

REPORT AND ACCOUNTS
FOR THE NINE MONTHS ENDED
MARCH 31, 2024

AL-ABID SILK MILLS LIMITED

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

AL-ABID SILK MILLS LIMITED

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AL-ABID SILK MILLS LIMITED

COMPANY INFORMATION

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

AL-ABID SILK MILLS LIMITED

DIRECTORS' REPORT TO SHAREHOLDERS

The Board of Directors presents the condensed interim financial statement of the Company for the Third Quarter ended March 31, 2024.

The Stock Market price index has reached an unprecedented level after a lull of good 5/6 years. The tax net is being broadened. Interest rates are expected to go down. For the textile industry specifically, measures are being taken to expedite the release of long pending payments related to Customs Rebate, Sales Tax, Income Tax Refunds, and Duty Drawback of Local Taxes & Levies (DLTL). Efforts are also being made to reduce the energy tariffs to make production more competitive.

Future outlook:

By the grace of God, the long due settlement with JS Bank has reached closure through a compromise decree filed in the High Court. Both the lender and the borrower have withdrawn their respective suits filed against each other.

The company will shortly commence production.

For and on behalf of the Board of Directors



Director



Azim Ahmed
Chief Executive Officer

April 29, 2024

AL-ABID SILK MILLS LIMITED

حصص داران کیلئے ڈائریکٹرز کی رپورٹ

بورڈ آف ڈائریکٹرز 31 مارچ 2024 کو ختم ہونے والی تیسری سرمایہ کیلئے کمپنی کے مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

اسٹاک مارکیٹ پر آس انڈیکس 5/6 سال کی خاموشی کے بعد غیر معمولی سطح پر پہنچ گیا ہے۔ ٹیکس ٹیٹ کو وسیع کرنے اور شرح سود کو کم کرنے کی کوششیں جاری ہیں۔ بینکنگ، انڈسٹریل انڈسٹری کیلئے، کسٹمر ریٹ، سیلز ٹیکس، انکم ٹیکس ریفرنڈز اور لوکل ٹیکسز اینڈ لیویز کے ڈیوٹی ڈرا بیک (DLTL) سے متعلق طویل عرصے سے زیر التواء ادائیگیوں کے اجراء کو تیز کرنے کیلئے اقدامات کئے جا رہے ہیں۔ پیداواری مسابقت کو بڑھانے کیلئے توانائی کے نرخوں میں کمی کی بھی کوششیں جاری ہیں۔

مستقبل کا نظریہ:

اللہ کے فضل و کرم سے بے ایس بینک کے ساتھ طویل التواء تصفیہ ہائی کورٹ میں دائر ایک سمجھوتے کے حکم نامہ کے ذریعے حل ہو گیا ہے۔ قرض دہندہ اور قرض لینے والے دونوں نے ایک دوسرے کے خلاف دائر کئے گئے اپنے متعلقہ مقدمات واپس لے لئے ہیں۔

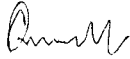
کمپنی جلد ہی پیداوار کا آغاز کرے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے



