور منظوری کے لیے متعدد نمونے بھیج چکی ہے، جس کا مقصد بتدریج اپنی برآمدی کاروباری سرگرمیوں کو بحال کرنا ہے۔

کمپنی نے خریداروں کے لیے مطلوبہ معیار اور مسابقتی قیمتوں کو یقینی بنانے کے لیے ضروری خام مال، بشمول ٹیکسٹائل فلاح اور کیمیکلز، درآمد کرنا شروع کر دیا ہے۔ اس سلسلے میں کمپنی نے درآمد شدہ خام مال کی کسٹمز کلیئرنس کو سہل بنانے کے لیے پاکستان کسٹمز کے پاکستان سنگل ونڈو (PSW) اکاؤنٹ کو بھی فعال کر لیا ہے۔

معاشی صورتحال اور چیلنجز:

امریکہ اور ایران کے درمیان جاری بین الاقوامی کشیدگی، تیل کی قیمتوں میں مسلسل اضافے اور بلند افراط زر کے باعث ملک کے مجموعی معاشی ماحول پر منفی اثرات مرتب ہوئے ہیں۔

توانائی اور خام مال کی لاگت میں اضافے نے پیداواری سرگرمیوں کے آغاز اور ان میں توسیع میں تاخیر کا ایک اہم سبب بن کر کردار ادا کیا ہے۔ ان مشکلات کے باوجود، انتظامیہ کمپنی کے مستقبل کے امکانات کے حوالے سے پُر امید اور پُر اعتماد ہے اور آنے والے ادوار میں پیداوار کو بتدریج بڑھانے کے لیے پُر عزم ہے۔

ہماری مسلسل کوششوں کا مقصد کمپنی کی کاروباری سرگرمیوں کو بحال کرنا، روزگار کے مواقع پیدا کرنا اور برآمدی کاروبار کی بحالی کے ذریعے ملک کے لیے زرمبادلہ کمانے میں اپنا کردار ادا کرنا ہے۔

مالی ذمہ داریاں اور بینکاری امور:

کمپنی نے بینک آف پنجاب کو اپنی ری شیڈول شدہ واجبات کا تقریباً 50 فیصد رقم ادا کر دیا ہے۔ دریں اثنا، انتظامیہ نیشنل بینک آف پاکستان اور پاک ایران کے ساتھ کمپنی کی بقایا واجبات کی ری شیڈولنگ کے حوالے سے مذاکرات کر رہی ہے۔

مزید برآں، بعض بینکوں نے ڈیوٹی اینڈ ٹیکس (DLTL) کے کلیم کی وہ رقوم جاری نہیں کی تھیں جو اسٹیٹ بینک آف پاکستان (SBP) کی جانب سے 2020 میں جاری کی گئی تھیں۔ انتظامیہ کی مسلسل کوششوں کے نتیجے میں فیصل بینک لمیٹڈ اور یونائیٹڈ بینک لمیٹڈ کے پاس ذریعہ التوا کلیم کی رقوم ذریعہ جائزہ سال کے دوران جاری کر دی گئیں۔

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مستقبل کا نظریہ:

انتظامیہ کمپنی کی بنیادی پیداواری سہولیات، بشمول بیک پروسیس اور ڈائنگ ہاؤس، کو مرحلہ وار اور ہندرج بحال کرنے کے لیے پُر عزم ہے۔

ہمیں یہ بتاتے ہوئے خوشی ہے کہ ان سہولیات کی مناسب دیکھ بھال کی گئی ہے اور یہ اب بھی اچھی حالت میں ہیں۔ ضروری تکنیکی جائزوں اور آپریشنل تقاضوں کو پورا کرنے کے بعد، ان سہولیات کو دوبارہ فعال کرنے کے لیے کم سے کم سرمایہ جاتی اخراجات (CAPEX) درکار ہونے کی توقع ہے۔

کمپنی نئی کاروباری سرگرمیوں کے حصول، پیداوار میں توسیع، اپنی مالیاتی پوزیشن کو مزید مستحکم کرنے اور اپنی پیداواری و برآمدی سرگرمیوں کی بحالی پر مسلسل توجہ مرکوز رکھے ہوئے ہے۔ انتظامیہ کو حتمی امید ہے کہ اسٹیک ہولڈرز کی مسلسل معاونت اور موجودہ معاشی حالات میں بہتری کے ساتھ کمپنی ہندرج اپنی کاروباری سرگرمیوں کو مزید وسعت دینے اور کاروبار کو زیادہ پائیدار سطح پر واپس لانے میں کامیاب ہو جائے گی۔

آڈیٹرز رپورٹ کی منفی رائے پر تبصرہ:

- ۱۔ جمع شدہ خسارہ 2,345 ملین روپے تک پہنچ گیا ہے یہ کمپنی کے پیداوار میں نہ ہونے کی وجہ سے ہے۔
- ۲۔ کمپنی اس وقت بعض بینکوں کے ساتھ قانونی مقدمات میں مصروف ہے، جس کے باعث ان بینکوں نے آڈیٹر کو اپنے کھاتوں میں موجود بیلنس کی براہ راست تصدیق فراہم کرنے سے انکار کر دیا ہے۔

ڈویڈنڈ:

موجودہ حالات کو مد نظر رکھتے ہوئے، کمپنی کا کیش فلو کسی بھی ڈویڈنڈ کی ادائیگی کی اجازت نہیں دیتا۔ لہذا، بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے ڈویڈنڈ کی سفارش نہیں کی۔

کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک:

ڈائریکٹرز نے یہ اقرار کیا ہے کہ:

- ☆ العابد سلک ملز لمیٹڈ کی انتظامیہ نے مالیاتی حسابات مرتب کئے ہیں جو کہ موجودہ معاملات کیلئے بالکل صحیح ہیں، جو کہ آپریشن، کیش فلو اور ایکوٹی میں تبدیلی کا نتیجہ ہے۔
- ☆ العابد سلک ملز لمیٹڈ کے کھاتے مناسب طور پر مرتب کئے گئے ہیں۔
- ☆ مالیاتی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں پر عملدرآمد کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ مناسب اور صحیح فیصلے کی بنیاد پر ہے۔
- ☆ انٹرنیشنل فنانسنگ رپورٹنگ اسٹینڈرڈز جس کا اطلاق پاکستان میں کیا گیا ہے، ہم نے مالیاتی حسابات کی تیاری میں اس پر عملدرآمد کیا ہے۔
- ☆ بورڈ کمپنی کے داخلی کنٹرول کے سسٹم کا ذمہ دار ہے، بورڈ نے یہ طے کیا ہے کہ داخلی کنٹرول کا سسٹم مضبوط اور موثر ہونا چاہئے تاکہ صحیح معنوں میں عملدرآمد کیا جاسکے۔
- ☆ کمپنی کی مہارت پر کسی قسم کے کوئی شکوک و شبہات نہیں ہیں۔
- ☆ کارپوریٹ گورننس کی بہترین پریکٹس سے کسی بھی مواد کو وضائع نہیں کیا گیا ہے جس کی تفصیل فہرست میں موجود ہے۔
- ☆ گزشتہ چھ سالوں کا مالیاتی ڈیٹا اور آپریشننگ کا طریقہ کار سالانہ رپورٹ کے ساتھ منسلک ہے۔

AL-ABID SILK MILLS LIMITED

دوران سال منعقدہ بورڈ کی میٹنگز کی تعداد اور ہر ڈائریکٹر کی حاضری:
اس سال بورڈ آف ڈائریکٹرز کی 6 میٹنگز منعقد ہوئیں، بورڈ کی ان میٹنگز میں حاضر ہونے والے ڈائریکٹرز کی تفصیلات درج ذیل ہیں:

ڈائریکٹر کا نام	میٹنگ میں حاضری کی تعداد
جناب نجم اے ستار	01
جناب نجم احمد	06
جناب قمر مہکور	06
جناب محمد ساجد حفیظ	02
محترمہ صدف ندیم	06
جناب ارسلان الحق	05
محترمہ سعدیہ جمال	01
سید رضا عباس جعفری	06

اعزل آڈٹ فنکشن:

یہ بورڈ اعزل کنٹرول کی کمپنی کے نظام کو موثر بنانے کا ذمہ دار ہے۔ اعزل کنٹرول سسٹم کو اس طرح مرتب کیا گیا ہے کہ کمپنی کی تمام ضروریات پوری ہو سکیں اور ہر قسم کے خطرات سے محفوظ رہا جاسکے۔

آڈیٹرز:

میسرز منیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹ ریٹائر ہو چکے ہیں اور انہوں نے اپنی تقرری کیلئے دوبارہ پیکش کی ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2022ء کو ختم ہونے والے سال کیلئے میسرز منیف ضیاء الدین اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹ کی تقرری کی سفارش کی ہے۔

