

# Al-Abid Silk Mills Ltd.

PHONES : (92-21) 32560040  
FAX No. : (92-21) 32564718  
E-MAIL : mail@alabid.com  
URL : www.alabid.com  
A/34/A, S.I.T.E, MANGOPIR ROAD, KARACHI  
P.O. BOX: 3677 S.I.T.E., KARACHI.

Date: 16-11-2021

By TCS

Mr. Hafiz Maqsood Munshi  
Senior Manager  
Listed Companies Compliance Department – RAD  
Stock Exchange of Pakistan  
Stock Exchange Building  
Karachi

**SUBJECT: INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED JUNE 30, 2021**

Dear Sir,

We are in receipt of your letter Ref. No.PSX/ GEN-2255 dated November 12, 2021.

We understand your reference to clause 5.11.1.(b), however kindly note the company has been going through unusual circumstances. The nature of circumstances brought the company in a situation where production could not take place according to your requirement this has been explained to you in short with our letter dated 07-06-2021.

We explained to you as well as SECP, the non production period has been mainly due to fact that on settlement large number of banks, we had to dispose of our premises A-39 & A/51-B which contained large number of huge production plants which have been essential to go into production had to be shifted to our other premises i-e A-34/A & A/29-B.

Our major settlement with banks took place on 09-01-2020 and the premises had to be vacated and possession was given to the buyer.

Vacating was huge work involving dismantling of the plants and shifting to other premises and then re-erection of all this plants which was a gigantic task, entrusted to a well known engineering company of Karachi M/s. Innovative Engineering & Industrial Services on 16-01-2020.

Perhaps merely explaining you shifting and re-erection of plants does not explain the mammoth work, we therefore are taking liberty to send you some photos and give you an idea size of the plants which had to be shifted and re-erected.

*Handwritten notes:*  
HMM  
17/11/2021  
Mr. Akbar Ali  
Please circulate  
18/11

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The following, we are giving you the details of the plants which have been shifted from premises A-39 & A/51-B which were our main production units.

- Monforts Thermosal Continuous Dyeing range
- Kuster Continuous open width Dyeing range
- Rotary Reggiani printing No.1
- Rotary Reggiani printing No.2 with Sample table
- Bruckner stentering and drying range
- Babcock stentering and drying range
- Stork Engraving equipment
- Termoelettronica automatic colour kitchen
- Kleineweffers 3-Bowl Nipco – L – Clanader
- Monforts shrinking range
- Arioli Vapco 2000 steam ager
- Stork scanner plotter CSP – 3011
- Carovac metal matrix Gas infraread system
- Carovac dyevac vas series low add-on dyeing system
- Seven Trend Service Reverse osmosis plant (200,000 GPD)
- Reconnection of water supplying line
- Huge inventory of spare parts
- Rolling machines.
- Batchers approx. 150 Nos.
- Lab equipments

From the above, you will not it is practically the whole plant with a large production involving more work than installing new plant, since involves dismantling and transporting from one premises to other and re-erecting it is a bigger task than installing new factory.

Please consider as if we have been in the process of installing new factory and installing such factory can take even three years time.

Not to ignore even under these unusual circumstance we have been trying to comply with all requirements, we are responding to every notice or letter, attending hearing with SECP accordingly, we are doing the same with Stock Exchange responding to every letter not failing to pay any fee all our response are prompt on receipt.

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--03--

The handicaps also clearly shared with you and SECP, the query by your letter dated 12-11-2021, we hope our Director's reports and the mentioned above clarifies all the points as we mentioned in our previous letters, if any further information is required. We will be pleased to respond.

Director's report part of our Financial Statement June 20, 2021 which is also with you and in our letter dated 03-11-2021.

We need some understanding from all concerns as to why would be incurring huge expenses in installing the plant and trying to maintain the same with the spirit of operating the plant.

The handicaps have been explained in Director's report. We hope it will be evident from Stock Exchange record that Al-Abid Silk Mills in good times was among blue chip company with Pakistan Stock Exchange. Actually we are seeking investment by some investors, but the company on default list on Stock Exchange and not even able to travel are all handicaps. We regret to repeat that our feelings are for the share holders, for the worker's employments, country and sponsors who also have a sizeable stake in the company.

Thanking you

Bet regards



Naseem A. Sattar  
Chief Executive

Encl: Photos showing part of the plant and civil work testing.

C.C:

1. The Director (CSD) – SECP
2. The Additional Director (AD – SMD) – SECP
3. The Chief Regulatory Officer – PSX