عظیم احمد

چیف ایگزیکٹو آفیسر



ڈائریکٹر


مورخہ: 29 اپریل 2024ء

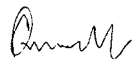
AL-ABID SILK

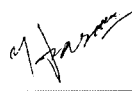
CONDENSED INTERIM STATEMENT OF AS AT

		Audited	
	March 31, 2024	June 30, 2023	
Note	(Rupees)		
EQUITY & LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital	200,000,000	200,000,000	
20,000,000 ordinary shares of Rs. 10/- each	134,095,500	134,095,500	
Issued, subscribed and paid-up capital			
Capital reserves			
Other reserves	372,834,000	372,834,000	
Revaluation Surplus on Property, Plant & Equipment	5 1,961,072,423	2,048,543,523	
Revenue reserves			
Accumulated loss	(2,534,188,144)	(2,533,346,372)	
Total equity	(66,186,221)	22,126,651	
LIABILITIES			
NON- CURRENT LIABILITIES			
Deferred tax	-	-	
Long Term Finances	6 233,264,000	-	
Staff retirement benefits	8,613,055	8,613,055	
	241,877,055	8,613,055	
CURRENT LIABILITIES			
Loan from directors - unsecured	7 561,018,754	561,018,754	
Trade and other payables	789,466,408	765,176,397	
Unclaimed dividend	108,310	108,310	
Advance from I.B.L	8 -	-	
Current maturity of long term finances	6 20,000,000	-	
Accrued markup	9 49,777,692	60,622,829	
Short term finances	10 1,044,718,924	1,301,787,787	
Provision for taxation	866,215	694,227	
	2,465,956,303	2,689,408,304	
CONTINGENCIES AND COMMITMENTS	11		
	2,641,647,137	2,720,148,010	

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


Chief Executive Officer



Director


Chief Financial Officer

MILLS LIMITED

FINANCIAL POSITION (UN-AUDITED) MARCH 31, 2024


		March 31, 2024	Audited June 30, 2023
	Note	(Rupees)	
ASSETS-			
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,248,375,576	2,387,255,876
Long term security deposit		4,655,157	3,311,307
CURRENT ASSETS			
Stores and spares		24,909,000	24,909,000
Loans and advances		1,456,292	1,153,310
Trade deposits and prepayments		2,060,688	2,060,688
Other receivables	13	213,964,879	213,214,629
Tax refunds due from government		64,430,287	58,144,585
Cash and bank balances		81,795,258	30,098,615
		388,616,404	329,580,827
		<u>2,641,647,137</u>	<u>2,720,148,010</u>



Chief Executive Officer



Director




Chief Financial Officer

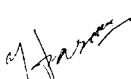
AL-ABID SILK MILLS LIMITED
STATEMENT OF PROFIT OR LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Nine months ended		Quarter ended	
		March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees
Sales and manufacturing		-	-	-	-
Cost of sales		(87,063,977)	(110,845,228)	(28,856,460)	(37,287,637)
Gross loss		<u>(87,063,977)</u>	<u>(110,845,228)</u>	<u>(28,856,460)</u>	<u>(37,287,637)</u>
Operating expenses					
Administrative expenses		(26,449,722)	(18,643,617)	(7,693,644)	(4,774,320)
Other Income	14	25,376,815	(18,149,181)	10,668,746	(24,437,119)
Loss from operations		<u>(88,136,884)</u>	<u>(147,638,026)</u>	<u>(25,881,358)</u>	<u>(66,499,076)</u>
Finance cost		(4,000)	(763)	-	-
Loss before taxation		<u>(88,140,884)</u>	<u>(147,638,789)</u>	<u>(25,881,358)</u>	<u>(66,499,076)</u>
Taxation-net		(171,988)	(26,768)	(67,511)	-
Loss after taxation		<u>(88,312,872)</u>	<u>(147,665,577)</u>	<u>(25,948,869)</u>	<u>(66,499,076)</u>
Loss per share - basic and diluted	15	<u>(6.59)</u>	<u>(11.01)</u>	<u>(1.94)</u>	<u>(4.96)</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 PERIOD ENDED MARCH 31, 2024

	<u>Nine months ended</u>		<u>Quarter ended</u>	
	March 31, 2024 Rupees	March 31, 2023 Rupees	March 31, 2024 Rupees	March 31, 2023 Rupees
(Loss) / Profit after taxation	(88,312,872)	(147,665,577)	(25,948,869)	(66,499,076)
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Revaluation of property, plant and equipments	-	-	-	-
Remeasurements of defined benefit liability	-	-	-	-
Items that are or may be reclassified subsequently to profit or loss				
Other comprehensive income for the period	-	-	-	-
Total comprehensive Loss for the period	(88,312,872)	(147,665,577)	(25,948,869)	(66,499,076)