شیئر ہولڈنگ کا پیرن:

شیئر ہولڈنگ کا پیرن اور اضافی معلومات مالیاتی حسابات میں اس رپورٹ کے ساتھ منسلک ہے۔

اظہار تشکر:

کمپنی کے بورڈ آف ڈائریکٹرز شیئر ہولڈرز اور مالیاتی اداروں کے تفہیم، حمایت اور تعاون کیلئے شکریہ ادا کرتے ہیں۔

دہانہ
ڈائریکٹر

کراچی: مورخہ 01 اکتوبر 2026ء

بورڈ آف ڈائریکٹرز کی جانب سے

عظیم احمد
چیف ایگزیکٹو آفیسر

AL-ABID SILK MILLS LIMITED

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended June 30, 2026

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 07 (Seven) as per the following:

- a. Male: 05
- b. Female: 02

2. The composition of the Board is as follows:

Executive Director	Mr.Azim Ahmed
Non Executive Director	Mr.Naseem A.Sattar (Founder of the Company) Mrs.Sadaf Nadeem Mrs.Sadia Jamal Syed Raza Abbas Jaffari (Nominee NIT)
Independent Directors	Mr.Qamar Mashkooor Mr.Arsalan-ul-Haq

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a "code of conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All the directors of the company have completed or are exempted from the requirement of director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.

AL-ABID SILK MILLS LIMITED

10. The Board has approved appointment of chief financial officer, company secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.

Audit Committee

Mr.Arsalan-ul-Haq	Chairman
Mr. Qamar Mashkooor	Member
Mrs.Sadia Jamal	Member

HR and Remuneration Committee

Mr.Qamar Mashkooor	Chairman
Mr.Azim Ahmed	Member
Mrs.Sadia Jamal	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (Quarterly) of the committee were as per following

a. Audit Committee	04 Quarterly meetings
b. HR and Remuneration Committee	01 Annual meeting

15. The board has not set up an effective internal audit function or has not outsourced the internal audit function to any specialist organization due to the present situation of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

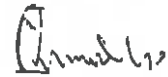
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

AL-ABID SILK MILLS LIMITED

18. We confirm that all requirements of regulations 3,6,7,8,27,32 and 36 have been complied with.

19. Explanation for non-compliance with the requirement, other than regulations 3,6,7,8,27,32,33 and 36 is as follows.

Regulation No	Explanation
31	As per the regulation, there may be an internal audit function in every Company, However, there is no internal function in the Company, since the company is not operational since a long time.
29(1)	As per the regulation, there may be a separate committee designated as the nomination committee, However, there is no nomination committee in the Company since the company is not operational since a long time.
30(1)	As per the regulation, there may be a separate committee designated as the risk management committee, However, there is no risk management committee in the Company since the company is not operational since a long time.
10A(1) (3) (4)	The Board will ensure that the Company has addressed sustainability-related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.
10A(5)	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit committee.



Chairman/Director

Karachi: October 01, 2026

AL-ABID SILK MILLS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Abid Silk Mills Limited (the Company) for the year ended June 30, 2026 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2026.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph 19 in the Statement of Compliance:

Reg.	Explanation
31	As per the regulation, there shall be an internal audit function in every company. However, there is no internal function in the Company, since the Company is not fully operational as of yet.
29(1)	As per the regulation, there may be a separate committee designated as the nomination committee. However, there is no nomination committee in the Company since the company is not operational as of yet.
30(1)	As per the regulation, there may be a separate committee designated as the risk management committee. However, there is no risk management committee in the Company since the company is not fully operational as of yet.
10A(1) (3) (4)	The Board will ensure that the Company has addressed sustainability-related risk and opportunities. Also, it will ensure that Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.
10A(5)	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit committee.

CHARTERED ACCOUNTANTS

KARACHI

DATE: October 2, 2026

UDIN: CR202610130q3wYfLryD

AL-ABID SILK MILLS LIMITED

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Adverse Opinion

We have audited the annexed financial statements of Al-Abid Silk Mills Limited (the Company), which comprise the statement of financial position as at 30 June 2026, and the statement of profit or loss, statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state except for the matter as disclosed in paragraph (ii) of the basis of Adverse opinion that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying financial statements do not give a true and fair view of the financial position of the company as at June 30, 2026, and financial performance and its cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Adverse Opinion

- (i) As explained in note 2 to the financial statements, the accumulated loss of the company has reached at Rs. 2.345 billion, and as of that date Company's current liabilities exceeded its current assets by Rs. 1.855 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. 104.64 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. 712.453 million.

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

Key Audit Matters

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

AL-ABID SILK MILLS LIMITED

In addition to the matter described on the basis for Adverse opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matters	How our audit addressed the Key Audit Matters
1. Contingencies The Company is subject to material litigations involving different courts pertaining to Long-term loans, taxation and other matters, which requires management to make assessment and judgements with respect to likelihood and impact of such litigations. Management have engaged independent legal counsel on these matters. The accounting for, and disclosure of, contingencies is complex and is a matter of most significance in our audit because of the judgements required to determine the level of certainty on these matters. The details of contingencies along with management's assessment and the related provisions are disclosed in note 16 to the financial statements.	In response to this matter, our audit procedures included: Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances. Obtaining Independent opinion of legal advisors dealing with such cases in the form confirmations. We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets. The disclosures of legal exposures and provisions were assessed for completeness and accuracy.

Information other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

AL-ABID SILK MILLS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

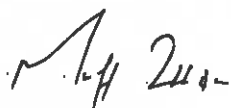
AL-ABID SILK MILLS LIMITED

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) except the matters specified in basis for adverse opinion, the statement of financial position, the statement of profit or loss, and statement of other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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



Chartered Accountants
Karachi:

Date: October 2, 2026

UDIN: AR2026101301Xedczqji

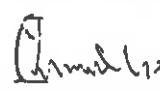
AL-ABID SILK MILLS LIMITED

STATEMENT OF FINANCIAL POSITION

		June 30, 2026	June 30, 2025
	Note	(Rupees)	
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up capital	7	134,095,500	134,095,500
Capital reserves			
Other reserves		372,834,000	372,834,000
Revaluation Surplus on Property, Plant & Equipment	8	2,289,044,017	2,400,539,148
Revenue reserves			
Accumulated loss		(2,345,294,925)	(2,314,936,923)
Total equity		450,678,592	592,531,725
LIABILITIES			
NON- CURRENT LIABILITIES			
Deferred tax	9	-	-
Long Term Finances	10	172,764,000	199,264,000
Staff retirement benefits	11	9,018,410	8,735,026
		181,782,410	207,999,026
CURRENT LIABILITIES			
Loan from directors - unsecured	12	561,018,754	561,018,754
Trade and other payables	13	802,455,752	771,073,357
Unclaimed dividend		108,310	108,310
Current maturity of long term finances	10	30,000,000	34,000,000
Accrued markup	14	43,322,484	43,322,484
Short term finances	15	744,239,039	744,239,039
Provision for taxation		1,325,059	736,262
		2,182,419,398	2,154,498,206
CONTINGENCIES AND COMMITMENTS			
	16		
		2,814,930,400	2,955,028,957

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


Chief Executive Officer


Director

AL-ABID SILK MILLS LIMITED

AS AT JUNE 30, 2026

	Note	June 30, 2026 (Rupees)	June 30, 2025
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	2,295,704,053	2,572,274,278
Investment property	18	287,869,000	126,285,000
Long term security deposit		4,815,457	4,815,457
CURRENT ASSETS			
Stores and spares	19	10,733,690	10,733,690
Loans and advances	20	2,289,788	1,237,718
Trade deposits and prepayments	21	218,100	218,100
Other receivables	22	106,149,260	122,853,312
Tax refunds due from government	23	69,789,761	66,144,045
Cash and bank balances	24	37,361,291	50,467,357
		226,541,890	251,654,222
		2,814,930,400	2,955,028,957

N. Hassan
Chief Financial Officer

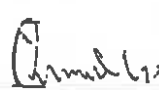
AL-ABID SILK MILLS LIMITED

STATEMENT OF PROFIT OR LOSS ACCOUNT For the year ended June 30, 2026

	Note	2026 ----- (Rupees) -----	2025
Sales and manufacturing	25	939,316	-
Cost of sales	26	(137,961,508)	(101,095,575)
Gross loss		<u>(137,022,192)</u>	<u>(101,095,575)</u>
Operating expenses			
Administrative expenses	27	(48,780,941)	(59,334,463)
Other Income	28	49,061,288	35,182,208
Other expenses	29	-	(13,395,986)
Loss from operations		<u>(136,741,845)</u>	<u>(138,643,816)</u>
Finance cost	30	(4,541,291)	-
Loss before levy and taxation		<u>(141,283,136)</u>	<u>(138,643,816)</u>
Levy	31	(588,797)	(296,470)
Loss before taxation		<u>(141,871,933)</u>	<u>(138,940,286)</u>
Taxation		-	-
Loss after taxation		<u><u>(141,871,933)</u></u>	<u><u>(138,940,286)</u></u>
Loss per share - basic and diluted	32	<u><u>(10.58)</u></u>	<u><u>(10.36)</u></u>