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



 Chief Executive Officer



 Director




 Chief Financial Officer

AL-ABID SILK MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

	March 31, 2024	March 31, 2023
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(88,140,884)	(147,638,789)
Adjustments for:		
Depreciation	87,368,897	110,344,376
Loss on disposal of plant and equipment	2,175,104	22,687,165
Addition to Fixed Assets	(12,599,075)	-
Security Deposit to KE	(1,343,850)	-
Impairment of trade debts	-	141,781
	75,601,076	133,173,322
WORKING CAPITAL CHANGES		
Decrease / (Increase) in current assets:		
Loan and advances	(302,982)	24,208,184
Receivable from Warehousing Services	(750,250)	-
Tax refunds due from government	(6,285,702)	1,926,157
	(7,338,934)	26,134,341
(Decrease) / Increase in current liabilities:		
Trade and other payable	24,290,011	(187,136)
Accrued mark-up	-	-
	24,290,011	(187,136)
Cash used on operations	4,411,269	11,481,738
Taxes paid	-	-
Net cash used in operating activities	4,411,269	11,481,738
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	61,935,375	14,847,935
Net cash generated from investing activities	61,935,375	14,847,935
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of short term finance	(14,650,000)	(125,000,000)
Loan from Director	-	40,000,000
Net cash used in financing activities	(14,650,000)	(85,000,000)
Net decrease in cash and cash equivalents	51,696,644	(58,670,327)
Cash and cash equivalents at the beginning of the period	30,098,615	71,633,160
Cash and cash equivalents at the end of the period	81,795,258	12,962,833


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



Chief Executive Officer



Director




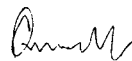
Chief Financial Officer


AL-ABID SILK MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Share Capital	Capital Reserve		Revenue Reserve	Total
	Issued, subscribed and	Other reserve	Revaluation Surplus on	Accumulated Loss	
	Rupees				
Balance as at July 01, 2022	134,095,500	372,834,000	2,239,643,487	(2,812,466,378)	(65,913,391)
Comprehensive income for the year					
Loss after tax for the period ended March 31, 2023	-	-	-	(147,665,577)	(147,665,577)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the Period ended March 31, 2023	-	-	-	(147,665,577)	(147,665,577)
-Transfer on account of incremental depreciation	-	-	(82,258,920)	82,258,920	-
Balance as at March 31, 2023	134,095,500	372,834,000	2,157,384,567	(2,877,893,035)	(213,578,968)
Balance as at July 01, 2023	134,095,500	372,834,000	2,048,543,523	(2,533,346,372)	22,126,651
Comprehensive income for the period					
Loss after tax for the period ended March 31, 2024	-	-	-	(88,312,872)	(88,312,872)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the Year ended March 31, 2024	-	-	-	(88,312,872)	(88,312,872)
-Transfer from surplus on revaluation of fixed assets on account of incremental depreciation	-	-	(43,679,755)	43,679,755	-
Transfer on account of disposal of Fixed Assets			(43,791,345)	43,791,345	-
Balance as at March 31, 2024	134,095,500	372,834,000	1,961,072,423	(2,534,188,144)	(66,186,221)

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


 Chief Executive Officer


 Director


 Chief Financial Officer

AL-ABID SILK MILLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2024

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, 1997 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:

<u>KARACHI</u>	<u>PURPOSE</u>
A-34/A, S.I.T.E., Manghopir Road, Karachi.	The registered office with manufacturing facilities
A-29/B, S.I.T.E., Manghopir Road, Karachi.	The factory premises with manufacturing facilities

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. 2,534 billion and total equity to negative Rs. 66.186 million, while the reported current liabilities (since partly under litigation) have exceeded to current assets of the company by Rs. 2,077 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 and Banking 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. 192.03 million as matter was under litigation. Settlement with JS Bank has been reached according to Supreme Court Order/Direction, in this regard the company has deposited the settlement amount to Nazir Sindh High Court Karachi against recovery suit No.B-76/2013. During the quarter ended March 31, 2024, the High Court of Sindh has issued the order for compromise decree and withdrawal of suits filed by the borrower and the lender. The matter of The Bank of Punjab has already been settled and the payment has been started. Management of the Company has already requested rest of bank and DFI collectively and individually to reschedule their credit facilities for a longer period.

During the year ended June 30, 2016, International Brand Limited (IBL) submitted proposal to the bank for restructuring and acquire shareholding in the Company. Pending this proposal IBL entered into contract dated June 15th, 2015 for manufacturing of their goods in the Company. For this purpose in pursuit to have the plant in full running condition to manufacture their contract goods as per their specification, IBL incurred initial mobilizing expenses under their supervision for repair and maintenance which was to be adjusted against generation of manufacturing of contract goods only. However, Manufacturing of contract goods was not started by IBL. Further, on February 10th, 2017 IBL has given the notice of termination of this contract and pursuant to their termination notice IBL has vacated the premises without undertaking the manufacturing of any contract goods.

Since IBL has terminated the 'contract manufacturing agreement' without doing any manufacturing of contract goods according to the agreement, the management of the Company has written off their advances incurred by them for mobilizing expenses of the plant under their supervision for repair and maintenance.

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

Besides production, the Company intends to offer its surplus land and building to logistic companies for their warehousing and distribution needs. This will generate additional revenue for the Company. In fact, during the period, a portion of property has been sublet for warehousing and distribution.

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

3. Basis of Preparation

3.1 Statement of compliance

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

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

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

AL-ABID SILK MILLS LIMITED

3.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in an annual audited financial statements, and should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2023.

3.3 Basis of measurement

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

3.3.1 Functional and presentation currency

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

3.4 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

3.4.1 Amendments to approved accounting & reporting standards which are effective during the period

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

3.4.2 Amendments to accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

3.4.3 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the financial statements for the year ended June 30, 2023.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgements and estimates made by the management in the preparation of these condensed interim financial statement are same as those applied to financial statement as at the year ended June 30, 2023.

The Company's risk management objectives and policies are consistent with those disclosed in the financial statement as at and for the year ended June 30, 2023.

	March 31, 2024	Audited June 30, 2023
	Rupees	Rupees
5 Revaluation Surplus on Property Plant & Equipment		
Balance at beginning of the period / year	2,048,543,523	2,239,643,487
Less: Transferred to unappropriated profit on account of incremental depreciation for the period.	(43,679,755)	(109,073,302)
Less: Transferred to unappropriated profit on account of disposal for the year.	(43,791,345)	(82,026,662)
Surplus/Deficit on revaluation arisen during the year	-	-
Balance at end of the year - net	1,961,072,423	2,048,543,523

5.1 The Company has revalued its Leasehold land, Building on Leasehold land, Plant, Machinery & equipments, Furniture & Fixture, Office equipment, Electric, gas & Other Installation. The valuation has been determined by the independent qualified valuer M/s. Saqrudin Associates (Pvt) Ltd on November 30, 2021. The assessed values of the fixed assets as determined by the valuer amounts to Rs. 2,730,786,761, however, the forced sales value is Rs. 2,321,168,747 have been taken to account for the fixed assets.