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

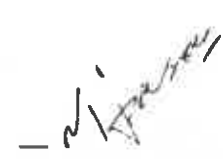
STATEMENT OF COMPREHENSIVE INCOME For the year ended June 30, 2026

	2026 ----- (Rupees) -----	2025
Loss after taxation	(141,871,933)	(138,940,286)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of property, plant and equipments	-	592,799,611
Remeasurements of defined benefit liability	18,800	160,603
	18,800	592,960,214
Items that are or may be reclassified subsequently to profit or loss	-	-
Other comprehensive income for the year	18,800	592,960,214
Total comprehensive (Loss) / Profit for the year	(141,853,133)	454,019,928

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


Chief Executive Officer


Director


Chief Financial Officer

AL-ABID SILK MILLS LIMITED

STATEMENT OF CASH FLOWS For the year ended June 30, 2026

2026 2025

(Rupees)

CASH FLOW FROM OPERATING ACTIVITIES

Loss before levy and taxation

(141,283,136)

(138,643,816)

Adjustments for:

Depreciation

137,570,249

101,435,957

Loss on disposal of plant and equipment

-

13,302,150

Provision for staff retirement benefits

532,184

325,918

Gain on disposal of Fixed Assets

(816,938)

-

Addition to Fixed Assets

(22,607,085)

(15,687,388)

114,678,410

99,376,637

WORKING CAPITAL CHANGES

Decrease / (Increase) in current assets:

Loan and advances

(1,052,070)

(42,088)

Store and Spares

-

4,684,000

Other Receivable

16,704,052

1,471,573

Tax refunds due from government

(3,267,310)

(4,264,016)

12,384,672

1,849,469

(Decrease) / Increase in current liabilities:

Trade and other payable

31,382,395

(13,909,246)

Cash generated from / (used on) operations

17,162,341

(51,326,956)

Taxes paid

(378,406)

(1,803,121)

Gratuity paid

(230,000)

-

Net cash used in operating activities

16,553,935

(53,130,077)

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from disposal of fixed assets

840,000

15,163,934

Net cash generated from investing activities

840,000

15,163,934

CASH FLOW FROM FINANCING ACTIVITIES

Repayment of long term finance

(30,500,000)

(15,000,000)

Net cash used in financing activities

(30,500,000)

(15,000,000)

Net decrease in cash and cash equivalents

(13,106,065)

(52,966,143)

Cash and cash equivalents at the beginning of the year

50,467,357

103,433,500

Cash and cash equivalents at the end of the year

37,361,291

50,467,357

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

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended June 30, 2026

Share Capital Issued, subscribed and paid-up capital	Capital Reserve Other reserve	Revaluation Surplus on Property Plant & Equipment	Revenue Reserve Accumulated Loss	Total
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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 year

Loss after tax for the Year ended June 30, 2025

Other comprehensive Income

Total comprehensive loss for the Year ended June 30, 2025

Transfer from surplus on revaluation of fixed assets on account of
Incremental depreciation

Transfer on account of disposal of fixed assets

Balance as at June 30, 2025

Comprehensive Income for the year

Loss after tax for the Period ended June 30, 2026

Other comprehensive Income

Total comprehensive loss for the year ended June 30, 2026

-Transfer from surplus on revaluation of fixed assets on account of
Incremental depreciation

Balance as at June 30, 2026

-	-	-	(138,940,286)	(138,940,286)
-	-	592,799,611	160,603	592,960,214
-	-	592,799,611	(138,779,683)	454,019,928

		(55,596,548)	55,596,548	-
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		(42,416,194)	42,416,194	-
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134,095,500	372,834,000	2,400,539,148	(2,314,936,923)	592,531,725
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				(141,821,933)
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-	-	-	(141,871,933)	(141,871,933)
---	---	---	---------------	---------------

-	-	-	18,800	18,800
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		-	(141,853,133)	(141,853,133)
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		(111,495,131)	111,495,131	
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134,095,500	372,834,000	2,289,044,017	(2,345,294,925)	450,678,592
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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 FOR THE YEAR ENDED JUNE 30, 2026

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. 2.345 billion and total equity stood at Rs. 450 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 1.955 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. 104 million as matter was under litigation. Previously the company has settled and paid off the liabilities of various banks including JS Bank Limited. The matter with The Bank of Punjab has been settled and the payment is being made. Management of the Company has already requested the remaining bank and DFI collectively and individually to reschedule their credit facilities for a longer period.

As part of the Business Revival Plan, during the first phase, the Company developed a range of samples for various local and foreign buyers, several of which have subsequently been approved. Subsequent to the year end, the Company will commence production on its coating and flocking line for customers. In parallel, the Company has continued its engagement with foreign customers and has submitted samples for their review and approval, with the objective of reviving and expanding its export business.

Furthermore, the Company has commenced the import of required raw materials, including textile flock and chemicals, against advance payments. In this regard, the Company has also activated its Pakistan Single Window (PSW) portal/account with Pakistan Customs to facilitate the clearance of imported goods.

Besides production, the Company has sublet its surplus land and building to logistic companies for their warehousing and distribution purpose. This has generated additional revenue for the Company which is being utilized to maintain the plant, machinery and buildings as well as to support the repayment of bank liabilities.

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

- IFRS Accounting Standards 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.

AL-ABID SILK MILLS LIMITED

3.2 Basis of measurement

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with the accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the process of applying the Company's accounting policies, the management has made the following estimates and judgements

- a) Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of operating fixed
- b) Assumptions and estimate used in provision for current tax and recognition of deferred tax;
- c) Assumptions and estimates used in assessment of discount rates; and
- d) Assumptions and estimates used in calculating expected credit losses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

5 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

5.1 Amendments to published accounting and reporting standards which are effective for the year

There were certain amendments to published accounting and reporting standards that became applicable for the Company during the year but are not considered to be relevant or did not have any significant effect on the Company's operations and have therefore not been disclosed in these financial statements.

5.2 Standard, amendments to published accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company

There are certain new standards and amendments to published accounting and reporting standards that will be applicable to the Company for its annual periods beginning on or after July 1, 2026. The new standards include IFRS 18 Presentation and Disclosure in Financial Statements with applicability date of January 1, 2027 as per IASB. The overall amendments include those made to IFRS 7 and IFRS 9 which clarify the date of recognition and derecognition of a financial asset or financial liability which are applicable for period beginning on or after January 1, 2026. The Company's management at present is in the process of assessing the full impacts of the new standard and the amendments to IFRS 7 and IFRS 9 and is expecting to complete the assessment in due course.

6 MATERIAL ACCOUNTING POLICY INFORMATION

The Company adopted disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice statements 2 'Making Materiality Judgments') from 01 July, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

AL-ABID SILK MILLS LIMITED

6.1 Property, plant and equipment

These, other than freehold land, buildings on freehold land, plant & machinery, generators and capital work-in-progress, are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount whereas buildings on freehold land, plant & machinery and generators are stated at revalued amounts less accumulated depreciation and any identified impairment loss. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalized during prior years. Borrowing costs are also capitalized for the period up to the date of commencement of commercial production of the respective plant & machinery, acquired out of the proceeds of such borrowings.

Any revaluation increase arising on the revaluation of land, buildings and leasehold improvements is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and leasehold improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation buildings and leasehold improvements to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

Depreciation is taken to profit or loss applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note-17.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to profit or loss. Major improvements and modifications are capitalized and assets replaced, if any, other than those kept as stand-by, are retired.

An item of Property Plant and Equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition of an item of Property Plant and Equipment is determined as the difference between sales proceeds and the carrying amounts of the asset and is recognized in other income on the statement of profit or loss. The case of the de-recognition of a revalued property, the attributable to revaluation surplus remaining surplus on the surplus on revaluation is transferred directly to the unappropriated profit.

Judgements and estimates

The useful lives, residual values and depreciation methods are reviewed on regular basis. The effect of changes in an estimate is accounted for on a proportionate basis.

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work-in-progress

Capital work-in-progress is stated at cost less impairment loss (if any).

6.2 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated up to the statement of financial position date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for identified obsolete and slow moving items.

AL-ABID SILK MILLS LIMITED

6.3 Stock-in-trade

- 1 These are valued at lower of cost and net realizable value.
- 2 Cost in relation to raw materials in hand, packing materials and other components has been calculated on a weighted average basis and represents invoice values plus other charges paid thereon.
- 3 Cost in relation to work in process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads.
 - i. Raw materials held in custom bonded warehouse and stock-in-transit are valued at cost comprising of invoice value plus other charges accumulated up to the balance sheet date.
 - ii. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to completion and to be incurred in marketing, selling and distribution.