5.2 Had there been no revaluation on 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:

AL-ABID SILK MILLS LIMITED

	March 31, 2024				June 30, 2023				
	Cost	Addition	Deletion	Accumulated depreciation	Book value	Cost	Deletion	Accumulated depreciation	Book value
Leasehold land	29,376,842				29,376,842	29,376,842			29,376,842
Building on leasehold land	289,870,773			253,501,784	36,368,989	289,870,773		250,532,947	39,337,826
Plant, Machinery & equipments	1,688,789,882	12,599,075	(136,716,134)	1,338,655,147	226,017,776	2,001,525,719	(312,735,737)	1,445,108,595	243,681,387
Furniture & Fixture	42,571,147			36,456,805	6,114,342	42,571,147		35,960,615	6,610,532
Office equipment	4,533,716			3,667,076	866,640	4,533,716		3,813,024	720,692
Electric, gas & Other Installations	71,081,709			61,822,567	9,259,142	71,081,709		60,855,611	10,226,098
	<u>2,126,224,169</u>		<u>(136,716,134)</u>	<u>1,694,102,979</u>	<u>308,004,131</u>	<u>2,438,859,906</u>	<u>(312,735,737)</u>	<u>1,796,290,792</u>	<u>329,933,377</u>
6 LONG TERM FINANCES									
From Bank - Secured								267,914,000	-
Less: Current maturity								(20,000,000)	-
Less: Payment during the period								(14,650,000)	-
								<u>233,264,000</u>	-
6.1	The company has entered into the settlement agreement with the Bank of Punjab whereof the Company will pay quarterly agreed amount in 06 years without any further interest. The facility is secured against mortgage on factory Land and Building of Plot No.A-34A.								
7 LOAN FROM DIRECTORS - UNSECURED									
Balance at beginning of the year								561,018,754	521,015,754
Received during the Period								-	40,000,000
Repaid during the Period								-	-
								<u>561,018,754</u>	<u>561,018,754</u>
	The above is interest free loan from director(s) of the company, which is payable on demand.								
8 ADVANCE FROM IBL - UNSECURED									
8.1	This represents an amount of Rs. 266 million in respect of initial mobilizing expenses by International Brands Limited as disclosed on note 2 for repair and maintenance to have the plant in full running condition. The same has been written off during the year ended June 30, 2023.								
9 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								24,807,974	24,807,974
Less: Transferred to Long term finances								(10,845,137)	-
								<u>49,777,892</u>	<u>60,622,829</u>
10 SHORT TERM FINANCES									
From banks and financial institutions - Secured						10.1		1,301,787,787	1,397,310,685
Add: Cost of fund of Bank of Punjab against the settlement								-	36,977,102
Less: Transferred to Long term finances								(257,068,863)	-
Less: Payment during the Period								-	(132,500,000)
								<u>1,044,718,924</u>	<u>1,301,787,787</u>
10.1	The facilities consist of various types of short term finances from different banks and non-banking financial institution. The facilities are secured against hypothecation charge on stocks, mortgage on factory property of Plot No. A-25/B with Land, building and machinery installed thereon and charge on book debts and receivables of the company. As fully disclosed in note No. 11 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 banks and D.F.I for rescheduling or settlement as disclosed in note 2 & 11.								