Judgements and estimates

Stock in trade write down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market condition. A review is made on each reporting date on stock for excess, obsolescence and decline in net realizable value and an allowance is recorded against the stock balances for any such decline.

6.4 Trade and other receivables

Trade debts and other receivables are recorded initially at transaction price and subsequently measured at amortized cost less loss allowance, if any. The loss allowance is recognized on "expected credit loss method" based on management's expectation of losses without regard to whether an impairment trigger happened or not.

6.5 Cash and cash equivalent

Cash and cash equivalents on the statement of financial position comprises cash at banks and on hand. For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand and deposit held with banks.

6.6 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non financial assets (other than stock in trade and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The increase in the carrying amounts shall be treated as reversals of impairment losses for individual assets and recognized in profit or loss unless the asset is measured at revalued amount. Any reversal of impairment loss of a revalued asset shall be treated as a revaluation increase.

AL-ABID SILK MILLS LIMITED

6.7 Financial Instruments

6.7.1 Financial assets

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

6.7.1.1 Financial assets at amortised cost

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

6.7.1.2 Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

6.7.1.3 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently premeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is Included in the profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

AL-ABID SILK MILLS LIMITED

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debtors, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

6.7.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

6.8 Off setting of financial assets and liabilities

Financial assets and liabilities are off-set and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

6.9 Trade and other payables

Liabilities for trade and other payables are recognized initially at their fair value and subsequently measured at amortized cost using effective interest method.

6.10 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently measured at amortized cost using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

6.11 Share capital

Share capital is classified as equity and recognized at the face value. Incremental costs net of tax and directly attributable to the issue of new shares are shown as a deduction in equity

6.12 Taxation-levy and income tax

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the ICAP, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements.

AL-ABID SILK MILLS LIMITED

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001, after taking into account tax credit available, if any.

Deferred income tax

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

6.13 Staff retirement benefits

Defined benefit plan

The Company operates an unfunded gratuity scheme covering all eligible employees. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligations at the end of the reporting period. The defined benefit obligations are calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligations are determined by discounting the estimated future cash outflows. These are denominated in the currency in which the benefits will be paid. Remeasurement gain/losses are recognised in other comprehensive income

Judgements and estimates

In determining the liability for long-service payments management must make an estimate of salary increases over the following years, discounts rate to use in the present value calculation and the number of employees expected to leave before they receive the benefits

6.14 Revenue recognition

Revenue from contracts with customers is recognised at the point in time when performance obligation is satisfied i.e. control of the goods is transferred to the customers at an amount that reflects the consideration to which the Company expects to be entitled to on exchange of those goods.

Return on deposits is recognized on a time proportionate basis using the effective rate of return.

Dividend income is recognized in profit or loss as other income when:

- 1 The Company's right to receive payment have been established.
- 2 Probable that economic benefit will flow to the Company.
- 3 The amount of dividend can be measured reliably.

AL-ABID SILK MILLS LIMITED

6.15 Foreign exchange translation

Transactions in foreign currencies are accounted for in Pakistani Rupees at the foreign exchange rates prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies, except for those covered under forward foreign exchange contracts, if any, are retranslated into Pak Rupees at the foreign exchange rates approximately those prevailing at the reporting date. Forward foreign exchange contracts, if any, are translated at contracted rates exchange differences, if any, are charged on statement of profit or loss.

6.16 Borrowing cost

Borrowing costs are recognized as an expense on the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalized as part of the cost of the asset.

6.17 Contingent liabilities

Contingent liability is disclosed when:

6.17.1 There is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company' or

6.17.2 There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as liability on the period in which the dividends are approved by the company's shareholders.

6.19 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are not recognized for future operating losses.

Judgements and estimate

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amount of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of the cost of an asset.

6.20 Basic and diluted earnings per share

The company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

AL-ABID SILK MILLS LIMITED

7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2026 (Number of Shares)	2025 (Number of Shares)	Authorized Capital	2026 Rupees	2025 Rupees
20,000,000	20,000,000	Ordinary shares of Rs. 10 each	200,000,000	200,000,000
8,713,900	8,713,900	Issued, subscribed and paid up capital		
		Ordinary shares of Rs. 10 each fully paid-up in cash	87,139,000	87,139,000
4,695,650	4,695,650	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	46,956,500	46,956,500
13,409,550	13,409,550		134,095,500	134,095,500

Shares held by the related parties of the Company

Directors, CEO, & their spouse and minor children

	June 30, 2026 Number of Shares	June 30, 2025 Percentage holding	June 30, 2025 Number of Shares	June 30, 2025 Percentage Holding
Mr. Naseem A. Sattar	7,515,182	58.043	7,515,182	58.043
Mr. Azim Ahmed	479,818	3.578	479,818	3.578
Mr. Qamar Mashkoor	500	0.004	500	0.004
Mst. Adia Naseem	328,322	2.448	328,322	2.448
Mrs. Sadaf Naseem	132,281	0.988	132,281	0.988
Mrs. Zarina Naseem	1,479,381	11.030	1,479,381	11.030
Mrs. Reena Azim	112,875	0.840	112,875	0.840

NIT and SICP

CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST
STATE LIFE INSURANCE CORPORATION OF PAKISTAN

1,113,687	8.306	1,113,687	8.306
236,894	1.767	236,894	1.767

- 7.1 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

8 Revaluation Surplus on Property Plant & Equipment

Balance at beginning of the year
Add: Surplus arising during the year
Less: Transferred to unappropriated profit on account of incremental depreciation for the year
Less: Transferred to unappropriated profit on account of disposal for the year
Surplus/Deficit on revaluation arisen during the year
Balance at end of the period - net

2026 (Rupees)	2025 (Rupees)
2,400,539,148	1,905,762,279
-	592,798,811
(111,498,131)	(55,598,548)
-	(42,418,194)
2,289,041,017	2,400,539,148

- 8.1 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.

- 8.2 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:

	June 30, 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	16,774,433	251,513,141	59,969,038	285,130,111	9,378,613	-	246,715,835	47,892,889
Plant, Machinery & equipments	1,493,717,384	4,132,630	1,216,422,866	181,424,346	1,338,478,730	6,108,775	(50,869,841)	1,296,726,780	196,890,785
Furniture & Fixture	42,571,147	-	37,732,086	4,839,061	42,571,147	-	-	37,216,614	5,354,533
Office equipment	4,533,718	-	4,008,331	525,385	4,533,718	-	-	3,949,935	583,783
Electric, gas & Other Installations	71,081,709	-	63,526,883	7,454,826	71,081,709	-	-	62,799,569	8,282,140
	1,939,989,722	20,907,063	1,673,228,289	289,589,519	1,871,172,278	15,687,388	(50,869,841)	1,647,497,782	289,589,519

Previously the Company has carried out various revaluations to replace the carrying amounts of the assets with their market values / depreciated market values. Details of revaluation are stated below:

Effective Date of Revaluation	Name of Independent Valuer	Class of Property, Plant And Equipment Revalued	Surplus / (Deficit) Arising Due To Revaluation
August 31, 2007	M/s. Anjum Adil & Associates	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	Rs: 554.72 million
August 31, 2010	M/s. Anjum Adil & Associates	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	(Rs: 40.03 million)
June 30, 2012	M/s. Anjum Adil & Associates	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	Rs: 3,807.35 million
January 08, 2018	M/s Sips & Company (Private) Limited	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	(Rs: 1,470.14 million)
November 30, 2021	M/s Sadruddin Associates (Pvt) Ltd	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	Rs. 1,796 million
June 30, 2025	M/s Fair Water property valuers and surveyors (Private) Limited	Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation and Leased Plant, Machinery & equipments.	Rs.592.799 million