AL-ABID SILK MILLS LIMITED

March 31, 2024
Rupees

Audited
June 30, 2023
Rupees

11 CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

Bank guarantee

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

1,512,000 1,512,000

11.2

S.NO.	WRIT PETITION	FORUM	ISSUE INVOLVED	STATUS
1		Sindh High Court	The Sales Tax department has filed an appeal in the Honorable High Court of Sindh on 23rd August, 2000 against the Order of the learned Appellate Tribunal Customs and Sales Tax for recovery of Additional Tax and Surcharge amounting to Rs. 3,449 million for the year 1997-98. 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.	Pending
3	Suit No. B-42/2013	Sindh High Court	Al-Abid Silk Mills Limited (company) has filed the suit for damages against JS Bank Limited and JS Bank Limited has filed suit B.76/2013 against the company for recovery of outstanding loan amounting to Rs. 335,105,083/- Settlement with JS Bank Ltd has been reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit.	Pending
4	Suit No. B-95 of 2013	Sindh High Court	Bank of Punjab has filed suit against the Company for recovery of outstanding loan amounting to Rs. 234,399,948/- Al-Abid Silk Mills Limited and The Bank of Punjab have resolved their dispute and a compromise decree has been passed in the instant suit. During the period / year, installment payment as per schedule has been made by the Company against the settlement of this loan.	Settled
5	Suit No. B-111 of 2013	Sindh High Court	PAIR Investment Co. Ltd. has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 171,460,949/-	Pending
6	Suit No. B-26 of 2017	Sindh High Court	National Bank of Pakistan has filed the suit against the Company for recovery of outstanding loan amounting to Rs. 948,140,145/-	Pending
7	Suit No. 1586/2013	Sindh High Court	The company has filed suit interalia for cancellation of cheques and damages against Jawad Arshad Textile.	Pending
8	Suit No. 340/2014	Sindh High Court	Javed Arshad has filed the suit against the company for recovery of Rs. 21.32 million.	Pending
9	Suit No. 1200/2014	Sindh High Court	Ranyal Textile has filed the suit against the company for recovery of Rs. 40.94 million.	Pending
10	Suit No. 1245/2015	Sindh High Court	Shaktaj Textile has filed the suit against the company for recovery of Rs. 112.64 million.	Pending
11	Suit No. 1833/2015	Sindh High Court	Maksons Textile has filed the suit against the company for recovery of Rs. 56.38 million.	Pending
12	Suit No. 358/2015	Sindh High Court	BASF has filed the suit against the company for recovery of Rs. 33.68 million.	Pending
13	Suit No. 2442/2016	Sindh High Court	ICI Pakistan has filed the suit against the company for recovery of Rs. 26.52 million.	Pending
14	H.C.A.519/2018	Sindh High Court	The company has filed an High Court Appeal against Shaktaj Textile limited, an ad-interim injunctive order of the learned Single Judge wherein the company was restrained from creating any third party interest on their properties.	Pending
15	JCM No. 34/2014	Sindh High Court	One of the supplier of the company has filed a winding up petition, on the ground that the company owes a sum of Rs. 40.94 million to Ranyal Textile. Such claim is denied by the company.	Pending
16	JCM No. 25/2015	Sindh High Court	PAIR Investment Company Limited has filed a winding up petition, on the ground that the company owes a sum of Rs. 201.925 million to Pair Investment. Such claim is denied by the company.	Pending
17	Suit No. 604/2018	Sindh High Court	ACME (supplier) has filed suit for recovery of Rs. 48,822,642/- before the High Court of Sindh at Karachi. An application for rejection of plaint has been filed in the matter on the grounds that the claim of this supplier is time barred. Besides this, issues have yet to be framed in the case therefore it is premature to comment on the outcome. The management is vigorously contesting the case.	Pending
18	JCM No. 10/2015	Sindh High Court	Achroma Textile Chemicals Pakistan (creditor) has filed a winding up petition at High Court of Sindh at Karachi. The winding up petition has been filed on the grounds that Al-Abid owes Achroma Textile Chemical Pakistan (formerly BASF Pakistan) a sum of Rs. 33,683,561/- 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.	Pending
19	JCM No. 35/2014	Sindh High Court	JS Bank Limited has filed a winding up petition at High Court of Sindh at Karachi, on the grounds that Al-Abid owes to the JS Bank Limited Rs. 370,930,155/-. Settlement with JS Bank Ltd has been reached according to Supreme Court of Pakistan Direction, the company deposited the settlement amount to Nazir Sindh High Court in the Suit.	Pending
20			During the year 2022, the Additional Commissioner of Inland Revenue, Range A, Audit-I, Corporate Tax Office, Karachi (ADCIR) passed an order dated January 27, 2022 u/s 124(5A) of the Income Tax Ordinance, 2001 for the Tax Year 2020 whereby a demand of Rs. 735,071,338 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.	Pending
21		Sindh revenue board	During the year, the dispute commissioner SRB passed an order No. 804 of 2023 on 20/11/2023 for the tax year 2021, whereby the SIVWF demand of Rs. 12,195,210 has been created and penalty of Rs. 625,440 has been imposed.	Pending
			The company has been assessed before the Commissioner SRB (Appeals-III), Karachi who has granted the stay of recovery of disputed SIVWF side order dated 13/12/2023. The appeal is pending decision till date.	


The amount mentioned on above cases 3, 5, 6, 16 & 19 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 7-15, 17, 18 & 20 cannot be predicted and the management is vigorously contesting the cases.


There are various ex-workers filed suits pending for payment of their legal dues before the Authority under the Payment of Wages Act, West Division, Karachi. The company believes that there may not be any financial implications.

AL-ABID SILK MILLS LIMITED

	Note	March 31, 2024 Rupees	Audited June 30, 2023 Rupees
12 PROPERTY, PLANT AND EQUIPMENT			
Operating Fixed Assets		2,240,875,576	2,379,755,876
Capital Work in Progress - DDFC Boiler		7,500,000	7,500,000
		<u>2,248,375,576</u>	<u>2,387,255,876</u>
12.1 Operating Fixed Assets			
Opening written down value		2,379,755,876	2,641,236,109
Additions		12,599,075	-
Deletions		(64,110,478)	(116,496,686)
Surplus arisen during the period		-	-
Depreciation		<u>(87,368,897)</u>	<u>(144,063,637)</u>
		<u>2,248,375,576</u>	<u>2,379,755,876</u>
13 OTHER RECEIVABLES			
Only drawback		92,555,028	92,555,028
Receivable from banks	13.1	26,833,537	26,833,537
Research and development support		4,325,164	4,325,164
Receivable from Warehousing services		750,350	-
Deposited with Nazir Sadr High Court against loan settlement	13.2	89,500,000	89,500,000
		<u>213,964,079</u>	<u>213,214,629</u>
13.1	This represents the amount of LUTL received by certain banks on the company's behalf in the accounts held by these banks, namely United Bank Limited, Allied Bank Limited, Faysal Bank Limited and National Bank of Pakistan and the same is receivable from the respective banks. One of the banks namely United Bank Limited has refused to pay amount despite of the fact that full and final settlement was amicably reached and clearance certificate as per the honorable Sindh High Court's consent decree was obtained. The company has filed the suit # 852/2020 against the bank for the recovery of Rs. 13,971,000/-.		
13.2	This represents settlement amount deposited with Nazir Sadr High Court Karachi for Settlement under process with JS Bank Ltd according to Supreme Court's order/direction.		
14 OTHER INCOME		March 31, 2024 Rupees	March 31, 2023 Rupees
Income from non-financial assets			
Sale of scrap		13,759,059	2,143,042
Profit on sale of Assets		-	(22,687,155)
Rental Income		2,080,000	-
Income from financial assets / liabilities			
Profit on PLS deposit account		9,537,756	2,394,042
		<u>25,376,815</u>	<u>(18,149,761)</u>
15 LOSS PER SHARE - BASIC AND DILUTED			
15.1 LOSS PER SHARE - BASIC			
Loss after taxation	Rupees	<u>(88,312,872)</u>	<u>(147,665,577)</u>
Weighted average number of shares	Number	<u>13,409,550</u>	<u>13,409,550</u>
Loss per share-Basic	Rupees	<u>(6.59)</u>	<u>(11.01)</u>
15.2 EARNINGS / (LOSS) PER SHARE - DILUTED	There is no dilution effect on the basic earning per shares of the Company (2023: Nil).		
16 RELATED PARTY TRANSACTIONS	The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out at arms length. No significant transactions were made with related parties during the period. Significant balances with related parties are as follows.		
		March 31, 2024 Rupees	June 30, 2023 Rupees
Balances			
Nature	Relationship with the company		
Loan received from Director - Azim Ahmed	Chief Executive Officer	60,105,867	-
Loan received from Director - Naseem A. Sattar	Chairman	500,912,887	500,912,887
		<u>561,018,754</u>	<u>500,912,887</u>
17 KEY MANAGEMENT PERSONNEL - REMUNERATION & BENEFITS	In view of bad financial condition of the company directors have decided not to claim their whole remuneration for the period ended March 31, 2024.		
18 FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES	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 these interim financial statements approximate 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: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.		
	- Level 2: fair value measurements are those derived from inputs other than quoted prices included within 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: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).		
	As at March 31, 2024 the Company has no financial instruments that falls into any of the above category.		
19 DATE OF AUTHORISATION FOR ISSUE	These financial statements were approved and authorized for issue in the Board of Directors' meeting held on 29-04-2024.		
20 GENERAL	Corresponding figures have been reclassified/ re-arranged wherever necessary to facilitate comparison on the presentation on the current period. However, there are no material reclassifications / re-arrangements to report.		


Chief Executive Officer


Director


Chief Financial Officer