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	Note	2026 Rupees	2025 Rupees
9 DEFERRED TAX			
Debit / (Credit) balances arising from:			
Property, plant and equipments		289,305,025	369,510,391
Provision for retirement benefits		(2,615,238)	(2,533,138)
Tax credit of unused tax losses		(263,060,746)	(259,659,849)
		<u>21,628,940</u>	<u>107,117,384</u>
Deferred tax asset has not been recognized as management is of the view that future earnings to the extent of such asset may not be available.			
10 LONG-TERM FINANCES			
From Bank -Secured			
Less: Payment during the year	10.1	<u>233,264,000</u>	<u>248,264,000</u>
		<u>(90,300,000)</u>	<u>(15,000,000)</u>
Less: Current maturity		<u>202,764,000</u>	<u>233,264,000</u>
		<u>(30,000,000)</u>	<u>(34,000,000)</u>
		<u>172,764,000</u>	<u>199,264,000</u>
10.1 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.			
11 STAFF RETIREMENT BENEFITS		<u>9,018,410</u>	<u>8,735,026</u>
11.1 Changes in present value of defined benefit obligation			
Present value at the beginning of the year		8,735,026	8,569,711
Current service cost		323,183	87,939
Interest cost on defined benefit obligation		209,001	237,979
Loss / (Gain) on remeasurement of defined benefit obligation		(230,000)	(4,427)
Benefits/Ex Gratia paid during the year		(18,800)	(158,176)
Experience adjustments			
Present value at the end of the year		<u>9,018,410</u>	<u>8,735,026</u>
11.2 The following amounts have been charged to statement of profit or loss during the year			
Current service cost		323,183	87,939
Interest cost on defined benefit obligation		209,001	237,979
		<u>532,184</u>	<u>325,918</u>
11.3 Charge for the year has been allocated as under:			
Administrative expenses		<u>532,184</u>	<u>325,918</u>
11.4 Total remeasurements chargeable in other comprehensive income			
Actuarial loss from changes in financial assumptions		<u>18,800</u>	<u>160,603</u>
11.5 Principal actuarial assumptions			
The latest actuarial valuation for gratuity fund was carried out as at June 30, 2025 using the Projected Unit Credit Method (PUCM). The following significant assumptions used for the actuarial valuation:			
Discount rate		<u>11.75%</u>	<u>14.75%</u>
Expected rate of increase in salary		<u>11.75%</u>	<u>13.75%</u>
Average retirement age of an employee		<u>60</u>	<u>60</u>
Mortality rates		<u>SUC 2001 - 2005 Setback 1 Year</u>	<u>SUC 2001 - 2005 Setback 1 Year</u>

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11.6 Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected rate of salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

	Impact on defined benefit obligation		
	Changes in assumption %	Increase in assumption	Decrease in assumption
Discount rate		Rupees	
	plus (+) 100 bps	22,232,388	
	minus (-) 100 bps		2,357,183
Salary increase			
	plus (+) 100 bps	2,358,542	
	minus (-) 100 bps		2,230,070

- 11.7 The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the staff retirement gratuity recognised within the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous method.

Historical	2026	2025	2024	2023	2022
Present value of defined benefit obligation	9,018,410	8,735,028	8,568,711	8,613,056	8,379,879
Experience adjustment on obligation	-	-	-	-	-

11.8 Maturity profile

Years	Rupees
2027	111,494
2028	230,869
2029	2,531,587
2030	104,848
2031	114,824
2032	121,477
2033	128,143
2034	134,282
2035	144,240
2036	821,334
2037 & Onwards	16,836,737
Weighted average duration	3 years

- 11.9 The estimated charge to P & L in respect of defined benefit plan for the year ended June 30, 2026 is estimated to be Rs. 632,184/=

- 11.10 The amount includes Rs. 8,735,028 (2025: Rs. 8,568,711) in respect of gratuity payable to ex-employees of the Company.

	Note	2026 Rupees	2025 Rupees
12 LOAN FROM DIRECTORS - UNSECURED			
Balance at beginning of the year		581,018,754	581,018,754
Received during the year		-	-
Repaid during the year		-	-
		581,018,754	581,018,754
The above is interest free loan from director(s) of the company, which is payable on demand.			
13 TRADE AND OTHER PAYABLES			
Trade creditors		477,689,877	477,689,877
Other creditors		234,833,934	211,678,661
GIDC payable		47,874,699	47,874,699
Accrued liabilities		7,432,321	6,574,027
Workers' profit participation fund		16,895,060	16,895,060
Advance from customers		785,717	785,717
Security Deposit of Warehousing	13.1	14,667,000	7,488,000
Other liabilities		2,487,344	2,310,616
		802,465,752	771,073,357
13.1 This represents deposit from warehouse tenants which can be used for any purpose of the company.			
14 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
15 SHORT TERM FINANCES			
From banks and financial institutions - Secured	15.1	744,239,039	744,239,039
		744,239,039	744,239,039
15.1 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. 16, 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 & 16.			
16 CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
Bank guarantee		15,797,900	15,797,900
The bank guarantees have been issued in favor of SSGC, Excise, Sales tax and others.			

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16.2	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. 3,448 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 No. 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.	Disposed off
	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 # B-76/2013 against the company for recovery of outstanding loan amounting to Rs. 235,105,083/- Settlement with JS Bank Ltd was reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Naar Sindh High Court in the Suit. Compromise decree was granted by the High Court of Sindh and both suits stand disposed off on 07.08.2024. According to the consent decree payment was released from Naar Sindh Court to JS Bank Ltd. on 29.03.2024.	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. 434,899,944/- 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. 948,140,149/-	Pending
	7	Suit No. 717/2025	District Court of Sindh	The company has filed suit No.1386/2013 inter alia for cancellation of cheques and damages against Javed 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 2023, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
	8	Suit No. 3759/2023	District Court of Sindh	Javed Arshad has filed the suit No.540/2014 against the company for recovery of Rs. 21.52 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 2023, the cases have been transferred to the District Court of Sindh at Karachi. Court dismissed the suit on non-prosecution by plaintiff per order dated 29.01.24	Suit Dismissed
	9	Suit No. 361/2025	District Court of Sindh	Ranyel 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 2023, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
	10	Suit No. 2303/2023	District Court of Sindh	Shahaj Textile has filed the suit No.1345/2015 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 2023, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
	11	Suit No. 2463/2023	District Court of Sindh	Maksons Textile has filed the suit No.1833/2015 against the company for recovery of Rs. 58.35 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 2023, the cases have been transferred to the District Court of Sindh at Karachi. Suit Dismissed by the court and appeal filed by the Maksons Textile.	Suit Dismissed and appeal by Maksons
	12	Suit No. 611/2023	District Court of Sindh	BASF has filed the suit No.359/2013 against the company for recovery of Rs. 33.82 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 2023, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
	13	Suit No. 387/2023	District Court of Sindh	ICI Pakistan has filed the suit No.344/2013 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 2023, the cases have been transferred to the District Court of Sindh at Karachi.	Pending
	14	NCA 318/2018	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. 84/2014	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 Ranyel Textile. Such claim is denied by the company.	Pending
	16	JCM No. 25/2013	Sindh High Court	PAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.825 million to Pair Investment. Such claim is denied by the company.	Pending
	17	Suit No. 2853/2023	District Court of Sindh	ACME (supplier) has filed suit No.614/2018 for recovery of Rs. 48,922,642/- 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 2023, the cases have been transferred to the District Court of Sindh at Karachi. As per the court order dated 14.10.23 plaintiff suit time barred and court rejected the suit accordingly.	Suit Dismissed
	18	JCM No. 10 /2013	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 Chemicals Pakistan (formerly BASF Pakistan) a sum of Rs. 33,635,561/-. 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 13.10.23 on non prosecution by the petitioner.	Suit Dismissed
	19			During the year 2022, the Additional Commissioner of Inland Revenue, Range A, Audit-1, Corporate Tax Office, Karachi (ADCIR) passed an order dated January 27, 2022 u/s 122(5A) of the Income Tax Ordinance, 2001 for the Tax Year 2020 whereby a demand of Rs. 759,071,338 was raised. The company has filed an Income Tax Appeal before the Commissioner Inland Revenue (Appeals III), Karachi [CIR(A)] on 10-02-2022 against the said order passed by the ADCIR. 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 anticipation 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. The tax department has also filed appeal before ATIR against the said order of CIR(A) which is pending.	Pending
	20		Sindh revenue board	During the year, the deputy commissioner SRB passed an order No. 5674 of 2023 on 20.11.2023 for the tax year 2021, whereby the SWWP demand of Rs. 12,108,510 has been created and penalty of Rs. 603,440 has also been imposed. The company has been assessed before the Commissioner SRB (Appeals-III), Karachi who has granted the stay of recovery of disputed SWWP vide order sheet dated 19.12.2023. The appeal is pending decision till date.	Pending

The amount mentioned on above cases 5, 6 and 16 are claimed amounts by the Banks and DFL actual amounts to be determined by the Banking Court.

The outcome of above cases as referred in cases 7,9,10,12, 13,15,19 & 20 cannot be predicted and the management is vigorously contesting the cases.

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17 PROPERTY, PLANT AND EQUIPMENT

Operating Fixed Assets
Capital Work in Progress - DDPC Boiler

17.1 Operating Fixed Assets

Particulars	June 30, 2026							Total
	Land	Building on Lease hold land	Plant, Machinery & equipments	Furniture & Fixture	Office equipment	Electric, gas & Other installations	Vehicles	
Value / cost as on July 01, 2025	1,191,000,000	562,417,650	772,200,000	6,550,000	650,000	32,140,000	28,232,877	2,590,180,327
Addition during the year	-	16,774,455	4,132,830	-	-	-	1,700,000	22,807,085
Deletion/transfer during the year	-	(161,584,000)	-	-	-	-	(785,000)	(162,379,000)
Cost as at June 30, 2026	1,191,000,000	417,608,105	776,332,830	6,550,000	650,000	32,140,000	27,137,877	2,450,418,812
Accumulated Depreciation as on July 01, 2025	-	-	-	-	-	-	-	-
Charge for the year	-	56,241,765	77,220,000	555,000	65,000	3,214,000	274,494	137,570,249
Deletion/transfer during the year	-	-	-	-	-	-	(771,938)	(771,938)
Accumulated Depreciation as at June 30, 2026	-	56,241,765	77,220,000	555,000	85,000	3,214,000	24,918,594	162,214,359
Closing net book value as at June 30, 2026	1,191,000,000	361,366,340	699,112,830	4,995,000	565,000	28,926,000	2,218,963	2,288,204,053
17.2 Forced sale value	Forced sale value							
Asset class								
Lease hold land	1,012,350,000							
Building	474,108,503							
Plant, Machinery and Equipment	649,232,000							
Total	2,135,610,503							

17.3 The valuation was conducted by an independent valuer and they have appropriate qualifications and experience in the fair value measurement of properties in the relevant locations. Leasehold land was valued on the basis of fair market value. Valuations for building and plant & machinery were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. The fair value of assets subject to revaluation model fall under level 2 of the fair value hierarchy i.e. significant observable inputs.

17.4 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of Immovable Property	Total Area (Square feet)	Covered Area (Square feet)
Lease hold Land & Building	Head Office and Manufacturing facility	65,340.00	80,983.50
Plot No. A-34/A, S.I.T.E., Karachi.	Factory and Manufacturing facility	124,146.00	289,835.00
Plot No. A-29/B, S.I.T.E., Karachi.			

* The covered area includes multi storey buildings.

17.5 Had there been no revaluation, related figures of property, plant and equipments would have been as mentioned in 8.2:

17.6 Allocation of Depreciation

Manufacturing overheads
Administrative expenses

	June-26 Rupees	June-25 Rupees
	137,058,765	101,096,576
	511,484	343,382
	137,570,249	101,439,957

17.7

Particulars	June 30, 2025							Total
	Land	Building on lease hold land	Plant, Machinery & equipments	Furniture & Fixture	Office equipment	Electric, gas & Other installations	Vehicles	
Value / cost as on July 01, 2024	1,191,000,000	563,633,387	746,486,370	5,037,000	538,000	24,839,041	28,232,677	2,532,872,475
Addition during the year	-	9,578,613	6,108,775	-	-	-	-	15,687,388
Deletion/transfer during the year	-	(106,785,000)	(39,132,000)	-	-	-	-	(145,917,000)
Revaluation	25,044,000	272,016,488	290,908,363	2,092,227	282,049	12,455,484	-	592,798,611
Cost as at June 30, 2025	1,191,000,000	738,643,488	994,324,508	7,129,227	818,049	37,294,525	28,232,677	2,995,442,474
Accumulated Depreciation as on July 01, 2024	-	132,965,622	177,397,228	1,195,029	127,185	3,001,216	25,211,893	339,898,155
Charge for the year	-	43,280,216	55,393,195	384,198	40,883	2,153,309	204,158	101,435,957
Deletion during the year	-	-	(10,685,916)	-	-	-	-	(10,685,916)
Accumulated depreciation as at June 30, 2025	-	176,225,838	222,124,508	1,579,227	168,049	5,154,525	25,416,049	430,688,188
Closing net book value	1,191,000,000	562,417,650	772,200,000	5,550,000	650,000	32,140,000	28,816,628	2,564,774,270

17.8 DETAIL OF ASSETS SOLD

S.NO	PARTICULARS	COST	ACC.DEP	WDV	SALE PRICE	GAIN / (LOSS)	PARTICULARS	RELATIONSHIP	MODE OF DISPOSAL
1	SUZUKI CULTAS ATG-581	795,000	771,939	23,061	840,000	816,939	MUHAMMAD SALEH	COMMERCIAL BUYER	NEGOTIATION
	TOTAL	795,000	771,939	23,061	840,000	816,939			

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	Note	2026 (Rupees)	2025
18 INVESTMENT PROPERTY			
Carrying amount 1 July 2025		126,285,000	19,500,000
Transfer from operating fixed assets		161,584,000	106,785,000
Change in fair value		-	-
Carrying amount June 30, 2026		287,869,000	126,285,000
18.1 Investment property includes real estate property situated in Karachi which is owned to earn rentals and for capital appreciation.			
19 STORES AND SPARES			
Stores		-	-
Spares Opening Balance		10,733,690	15,417,890
Disposal during the year		-	(4,684,000)
		10,733,690	10,733,690
Stores and spares do not include any major spare parts which may be categorized under the Property, Plant and Equipment.			
20 LOANS AND ADVANCES			
Advances-considered good		125,001	170,000
Loans to staff and workers		1,067,069	-
Advance against import expenses		1,067,718	1,067,718
Advances to suppliers, contractors and others - unsecured		2,289,788	1,237,718
21 TRADE DEPOSITS AND PREPAYMENTS			
Trade deposits - unsecured and considered good		218,100	218,100
22 OTHER RECEIVABLES			
Duty drawback		90,893,173	90,893,173
Receivable from banks	22.1	6,862,537	26,833,537
Research and development support		4,325,164	4,325,164
Receivable from Tenant		4,266,388	801,438
		106,149,260	122,853,312
22.1 This represents the amount of DLT received by certain banks on the company's behalf in the accounts held by these banks namely Allied Bank Limited and National Bank of Pakistan and the same is receivable from the respective banks. .			
23 TAX REFUNDS DUE FROM GOVERNMENT			
Sales tax		52,081,467	52,133,980
Income tax		17,708,294	14,010,085
		69,789,761	66,144,045
24 CASH AND BANK BALANCES			
Cash on hand		839,922	1,283,558
Cash at Banks			
- Current account		2,045,200	1,182,721
- Term Deposit	24.1	14,285,900	14,285,900
- Saving account	24.2	20,190,289	33,735,178
		36,521,389	48,203,799
		37,361,291	50,487,357
24.1 This represents term deposit in the Bank of Punjab carrying mark-up rate of 9.5% (2025: 8%).			
24.2 This represents deposit in saving account in Dubai Islamic Bank and Bank Al-Habib Ltd carrying mark-up range 9%. (2025: 15% to 10%)			
25 SALES AND MANUFACTURING			
Services		939,316	-
26 COST OF SALES			
Depreciation		137,056,785	101,095,575
Cost of raw material		804,743	-
		137,861,508	101,095,575
27 ADMINISTRATIVE EXPENSES			
Salaries and benefits	27.1	18,188,004	19,591,468
Repairs and maintenance		5,168,821	4,925,763
Rent, rates and taxes		328,674	737,768
Security expenses		1,833,487	1,378,377
Sanitation expenses		1,798,024	1,884,824
Heat, light and power		10,014,799	8,159,798
Water Charges		876,517	500,000
Car maintenance		1,863,392	1,535,545
Conveyance		47,260	17,000
Entertainment		609,314	444,219
Printing and stationery		322,088	227,484
Communication		378,831	292,381
Legal and professional		649,000	505,618
Auditors' remuneration	27.2	1,117,200	987,000
Advertisement		120,820	53,000
Subscription and fees		1,355,283	786,258
Staff Welfare		193,240	-
Insurance Premium		241,079	101,307
Brokerage and commission		1,214,347	1,974,139
Depreciation		513,484	340,382
Additional Settlement amount		-	13,300,000
Sampling Expenses		1,755,107	1,802,134
		48,780,941	59,334,463
27.1 This includes Rs. 532,184 in respect of staff retirement benefits.			

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	Note	2026 Rupees	2025 Rupees
27.2 Auditors' remuneration			
Annual audit fees		750,000	700,000
Fee for half yearly review		135,000	135,000
Non-audit services:			
Tax advisory services		232,200	162,000
		1,117,200	997,000
28 OTHER INCOME			
Income from non-financial assets			
Sale of scrap		-	3,857,500
Profit on sale of Vehicle		816,939	-
Income from property		46,352,288	19,860,098
Income from financial assets / liabilities			
Profit on PLS deposit account		1,892,061	11,484,610
		49,061,288	35,182,208
29 OTHER EXPENSES			
(Loss) on sale of Assets		-	13,302,150
(Loss) on sale of store and spares		-	93,836
		-	13,395,986
30 FINANCE COST			
Bank Charges		670,291	-
Financial charges United Bank Ltd		3,871,000	-
		4,541,291	-
31 LEVY AND TAXATION			
- Levy		588,797	296,470
- Taxation		-	-
- Net levy and tax charged		588,797	296,470

No tax reconciliation is required as tax provision sufficiency disclosure is computed at minimum tax on scrap sales under section 113 (2)(C) of the Income Tax Ordinance, 2001.

32 LOSS PER SHARE - BASIC AND DILUTED

32.1 LOSS PER SHARE - BASIC

Loss after taxation	Rupees	(141,871,933)	(138,940,286)
Weighted average number of shares	Number	13,409,550	13,409,550
Loss per share-Basic	Rupees	(10.58)	(10.36)

32.2 EARNINGS PER SHARE - DILUTED

There is no dilution effect on the basic earning per shares of the Company (June 30, 2025 : Nil).

33 REMUNERATION OF DIRECTORS & EXECUTIVES

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVES	
	2026	2025	2026	2025	2026	2025
	Rupees					
Basic	-	-	-	-	3,636,964	5,660,606
House rent	-	-	-	-	1,636,364	2,547,273
Other allowances and perquisites	-	-	-	-	727,272	1,192,121
	-	-	-	-	6,000,000	9,340,000
Number of persons	1	1	6	6	2	4

33.1 In order to improve financial position of the company, the directors of the Company have decided to forgo fees, remuneration and other perquisites.

33.2 Aggregate amount charged in the accounts for Board Meeting fee to non - executive Directors is Rs. 52,000 /- (2025: Rs.42,000).

AL-ABID SILK MILLS LIMITED

34 FINANCIAL INSTRUMENTS BY CATEGORY

Note	2026 Rupees	2025 Rupees
Financial Assets		
- At Amortized Cost		
Long term security deposit	4,815,457	4,815,457
Loans and advances	125,001	170,000
Trade deposits and prepayments	218,100	218,100
Other receivables	106,149,260	122,853,312
Cash and bank balances	37,361,291	50,487,357
	148,669,109	178,524,226
Financial Liabilities		
- At Amortized Cost		
Loan from director - unsecured	561,018,754	561,018,754
Trade and other payables	771,093,692	748,890,297
Unclaimed dividend	108,310	108,310
Long term finance	172,764,000	199,284,000
Short term finance	744,239,039	744,239,039
Accrued markup	43,322,484	43,322,484
	2,292,546,279	2,294,842,884

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of all the financial instruments reflected in the financial statements approximates to their fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

Fair Value Hierarchy;

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June, 2026, the company has no financial instruments that falls into any of the above category. There were no transfer between level 1, 2 and 3 in the year.

36 FINANCIAL RISK MANAGEMENT

The Company finances its operations through short term borrowing, long term financing and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The company has exposure to the following risks from its use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2026, which are summarized below:

AL-ABID SILK MILLS LIMITED

36.1 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rate, interest rate and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The company has short term as well as long term rupee based loans at variable rates. Rates on short term finances are disclosed in relevant notes.

a) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. As at June 30, 2026, the company is not exposed to currency risk.

b) Yield / mark - up rate exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable interest rates expose the Company to cash flow interest rate risk and borrowings issued at fixed interest rates gives rise to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of borrowings at fixed and variable interest rates.

At the reporting date the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2026 Rupees	2025 Rupees
Variable rate instruments - Financial Assets		
Saving account	20,190,269	33,735,178
	<u>20,190,269</u>	<u>33,735,178</u>
Variable rate instruments - Financial Liabilities		
Short term finances	744,239,039	744,239,039
	<u>744,239,039</u>	<u>744,239,039</u>

Sensitivity analysis

A change of 1% in interest rates at the reporting date would have increased/ decreased profit before tax for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect on Profit before tax

7,442,390	7,442,390
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36.2 Credit risk

Credit risk represents the risk of loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	2026 Rupees	2025 Rupees
At Amortized Cost		
Long term security deposit	4,815,457	4,815,457
Loans and advances	125,001	170,000
Trade deposits and prepayments	218,100	218,100
Other receivables	106,149,280	122,853,312
Bank balances	36,521,369	50,487,357
	<u>147,829,187</u>	<u>178,524,226</u>

36.2.1 The maximum exposure to credit risk for trade debts on geographic basis as at the reporting date is as follows:

United State of America and Canada
Europe
Pakistan

-	-
-	-
125,001	170,000

The ageing of trade debts at the reporting date is as follows:

Not past due
Past due 0-60 days
Past due 61 and above

-	-
-	-
125,001	170,000
<u>125,001</u>	<u>170,000</u>

Based on past experience, the Company believes that no impairment is necessary against amounts past due by 61 days and above.

AL-ABID SILK MILLS LIMITED

36.2.2 Some of the company's banks balances with reference to the credit ratings of the banks have not been presented as the Company is in litigation with such banks. The credit quality of rest of the Company's bank balances that are operational, can be assessed with reference to external credit ratings as:

Bank	Rating agency	Short-term Rating
Dubai Islamic Bank Limited	JCR-VIS	A-1+
Bank Islami Pakistan Limited	PACRA	A-1
Askari Bank Limited	PACRA	A-1+
Summit Bank Limited	JCR-VIS	A-3
Bank Al Habib Limited	JCR-VIS	A-1+
Bank of Punjab	PACRA	A-1+
Habib Metropolitan Bank	PACRA	A-1+
Bank Makramah Limited	VIS	A-3

36.3 Liquidity risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Following are the carrying amount and maturities of the Company's financial liabilities.

Financial Liabilities At Amortized Cost	2026			
	Carrying Amount	Contractual Cash Flows	Less Than 01 Year	More Than 01 Year
			Rupees	
Long term finance	172,764,000	172,764,000	172,764,000	-
Loan from director - unsecured	561,018,754	561,018,754	561,018,754	-
Trade and other payables	771,093,692	771,043,692	771,043,692	-
Unclaimed dividend	108,310	108,310	108,310	-
Short term finance	744,239,039	744,239,039	744,239,039	-
Accrued markup	43,322,484	43,322,484	43,322,484	-
	2,292,546,279	2,292,496,279	2,292,496,279	-

Financial Liabilities At Amortized Cost	2025			
	Carrying Amount	Contractual Cash Flows	Less Than 01 Year	More Than 01 Year
			Rupees	
Long term finance	199,264,000	199,264,000	199,264,000	-
Loan from director - unsecured	561,018,754	561,018,754	561,018,754	-
Trade and other payables	746,890,297	746,890,297	746,890,297	-
Unclaimed dividend	108,310	108,310	108,310	-
Short term finance	744,239,039	744,239,039	744,239,039	-
Accrued markup	43,322,484	43,322,484	43,322,484	-
	2,294,842,884	2,294,842,884	2,294,842,884	-

37 CAPITAL RISK MANAGEMENT

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company did not pay the amount of dividend to shareholders.

The gearing ratio as at June 30, 2026 and June 30, 2025 is as follows:

	2026	2025
Long term finance	172,764,000	199,264,000
Short term running finance	744,239,039	744,239,039
Certificate capital	134,095,500	134,095,500
Unappropriated loss	(2,345,294,925)	(2,314,936,923)
Surplus on revaluation of property, plant and equipment	2,289,044,017	2,400,539,148
Total certificate holders' equity	77,844,592	219,697,725
Total certificate holders' equity including total debt	822,083,631	963,936,764
Gearing ratio (debt / (debt + equity))	0.91	0.77

AL-ABID SILK MILLS LIMITED

38	RELATED PARTY TRANSACTIONS			2026 Rupees	2025 Rupees
	Name of Related Party	Relationship with the company	Nature of Transactions		
	TRANSACTIONS DURING THE YEAR				
	Naseem A. Sattar	Chairman		-	-
	Aziz Ahmed	Chief Executive Officer		-	-
	Balance				
	Naseem A. Sattar	Chairman	Payable	500,912,887	500,912,887
	Aziz Ahmed	Chief Executive Officer	Payable	60,105,867	60,105,867
39	OPERATING SEGMENTS				
	These financial statements have been prepared on the basis of a single reportable segment which is consistent with the internal reporting used by the chief decision-makers.				
	There were no changes in the reportable segments during the year.				
	All non-current assets of the Company as at 30 June 2026 are located in Pakistan.				
40	NUMBER OF EMPLOYEES				
	Number of employees at the end of the year			16	11
	Number of average employees during the year			16	11
41	PLANT CAPACITY AND PRODUCTION				
	The production capacity of the plant can not be determined as it depends upon the process, the quality of the cloth used for printing and dyeing, which may compose of different kinds of fabrics and texture having different construction and weights.				
42	DISCLOSURE REQUIREMENT FOR COMPANIES NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES				
	Non Shariah Compliant				
	Long term financing			202,764,000	233,264,000
	Short term financing			744,239,039	744,239,039
	Accrued markup			43,322,484	43,322,484
	Bank balances			36,521,369	49,203,799
	Gross Turnover			-	-
	Profit on Deposits			1,892,061	11,464,610
43	CORRESPONDING FIGURES				
	Corresponding figures have been reclassified or arranged, wherever necessary, for better and fair presentation. However, no major reclassifications were made during the year.				
44	DATE OF AUTHORISATION FOR ISSUE				
	These financial statements were approved and authorized for issue in the Board of Directors' meeting held on October 01, 2026				

Chief Executive Officer

Director

Chief Financial Officer

AL-ABID SILK MILLS LIMITED

Key Operating and Financial Data

Statement of Profit or Loss	2026	2025	2024	2023	2022	2021
	Rupees in million					
Sales and manufacturing	1	-	-	-	-	-
Gross Loss	(137)	(101)	(116)	(144)	(116)	(86)
Profit/Loss from operations	(137)	(139)	117	125	(139)	607
Profit/Loss before taxation	(141)	(139)	117	88	(139)	605
Profit/Loss after taxation	(142)	(139)	116	88	(139)	605

Statement of Financial Position

Property, plant and equipment	2,584	2,699	2,220	2,387	2,658	978
Long term security deposit	5	5	5	3	3	3
Net current assets	(1,956)	(1,903)	(1,853)	(2,360)	(2,719)	(2,697)
Total assets employed	633	801	372	31	(58)	(1,715)

Represented by:

Share Capital	134	134	134	134	134	134
Reserves	317	458	4	(112)	(200)	(1,858)
Shareholders' equity	451	593	139	22	(66)	(1,724)
Surplus on revaluation -of fixed assets	2,289	2,401	1,906	2,049	2,240	519
Long term Financing	173	199	225	-	-	-
Deferred liabilities	-	-	-	-	-	-
Total capital employed	2,913	3,192	2,269	2,071	2,174	(1,205)

Statement of Cash Flow

Operating activities	(17)	(53)	113	(44)	(19)	(161)
Investing activities	1	15	70	58	-	345
Financing activities	(31)	(15)	(109)	(56)	-	(196)
Cash & cash equivalents -at beginning of the year	50	103	30	72	90	102
Cash & cash equivalents -at end of the year	4	50	103	30	71	90
Debt-equity ratio	5.25	3.99	17.29	121.94	(47.30)	(1.81)
Debt	2,364	2,362	2,391	2,698	3,118	3,117
Equity	451	593	138	22	(66)	(1,723)

AL-ABID SILK MILLS LIMITED

PATTERN OF SHAREHOLDING AS AT 30-06-2026

NUMBER OF SHAREHOLDERS	SHARE HOLDING	TOTAL NUMBER OF SHARES HELD
449	1	100
128	101	500
40	501	1,000
72	1,001	50,000
1	50,001	100,000
10	100,001	1,000,000
2	1,000,001	3,000,000
1	3,000,001	8,000,000
703		13,409,550

CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARE HELD	PERCENTAGE
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INDIVIDUALS

686

HOLDING LESS THAN 10%

1,309,366	9.764%
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FINANCIAL INSTITUTIONS

7

CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST

NATIONAL BANK OF PAKISTAN

NATIONAL BANK OF PAKISTAN

NATIONAL BANK OF PAKISTAN

THE BANK OF PUNJAB, TREASURY DIVISION

TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST

TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND

1,113,687	8.305%
583,570	4.352%
643	0.005%
100	0.001%
8,000	0.060%
3,874	0.027%
104,696	0.781%

INSURANCE COMPANY

1

STATE LIFE INSURANCE CORPORATION OF PAKISTAN

236,994	1.767%
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JOINT STOCK COMPANIES

2

EXCEL SECURITIES (PRIVATE) LIMITED

MAPLE LEAF CAPITAL LIMITED

500	0.004%
1	0.000%

DIRECTORS, CEO & THEIR SPOUSE AND MINOR CHILDREN

7

MR. NASEEM A. SATTAR

MR. AZIM AHMED

MR. QAMAR MASHKOOR

MST. ADIA NASEEM

MRS. SADAF NADEEM

MRS. ZARINA NASEEM

MRS. REENA AZIM

7,515,162	56.043%
479,818	3.578%
500	0.004%
328,322	2.448%
132,281	0.986%
1,479,361	11.032%
112,875	0.842%
13,409,550	100.000%

TOTAL

703

AL-ABID SILK MILLS LIMITED

PROXY FORM

The Company Secretary
Al-Abid Silk Mills Limited
A-34/A, S.I.T.E., Manghopir Road,
Karachi.

I/We _____ being a member(s) of Al-Abid Silk Mills Limited holding _____ ordinary share(s) hereby appoint _____ of Folio/CDC Account No. _____ or falling him/her _____ Folio / CDC Account No. _____ who is / are also member(s) of Al-Abid Silk Mills Limited as my / our proxy in my / our absence to attend and vote for me / us and on my behalf at the Annual General Meeting of the Company to be held on Wednesday, October 28, 2026 and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2026.

Witness No. 1

Signature: _____
Name: _____
CNIC No: _____
Address: _____

Rs. 5/-
Revenue
Stamp

Signature of Member(s)
(This signature should agree with the specimen
registered with the Company)
Folio / Participant ID No. _____

specimen

Witness No. 2

Signature: _____
Name: _____
CNIC No: _____
Address: _____

Important:

1. CDC Account Holders are requested to strictly follow the guidelines mentioned in the Notice of Meeting.
2. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
3. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
4. A Member entitled to attend an Annual General Meeting is entitled to appoint a proxy to attend and vote instead of him/her.
(a) Members are requested to affix Revenue Stamp of Rs. 5/- at the place indicated above. The signature must tally with the specimen signature/s registered with the Company.
5. The form of proxy, duly completed and signed, must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting.

AL-ABID SILK MILLS LIMITED

العابد سلک ملز لمیٹڈ

کمپنی سیکریٹری
العابد سلک ملز لمیٹڈ
A-34/A، ایس۔ آئی۔ ٹی۔ ای، منگھو پیر روڈ،
کراچی۔

میں/ہم

العابد سلک ملز لمیٹڈ کے ممبر ہونے کی حیثیت سے
عام حصص کے حامل ہیں اور فلیو/سی ڈی سی اکاؤنٹ نمبر
یا اس کی عدم موجودگی میں فلیو نمبر/سی ڈی سی اکاؤنٹ نمبر
کا تقرر کرتا/کرتی ہوں جو کہ العابد سلک ملز لمیٹڈ کا ممبر بھی
ہے۔ بحیثیت میرے/ہمارے پروکسی میری/ہماری عدم موجودگی میں کمپنی کے عام سالانہ اجلاس بروز بدھ مورخہ 28 اکتوبر 2026ء کو منعقد ہوگا اور اس
کے التوا پر میری/ہماری جانب سے شرکت کرے گا اور ووٹ دے گا۔
آج اس دن 2026ء کو دستخط کئے گئے۔

5/- روپے کارسیدی ٹکٹ

گواہ نمبر 1

نام:

پتہ:

ممبر کے دستخط
(دستخط کمپنی کے ساتھ رجسٹر شدہ نمونے کے دستخط کے مطابق ہونے
چاہئیں)

شیخانی کارڈ نمبر

گواہ نمبر 2

نام:

پتہ:

فلیو نمبر
شرکت کنندہ کا آئی ڈی نمبر

شیخانی کارڈ نمبر

نوٹ:

- 1- سی ڈی سی اکاؤنٹ ہولڈرز سے استدعا ہے کہ اجلاس کے نوٹس میں بیان کردہ گائیڈ لائنز پر سختی سے عمل پیرا ہوں۔
- 2- پروکسی فارم کے ساتھ سی این آئی سی/ایس این آئی سی یا ہیفیشل اونرز اور پروکسی کی تصدیق شدہ کاپیاں پیش کی جائیں گی۔
- 3- پروکسی اجلاس کے وقت اپنا اور ہیفیشل سی این آئی سی/ایس این آئی سی یا اور ہیفیشل پاسپورٹ پیش کرے گا۔
- 4- ممبر سالانہ عام اجلاس میں شرکت کا مستحق ہوگا ساتھ ہی وہ اپنے بجائے پروکسی کے تقرر کا مستحق ہوگا کہ وہ اس کی جانب سے شرکت کرے اور ووٹ دے۔
- 5- (الف) ممبران سے درخواست ہے کہ مذکورہ جگہ پر پانچ روپے کارپونیا اسٹامپ چسپاں کریں۔ دستخط کمپنی کے ساتھ رجسٹر شدہ نمونہ دستخطوں کے مطابق ہونے چاہئیں۔
(ب) پروکسی فارم، ہمل اور دستخط شدہ حالت میں، اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کروانا ضروری ہے۔